

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, August 6th, 2009

Minutes (FINAL)

Location: Garfield County Health & Human Services Building in Rifle, Colorado

CALL TO ORDER/INTRODUCTIONS

Ms. Betsy Suerth called the meeting to order at 6:04pm. EAB members introduced themselves. EAB members in attendance:

Suerth, Betsy
Black, Jon
Jordan, Judy
Braaten, Mike
McClung, Roy
Riddile, Art
Rothman, Artie
Mumma, Don
Robinson, Leslie
Hamilton, Theresa
Brynildson, Scott
Savage, Joann
Simonson, Jeff
Gross, Michael
Baird, Cary
Bankert, Wayne
Clifton, Leland
Clark, Chris
Alvillar, Susan

EAB Chair – Town of Silt
EAB Vice Chair – Antero Resources
Garfield County
EAB Secretary – City of Rifle
Town of Parachute
Town of New Castle
Town of Carbondale
Battlement Mesa Oil & Gas Committee
Grand Valley Citizens Alliance (GVCA)
Garfield School District RE-2
Mamm Creek/Hunter Mesa
Taughenbaugh Mesa/Morrisania Mesa/Rulison
Divide Creek/Dry Hollow
Peach Valley/Silt Mesa/Silt
Chevron
Laramie Energy II
Maralex Resources, Inc.
OXY Oil & Gas Corporation
Williams Production

MINUTES FROM PREVIOUS MEETING

- Betsy Suerth entertained a motion to approve minutes from the last meeting. Leslie Robinson moved to approve the minutes and Cary Baird seconded. The board voted unanimously to approve and the motion carried.
- Prior to the public comments, Susan Alvillar of Williams asked the Chair to make a correction to the published agenda, changing the word “violations” to the word “issues” during their follow up on noxious weeds and storm water.

PUBLIC COMMENT

- Marion Wells presented the board with 10 photographs that she took documenting the damage to her property from storm water released from the Stubbs pad owned by Williams. She stated that according to the COGCC’s old rules “drill pads are to use BMPs to minimize erosion and offset sedimentation by controlling storm water runoff” and she feels the Stubbs pad was in violation of that. On June 6th the storm water release from the Stubbs pad ran 3,800 feet from a pond to a gully and down to her spring and cost her over \$5,000 to repair the damage. She reported this incident to the COGCC, the CDPHE storm water permit section, Garfield County, and the Energy Advisory Board. Marion said it took 10 days for the COGCC to contact her back and that the only reason this occurred was because she complained to Dave Neslin. The report she received back from the COGCC stated that her spring was impacted by water from the gully and that the Stubbs pond was for settlement. Marion said that was false and that the pond has been there for 40 years as an irrigation pond and in the 40 plus years that she has owned her property the pond has never flooded into the gully. Marion said that

Williams stated to the COGCC that they do allow water from the Stubbs pad into the pond but they monitor the flows and it was not sufficient enough to raise the pond level to overflow. The unusual rain could be a potential source for the overflow. Marion said the last rainfall before the overflow was light and she does not believe rain caused the overflow. A COGCC inspector left a message for Marion on August 6th saying there was no absolute proof that Williams was at fault and they are unable to make an absolute determination of the cause. Marion asked the board to please at least look at the pictures because in her opinion the COGCC, the company involved, CDPHE and Garfield County have all failed her.

