

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, December 6th, 2007

Minutes (DRAFT)

GarCo Health & Human Services Building, Rifle, Colorado

CALL TO ORDER/INTRODUCTIONS

Mr. Alan Lambert called the meeting to order at 6:04 pm.

EAB members introduced themselves. Below you will find the names of the EAB members in attendance:

Jordan, Judy	Garfield County Oil & Gas
Swan, Wendy	Garfield County Oil & Gas.
Lambert, Alan	City of Rifle
Satterfield, Juanita	Town of Parachute
Suerth, Betsy	Town of Silt
Brynildson, Eric	Mamm Creek/Hunter Mesa
Wells, Marion	Morrisania Mesa/Rulison
Gross, Michael	Silt Mesa/Peach Valley
Belden, Rose	Garfield School District No. 16
Mumma, Don	Battlement Mesa Oil & Gas Committee
Robinson, Sam	Grand Valley Citizens' Alliance
Black, Jon	Antero Resources
Freeman, Chris	Berry Petroleum
DeBerry, Michael	Chevron
Wagner, Derek	ConocoPhillips
Long, Sher	EnCana
Bankert, Wayne	Laramie Energy II
Clifton, Leland	Maralex Resources
Coleman, Bob	Marathon Oil
Clark, Chris	Plains Exploration & Production (PXP)
Alvillar, Susan	Williams Production

MINUTES FROM PREVIOUS MEETING

Alan Lambert entertained a motion to approve minutes from the last meeting on Thursday, November 1st, 2007. Sam Robinson made the first motion and Michael DeBerry gave a second motion to approve.

COMMITTEE REPORTS

- **Educational Resources Committee:** Jim Rada reported that they just had the two educational seminars on air quality which produced good attendance, discussion and ideas. The power point presentations for both seminars are available on the Garfield County website at www.garfield-county.com under Public Health – Environmental Health – Current Projects. The committee has not had any recent meetings, but expects to pick that up early next year.
- **Air Quality/Odor Mitigation Committee:** Jim Rada stated that this committee has not had much to report since the departure of Orlyn Bell who moved to Fort Collins. Jim would like the board to consider the viability of this committee.

PUBLIC COMMENTS

- Laurie Wagner, the Administrator for Summit Pre-school and child care in Rifle spoke to the Board about a new child care center they are trying to build. Summit pre-school has been operating for 5 years out of a church in Rifle. The church lease is up in October 2008. The new child care center will be 23,000 square feet and hold 300 children. She has been in contact with several operators currently drilling in Garfield County to seek help with

funding. The project is a USDA rural development and the funding will come from USDA and community help. Her pre-school is a 501(c)(3) non-profit and she needs all help she can get. Laurie can be contacted at 625-2860.

- Alan Lambert introduced Representative Kathleen Curry sitting in the audience and thanked her for coming to this meeting. Representative Curry was at the Club 20 meeting in Grand Junction earlier this day discussing severance tax issues and wanted to come listen to a Garfield County Energy Advisory Board meeting.

UNFINISHED BUSINESS

- Nothing to report

NEW BUSINESS

- **USGS water database** – Susan Alvillar began the discussion by stating that Williams became aware that COGCC and other resources have great water data, but that data is scattered and not easily researchable. Kirby Wynn with USGS is proposing to put together a web-accessible common water data repository. USGS has done this project in other areas of the State with very good results. This project still requires some additional funding. A DOLA grant application will be submitted and some energy companies (Williams, Encana and others) have partnered together to donate funds. Judy Jordan stated that the funding is a collaborative effort and that Garfield County, some Municipalities and COGCC are also involved. It will be very useful to have this data on-line where people will be able to get a good picture of what our hydrogeologic conditions look like county wide. Sher Long agreed that it is very important to have a water baseline and this opportunity with USGS is crucial.
- **“Community Counts” program** – Shawn Helm gave a presentation on the Community Counts program that they have been working on for several months with several operators. The key operators involved in this program at this time are Encana, Williams, Laramie Energy II and Petro Hunter.
 - This is a cooperative program focused on being a good neighbor in the communities in which they operate. They want to conduct business in a way that provides social and economic benefits to the community while striving to minimize industry impacts such as traffic, dust, noise and garbage issues. This program focuses on these impacts as well as on encouraging those representing the industry, field employees and contractors, to get to know their neighbors and to effectively communicate with members of the community. It represents a partnership amongst operators, contractors and the community at large.
 - For more information on this program please contact Shawn.Helm@encana.com

EDUCATIONAL PRESENTATIONS

Kirby Wynn with USGS gave a presentation on the water database proposal.

