

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, April 3<sup>rd</sup>, 2008

Minutes (FINAL)

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. EAB members in attendance:

Jordan, Judy	Garfield County Oil & Gas
Lambert, Alan	City of Rifle
Knight, Robert	Town of Parachute
Suerth, Betsy	Town of Silt
Mumma, Don	Battlement Mesa Oil & Gas Committee
Brynildson, Scott	Mamm Creek/Hunter Mesa
Wells, Marion	Rulison/Taughenbaugh Mesa/Morrisania Mesa
Savage, Roy	Parachute/Battlement Mesa
Richardson, Noel	Spring Creek/Wallace Creek
Black, Jon	Antero Resources
Freeman, Chris	Berry Petroleum
Donato, Scot	Bill Barrett
Pollard, Kristi	Chevron
Wagner, Derek	Conoco Phillips
Maliszewski, Pat	EnCana
Bankert, Wayne	Laramie Energy II
Coleman, Bob	Marathon Oil
Padilla, Daniel	OXY, USA
Clark, Chris	PXP
Gray, Donna	Williams Production

**MINUTES FROM PREVIOUS MEETING**

Alan Lambert entertained a motion to approve minutes from the last meeting on Thursday, March 6<sup>th</sup>, 2008. Scot Donato moved to accept the minutes as presented and Betsy Suerth seconded. The board then voted unanimously to approve.

**COMMITTEE REPORTS**

- **Educational Resources Committee:** Jim Rada reported on a schedule the committee has suggested for community forums. No action was taken to sanction the forums.

**PUBLIC COMMENTS**

(See Marion Wells' comments on behalf of Rulison)

**UNFINISHED BUSINESS**

- Alan Lambert asked the board to come to the next EAB meeting with nominations for Chair, Vice-chair and Secretary because the revised EAB by-laws were not able to get on the BOCC agenda until April 7.
- Bryan Danner with American Civil Constructors who is the Public Information Manager for the SH13 Rio Blanco Slip project located at MM 16 on SH13 North of Rifle gave an update on the road construction beginning in April: The project is expected to start on April 21. The contract is to complete the work within 37 calendar days, to end approximately May 27. In order to complete the work in the shortest amount of time and to minimize the project's

impact to traffic, work on the project will be from 7:00 am until dark, 7 days per week and there may be instances of night work, as well. The road will be detoured to one lane with one way traffic controlled by a traffic signal or flaggers. There will be width restrictions of 14 feet and no overweight vehicles will be allowed thru the detour. Motorists should expect up to 30 minute delays.

## **NEW BUSINESS**

Jim Sears, the Garfield County Emergency Preparedness Commander reported the details of a spill that happened on December 6, 2007 on CR 331. The landowner noticed fluid running down the driveway and into the Dry Hollow ditch and reported the spill at 6:13pm that evening. The landowner called Encana and Encana called Jim Sears. Encana immediately put booms in the ditch to absorb the fluid. Jim Sears and Jim Rada went to the scene of the spill the next morning. There was a heavy sheen on the water and gravel in the ditch. The owner said that just before he noticed the spill he saw a production truck by the area, but by the time he drove down the truck was gone. There was approximately 10 – 15 gallons of some type of hydrocarbon material spill. Their assumption is that the production truck hit a large bump and fluid spilled out. The landowner called Encana directly and told Jim S. that Bill Barrett has 8 wells in this area as well. Jim S. called ECOS for an environmental clean up on the spill and signed an agreement with them for the County. Jim S. then called the gate guard who logs trucks in this area and she did not have any truck log lists because the truck traffic was so heavy over the past few days that she was unable to keep track of them all. Jim S. then called Scot Donato with Bill Barrett and left 3 messages with no return call. Jim also called Monty Shed with Bill Barrett once and received no return call. The County has just received a bill from ECOS for \$30,375.00 to clean up this spill and the County would like some help to pay this bill from Encana and Bill Barrett. Since Jim could not track the exact truck that is thought to have caused this spill they cannot pinpoint whether this truck was doing business for Encana or Bill Barrett, but those are the two operators in the Dry Hollow area. Encana did respond immediately to Jim's call and help with the initial clean up.

## **EDUCATIONAL PRESENTATION**

**Jon Black, Operations Manager for Antero Resources gave a presentation on the gas well stimulation chemicals used in the fracing process.**

- Please visit the EAB website at <http://www.garfield-county.com/Index.aspx?page=768> and click on the minutes from the 4/3/08 EAB meeting for Jon's power point presentation.

## **EAB MEMBER UPDATES**

**City of Rifle** – Alan Lambert stated that municipalities do get a bit uptight and fearful when they see spills and open pits. He asks operators to please be concerned where they are putting new wells that could disrupt community areas and to put closed loop systems instead of open pits. Mike Braaten reported that they now have approval for two roundabouts on the south side of I-70 at the Rifle exit and pre-construction will start in 2 weeks. They are examining affordable housing issues. They are watching legislation of concern on severance tax and federal mineral lease distribution for local governments.