UNFINISHED BUSINESS

- Public Comment Spreadsheet – The board was given time to review the public comment spreadsheet and no comments were made.
- Steve Anthony, the Vegetation Manager for Garfield County, visited Marion’s property two weeks ago in response to her complaint at the 6/4/2009 EAB meeting regarding noxious weeds. Steve gave a handout describing the Garfield County weed management and site reclamation requirements. Marion’s issues with cheat grass are not on the Garfield County list to enforce as a noxious weed. There is less of a chance for success on re-vegetation in lower elevations. The other weeds on Marion’s property due to the “Savage gathering line” are tumble mustard. This weed is invasive but not on the noxious weed list to regulate. Therefore, they cannot enforce. Steve indicated that he would like to see improvements in soil handling as a group. He suggested composting and suggested a pilot project. Steve noted that pads that need reclamation are under the COGCC jurisdiction, but if a noxious weed is found on the pad or pipeline then Garfield County can come in to regulate. Call 625-8601 or email Steve at santhony@garfield-county.com with questions or concerns.
- Williams followed up on noxious weeds and storm water issues. Susan said a Williams’ representative named Shumaker went around the area of complaint made by Marion and found no noxious weeds from the Garfield County list in the area. Williams has been working with the COGCC and CDPHE. The head of the CDPHE storm water management came out to visit the area Marion has complained about and no definitive cause of storm water violations were found. Williams does not believe that they were the cause of the problem after investigating. The state of Colorado sent Williams a compliance advisory notice which they are currently responding to.
- Revised Resolution meeting with BOCC – Betsy notified the board that the BOCC adopted the new EAB resolution, modifying the EAB mission, which was a few years old. The new resolution reinforces the EAB’s conflict resolution and education missions. The resolution now states that the EAB may provide recommendations to the BOCC on legislation, regulations, zoning resolutions, master plans, and industry plans. New citizen representative areas were added as well as adding the Town of Carbondale and Grass Mesa Homeowners Association. The next step in the process is to examine the bylaws to make sure they match the revised resolution. Leslie reported that in the bylaws it states the EAB should give a quarterly report to the BOCC and was wondering what should be put into this report. Jon suggested using the tracking sheet as part of the report to show the BOCC an overview of the issues and issue resolutions. Judy suggested a list of educational presentations and what the board is currently doing. She also stated that the BOCC may assign the EAB specific topics to look at in the future. Betsy is going to contact the county manager to find out when a good time to make a quarterly report to the BOCC would be. Susan suggested to the Chair that the board revisit the topic of conflict resolution. Betsy said the EAB can raise the idea again to the BOCC and Susan would like to see this happen as an educational presentation. Judy said we do not necessarily need to go to the BOCC for an educational presentation idea if there is no charge.
- Wendy Swan and Judy Jordan went over a map of the new citizen representative areas. There are four new citizen representative areas: Parachute/Parachute Creek, Battlement Creek/Battlement Mesa, Rifle/ North Rifle and Dry Hollow Creek. The Divide Creek/Dry Hollow area was split into two separate areas and the Rulison/Holmes Mesa/Morrisania Mesa area split out Taughenbaugh Mesa to be its own area. The existing areas that currently have citizen representatives are: Roan Creek (Kathryn Bedell), Taughenbaugh Mesa (Joann Savage), Mamm Creek/Hunter Mesa (Scott Brynildson), Divide Creek (Jeff Simonson) and Peach Valley/Silt Mesa/Silt (Michael Gross.) Susan asked if any applications have been received for the new areas. Betsy said that there has been no public knowledge yet and asked if the board wants to direct the staff to do so. Judy

suggested a mailing rather than advertising to get notification of the new EAB citizen representative areas. This will also be submitted as a press release and placed on the Garfield County Website.

- Judy said it sounded like Marion still has a problem on her property even though no authority has issued any violations and Williams feels they are not at fault. Judy suggested the EAB to somehow try to help Marion's issue by having a small EAB group come visit Marion's property and facilitate discussion to try and help the situation. Betsy asked for volunteers and Jeff Simonson, Leslie Robinson, and Art Riddile volunteered to visit Marion's property. Susan said Williams would be happy to let a group come tour the Stubbs pad and storm water mitigation. Betsy asked Marion if she would be willing to have a small group do a site visit of her property. Marion said she had already fixed the problem on her own so there is nothing to show during a site visit, the photographs are her evidence. Betsy offered again to pursue Marion's complaint to see if they can perform some conflict resolution. Marion declined a site visit by EAB members.

NEW BUSINESS

- Betsy welcomed the Town of Carbondale to the EAB with the addition of EAB member Artie Rothman.
- Betsy welcomed the Grass Mesa Homeowners Association to the EAB with the addition of EAB member Michael Meskin.
- Betsy informed the board that citizen representative Maria Vazquez has resigned from the board due to a move.
- Betsy asked the board if canceling the September 3rd EAB meeting would be possible. Scott Brynildson moved to cancel the September meeting and Art Riddile seconded the motion. The board voted unanimously to approve and the motion carried to cancel the September 3rd meeting due to Labor Day holiday weekend.

EDUCATIONAL PRESENTATION

- Jon Black explained that he canceled his educational presentation because it would be more relevant at a later date and he would be more prepared later in the year, suggesting October as a possibility.

