

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, May 1<sup>st</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
Russi, Greg	Town of New Castle
Mumma, Don	Battlement Mesa Oil & Gas Committee
Bedell, Kathryn	Roan Creek
Brynildson, Scott	Mamm Creek/Hunter Mesa
Wells, Marion	Rulison/Taugenbaugh Mesa/Morrisania Mesa
Savage, Roy	Parachute/Battlement Mesa
Richardson, Noel	Spring Creek/Wallace Creek
Black, Jon	Antero Resources
Shed, Monty	Bill Barrett
DeBerry, Michael	Chevron
Wagner, Derek	Conoco Phillips
Long, Sher	EnCana
Leis, Ken	Laramie Energy II
Coleman, Bob	Marathon Oil
Padilla, Daniel	OXY Oil & Gas Corporation
Alvillar, Susan	Williams Production

**MINUTES FROM PREVIOUS MEETING**

Alan Lambert entertained a motion to approve minutes from the last meeting on Thursday, April 3<sup>rd</sup>, 2008. Marion Wells moved to accept the minutes as presented and Jon Black seconded. The board then voted unanimously to approve.

**COMMITTEE REPORTS**

- **Educational Resources Committee:** Discussion between board and committee on official way to report with the new by-laws. The committee needs to report to the board on ideas for community forums and have the board approve the content prior to advertising the forums because the Energy Advisory Board is an endorsing entity. Greg Russi with the Town of New Castle agreed to be the EAB member Chair for this committee.

**PUBLIC COMMENTS**

- Rulison Hill residents, Evelyn Scott, Rick Kuipers and Reba Cook reported on the Rulison Hill issue. The industry trucks are still using Rulison Hill even though it is a no haul route and there are many signs stating “No Oil & Gas truck traffic”. The signs have helped to some degree, but are still being ignored by many drivers. The residents state that the road is in need of repair and is dangerous to all drivers in its current condition. Also, with the road being a no haul route and with the official signs stating “absolutely no truck traffic” the residents ask why the Garfield County Sheriff does not have someone patrolling and ticketing the many drivers that are disobeying the

law by continuing to drive on Rulison Hill. Several members of the EAB requested that a representative from Garfield County Road & Bridge and Sheriff's Department attend the June 5 EAB meeting and invited the Rulison residents to please come back to the June 5 EAB meeting to address these departments directly.

## **UNFINISHED BUSINESS**

- Update on the Common Data Repository and Water Resource Assessment for Southern Piceance. Maria Pastore is working with the West Divide Water Conservancy District and reported that they were awarded a \$300,000 DOLA grant to help fund this project with the USGS. They recognized the need to share water quality information with the public and that there are many different sources to get water quality data from but they are not easily accessible to the public. They are working as a collaborative effort with Kirby Wynn and Jude Thomas with the USGS on this project. Maria can be contacted at Grand River Consulting at 970-945-2237 for any questions. Kirby Wynn states that currently there are 18 partners donating funds to this project including industry partners, county governments and municipalities. Jude Thomas is the project leader and a hydrologist for USGS. They are currently working with the community and industry to receive input for project needs. Please contact Jude with USGS at 970-245-5257 x17 with any questions or feedback.
- The BOCC approved the new EAB by-laws with two minor changes: 1. Request an EAB representative to make a quarterly presentation to the BOCC in person. 2. Add Town of Carbondale to the list of members. Alan Lambert asked the EAB members if they had any further changes. Daniel Padilla with OXY asked to have their name listed as "OXY Oil & Gas Corporation". A few members felt that Maralex was spelled incorrectly on the new by-laws and asked to have that corrected. Alan Lambert entertained a motion to approve the new EAB by-laws. Betsy Suerth moved to accept the by-laws with the changes presented and Kathryn Bedell seconded. The board then voted unanimously to approve.
- Nominations and elections for the new Chair, Vice Chair and Secretary of the EAB took place. The new Chair is Betsy Suerth, the new Vice Chair is Jon Black and the new Secretary is Mike Braaten.
- Update on the ECOS bill from the Dry Hollow spill: Jim Sears spoke with Scot Donato after the April EAB meeting and Bill Barrett Corporation and Encana agreed to split the invoice payment. Also noted was the invoice was not for \$30,000 as stated at the April EAB meeting, the total ECOS invoice is for \$6,500.

## **EDUCATIONAL PRESENTATION**

### **Doug Jeavons with BBC Research gave a presentation on the new results of the Northwest Colorado Socioeconomic Analysis and Forecasts.**

- The study is an evaluation of cumulative effects of growth in Northwest Colorado. It is a collaborative local and state government effort and was initiated to respond to federal oil shale plans.
- The study includes scenarios for natural gas and oil shale, economic and demographic forecasts and a fiscal analysis.
- Please visit the [www.agnc.org](http://www.agnc.org) website to view the final report.

## **EAB MEMBER UPDATES**

**City of Rifle** –Mike Braaten reported that the two roundabouts on the south side of I-70 at the Rifle exit are now in construction phase and the project is expect to go all summer and into early fall. In legislation the two bills of interest to the local governments are Senate Bill 218 that distributes federal mineral lease reserves and House Bill 1083 to set up a new distribution mechanism for all severance tax revenues. The good news is that Senate Bill 218 contains favorable language to Garfield County and may see additional revenues come back to Garfield County and the local municipalities.

**Town of Silt** – Betsy Suerth reported that they are putting together a scope of work to improve CR 331. They are getting assistance from Garfield County Road & Bridge and several operators that use the road are cooperating as well. They will start construction on the roundabout in June.