- The USGS proposal is titled “Common Data Repository and Water Resource Assessment for the Southern Piceance Basin, Western Colorado.”
- The objectives are to develop a web-accessible common data repository that provides energy operators, researchers, consultants, agencies and interested stakeholders equal access to the latest information. Evaluate existing water-resources data for uniformity. Perform and publish a baseline assessment of available water-resources data. Recommend regional monitoring strategies to more economically fill identified data gaps by reducing duplication of effort while still meeting regulatory requirements.
- For more information on this proposal or presentation, please contact Kirby Wynn at khwynn@usgs.gov

Pete Mertes, the Glenwood Springs Resident Engineer for CDOT gave a presentation on the Highway 13 – Rio Blanco Hill repair that is scheduled for June 2008.

- The repair will be on Highway 13, 15 ½ miles North of Rifle and 3 miles South of CR 5 in Rio Blanco.
- There is slope movement on both the east and west embankment. The embankment failures have caused severe pavement cracking, there are failed sections of the guardrail and there has been continued maintenance to keep roadway surface in a safe and passable condition. The lanes are narrow due to loss of guardrails and there was recent pavement cracking in March 2007.
- The schedule for this repair is as follows: Final plans and specs – December 2007; Advertise project – January 10, 2008; Open bids – January 31, 2008; Notice to proceed – March 1, 2008.

- The project is due to start early June 2008. There will be an alternating one lane road with a light during construction and the project will take approximately 60-75 calendar days to complete.

EAB MEMBER UPDATES

MUNICIPALITIES:

City of Rifle – Alan Lambert reported that they will start breaking ground on the \$23 million waste water project, due to be completed in 2009. At their recent city engineer workshop meeting they discussed the need to start planning in 2010 for the \$30 million water treatment plant project. They have sent a draft proposal to the BOCC's about mitigating impacts on the gravel pits which affect many communities along the Colorado River. That draft proposal should be available on the Garfield County website.

Town of Parachute – Juanita Satterfield reported that they have been reviewing the design for the expansion on Town Hall and they are starting construction on the Administration side in early March 2008. They have received a DOLA grant and supplemental donations for this \$1.9 million project to be completed by April 15.

Town of Silt – Betsy Suerth reported that they just handed in their ad set to CDOT for the Silt roundabout and they are very happy about that. It should go to bid by December 18th and hopefully have a notice to proceed in March. It is a \$2 million project funded by DOLA and CDOT grants. The roundabout is a cooperative effort with the Town of Silt and CDOT and will be off the I-70 Silt exit at the intersection of 9th Street and Highway 6 & 24.

CITIZENS:

Mamm Creek/Hunter Mesa – Eric Brynildson, sitting in for Scott Brynildson, reported that the trash and traffic on Mamm Creek is hard to handle and he is excited about the Community Counts program that Encana presented.

Morrisania Mesa/Rulison – Marion Wells, sitting in for Mike Mosby, reported that the Rulison area has 8 rigs drilling right now with the lights on all night and the trash, traffic and noise is increasing and disrupting the community. Expect to hear more from Rulison in the near future.

Silt Mesa/Peach Valley – Michael Gross reported that so far they have been spared most of the drilling impacts.

SCHOOL DISTRICTS:

Garfield School District No. 16 – Rose Beldon reported that Parachute has seen an 11.8% growth this year with 127 new kids. Most are at the elementary and high school. The elementary school was built to hold 450 kids and it now has 580. They have received a \$35 million bond to build a new middle school and are in the process of trying to get a good bid.

LOCAL ORGANIZATIONS:

Battlement Mesa Oil & Gas Committee – Don Mumma reported that they only have one minor issue with Encana right now and they are working with Encana on the problem.

Grand Valley Citizens' Alliance – Sam Robinson said he had nothing new to report.

OPERATORS:

Antero Resources – Jon Black reported they have 4 rigs operating North and South of I-70 and they may bring a 5th rig in mid 2008. They have commissioned the Bryndilson evaporation pond for new technology to recycle and refine the processed water by mid December. They are working on the community issues regarding truck traffic, dust and noise. Jon just came on board from Australia where he did work in the Sydney basin which is very sensitive and has high standards for environmental, safety and community relations performance. Antero has seen programs that Jon developed for his previous company and want to see these programs implemented in their local operations here.

Berry Petroleum – Chris Freeman reported they have 4 rigs in the upper Parachute Canyon on the plateau. They will operate through the winter and into the spring. They will re-evaluate in spring whether to add another rig or two.

Chevron – Michael DeBerry reported that they will continue to have 2 rigs running in North De Beque through early 2009 and a 3rd conventional rig next summer. They have numerous construction projects in progress including the clear creek pipeline facilities. The export pipeline has experienced a delay and should be ready by next spring. They are holding the stakeholder engagement meetings next week to discuss the environmental and social impacts. They sent out approximately 700 invitation letters for this meeting. The oil shale project southwest of Meeker has the coring operations in progress and the technology development demonstration on the BLM oil shale lease.

