

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, November 6th, 2008

Minutes (FINAL)

Location: Garfield County Health & Human Services Building in Rifle, Colorado

CALL TO ORDER/INTRODUCTIONS

Ms. Betsy Suerth called the meeting to order at 6:04 pm. EAB members introduced themselves. EAB members in attendance:

Suerth, Betsy
Black, Jon
Russi, Greg
Jordan, Judy
Mumma, Don
Wells, Marion
Gross, Michael
Hamilton, Theresa
Belden, Rose
Freeman, Chris
Pollard, Kristi
Long, Sher
Bankert, Wayne
Clifton, Leland
Coleman, Bob
Padilla, Daniel
Alvillar, Susan

EAB Chair – Town of Silt
EAB Vice Chair – Antero Resources
Town of New Castle
Garfield County Oil & Gas
Battlement Mesa Oil & Gas Committee
Rulison/Taughenbaugh Mesa/Morrisania Mesa
Silt Mesa/Peach Valley
Garfield School District RE-2
Garfield School District 16
Berry Petroleum
Chevron
EnCana
Laramie Energy II
Maralex Resources
Marathon Oil
OXY Oil & Gas Corporation
Williams Production

MINUTES FROM PREVIOUS MEETING

Betsy Suerth entertained a motion to approve minutes from the last meeting on Thursday, October 2nd, 2008. Sher Long moved to accept the minutes as presented and Jon Black seconded. The board then voted unanimously to approve.

UNFINISHED BUSINESS

- Mike Vanderpool from GarCo Road & Bridge gave an update on the status of CR 301. The east and west parts of CR 301 have been paved, but the middle part is not paved.
- Need to contact EAB citizen representatives directly to ask if they could be involved in helping to re-establish the area boundaries.
- Susan Alvillar read a letter sent to citizen Doug Boyles by Allen Crockett with BLM addressing concerns that Mr. Boyle had with Williams operations in the Doghead Mountain area.

NEW BUSINESS

- Betsy Suerth entertained a motion to move the January 2009 EAB meeting from January 1 to January 8, 2009. Susan Alvillar moved to change the EAB meeting date to January 8, 2009 and Wayne Bankert seconded.

EDUCATIONAL COMMITTEE

- Greg Russi asked the industry representatives to give comments to the board on what they think the public would like to hear about their operations. Daniel Padilla suggested a presentation on the many public and private uses of oil and gas. Sher Long suggested a discussion about the industry's efforts to reduce emissions, green completions and lowering green house gases. Greg Russi was in favor of this idea and Jon Black and Susan Alvillar volunteered to be involved with this discussion.

EDUCATIONAL PRESENTATION

Mary Ellen Denomy, the President of NARO Rockies, gave a presentation on the Royalty Lease Language and Spacing Units.

- Please visit the EAB website at <http://www.garfield-county.com/Index.aspx?page=768> and click on the minutes from the 11/6/08 EAB meeting to view the Power Point slides that Mary Ellen prepared.

EAB MEMBER UPDATES

Town of New Castle – Greg Russi reported that New Castle has seen a great deal of growth over the past year and the property tax initiative passed to build a new water plant.

Town of Silt – Betsy Suerth reported that the roundabout is finished and the ribbon cutting will be on November 12 at 2pm. DOLA awarded them a grant to build a water line for the new bulk water station. They are in the process of de-annexing the Stillwater property. They have initiated an energy audit with the governor's energy office.

Garfield School District RE-2 – Theresa Hamilton reported that they have been working on a \$74.9 million bond project to have wrapped up in 3 years. They have just opened two new schools, Riverside Middle School and Elk Creek Elementary. They are still working on two other projects with a comprehensive renovation at Rifle High School and a new Elementary School in Rifle up 16th Street. They get their funding by child head count and the total count has grown 7% from last year. They launched Gus the Bus, an early childhood literacy outreach vehicle.

Garfield School District 16 – Rose Belden reported that Parachute K-12 has grown 8.6% over last year. They are finishing their 2006 bond projects. The Grand Valley Family Learning Center located in the middle of Parachute will open mid January for 230 Preschool and Kindergarten kids. The new middle school will be completed in June 2009 and open in August 2009. They will also have two elementary schools next year.

