

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, February 7<sup>th</sup>, 2008

Minutes (DRAFT)

GarCo Health & Human Services Building, Rifle, Colorado

**CALL TO ORDER/INTRODUCTIONS**

Mr. Alan Lambert called the meeting to order at 6:01 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
Mumma, Don	Battlement Mesa Oil & Gas Committee
Robinson, Sam	Grand Valley Citizens' Alliance
Freeman, Chris	Berry Petroleum
Shed, Monty	Bill Barrett
Pollard, Kristi	Chevron
Wagner, Derek	ConocoPhillips
Long, Sher	EnCana
Leis, Ken	Laramie Energy II
Coleman, Bob	Marathon Oil
Padilla, Daniel	OXY
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, December 6<sup>th</sup>, 2007. Sher Long made the first motion and Don Mumma gave a second motion to approve.

**COMMITTEE REPORTS**

- **Educational Resources Committee:** Jim Rada reported that they just had a meeting on January 31, 2008 with the full committee and new representatives. They discussed plans for 2008 and all agreed to continue with the smart citizens' series on air quality due to several positive responses from the November 2007 series. They are looking to develop a program around the ambient air quality study as well as information on emission inventory. They discussed a list of ideas to present to the community.
- **Air Quality/Odor Mitigation Committee:** Jim Rada reported that this committee has been dormant since the departure of Orlyn Bell who moved to Fort Collins. Jim asked the board again to consider the viability of this committee. Alan Lambert made the decision on behalf of the board to deem this committee dormant for now and reconvene in the future when necessary. Jim said he will update the board each month on his work with air monitoring and other activities around air quality.

## **PUBLIC COMMENTS**

- Kathy Friesen with Encana announces a save the date of April 30, 2008 for their 6<sup>th</sup> Annual Encana Energy Expo at the Garfield County Fairgrounds. They will be sending out information to the exhibitors in the next week or so and more information for the community to follow as the date gets closer. Their primary objective is to educate the community on the energy industry and its operations.
- Pam Arsenault with Colorado Mountain College announces that the Rifle campus is up and running and they have meeting space and wireless access.
- Susan Alvillar announces that the COGA Energy Expo is at the Two Rivers Convention Center on February 22, 2008. For more information visit their website at [www.energyexpoco.com](http://www.energyexpoco.com)
- Alan Lambert points out that Mike McKibbin, the new editor of the Citizen Telegram and Steve Carter, Democratic candidate running for Garfield County Commissioner, are both in the audience and thanks them for attending this meeting.

## **UNFINISHED BUSINESS**

- Judy Jordan reports that the EAB by-laws sub-committee met in January to look at the current by-laws and to decide what needs to be updated. Judy just created a revised draft version of the by-laws and sent out to the committee last week for all to review. The committee will meet again on February 15<sup>th</sup> to discuss the revisions and plan to present the revised by-laws to the entire board at the March EAB meeting. There is a need to replace some citizen representatives and get some other housekeeping matters straightened as well. These matters should flow easier once the by-laws are updated.

## **NEW BUSINESS**

- Battlement Mesa resident, Charles Seese, wrote the board a letter in November about issues he has with the energy industry in the area. No specific operator was stated in the letter and there was no specific request to contact him back directly. Mr. Seese wrote another letter in December commenting on his displeasure with the board for not responding to the first letter. It was planned to bring these letters to the board for the January meeting which ended up being cancelled at the last minute due to a meeting being held at the same time by the COGCC. The Garfield County Oil & Gas department received these letters and sent copies to the EAB chair, Alan Lambert, and vice-chair, Susan Alvillar. Susan then forwarded the letter to Encana who has many operations in the Battlement Mesa area. Encana called Mr. Seese and apologized on behalf of the board for the late response to his letters and spoke with him about what they could do to help alleviate some of his frustrations. The board gave apologies on how this complaint was handled and hoped to not have this happen again in the future. They want local citizens to know that they are always welcome to address the board with concerns and hope to have the matter resolved as quickly and best that they possibly can.
- Alan Lambert introduces Mike Braaten, the new Government Affairs and Energy Coordinator for the City of Rifle. His previous employment was for the Colorado Municipal League which is a state association that represents the cities and towns in the state and he worked as a lobbyist at the state capitol. He is now tracking legislation for the City of Rifle and working as a liaison between the energy companies and the City of Rifle.

## **EDUCATIONAL PRESENTATIONS**

### **Jim Rada, the Garfield County Environmental Health Manager, gives a presentation on the results of the 2005 – 2007 Ambient Air Quality Study.**

- The presentation gives the results of a study that was sanctioned by the BOCC in early 2005. This study attempts to address public concern regarding potentially degraded air quality from industrial activity. The county continues to monitor air quality.
- Please visit our website at <http://www.garfield-county.com/Index.aspx?page=768> and click on the minutes from the 2/7/08 EAB meeting for Jim's power point presentation. The Ambient Air Quality study results are posted on <http://www.garfield-county.com/index.aspx?page=1098>

## EAB MEMBER UPDATES

### MUNICIPALITIES:

**City of Rifle** – Mike Braaten reported that currently the state legislature is meeting and discussing the use and distribution of severance taxes and federal mineral lease revenues and how these revenues are being distributed and used by the local governments that are impacted by activities. There are bills in right now of concern to local governments that Mike is watching.

