

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, March 1st, 2007

Minutes (FINAL)

GarCo Health & Human Services Building 195 W. 14th Street Rifle, Colorado

CALL TO ORDER/INTRODUCTIONS

Mr. Alan Lambert called the meeting to order at 6:09 pm.

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

Smith, Jesse	Garfield County
Briedis, Indra	Garfield County Oil & Gas—EAB Secretary
Lambert, Alan	City of Rifle
Satterfield, Juanita	Town of Parachute
Gross, Michael	Citizen Rep. (Silt Mesa/Peach Valley)
Belden, Rose	Garfield School District No. 16
Mumma, Don	Battlement Mesa Oil & Gas Committee
Robinson, Sam	Grand Valley Citizen's Alliance
Caplis, Chris	Antero Resources
Marry, Jesse	Bill Barrett Corporation
Froistad, Kurt	ConocoPhillips
Long, Sher	EnCana
Bankert, Wayne	Laramie Energy
Coleman, Bob	Marathon Oil
Clark, Chris	OXY
Mykitta, Rick	Shell
Alvillar, Susan	Williams Production

MINUTES FROM PREVIOUS MEETING

Minutes of the previous meeting, held Thursday, February 1st, 2007 were accepted & approved by vote of the board.

COMMITTEE REPORTS

- Educational Resources Committee—
 - The committee is currently working on the educational brochure. It is a work in progress. The committee will review the completed draft, and it then will be shared with the EAB for review & comments before it goes to press.
 - At this time, the committee is not planning any community forums for the spring or summer months. Due to the recent Energy Expo held on 2/23/07 and the upcoming EnCana Energy Expo in May, the committee will wait until fall to resume educational forums. At that time, the committee would like to offer some type of “air quality 101” series of educational presentations. Colorado Mountain College (CMC) plans to build a new campus in east Rifle this upcoming fall 2007, to include a large auditorium. The committee would like to bring air quality issues to the fore-front. The series would begin with basic air quality information, so that a foundation could be built from the basics. (Topics addressed would include: What is air pollution? Where does it come from? How does it form in the atmosphere?) As the series progresses, more intricate topics would be addressed. (Topics to include: How is air quality regulated? How does it impact the community?) Then, the final portion of the series could address associated health risks regarding air quality issues. At this time, the results of the GarCo Health Risk Assessment and other studies could be incorporated into the presentations.
- Air Quality/Odor Mitigation Committee—

Michael Gross reports that the committee met a few times this month. He met along with Orlyn Bell, Jim Rada, 2 representatives from Williams & one representative from EnCana. The group created a mission statement (Michael passed out copies at the meeting). It was dated 3/1/07 and read: *“For consideration by the GarCo EAB—Air Quality Committee—Because the quality of our air is vital to the health and well-being of all the citizens and visitors to GarCo, and because population growth and the increasing level of energy-industry activity in the County are known to produce emissions which can significantly reduce the*

quality of our air, and because it is in the interest of all living things in GarCo to ensure that the quality of our air remains high, the GarCo EAB hereby creates a Standing Committee on Air Quality. The Air Quality Committee is formed for the purpose of bringing issues before the EAB for action after coordination with citizens, industry, and local government agencies. The Committee will focus on the direct and indirect impacts to air quality which occur in the natural gas and shale oil industries in the County. Topics for consideration by the Committee will include, but not be limited to, the following: 1) Funding of a continuous, long-term Air Quality Monitoring Program 2) Exhaust from unregulated diesel engines 3) Fugitive emissions from drilling, production, transportation and processing natural gas and shale oil 4) Odor problems 5) Dust from construction activities and from mud deposited by vehicles on county roads 6) Combustion emissions 7) Emissions from vehicles serving the energy industry 8) ...”

A motion was made and seconded to adopt this resolution forming the Air Quality Committee.

Discussions followed. It was agreed that additional time is needed to review this proposal, before a final vote can be cast, and this discussion will be continued next month.

Michael reported that this group is simply a committee & their job is to serve as a clearing house for issues that would come in front of the EAB as a whole. The Committee can screen the issues and can then present them to the board in a clear and concise format. If anyone is interested in joining this committee, please contact Orlyn Bell, committee chair at bellranch@willowwisp.net. The EAB Secretary will send a notification of upcoming meeting dates & times, via email.