ConocoPhillips – Derek Wagner reported that they have made significant progress on their temporary living quarters in Rio Blanco County, just north of the Garfield County line. It should be completed by the beginning of 2008.

EnCana- Sher Long reported that they are holding a community meeting at the Battlement Mesa community center on December 13th from 4-6pm. They have 15 drilling rigs currently operating, 7 in South Piceance with 5 of those workover rigs and 8 in North Piceance with 2 having coil tubing drill out units. The current production is 415 MMcf/d. In South Piceance the first Nabors Pace rig was commissioned in August, the second Pace rig in September and the third Pace rig arrived in the latter part of October. All three rigs are currently drilling. Xtreme 7 was commissioned in late September and is drilling. In North Piceance all drilling presently on NPR and one Nabors Pace rig arrived in late November and is currently drilling. With the start of the Enterprise plant in October, all gas is being delivered into the 36" Piceance Creek Pipeline to Enterprise for processing. Logan Wash amine facility was shut down with the start of the Enterprise plant. Processing for NGL's at the Rifle Plant will cease in January 2008. This will eliminate approximately 15-18 NGL trucks per day coming out of the plant. The Rifle Plant safety valve that released was replaced with a newer style valve. The old valve went off at a lower pressure than it was set for.

Laramie Energy II – Wayne Bankert reported that they have 1 rig in Helmer Gulch and will pick up a second rig sometime in February or March.

Maralex Resources – Leland Clifton said he has nothing new to report.

Marathon Oil— Bob Coleman reported that they have 2 rigs on the plateau near Parachute Creek and will continue through the winter. They continue to work on many infrastructure projects like their water distribution handling system. They plan to add another 2 rigs in spring 2008.

Plains Exploration & Production (PXP) – Chris Clark reported that they do not have any rigs operation in Garfield County right now and will continue to have none until next spring. They plan to have 2 to 3 rigs back in the Hells Gulch area next spring.

Williams Production— Susan Alvillar reported that they have 25 rigs operating and 5 of those are near the Rulison area. They are trying to stay on top of their contractors and they just had another call about jake braking in the middle of the night. Their phone is ringing more frequently and they take all complaints seriously. They have 2 rigs at Altitude and 1 at Trail Ridge (south of Rio Blanco county line). Trail Ridge has a mancamp that is not occupied right now, but they are hoping to get the permit by mid-December and have it occupied for the winter. Another winter mancamp they have planned is on Allen Point when the permit comes through. They are expanding the Parachute 3 ½ gas plants and when finished by the first quarter of next year they will produce up to 900MM cf/d. Their current production is around 725 MM cf/d. The Cryogenic plant in Rio Blanco is still in the permitting phases. They are retro-fitting an old 8" union oil line up to the Greasewood hub to go to the Enterprise plant. When finished all NGL's will flow from the Parachute Plant to the Enterprise Plant and take 26 trucks off the roads.

GARFIELD COUNTY OIL & GAS DEPARTMENT:

- Wendy Swan reported on complaints for the month of November: 10 total complaints; 8 odor, 1 environmental and 1 on dumping of produced water.
- Judy Jordan gave an update on the Garfield County hydrogeologic study in the Divide Creek seep area. They have completed all of the ground water sampling and are in the process of collecting the produced water and gas samples. Judy thanked Encana and Bill Barrett Corporation for their cooperation in the collection of those samples. They hope to finish the data collection by the end of this year and have the study completed by early next year.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

- A presentation on the regulations for mancamps is under consideration by Garfield County BOCC in February 2008.
- Marion Wells hoped the EAB board can report on the COGCC new regulations proposal.
- An educational forum on frac fluids and produced water.
- Alan Lambert suggested the EAB Board write a letter of appreciation to Jesse Smith for the years he has been on the EAB Board. Jesse is due to retire the end of December 2007. Sam Robinson made a motion, Sher Long seconded the motion and the Board approved.

PUBLIC COMMENTS/ISSUES

- Representative Kathleen Curry stated that she was involved with a water assessment database that the USGS put together for the Gunnison River and they did a great job. They needed baseline data because of all the development in the Gunnison area. The database is still on-going and has been a great program. She is excited to see this program coming to this area and would be happy to help with anything she can do to keep the State engaged.
- Alan Lambert asked Representative Curry if she would be willing to give updates on legislative issues to the EAB. She said she would be happy to e-mail updates to Judy Jordan to share with the EAB or possibly give the updates over a conference call. January 9th will start the new bill introductions.

ADJOURN

Alan Lambert gave a motion to adjourn at 8:35pm.

Submitted by:

Wendy Swan, Garfield County Oil & Gas

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