**Town of Silt** – Betsy Suerth reported that they awarded the roundabout contract to Martinez Western and they plan to break ground in June. They are hoping to finish the road impact fee analysis report in the next couple of weeks. They plan to do some asphalt patching on CR 331 when the asphalt plant opens. They have applied for two DOLA grants to help with a comprehensive plan update and a new irrigation tank.

**Town of Parachute** – Robert Knight, the new Town Administrator, reported that over the past few weeks they have had much appreciated and detailed conversations with the energy operators and the COGCC regarding the Garden Gulch spills. They are concerned with the break down of communications and have since worked with the COGCC to develop a notification profile for any type of future incident that involves water ways of the State. Municipalities are very concerned about stuff that comes into the water ways and ask to please give them timely notification. The industry did inform the CDPHE and the COGCC, which they are required to do, but please inform the local authority contacts of the details as well, so they are able to inform the community.

**Mamm Creek/Hunter Mesa** –Scott Brynildson reported that the truck traffic is very heavy. Antero Resources is laying pipelines to recycle water that will help cut down a lot of the truck traffic. He thanked industry for helping the citizen with the broken windshield that was brought up at the March EAB meeting.

**Rulison** - Marion Wells, citizen of Rulison, spoke about truck traffic issues on Rulison Hill at last meeting and the next day there was a sign stating “No Oil & Gas truck traffic” and a few days later another sign stating “No thru truck traffic”. Several Rulison citizens told Marion that they are extremely pleased that the signs are working to reduce the truck traffic on Rulison Hill and it is now much quieter with less dust. The next question is when will someone step forward to repair the road?

**Battlement Mesa Oil & Gas Committee** – Don Mumma reported that they had the community meeting with Encana on March 18<sup>th</sup> discussing community issues and the meeting went pretty well. There is a blind spot heavy with cedar trees and very dangerous. Don has spoken with Jake Mall and Encana to help fix this situation.

**Antero Resources** – Jon Black reported that they have 4 rigs operating, 1 north and 3 south of Colorado River. They are currently working on a water pipeline expansion which will help eliminate some truck traffic off Airport Road. He thanks Stanfield Construction for a garbage pick up they recently did on Airport Road. They have increased their storm water management in view of the thaw period. They are rehabilitating the Valley Farms well site. They had Carolyn Dahlgren, the Deputy County Attorney for Garfield County come for a site visit to show Antero operations. In March they did road dust suppression to address the dust issues.

**Berry Petroleum** – Chris Freeman reported that they have 4 rigs operating in upper Parachute Creek area on the plateau. They are planning to pump the water instead of trucking in the near future. They were involved in the Garden Gulch fluid release incident. Mike Ivy, the Piceance asset manager for Berry Petroleum reported on the incident. They did report the incident to the required State government agencies, but not directly to the local authorities. They apologize for not reporting on the local level, but thought the State authorities would inform the local authorities. They have learned several things from this incident and will change future operations as a result. They are going to use thicker liners and they will speak directly with the local authorities in a timely manner. They held meetings this week with the Town of Parachute, Garfield County and ranchers in the Garden Gulch and Parachute Creek area to answer any questions or concerns. If anything changes in the sampling they will be quick to notify the people involved. The release was of 2,500 barrels that formed into a dirty waterfall. Mike said they use drilling fluid that is 99.8% fresh water and the remaining .2% is soap like fluids. They have been conducting weekly sampling since January 17<sup>th</sup> in and around the area and samples have come in below the drinking water standards.

**Bill Barrett Corporation** – Scot Donato reported that they are operating south of Silt and have 4 rigs running. They just started construction on a new compressor station. They are looking to go up to 5 or 6 rigs by end of 2008.

**Chevron** – Kristi Pollard reported that they have had no injuries since last EAB meeting. Both releases in Garden Gulch were on Chevron owned property and as a landowner, Chevron is fully cooperating with the COGCC, CDPHE, CDOW and the EPA on the investigation. They are working with each entity and regulator on any possible environmental impacts. They are working with the CDOW to conduct a fish population and habitat study in the Parachute Creek area. Earlier this week they notified the interested parties that they will not be developing a gravel pit just outside of the DeBeque area. A citizen reported road damage on CR 204 and they are in the process of patching some areas on CR 204. They recently met with DeBeque High School students on career opportunities and they have committed to providing one full 4 year scholarship to Mesa State College.