**Town of Parachute** – Juanita Satterfield reported that they have started renovations on town hall. There will be big renovations and additions that will be completed in 2009. They are working with CDOT on signals for the I-70 on and off ramps and working on the 1601 mandate for the west interchange. They will announce Juanita's replacement next Thursday.

**Town of Silt** – Betsy Suerth reported that they are working on the final draft of the road impact fee analysis. They would like to meet with operators who may be affected by this fee if implemented in the near future. They received four bids for the new round-a-bout and the lowest bid was ½ million higher than their estimate. They still anticipate to break ground in April and construction will cause traffic concerns over the Summer.

### CITIZENS:

**Mamm Creek/Hunter Mesa** – Eric Brynildson, sitting in for Scott Brynildson, said nothing new to report but area is still very busy with industry activity.

**SCHOOL DISTRICTS:** No representatives in attendance to report.

### LOCAL ORGANIZATIONS:

**Battlement Mesa Oil & Gas Committee** – Don Mumma has nothing new to report.

**Grand Valley Citizens' Alliance** – Sam Robinson has nothing new to report.

### OPERATORS:

**Berry Petroleum** – Chris Freeman reported they have 4 rigs in the upper Parachute Canyon on the plateau and their biggest challenge right now is to keep the roads open by clearing snow. They will operate through the winter and into the spring. They will re-evaluate in spring whether to add another rig or two.

**Bill Barrett Corporation** – Monty Shed reported that they currently have 3 active rigs and are rigging up a 4<sup>th</sup> right now which will be active in about two weeks and they have 2 completion rigs. Their 2008 program is budgeted for 108 wells south of Silt. They are waiting on the permit for their compressor station in Dry Hollow and plan for construction to start in about 30 – 40 days with completion around the first of July. They have just moved into their new office in Silt by the post office at 112 Red Feather Trail and are hosting an open house on February 21<sup>st</sup> from 4:30 – 6:30pm with everyone welcome.

**Chevron** – Kristi Pollard reported that they have had no injuries since last EAB meeting. They just completed a baseline noise survey and took samplings off the edge of their rig and the noise levels were lower than at the DeBeque Community Center at 6:00pm. They have determined not to develop the site on their property for a potential gravel pit themselves, but are soliciting third party proposals. They just completed a series of stakeholder meetings where they presented their impact analysis and talked about mitigation strategies they have identified to handle impacts. They also used these meetings to receive feedback from the stakeholders. They are actively involved in the COGCC workgroups. They have 2 rigs on site and will finish pads by February 25<sup>th</sup>, then move up the valley. They have about 40 wells drilled off these 2 pads. They are working with Garfield County on upgrades to CR 204.

**ConocoPhillips** – Derek Wagner reported that they have dropped from 5 rigs down to 3 and will be back up to 4 rigs in a month. Their biggest project right now is their temporary living quarters at the Rio Blanco County and Garfield County border just north of Parachute Creek. They are hosting a seminar on the hazards of arc flash on February 13<sup>th</sup> at the Doubletree Hotel in Grand Junction. They host an annual corporate fire school at Texas A&M and in Nevada on how to fight hydrocarbon fires. They are working with the Garfield County and Rio Blanco County emergency preparedness departments to figure out names of local firefighters from Parachute, Meeker, Rangely, etc... to invite to attend this school in May. They are working slow but steady and have had many issues getting parts and equipment up to the mesa with the recent weather.

**Encana** – Sher Long reported that the Colbran Valley pipeline has been surveyed and is currently in the permitting stage. This pipeline will start at Molina and end near the Una Bridge west of Parachute. The processing at the west Rifle plant was shut down the first of this year and with no NGL's being produced there has been an elimination of about 18-20 trucks per day. They are currently running approximately 8-10 rigs in the North Piceance just up Parachute Creek (CR 215) with all rigs at the bottom. They are currently running 7 rigs in the South Piceance which is south of I-70 from Silt to DeBeque with 5 of those rigs in Mamm Creek. They have a rig moving from south of Battlement Mesa to Una Bridge west of Parachute. There is 1 rig on Morrisania Mesa until February 15<sup>th</sup> and then the rig will move to Mamm Creek. The community counts program, which is a partnership between Encana, Williams, Petro Hunter and Laramie Energy II, will be sending out letters to the Battlement Mesa – Orchard area in about two weeks and soon after will put signage up on the truck routes. This is a pilot project with industry partners to address every day impacts of drilling and to help inform landowners of who to call with questions or concerns. They have been working with BLM and have received permission to do year round drilling on Grass Mesa and will provide more details at the next EAB meeting.

**Laramie Energy II** – Ken Leis reported that they have 1 rig in Taughenbaugh Mesa and bringing in a 2<sup>nd</sup> rig in one month. They might add a 3<sup>rd</sup> and 4<sup>th</sup> rig mid-June.