**Town of Parachute** – Robert Knight reported that their requests to help get the county roads fixed are not getting anywhere and CR 215 is a mess. He distributed a handout that he put together outlining the major problem areas. The town is out of money and they need help to fix these roads. They would like the Garfield County BOCC and Road & Bridge help to contribute funds to fix I-70 exit 75, CR 215, etc...

**Town of New Castle** – Greg Russi reported that they just hired a new town administrator, Andy Barton, who started May 1. They are seeing a lot of growth from the industry.

**Mamm Creek/Hunter Mesa** –Scott Brynildson introduced Larry Glenn and Judy Hewitt who have been working with the Rifle Rendezvous for years. They have donated many hours of labor to put the event together. The Rifle Rendezvous is at the Garfield County Fairgrounds in Rifle on May 16-18, for more information visit their website at [www.riflerendezvous.org](http://www.riflerendezvous.org) . Scott also stated that the local municipalities need more money going back to them directly and he would like to see more neighborly respect from the industry contractors.

**Rulison/Taughenbaugh Mesa/Morrisania Mesa** - Marion Wells reported that they had the usual dust, odor and traffic problems over the last month. There was a recent animal abuse incident by an industry sub-contractor that was very disturbing. The company involved has responded and taken steps to resolve the issue. The citizens ask the industry and its contractors to please obey the rules, respect the land, protect the residents and they will continue to report any incidents of individuals failing to do so.

**Roan Creek** – Kathryn Bedell reported that things have been pretty quiet. Chevron has been a very good neighbor and the new bridge is coming along great.

**Battlement Mesa Oil & Gas Committee** – Don Mumma reported an accident that happened on Sunday, April 27 around 10am in Battlement Mesa at East Parkway and Morrisania Road. He assumes that an industry water truck went through the intersection and rolled. He heard that a state trooper was on site, but he is concerned and frustrated that nobody contacted their committee to give them the information of this accident. They have received many calls from their residents and do not have any information to give them. He would like someone to please contact him with the details of this accident.

**Antero Resources** – Jon Black reported that they have 4 rigs operating, 1 north and 3 south of Colorado River. They recently received two odor complaints that were called in to the COGCC. They did have a malfunction on a piece of equipment and it has been repaired. They are continuing with the strategy of water transmission lines to reduce water truck traffic. They are actively working with the town of Silt to mitigate road repair construction on CR 311 & 331. They have donated \$5,000 to the USGS water database project and environmental support and they donated \$1,000 to the Rifle Rendezvous.

**Bill Barrett Corporation** – Monty Shed reported that they have 4 rigs running and plan to drill 130 wells in 2008. They plan to start a 20 inch loop line on May 5.

**Chevron** – Michael DeBerry reported that they have had no injuries since last EAB meeting. They are working with Garfield County Road & Bridge on CR 204 issues. They have scheduled a rig clean up day for May 27 to help clean up trash around the area. They have 2 rigs running on Clear Creek Canyon and are continuing with a variety of construction projects.

**ConocoPhillips** – Derek Wagner reported that their temporary living quarters in Rio Blanco just north of the county line is up and running with 120 people staying there. This unit is supporting operations in Garfield County. They have 3 rigs running. They have selected a firefighter from Parachute, Meeker and BLM to attend their hydrocarbon firefighting school in Nevada the end of May.

**Encana** – Sher Long reported that they are operating 13 drilling rigs, 7 in South Piceance and 6 in North Piceance. They have a condensed drilling program to start on Grass Mesa. They have an agreement with BLM to do some trading of wildlife feeding areas to allow them to drill during the winter. They should finish on the mesa by the end of 2010. The Grass Mesa residents received a payment from Encana of \$500,000 to fix the road as part of an agreement with the Grass Mesa Homeowners Association to allow them to drill year round. They have many more organizations

interested in joining the community counts program including industry contractors. The program is designed to help reduce speeding on the county roads and to promote courtesy and respect for the community and is about to take a giant leap forward with its efforts.

**Laramie Energy II** – Ken Leis reported that they have 1 rig running on the Taughenbaugh Mesa and a 2<sup>nd</sup> rig is due in May. They have contracted for 2 more rigs to come in June and July. Their 2008 plan is to have 4 rigs and slow down to 2 or 3 rigs during the winter. They are planning for 38 – 50 wells. They are laying pipelines and water lines to hopefully have a central water system to cut down on truck traffic.

**Marathon Oil**— Bob Coleman reported that they have 3 rigs on the Mesa by Garden Gulch and moving a 4<sup>th</sup> rig scheduled to come mid May. They have 2 rig moves happening soon. They are sponsoring Billy Robbins, a motivational speaker on safety, to conduct a class at the Battlement Mesa Activity Center on May 8 at 4pm.

**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 a meeting scheduled with Jake Mall to discuss CR 204 & 213. They are meeting with DOW to set up a wildlife awareness training for their next quarterly safety meeting.

**Williams Production**— Susan Alvillar reported that they have 25 rigs operating in Garfield County and Rio Blanco County. 21 are in the valley around Parachute and 4 are in the highlands up on Allen Point. They have 2,100 wells producing 740 million cubic feet per day. Their plan is to drill 500 wells per year for 2008 and 2009. The Parachute Creek plant 3 facility is expanding to 1 billion cubic feet per day processing capacity and should be completed this quarter. The midstream group completed civil work on the Willow Creek cryogenic gas plant and the modular units for this plant will be delivered in June.

## **ADJOURN**

Alan Lambert adjourned at 8:53pm.

*Submitted by:*

*Wendy Swan, Garfield County Oil & Gas*  
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