

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, June 5th, 2008

Minutes (FINAL)

Location: Garfield County Fairgrounds Indoor Arena Conference Room 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
Mumma, Don
Phillips, Kimberly
Wells, Marion
Savage, Roy
Richardson, Noel
Jeff Fandrich
DeBerry, Michael
Wagner, Derek
Long, Sher
Bankert, Wayne
Clifton, Leland
Coleman, Bob
Kirkpatrick, Jim
Padilla, Daniel
Alvillar, Susan

EAB Chair – Town of Silt
EAB Vice Chair – Antero Resources
EAB Secretary – City of Rifle
Garfield County Oil & Gas
Town of New Castle
Battlement Mesa Oil & Gas Committee
Grand Valley Citizens Alliance (GVCA)
Rulison/Taugenbaugh Mesa/Morrisania Mesa
Parachute/Battlement Mesa
Spring Creek/Wallace Creek
Bill Barrett Corporation
Chevron
Conoco Phillips
EnCana
Laramie Energy II
Maralex Resources
Marathon Oil
Noble Energy
OXY Oil & Gas Corporation
Williams Production

MINUTES FROM PREVIOUS MEETING

Betsy Suerth entertained a motion to approve minutes from the last meeting on Thursday, May 1st, 2008. Sher Long moved to accept the minutes as presented and Derek Wagner seconded. The board then voted unanimously to approve.

PUBLIC COMMENTS – None

UNFINISHED BUSINESS

- Betsy Suerth handed out certificates of appreciation and gift cards to Alan Lambert, Susan Alvillar and Sher Long for their valuable contributions as EAB officers.
- Garfield County Sheriff Lou Vallario and Road & Bridge Director Marvin Stephens continued Rulison Hill discussion from the May 1st EAB meeting. Marvin reported that paving on the Rulison Hill CR 309 started today. Marion Wells and Marvin had a discussion about issues with the paving process. Lou reported that the haul routes are not enforceable by the Sheriff's Office. Lou and BOCC Chair John Martin will discuss enforcement options further.

NEW BUSINESS

- Betsy Suerth welcomed Kimberly Phillips as the new GVCA representative.
- Discussion with board to cancel the July 3rd EAB meeting. Wayne Bankert gave a motion to cancel the meeting and Daniel Padilla seconded. Marion Wells was not in favor of the cancellation. The board voted with a majority vote to cancel the July 3rd EAB meeting.
- The next EAB meeting on August 7th will be held at the CMC campus in Rifle.

COMMITTEE REPORTS

- **Educational Resources Committee:**
 - Greg Russi is the new chair of this committee and stated that he will be prepared to report for this committee at future EAB meetings. Kathy Friesen reported that they met last week and reviewed final details for the next smart citizen series seminar on June 17 at 6:30pm at the CMC campus in Rifle. The results of the community health risk assessment study will be presented.
 - At the last seminar on regulating air quality in Garfield County there were many comments and discussion about issues and concerns with regard to air quality. They are working to compile these comments and bring to the board to inform them of the issues and concerns brought up. These comments might also bring ideas for interesting topics for future seminars.
 - Greg Russi commented that Garfield County might want to consider compiling an odor quick response management team.

EDUCATIONAL PRESENTATION

Allen Crockett, the Supervisory Natural Resource Specialist with the BLM Energy Office gave a presentation on Master Development Plans / Geographic Area Plans – Comprehensive Planning Tools for Oil and Gas Development.

- Please visit the EAB website at <http://www.garfield-county.com/Index.aspx?page=768> and click on the minutes from the 6/5/08 EAB meeting for Allen Crockett's power point presentation.

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 apologized for the inconvenience to drivers. They are working with CDOT on an access study on the Rifle bypass due to future proposed development in that area. They have had major issues with labor and housing since the industry started ramping up a few years ago. The City of Rifle cannot pay higher wages like the industry can and they have problems recruiting people to work. They are working on a partnership with Garfield County, the City of Rifle, the school district and the hospital on an affordable housing project. They had to hire an outside contractor to do street sweeping because they do not have anybody to drive for them. They can only afford the contractor to sweep once in summer and once in fall, but it needs to be done more frequently. They are asking industry if anyone would like to partner with them to help sweep the streets more often.

