

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, February 5th, 2009

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 6:05 pm. EAB members introduced themselves. EAB members in attendance:

Suerth, Betsy
Black, Jon
Braaten, Mike
Jordan, Judy
Russi, Greg
McClung, Roy
Robinson, Leslie
Hamilton, Theresa
Wells, Marion
Donato, Scot
DeBerry, Michael
Long, Sher
Bankert, Wayne
Clifton, Leland
Groffy, Bill
Padilla, Daniel
Alvillar, Susan

EAB Chair – Town of Silt
EAB Vice Chair – Antero Resources
EAB Secretary – City of Rifle
Garfield County
Town of New Castle
Town of Parachute
Grand Valley Citizens Alliance (GVCA)
Garfield School District RE-2
Rulison/Taughenbaugh Mesa/Morrisania Mesa
Bill Barrett Corporation
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 12/4/08 and 1/8/09 meetings. Marion Wells moved to accept both sets of minutes as presented and Greg Russi seconded. The board then voted unanimously to approve.

PUBLIC COMMENTS

- Kathy Friesen with Encana announced that the 7th Annual Encana Energy Expo will be on May 6, 2009 in Rifle at the Garfield County Fairgrounds.

UNFINISHED BUSINESS

- Kurt Conrad, the Garfield County Patrol Commander, gave an update on the traffic after hours overtime program. The program started with funding from energy operators to get extra patrolling in areas affected by oil and gas operations and for traffic safety. The program has expanded to now involve the Parachute PD, the DeBeque Marshall, Silt and the CO State Patrol. They plan to have statistical numbers to report at a future EAB meeting. Please call the Garfield County Dispatch at 625-8095 to report problem areas.
- Jim Rada, the Garfield County Environmental Health Manager reported that about two weeks ago they set up air monitoring equipment at the Potter residence in Rulison. They will sample every 6 days for about 90 different compounds and meteorological data. Jim thanked Marion for helping locate the site.
- Comments were offered regarding draft EAB citizen representative map that was e-mailed to EAB members on 1/12/09. Greg Russi made a motion to table the citizen area discussion and turn it back to the committee to determine the discreet areas within Garfield County that have oil and gas development and are not represented on the EAB, and when recommendations are made to the EAB, the board to take further action.

The staff is to determine which citizen representative areas are listed as members but have not had active representation and attempt to recruit replacements. Scot Donato seconded the motion. Judy Jordan explained that Grass Mesa is included in the Mamm Creek Mamm Creek/Hunter Mesa area. The motion passed.

- Susan Alvillar updated the board on the issue of trucks chaining up and driving on dry county roads. An email from GarCo Road & Bridge was forwarded to sub-contractors, Community Counts and everyone at the industry's Operators Group.

EDUCATIONAL PRESENTATION

Brian Day, the Team Lead US Gas Marketing & Transportation for Encana, gave a Gas Marketing Overview presentation.

- Please visit the EAB website at <http://www.garfield-county.com/Index.aspx?page=768> and click on the minutes from the 2/5/09 EAB meeting to view the presentation.

EAB MEMBER UPDATES

Town of Silt – Betsy Suerth reported that they have tightened their budget for 2009 and are taking the opportunity to update the comprehensive plan. They will hold a public input meeting the evening of Tuesday, February 10. They are initiating an access control plan for CO Highway 6 which runs through Silt. They had recent notification from BLM regarding a master plan for Oil & Gas development in the Kokopelli/Jolley Mesa area and the Town will be sending comments back to BLM in February.

City of Rifle – Mike Braaten reported that their sales tax numbers came in OK, but they are still being cautious and anticipate slow downs. Three hotels and a new library are under construction, and the hospital is being expanded.

Town of Parachute – Roy McClung reported that they are moving forward with some projects, have seen some transient work force exiting the valley and attendance in the local hotels and restaurants is down. Lower sales tax have caused them to postpone some capital projects, but have commitments from CDOT and Garfield County to finish the signalization project.

Garfield School District RE-2 – Theresa Hamilton reported that the school district has been conservative with their budget and feel adequate going into next year. They are completing two construction projects on the new Graham Mesa Elementary School and the major renovation to the Rifle High School. They will budget for around a 3% growth for next year instead of the previous 7% growth. Their Director of Facilities asked if anyone could donate a 20 kilo volt generator.

Grand Valley Citizens Alliance – Leslie Robinson reported that she is a new member of the GVCA and looks forward to working on the EAB as their new representative. They plan to testify before legislation in support of the new COGCC rules.