PUBLIC COMMENTS

- Kathy Hall stated that the 2nd Annual Energy Expo held in Grand Junction last Friday (2/23/07) turned out to be very successful. There was a tremendous turnout, which doubled from last year's count of 3,000 visitors. High school students from local school districts studying math, science & physics came to participate & visit the expo. The expo was sponsored by several organizations. There was a lot of information shared with the community, with numerous interesting presentations. All of the power point presentations will be posted on Club 20's website this upcoming week at www.club20.org. Also, the Expo was used as a training program for students at Western Colorado Mountain College. The speakers, side comments & power point presentations were taped, edited, and then put onto CD's. These CD's will be available to the public. Kathy Hall stated that the Energy Expo will be an annual event. If you have ideas or suggestions as to whom you'd like to see as speakers next year, please contact Kathy Hall at kathy.hall10@bresnan.net.
- Shirley Adams stated that she has been a citizen of Battlement Mesa since 1991. She has observed that many people have moved to the area to enjoy their retirement, and have since left due to the unexpected natural gas development in the area. The houses have been purchased by natural gas operators. With a larger number of residents in Battlement Mesa, there also is a larger need for volunteers in the emergency services (such as ambulance, EMT, fire department, etc). Ms. Adams is encouraging employees of the natural gas industry to give back to the communities that they are living in by helping and volunteering for these needed emergency services.

UNFINISHED BUSINESS

- **Nominations & Election of EAB vice-chair**

At last month's meeting, it was decided that it would be best if a non-county employee would fill the role as the EAB chair and vice-chair. Also, it was suggested that the candidate be a local resident, to ensure attendance at monthly meetings (to eliminate transportation issues driving over the pass from the Eastern Slope in dangerous driving conditions). It was also questioned if the positions should be a chair & vice-chair or two co-chair positions. Sher Long of EnCana was nominated as vice-chair. Sher questioned her lack of time and dedication to the position, but agreed to take the position for the next few months until the July meeting. A motion was made, seconded & all voted unanimously to accept Sher Long as the new, temporary EAB vice-chair.

NEW BUSINESS

- **Update from Associated Governments of Northwest Colorado (AGNC) – Aaron Diaz/AGNC**
Postponed until April meeting.

EDUCATIONAL PRESENTATION

- **Water Treatment Methods – Mark Thrush/EnCana**

Mark Thrush is a Water Systems Engineer for EnCana, based out of Denver. He gave a power point presentation on water treatment methods. To view this presentation, please go to: <http://www.garfield-county.com/home/index.asp?page=792> . Treatment methods include: reverse osmosis, ultraviolet light, chemical treatment, ion exchange, distillation and the use of artificial wetlands. Mark Thrush discussed EnCana's use of produced water which is recycled and used in drilling and fracturing operations. He also discussed different water treatment technologies that EnCana is working on to get water to a "fresher water standard". Discussions followed regarding disposal of produced water and injection wells.

EAB MEMBER UPDATES

MUNICIPALITIES:

City of Rifle—With the growing population, Rifle needs newer sewer treatment facilities which will more than double current sewer rates. There will be a public forum on March 8th.

Town of Parachute—Bids on the 1601 study are being reviewed by C-DOT & city engineers regarding the proposed ½ diamond. Due to bad weather, there have been many accidents on the I-70 interchange. Street improvements in the town are moving along. Parachute Police Dept. will begin citing trucks with hazardous plaques who are parking on residential streets.

CITIZENS:

Silt Mesa/Peach Valley—The area is not experiencing any direct impacts from drilling. Residents expect air quality to be the largest impact. The area is experiencing population growth.

SCHOOL DISTRICTS:

District 16—Last year, the school district grew by 10%, which added an additional 100 students. This year, Dist. 16 is experiencing steady growth in enrollment.

LOCAL ORGANIZATIONS:

Battlement Mesa Oil & Gas Committee—Battlement Mesa is seeing an increase in activity to the east. Traffic has increased 100 fold. Due to the heavy traffic, noise and dust have increased.

Grand Valley Citizens' Alliance—Nothing to report at this time.

OPERATORS:

Antero Resources—2 rigs currently running, with plans for a total of 4 in the near future.

Bill Barrett Corp.—3 rigs are in operation south of Silt. The plan is to drill 80 wells by the end of 2007.

ConocoPhillips—2 rigs are running north of I-70 in GarCo. One rig is having mechanical issues. The plan is to add 2 more rigs by summer & continue with 4 rigs thru the end of 2007, with potential to add more.