Town of New Castle – Greg Russi reported that they are half way through their comprehensive plan and it is hard to keep employees with the higher pay the industry can offer. They have housing issues and growing pains and have had about 11% growth annually over the past 4 to 5 years.

Town of Silt – Betsy Suerth reported that the roundabout construction is due to start the week of June 23. Antero Resources is working with them to help improve county roads 331, 346 and 311.

Grand Valley Citizens Alliance (GVCA) – Kim Phillips reported that there will be a public meeting for comments on the COGCC draft regulations at the Two Rivers Convention Center in Grand Junction on June 10 from 8:30am – 5pm.

Battlement Mesa Oil & Gas Committee – Don Mumma reported that there are no new issues with industry. Their elementary school and fire station are well under way.

Rulison/Taughenbaugh Mesa/Morrisania Mesa - Marion Wells reported that she passed out community counts brochures to her neighbors and was pleased to tell them that the Rulison Hill road would be repaired this summer. The consensus of the neighbors is that speed is the biggest issue right now and they notice that mostly industry pick up trucks with out of state license plates are the one doing most of the speeding. The county Sheriff's department put up a speed measuring device on Rulison Hill and the average speed was 45 mph on a 30 mph road. Other traffic violation issues in the area are not stopping or yielding to stop signs and stopping in the middle of the road and blocking traffic. Citizens of Morrisania Mesa are concerned because they can no longer walk, jog, ride horses or bikes due to the unsafe speeding and traffic violations in their area. One citizen described themselves as "prisoners on their own property." The attitude of many citizens in the area is there are also many problems with road and pad dust, odor, noise and jake brake noise. Marion said that the county did damage to her property while repairing Rulison Hill road and she has contacted the county commissioners, county Road & Bridge, the subcontractor, the contractor, the operator, the county Sheriff and the County Attorney about her legal issue. She is also very upset about disrespectful behavior to herself and her property by the operator sub-contractors.

Parachute/Battlement Mesa – Roy Savage reported that the County, Williams and Noble are doing work on county road 320 to clear out some of the line of site/pullout issues to make the road safer. They are also moving some fences back to maintain the road better. Williams is doing most of the work with county supervision.

Antero Resources – Jon Black reported that they have 4 rigs operating, 1 north and 3 south of Colorado River. They currently plan to maintain the same schedule for the remainder of the year. They are continuing development of the water transmission lines and satellite load out facilities to reduce truck traffic. They are utilizing a dynamic fracing system to reduce truck traffic and the footprint on each well. They are the first operator to have a site for testing for the air analysis data under the guidance of Jim Rada.

Bill Barrett Corporation – Jeff Fandrich reported that they have 4 rigs running with 1 in Mamm Creek, 2 on Chipperfield Lane and 1 in Divide Creek and they anticipate adding a 5th rig in September. The Bailey compressor station is on schedule for a July opening with two compressors. They expect to have a third compressor by the end of the year and a fourth next year which will increase their production. Any of their pipeline projects include water lines as well and they continue to expand alternative water transport systems.

Chevron – Michael DeBerry reported that they have had no injuries since last EAB meeting. Last week they did the CR 204 litter clean up project with Oxy and the DeBeque School. The joint project to upgrade CR 204 is moving forward. In mid-May he worked with Ute water on a children's water symposium in Grand Junction. About 6 weeks ago they had two incidents of people posing as OSHA imposters to gain access to their property and they notified the County Sheriff and the FBI. They have 2 rigs running on Clear Creek Canyon.

ConocoPhillips – Derek Wagner reported that they are continuing with their project on Encana's North Parachute Ranch. They have 3 rigs operating. Their temporary living quarters are currently housing 120 people and they are doing a good job reducing truck traffic. They are working with the BLM White River Field Office in Meeker on sage grouse issues.

