

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING
Thursday, December 2, 2010
Minutes (Final)
Location: Grand Valley Fire Station Battlement Mesa, Colorado

CALL TO ORDER/INTRODUCTIONS

Jeff Simonson called the meeting to order at: 6:05 pm.

EAB members introduced themselves. EAB members in attendance:

Art Riddle (AR)	Town of New Castle
Bob Arrington (BA)	Battlement Mesa/Battlement Creek
Heather Hoffmeister (HH)	Rulison/Holmes Mesa/Morrisania Mesa
Jon Black (JB)	Antero Resources
Juanita Williams	Town of Parachute
Daniel Padilla (DP)	Oxy USA Inc
Scott Brynildson (SB)	Mamm Creek/Hunter Mesa
Jeff Simonson (JS)	EAB Chair – Divide Creek
Judy Jordan (JJ)	Garfield County
Michael Gross (MG)	Peach Valley/Silt Mesa/Silt
Don Mumma (DM)	Battlement Mesa Oil & Gas Committee
Joyce Wizer (JW)	Grand Valley Citizens Alliance (GVCA)
Kelly Lyon (KL)	Town of Silt
Artie Rothman (AHR)	Town of Carbondale
Mike Suek (MS)	Marathon Oil

JS thanked Grand Valley Fire District for the use of the facility.

MINUTES FROM PREVIOUS MEETING

The Board reviewed the minutes from November 4th meeting. JS entertained a motion to approve the minutes from the last meeting. KL moved to accept the minutes after minor administrative correction. SB seconded. The board then voted unanimously to approve. Jon Black did not approve of statements made in the last meeting minutes, but agreed to raise his disagreements under "New Business."

PUBLIC COMMENTS

None

UNFINISHED BUSINESS

None

NEW BUSINESS

JS brought up nominations of the same EAB officers for 2011 term. JJ clarified the discussion in the last EAB meeting that the EAB members would nominate the same Chair, Vice Chair and Secretary. MG moved to nominate the existing EAB board members and present to the BOCC

for approval. SB seconded this motion. The vote was unanimous. Motion passed. Therefore, in January, the slate of candidates for the members to vote on will be:

Chair-Jeff Simonson
Vice Chair – Mike Braaten
Secretary – Cary Baird

Jon Black wanted to clarify statements made in the last meeting under Battlement Mesa that described COGCC's tour of Battlement Mesa. The minutes properly reflected Bob Arrington's statement, but Jon disagreed with Bob. Jon said that Carol Harmon, with COGCC, extended an invitation to Garfield County (BOCC) to tour Battlement Mesa, but due to the timing/other obligations no Garfield County representative was present. Then the invitation was given to the public including the Battlement Mesa Concerned Citizens (BCC). The meeting was originally intended for the COGCC to ask and inquire about Antero's forthcoming plans in regards to the applications to drill inside the Battlement Mesa PUD. Due to the weather the meeting was held at the recreation center. A guided site tour was given including an active location and locations for future development. JB objects to the point in the last meeting minutes where Leslie Robinson stated that the citizens were disappointed because they felt that there wasn't anyone to hold Antero accountable. JB is questioning holding Antero accountable to what? JB also objects to BA stating, according to BCC members there, that Antero couldn't/wouldn't answer or respond to questions the BCC were asking and that BCC is still waiting for questions to be answered. JB stated that this statement "was just untrue." The meeting was engaged for the COGCC so that they could understand and become more familiar with Antero's plans. The public was invited as a courtesy.

BA said that he did not attend the meeting in question. He is basing his information off a report that he received from the BCC member who was not present at EAB. He did not want to change his account of the meeting and tour within the minutes.

EDUCATIONAL PRESENTATION

Dave Andrews with COGCC – Well Control and Blow-out Prevention.

(For a copy of the Powerpoint slides, please visit the EAB website at <http://www.garfield-county.com> and click in the Oil & Gas page. Go to the EAB minutes and presentation table and double-click on link.)

EAB MEMBER UPDATES

Town of Silt – Kelly Lyons (KL)

KL sits on the board of the Silt Water Conservancy District and is currently pursuing a grant to put in a potable water system and a hydroelectric at Harvey Gap. Silt Mesa has a lot of wells that are dry or contain sulfur so that you can't drink the water. KL has been in the process of exploring water options for several years and now is time to act. SWCD will go before the BOCC Monday morning.

Town of New Castle – Art Riddle (AR)
The New McDonalds in New Castle is open.

Battlement Mesa Oil & Gas Committee – Don Mumma
No update.

Grand Valley Citizens Alliance (GVCA) – Joyce Wizer (JW)

JW is waiting for results of the HIA. JW confirmed presentation in February with JJ on presentation calendar.

Mamm Creek/Hunter Mesa – Scott Brynildson

No update.

Rulison/Holmes Mesa/Morrisania Mesa – Heather Hoffmeister (HH)

HH has a pad on her personal property. HH states that she is “pro” drilling for the economy and wanting to develop our own resources. HH is seeing a lot of “hysteria” about the oil and gas drilling being done in Garfield County. She wants to know if reporters attend the EAB meetings to become informed. SB indicated when the EAB meetings were first formed there was a lot of “hysteria” and “hot topics” surrounding oil and gas. The EAB meetings are trying to create a balance for residents and oil and gas companies. SB states that his experience with the oil companies has been they have always been good to follow-up on problems with their company (cows being run over, fences being hit and etc.). HH would like reporters to attend the EAB meetings and report on what the EAB is doing in the community.