EnCana—17 rigs currently operating (8 in South Piceance & 9 in North Piceance). In South Piceance—2 rigs in Mamm Creek, 2 rigs south of Parachute, 1 rig on Orchard Unit (west of BM) and 3 rigs in Divide Creek (one of which is a new hydraulic rig). Total of 116 wells planned in south Piceance for 2007. In 2006, total of 207 wells were drilled (of which 107 in the south). Currently have 8 work-over rigs in production. New coiled tubing drilling rigs are delayed until later this spring. Orchard compressor station—Electric compressor scheduled for May, which will allow EnCana to shut down some of their gas compression. EnCana is a new member of EPA Gas Star Program, to help reduce methane flaring & venting. To date, have reduced flaring and venting by 60%. EnCana is trying to stay ahead of new regulations & doing voluntarily work re: air emissions/reduction.

Laramie Energy—5 rigs running currently (1 south of Silt). Working on a plan in Logan area (off of 47 pads on BLM land).

Marathon Oil—Nothing new since last month's report.

OXY—3 rigs running north of DeBeque & plan to maintain the rigs throughout the year. Target is for total of 75 wells.

Shell—Hosted a # of community events last week. Next project is a demonstration project of producing oil shale. Currently have 3 rigs in the field and will add a 4th soon.

Williams Production—Finished the hydrogeologic study in the Rulison area & recently shared findings with local citizens (had a good turnout with 75 local residents at the presentation). The 3,200 ft. tunnel is almost completed & employees hope to use the road by early summer.

OIL & GAS LIAISON UPDATE:

- 12 concerns were received this month (regarding water quality, environmental issues, odors in Mamm Creek area, a spill and noise). In general, the # of complaints has been gradually tapering off. The County has been receiving many calls from citizens wanting information about current drilling activity & royalty payments. Jesse refers these inquiries on to the appropriate entities. The County is seeing a transition in the types of calls received.
- 25 resumes were received for the “Community Support Representative” position. The County held interviews for 5 candidates and then brought back 2 candidates for more interviews. GarCo offered the position to one person, but he turned it down. GarCo then offered the position to the other candidate, but was turned down as well. Jesse Smith visited with the BOCC last Wednesday and proposed to go back out and re-advertise, but for both the “Community Support Representative” and the “Oil & Gas Liaison” positions and to wait and see what kind of a response is received. The plan is to advertise for 2 weeks before the selection process begins. Both advertisements are currently published. The County is seeing that, due to the cost of living in the GarCo, not many candidates are interested in relocating to the area.
- The County is still advertising for the “administrative assistant” position, which requires about 26 hours/week of employment. From the last round of interviews, a very good candidate was selected, but was taken by another department within GarCo.
- Last month, Jesse discussed the need to develop an informational database 1) to keep BOCC informed and 2) so that GarCo can use to make more accurate projections to get in front of the curve & not be behind it. Jesse created a matrix & passed out copies to industry representatives. The front page includes information requested from operators on a monthly basis, such as # of rigs, # of producing wells, # of open permits, # of wells drilled/month, # permits per month, location of current drilling activity (using a key), projected future drilling locations (using a key), and what % of capacity of pipelines being used. The second page is information that the County would like to get digitally from operators, such as maps of pipelines and location of compressor facilities. Safety is a large reason this information is needed. In the past, there have been some emergency situations (wildfires, etc.) where the county could have been more effective, if they would have had the above mentioned information. Jesse Smith inquired as to whether or not these things can be easily provided to the County. This form can be emailed to operators & it all can be completed electronically.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

- Keep providing one educational presentation per month.
- Rocky Mountain Institute to present on renewable sources of energy & green communities (self sustainable & self contained) & distributed energy (moving electricity over long distances)
- Recent developments on solar cells & increased efficiency.

PUBLIC COMMENTS/ISSUES

- John Goreman, GarCo’s new Assessor, introduced himself. He shared that he is very excited to be working with such a well-educated staff. He inquired as to why the # of complaints received by the County has decreased over time. Jesse Smith responded that it is a direct correlation with the public becoming more educated on natural gas issues (such as flaring, which is associated with fracturing operations). Brief discussions followed regarding flaring and closed loop systems.
- It was mentioned that the EAB is helping members of the natural gas industry to keep each other in check. The EAB also helps to foster best practices.

ADJOURN

Mr. Lambert adjourned the meeting at 8:14 pm

Submitted by:

Indra Briedis, EAB Secretary

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