Battlement Mesa Oil & Gas Committee – Don Mumma reported that they have a meeting scheduled with Laramie II next week to discuss a few issues and answer neighbor questions. The new school is a real gem and an asset to Battlement Mesa. The new fire station is well under way. Grace Homes is in Phase III of development for the new single and multi family homes.

Rulison/Taughenbaugh Mesa/Morrisania Mesa - Marion Wells reported that odors continue to be a problem. GarCo and Williams are considering putting up air monitoring equipment in Rulison area. They have the same usual problems of truck speeding, traffic, violations and trash and now trucks are dropping big clogs of dirt off trucks coming off pads.

Antero Resources – Jon Black reported that they have 4 rigs operating and will be down to 3 rigs with the Castle Springs winter stipulations. Rig at Gentry C will undergo a 2 week upgrade. Rig at Minneota Estates will mobilize to the Gypsum Ranch B pad. For their fracing operations, 4 wells at McPherson pad and 4 wells at Colorado pad will be fracing during month of November. They are continuing with the water lines and closed loop water strategy. They carried out the dust abatement plan with mag chloride on roads.

Berry Petroleum Company – Chris Freeman reported that they are operating in the upper Parachute Canyon Plateau and have 100 wells. They are scaling back to 1 rig for the winter and will re-evaluate operations in Spring 2009.

Chevron – Kristi Pollard reported that they have had no injuries since last EAB meeting. They are constructing a central processing facility. They provided the BOCC with a letter of credit for the CR 204 project and will not seek any severance tax credit for the project.

Encana – Sher Long reported they have 6 rigs in the North Piceance with 200 million cubic feet production and 5 rigs in the South Piceance with 265 million cubic feet of production. They won't know their 2009 drilling plans until the end of December. The pipeline work on Dry Hollow loop should be finished early December. They met with Laramie and Williams to discuss the impact of overlapping usage on the county roads in the Battlement Mesa area and will provide Don Mumma with that information. They received traffic pattern data for CR 308 to work on getting targeted patrol in the area.

Laramie Energy II – Wayne Bankert reported that they have 3 rigs operating. One rig will move out of Battlement Mesa area by November 17 or 24.

Maralex Resources – Leland Clifton had nothing new to report.

Marathon Oil – Bob Coleman reported that they have 4 rigs on the Mesa in North Parachute and will continue through 2009. They have 16 wells on production. They are working on drug and alcohol safety issues and last week had five dog teams doing searches and for the most part was very clean.

OXY— Daniel Padilla reported that they have 2 rigs drilling north of DeBeque. They are working on due diligence with the PXP acquisition and hope to finalize the deal the end of December.

Williams Production— Susan Alvillar reported that they have 23 rigs operating in GarCo and 3 rigs in Rio Blanco County. They have 2,662 wells on production, they spud 50 wells in October and had 61 permits approved and 40 pending. They are moving some rigs down to the valley for winter. There are two school bus stops by one of their pads. One is located on the Highway 6 frontage road about ¾ mile outside of DeBeque and the other at 1 mile. They will be starting fracing operations at the pad and have told the truck drivers not to drive between 6:30-7:30am and 3:30-4:30pm. They are working with Jake Mall at GarCo R&B to put up school bus stop signs at these two locations. CDPHE is working with Jim Rada at GarCo Environmental Health to put up an air quality monitoring system in Rulison.

Garfield County Oil & Gas Department – Wendy Swan reported on the 22 complaints received for October. Judy Jordan reported that the GarCo Manager looked at statistics for injuries from Oil & Gas operations at local hospitals and would like to address the issue. Judy attended the Oil Shale Symposium at the Colorado School of Mines. Judy received two invitations to participate in CDP's and gave thanks for the invites.

PUBLIC COMMENTS

- Michael Churchill, a Rifle citizen commented on the fake newspaper that was mailed to GarCo residents right before the County Commissioner elections. He was upset about the lies printed against one of the Democratic candidates and asked board members if they knew of any information about the distribution of this fake article.
- Shaun Kellerby, a COGCC Environmental Field Inspector introduced himself to the board as one of the local COGCC representatives and he lives in Battlement Mesa.

ADJOURN

Betsy Suerth adjourned at 8:26pm.

MOTIONS PASSED AT THIS MEETING

- Move January 2009 EAB meeting to January 8, 2009.

Prepared by Wendy Swan, Garfield County Oil and Gas Administrative Assistant

Approved by the Energy Advisory Board on

Date

Mike Braaten, Secretary of the Board