Battlement Mesa – Bob Arrington

BA questioned the status of the three new well permits for Battlement Mesa. JJ stated that there are three new pads that Antero has applied for with COGCC. Ron Galterio had called JJ about these permits. JJ wanted to clarify that she does not initiate actions. The permits from the COGCC are reviewed by DB (Garfield County) and brought to JJ’s attention if they are in a sensitive area. If they are, JJ then takes them before the BOCC. These permits for these three pads were not flagged because they were outside the PUD boundary. RG brought them to JJ’s attention because they were so close to the PUD boundary. The BOCC met on Tuesday regarding the three permits. When RG alerted JJ to these permits it was past the review date. JJ requested an extension. The extension was granted to November 27. Although permits have not been issued there is a 10 day window that JJ does not want to miss over the holiday. JJ will take the matter before the BOCC on December 6 and get direction from them on whether they want to request a hearing before the COGCC. JJ takes direction from the BOCC.

BA asked JB if he had anything to add. JB said he had not seen the permits yet.

Peach Valley/Silt Mesa/Silt – Citizen Representative Michael Gross

Drilling has come to Peach Valley and Silt Mesa “bouncing with the punches.” You can read about it in the paper every day. MG asked JJ if the request for the 10-acre spacing is before the COGCC. JJ responded that the BOCC has instructed the County Attorney’s office to intervene in the spacing application from Antero for Section 31 on Silt Mesa. MG said he gets a lot of different reactions from people. People are concerned about the ground water quality, air quality, and visual impacts. Then there are the mineral owners “hoping to see their checks.”

Divide Creek – Jeff Simonson, (EAB Chair)

No Report.

Town of Carbondale – Artie Rothman (AHR)

No Report.

INDUSTRY DRILL RIG COUNTS

Working Rigs *										
Antero	BBC	Chevron	Encana	Exxon	Laramie	Noble	PDC	OXY	Williams	Marathon
*1	2	3	8	4	**DNR	**DNR	**DNR	3	12	1

*One drill rig + two (2) work over rigs. ** DNR – Did not report

Marathon Oil - Mike Suek (MS)

MS states that they are completing 2010 with 39/39 wells. In 2011 operations look quite slow. 40 wells have been drilled but will not be completed due to natural gas prices. Marathon will operate and produce current wells they already have thru 2011.

Antero Resources – Jon Black

Antero has concluded their 2010 drilling program as of November 3. Twenty-eight (28) wells drilled in a 9 month period this year. As a notification Antero will be fracking the Diemoz A pad starting December 6th or 8th. Notifications have been sent out to nearby residents which may be impacted by operations. For 2011 Antero is still going through their budget. The plan is to proceed with one rig, potentially two depending on market conditions. Antero submitted a formal response to the HIA draft. JB is looking forward to the collaborative efforts and the final review of the study. Antero is submitting a plan that will undergo a major land use impact review in regards to Battlement Mesa. JB states that Antero continues to support the community; they have donated a hazmat trailer to The Town of Silt.

Bob Arrington asked when the Major Land Use Impact review would be complete. JB stated it would come from the Denver office. MG asked JB if Antero has planned to meet with the communities affected by drilling operations in the future. JB stated Antero will be meeting mid-January and then will meet with Silt residents and Battlement Mesa residents. JB stated that meetings will be publicized in the Post Independent and the Citizen Telegram. Bob Arrington stated that a lot of the Battlement Mesa residents only receive the Grand Junction Sentinel.

Oxy USA Inc. - Daniel Padilla (DP)

DP said they were planning on three drill rigs running north of DeBeque, Colorado. There are two drill rigs operating in the Cascade Creek area through the winter.

Garfield County Oil & Gas – Judy Jordan (JJ)

Denice Brown (DB) reported NW Oil & Gas Forum rig counts. No update beyond what was stated above. MG expressed interest in a presentation on “best management practices.” JB stated that “best management practices” change with technology. JS thought another presentation that could be added was the how spacing orders work. He thought we could double up on presentations and have two per meeting. KL asked what the prices were today. JB stated \$4.33 mf/d and that it is a tight market. DP agreed.

PUBLIC COMMENTS

Dave Devaney wanted to discuss at the EAB meeting JJ 3rd quarter report to the commissioners regarding the significant increase in odor complaints. DD thought these additional complaints were the direct result of the Watson Ranch Pad. If Antero was using the “best management practices” it did not protect Battlement Mesa citizens. JJ thought she could have CU present “best management practices” in the future. JJ clarified that her 3rd quarter report was already presented to the BOCC. The odor concerns came in clustered in a 24 hour

period. JJ called JB and he took immediate actions to try and curb the emissions. A couple of complaints came in afterward but significantly lower after that particular incident. JB stated if there is a genuine problem he will have a genuine solution. JB stated that Antero is developing new technologies to prevent flowback emissions in the future.

ADJOURN

- JS adjourned the meeting at 8:28 pm.

MOTIONS PASSED AT THIS MEETING

- Motion to have the same Chair, Vice Chair and Secretary for 2011

Prepared by Denice Brown, Garfield County Oil and Gas administrative assistant

Approved by the Energy Advisory Board on

Date: 1-6-11

Cary Baird, Secretary of the Board