**ConocoPhillips** – Derek Wagner reported that their temporary living quarters in Rio Blanco just north of the county line should be open in the next week or so. Mesa State College had a recent capital campaign and they gave a gift of \$250,000. They feel the greater northwest Colorado area will benefit from Mesa State programs such as the EMT training and the nursing program. They are narrowing down the fire departments that will be invited to attend their hydrocarbon firefighting school.

**Encana** – Pat Maliszewski reported that they are operating 13 drilling rigs, 7 in South Piceance and 6 in North Piceance. Their current production is 386 million cubic feet per day. In 2007 they drilled 295 wells and they plan to drill 224 wells in 2008. They have 2,403 producing wells and 429 multi well pads. Kathy Friesen reported on the 6<sup>th</sup> Annual Encana Energy Expo on April 30<sup>th</sup> at the Garfield County Fairgrounds and handed out fliers for the expo.

**Laramie Energy II** – Wayne Bankert reported that they have 1 rig running with about 11 wells. They have committed to a closed loop system and they are going pitless on drilling and fracs. They do active water well testing prior to and after drilling. Their 2008 plan is to go up to 4 rigs and slow down to 2 or 3 rigs during the winter. They are planning for 38 – 50 wells. They are in the starting phase of putting in a water line system.

**Marathon Oil**— Bob Coleman reported on the pit release above Garden Gulch. They did release 30,000 barrels of frac flow back water. The preliminary investigation shows a pit liner failure near the seam. They have taken four samples of the ice on the face of the Cliffs and the results show that no constituents exceed the primary drinking water standard or the stream standards for Parachute Creek. They feel sure that there will be no environmental impacts from the spill. They have contracted Golder Associates, an environmental firm to help put together an evaluation and monitoring plan and they are sampling the Garden Gulch and Parachute Creek and will continue to monitor through the spring runoff. They are planning to pipe the water on top of the mesa in the future and are currently in the permitting phase with the County. They have 2 rigs on the Mesa by Garden Gulch and moving in a 3<sup>rd</sup> rig and have a 4<sup>th</sup> rig scheduled to come in May.

**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 have pulled the permit for an injection well due to concerns by Chevron. They are hauling their produced water off-site for disposal.

**Plains Exploration & Production (PXP)** – Chris Clark reported that they have 5 rigs in Mesa County and a 6<sup>th</sup> rig coming in May. In 30-45 days they will move 2 to 3 rigs to Hells Gulch, just north of the county line off CR 342. They have tested and nearly completed the Buzzard Creek interconnect pipeline, which will reduce traffic on CR 342 in Garfield County.

**Williams Production**— Donna Gray reported that they have 27 rigs operating with 22 of them in Garfield County and 5 in Rio Blanco County. They drilled 500 wells in 2007 and they have 2,100 producing wells. They are currently producing 740 million cubic feet per day. They are expanding the Parachute Creek gas processing plant. Construction on the cryogenic plant in the Piceance Basin will start in May.

**Garfield County** - Judy Jordan thanked Berry Petroleum for visiting her with the details of their release. Although they are required to report to State and Federal agencies, they are not required to report some spills to local authorities and it is important for the local authorities to be informed as well. The county plans to comment on the new COGCC draft regulations and the Oil and Gas Department is in the process of reviewing the new regulations and collecting input from other county departments. The Northwest Colorado region conducted a cumulative socioeconomic impact study, which is now completed. BBC, who conducted the study, will present a report on the study on April 11<sup>th</sup> at the Capitol in Denver.

Wendy Swan reported the March 2008 complaint report. Of 13 total complaints received, 5 concerned odor, 2-road condition, 3-dust, 2-traffic violation and 1 adjacent landowner complaint of well being drilled close to their house.

## **PUBLIC COMMENTS/ISSUES**

- Town of Parachute Mayor Roy McClung reported that the town is losing its only daycare center and Rifle may be losing their only daycare center as well. Roy and his wife Carol have started the Kids Promise foundation to help with the crisis in Parachute. The Parachute daycare center will close the end of May and leave 50 – 70 kids with out any daycare options. They are actively working to get a piece of ground with simple hook ups and modular units or a building to house these kids by June 1<sup>st</sup>. They have spoken with Garfield County representatives who were very receptive, but ideas to help may not come through until early 2010. They have had support for donations from the Aspen Community Foundation, Alpine Bank, Encana, Williams, Garfield County and DOLA

which is wonderful for the future, but they immediately need some kind of building to house these kids by June 1<sup>st</sup>. They are currently working under the Grand Valley Educational Foundation until they get their new foundation running. They do have the new foundation incorporated and are currently working on putting the board together. Carol McClung and a teacher from Parachute are currently on the board. Please call Carol McClung at 970-589-2813 or Roy McClung at 970-640-2790 for any help you can give.

**ADJOURN**

Alan Lambert adjourned at 8:10pm.

*Submitted by:*

*Wendy Swan, Garfield County Oil & Gas*

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