Rulison/Taughenbaugh Mesa/Morrisania Mesa - Marion Wells reported that they have the usual jake brake noise, speeding, out of state plates, non-haul route violations, driving on dry county roads with chains on, putting chains on and off in middle of CR 320, mud on roads and strong odor problems. She was concerned that there was no opportunity for the public to comment on the six station compressor station coming in to Holmes Mesa. There was a recent article in the GJ Sentinel about 3 NOAV's issued to Noble at their Rulison drilling sites and these are of great concern to the citizens. A discussion followed Marion's update on how to try and record and provide answers or solutions for the issues and questions presented in the update.

Antero Resources – Jon Black reported that they are holding their annual meeting with Rifle, Silt and New Castle to discuss their future plans with the citizens. They are going ahead with planning and facility infrastructure and are postponing drilling for 2009. They are mobilizing 1 rig to Pennsylvania the second week of February and 1 rig will stay. Regarding the discharges last November from the McPherson A-3 well pad, soil and water samples have been collected within a ½ mile of the incident site and results have all been below the COGCC standards. Antero will have a follow up meeting with CDPHE and the local emergency services in February.

Bill Barrett Corporation – Scot Donato reported that they plan to continue to operate 2 rigs for the foreseeable future. They have scheduled to drill 74 wells in 2009 in South Silt.

Chevron – Michael DeBerry reported that they had an injury event a couple weeks ago involving a worker in a forklift accident. The worker sustained injuries to both feet but does have a prognosis for a full recovery. They released their capital budget for 2009 and it was recently printed in the GJ Sentinel. The activity level and funding for the Piceance project is flat as it was for 2008. Their spending will not be as focused on drilling but more on facilities and infrastructures and they will only operate 1 rig instead of 2. Garfield County is continuing with the county road 204 upgrade project. They have hired a new Community Relations Representative, Cary Baird to replace Kristi Pollard.

Encana – Sher Long reported that they plan to average 5 rigs for 2009. They will maintain their drilling program on Grass Mesa where they have an agreement with Grass Mesa and BLM for year round drilling and they plan to finish that project the latter part of December 2010. They moved their new natural gas rig out of Dry Hollow 6500 road area on CR 331 to CR 311 in Divide Creek. They don't think a rig will come back to the Dry Hollow area for the rest of 2009. They will start fracing wells that they finished drilling on 6500 road starting April 1 and will keep the citizens updated. They will be doing some reclamation in 2009. They met with a CMC representative who is putting together information on job training and career change programs for laid off workers.

Laramie II – Wayne Bankert reported that they have 2 rigs running and will probably lay one down and keep 1 rig drilling for remainder of 2009.

Maralex Resources – Leland Clifton had no new activity to report.

Marathon Oil – Bill Groffy reported that they have 21 wells producing and 51 wells in inventory that need to be completed and are currently running 1 rig.

OXY – Daniel Padilla reported that they have no rigs running in Garfield County or Mesa County right now. They drilled 207 wells in GarCo and are producing 157 of those wells. They plan to move forward on their long term development projects such as infrastructure, compression and pipelines to be ready when price rebounds.

Williams Production – Susan Alvillar reported that they asked a landowner near a frac job to keep a log to record exact time and date when odors are experienced and have diagnosed and addressed the problem. The Grand Junction Chamber declared Williams the business of the year. Williams has 3,000 active wells, a 1.2 billion cubic foot processing facility, a \$350 million processing facility in Rio Blanco County that will be activated in July, and a \$50 million pipeline expansion project. The drilling plan for 2009 is under review and will be reported in March.

SUGGESTIONS FOR FUTURE AGENDA ITEMS – None given

PUBLIC COMMENTS

- Theresa Hamilton, the Chair for the Rifle Relay for Life, was recognized as one of the top fund raisers in the nation. She handed out copies of the national award to Williams, Encana, Antero and Conoco Phillips in appreciation of their support and donations.
- Roy McClung gave an update on the child care facility in Parachute that he and his wife came to EAB last year asking for financial help and reported they were able to get the facility up and running in 30 days and opened the first of June 2008. They have 7 full-time staff members and 35-60 kids on any given day. He gave thanks to Williams, Encana, Chevron and Garfield County.

ADJOURN

Betsy Suerth adjourned at 9:07 pm.

MOTIONS PASSED AT THIS MEETING

- Greg Russi made a motion to table the citizen area discussion and turn it back to the committee to determine the discreet areas within Garfield County that have oil and gas development and are not represented on the EAB, including Grass Mesa, and when recommendations are made to the EAB the board to take further action. The staff is to determine which citizen representative areas are listed as members but have not had active representation and staff attempts to recruit members for those regions to provide representation.

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