Encana – Sher Long reported that they are operating 12 drilling rigs, 7 in South Piceance and 5 in North Piceance. They drilled 295 wells in 2007 and plan for 224 in 2008. They have 2,500 producing wells in the Piceance. The energy expo was well attended with 400 students for the morning session and over 2,000 people in the afternoon, not including the exhibitors. They will do the expo again next year. The vapor recovery system alternative test last year was successful. The system captures vapors before entering the tanks and eliminates green house gases that are created by combusting VOC's. Due to the success they are planning future installations next year. They have water transfer stations on Grass Mesa, East Mamm Creek and West Mamm Creek, which have reduced water truck traffic. They have seen a reduction of 85% in Grass Mesa, 70% in East Mamm and 75% in West Mamm.

Laramie Energy II – Wayne Bankert reported that the Helmer Gulch project in south Rifle has been approved. They will have two more rigs by month's end.

Maralex Resources – Leland Clifton reported no new activity.

Marathon Oil— Bob Coleman reported that they have 3 rigs on the Mesa by Garden Gulch and are moving in a 4th rig in a week. They will continue to run 4 rigs for the foreseeable future. On June 2nd he participated in a Tamarisk removal day. Marathon has committed to donate up to \$350,000 through 2009 to this project and asks other operators to donate to the project as well.

Noble Energy – Jim Kirkpatrick reported that they have 4 rigs running, a compressor station on Roy Savage’s property and pipeline projects in the area. He asked that if any neighbor encounters a Noble truck or driver being disrespectful, please notify him.

OXY— Daniel Padilla reported that they have 2 rigs drilling north of DeBeque. They have four applications for special use permits and one administrative permit with the County. They have an onsite meeting with BLM at end of month for 11 pads north of DeBeque.

Williams Production— Susan Alvillar reported that they have 25 rigs operating in Garfield County and Rio Blanco County. The Willow Creek civil work is finished and the modular units are currently being built in Grand Junction. The units should come up in June or July and be on-line the 2nd quarter of 2009. Susan has an intern, Liz Huber, working with her for the summer. Susan gave an update on the issue brought up by Don Mumma at last EAB about not being informed of accident in the Battlement Mesa PUD. A water truck working for Williams failed to stop at a stop sign, landed in the gully and spilled some diesel fuel. Their safety department now knows to contact Susan with the details of any incidents in the Battlement Mesa PUD and Susan will contact Don so he can keep the Battlement Mesa Oil & Gas Committee informed.

Garfield County Oil & Gas – Judy Jordan reported that the Oil and Gas Department is focused on two primary projects:

1. Judy is participating on the advisory committee for the energy development water needs assessment done by the Colorado and Yampa White River round table committees. They started work on this last summer/fall to get a sense of the water needs associated with the energy industry and it is a follow on to the round table process done in the state water supply initiative (SWSI). URS requested comments on their draft report last week. Judy included comments from David Grisso, with Encana, and thanked him for the helpful data he provided.
2. Residence reports were due to DOLA by the operators on April 30th and hundreds of them were just received over a month after the due date. The turnaround date to have them all back to DOLA is July 3rd. Since many of the addresses provided are incorrect, each address has to be checked in the assessor’s database and on GIS. Judy would like to convene a smaller group with GarCo operators, county, municipalities and DOLA sometime later this summer to discuss a way to refine and improve this process for the future.

Wendy Swan reported that the Department in April received 10 total complaints (6 odor, 2 spills, 1 environmental and 1 traffic violation) and in May received 10 complaints (8 odor and 2 traffic violations).

SUGGESTIONS FOR FUTURE AGENDA ITEMS

GarCo Oil & Gas Department will bring the tentative calendar with future suggestions to hand out at August meeting.

PUBLIC COMMENTS/ISSUES

Steve Carter spoke to the board as a Parachute Town Attorney to report a disturbing conversation he had with Parachute Chief of Police, Cary Parmenter. Chief Parmenter said that a week earlier the Colorado State Patrol and Port of Entry conducted a surprise examination of trucks coming down county road 215. Approximately 300 trucks were backing up traffic for miles and the level of non-compliance reached 90% for overweight vehicles. He said that if this report is true, the level of non-compliance speaks poorly of industry’s ability to manage its sub-contractors. He only heard this report from one source, but felt it was very important for industry to investigate.

ADJOURN

Betsy Suerth adjourned at 8:28pm.

Prepared by Wendy Swan, Garfield County Oil and Gas Administrative Assistant

Approved by the Energy Advisory Board

Date

Mike Braaten, Secretary of the Board