**Marathon Oil**— Bob Coleman reported that they have 2 rigs on the plateau near Parachute Creek and will continue through the winter. They plan to add another 2 rigs in spring 2008.

**OXY**— Daniel Padilla reported that they have 2 rigs north of DeBeque and plan to drill 22 wells from each location and use these same 2 rigs through 2008. They rolled out a stop training behavioral safety program for their employees and critical contractors in late fall to help improve their safety record. They are looking to possibly expand the compressor station and its associated support facilities. The winter has been tough and they seem to be spending more time clearing the roads than drilling. They are looking to possibly permit two mancamps at separate locations that will not run simultaneously for fall-winter next year.

**Plains Exploration & Production (PXP)** – Chris Clark reported that they have 5 rigs in Plateau Valley and plan to bring a 6<sup>th</sup> and potential 7<sup>th</sup> rig by the end of summer. When winter ends they will bring 2 to 3 rigs back to Hells Gulch. They are starting to commission for a new compressor facility south of the Garfield County line. They are about to finish the 16” Buzzard Creek interconnect pipeline.

**Williams Production**— Susan Alvillar reported that they have 26 rigs operating and a lot of snow, 2 of the rigs are in the Garfield County high country at mancamp locations. The Williams' brothers started the company 100 years ago and they will celebrate their 100<sup>th</sup> birthday year for 2008 with a large celebration this fall. The Willow Creek NGL Cryogenic plant in Rio Blanco has started the earth moving activities and working on a 24-hour basis. They expect the temporary work force to arrive early summer with about 300 people. The midstream group is working to refurbish the 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 about 25-30 trucks off the roads.

#### GARFIELD COUNTY OIL & GAS DEPARTMENT:

- Wendy Swan reported on complaints for the months of December and January: 9 total complaints; 5 odor, 1 environmental and 3 on spills. If anyone has questions on the details of these complaints, please call the Garfield County Oil & Gas direct line at 625-5691.
- Judy Jordan reported that the Colorado Oil & Gas Conservation Commission (COGCC) is in the process of developing regulations to implement house bills 1341 and 1298 that were passed last spring to help the COGCC take into consideration the environmental public health and wildlife factors in their permitting and regulatory activities. They publicized a narrative pre-draft rulemaking description of what their concepts were and how to do the consultations with the other agencies as well as potential adjacent landowners and local government designees, which they released in November. They have invited comments from industry and other stakeholders. They began holding stakeholder meetings in Denver on Tuesday – Thursday of each week from January 8<sup>th</sup> – February 20<sup>th</sup> on five different areas; A Process group, Environment & Health group, Wildlife group, Studies group and Additional Regulations group. Judy was asked by the COGCC to participate in the Environment & Health, Wildlife and Process stakeholder workgroups. There are about 40-50 people attending each of these meetings with 2 to 3 local government representatives, 3 to 4 environmental representatives, and 20 to 30 industry representatives. It became clear after attending several of these meetings that Garfield County has a lot of issues that the proposed rules are supposed to address. The COGCC will publish their proposed regulations on March 31<sup>st</sup> and will publish the final regulations on July 1<sup>st</sup>.

- Judy has been working with a group of people on a Socio-economic study on Northwest Colorado which is being hosted by the Associated Governments of Northwest Colorado (AGNC) and the study is being performed by the BBC consulting company out of Denver. They released a draft last month to the group and should finalize and publish the report in the next few weeks.
- Another controversial issue for Garfield County is the Rulison site. Wells are being permitted outside the ½ mile radius of the site, but nothing is expected to be permitted within a ½ mile of the site for now.

### **SUGGESTIONS FOR FUTURE AGENDA ITEMS**

- Garfield County O&G has a list of suggestions on future EAB educational presentations that they will bring to the next meeting to discuss.
- Presentation on what is in fracking liquids.
- Presentation on tank hauling regulations.

### **PUBLIC COMMENTS/ISSUES**

- Larry Jones with I.E.T., Inc. spoke to the board to update them on a new technology his company and Benchmark Research, is doing a roll-out program on. Larry spoke at the September 1, 2005 EAB meeting about a new technology which was being implemented by Terry Dobkins with Antero Resources which would allow for the treatment of bacteria in frac water, produced water, water floods, etc. The technology, called Electro-Chemical Activation, provides a “green” biocide for the protection of fracturing fluids without harming humans, animals or the environment. During the last 2+ years, they have placed their equipment in Colorado, Texas, Oklahoma, Kansas, Wyoming and New Mexico and have acquired an investment business partner, Benchmark Research Group, who has a distribution facility in Grand Junction.
- Duane with Western Slope Safety Council informed board of a quarterly safety meeting for contractors and operators to address various safety issues that they are holding on February 13<sup>th</sup> from 8am – 12pm at the Doubletree Hotel in Grand Junction.

### **ADJOURN**

Alan Lambert gave a motion to adjourn at 8:21pm.

*Submitted by:*

*Wendy Swan, Garfield County Oil & Gas*  
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