EAB MEMBER UPDATES

Town of New Castle – Art Riddile reported that they invited Antero (Jon Black) and Judy Jordan along with Commissioner John Martin to come discuss the injection well issue in New Castle at a town meeting. Art felt it was a very informative meeting.

Town of Parachute – Roy McClung reported that the new Parachute interchange is faced with issues regarding senate bill 232 funds. Issues came from questions regarding funding for one of the state's most impacted interchanges from the Oil and Gas industry. Bill 232 was amended to take some of FML trust funds money before it was out to balance the budget and try to get it coming into impacted areas. The money goes to DOLA and then on to Parachute, although Parachute has to go through DOLA's process to apply for the grant and come up with a match of 25 percent. The BOCC gave the 25 percent match for Parachute to get the 10 million dollar grant. With the County's \$2.5 million and Parachute's half million dollars, the total comes to 13 million. Parachute is still 2 to 3 million dollars short of the estimated 17 million it is going to cost to have the interchange completed. Parachute may need to approach energy companies for contributions. Roy said the prices will increase when the economy picks up and they want to proceed as soon as possible. Leslie Robinson suggested the Oil Shale trust fund as a possible means for funding. Roy explained that there is a lengthy process and that the money might go to Rio Blanco County before it goes to Parachute and that it is unclear how much money will be allocated for such projects. He said it is an option that Parachute has looked into. The sales tax in Parachute is down an average of 35 percent for the past 9 months.

City of Rifle – Mike Braaten reported that they are in a similar position as Parachute with their sales tax down 17 percent on the year and from June 2008 to June 2009 it is down 35 percent. Rifle backed out of pursuing the senate bill 232 funds for industrial parking and is currently seeking a grant from DOLA and possible funding from the county to help with this project.

Town of Silt – Betsy Suerth reported that they will be placing the roundabout statue on August 21st at 3pm and invited the board to be there for the unveiling and treats. She also reported that the Silt bridge was hit by a flatbed truck carrying a high tanker. CDOT had a contractor come and re-open the exit in 9 days. A-1 traffic control dropped what they were doing to help and the Town of Silt gave a major thanks to CDOT for getting the bridge fixed so quickly. The BLM will be moving into their new office in Silt at the end of August.

Garfield School District RE-2 – A report was given for Theresa Hamilton by Wendy Swan. Wendy reported that Rifle high school is going to have their grand opening on August 14th or 16th and that Theresa would be sending out an email to the board notifying them of the date of the grand opening.

Battlement Mesa Oil & Gas Committee – Don Mumma reported that the new elementary school in Battlement Mesa will be occupied in the fall. The new fire station is finished and they are moving in on 8/6/09 with an open house August 16th. At the June meeting it was announced that Antero would be drilling inside the Battlement Mesa Planned Unit Development (PUD) and since that time there has been a lot of discussion meetings. Battlement Mesa is governed by the Battlement Mesa Service Association (BMSA) which appointed the Battlement Mesa Oil & Gas Committee (BMOGC) to oversee the drilling operations when and if it occurs in the PUD. BMOGC has had two meetings with Antero on various subjects and has another six meetings scheduled which will take them into November. The BMOGC has meetings on the second Tuesday of each month at 3:30pm in the Battlement Mesa Activity center and these meetings are open to the public. The BMSA has not given the BMOGC a clear direction on what they should do regarding the drilling. The BMOGC has scheduled three of the six meetings with Antero to take place in the evening at 6:30pm so the public can attend these meetings. Jon Black with Antero will have more information on this because Antero sets the dates for these meetings.

Grand Valley Citizens Alliance – Leslie Robinson: No report given.

No Citizen Representative updates

Antero Resources – Jon Black reported that they have placed an advertisement in the Grand Valley Echo listing the public meetings that Antero will be conducting. They will give information, address concerns and consider comments received from concerned citizens. The information Antero has received is much appreciated. Antero encourages people to attend the informational sessions. The activity Antero has in Rifle and Silt is limited to 1 work over rig and they continue to do production testing. Antero has a fracing operation to the north of the Colorado River between Rifle and Silt. Since the last EAB meeting Antero has contributed cash donations to the Block Party of Battlement Mesa under the Grand Valley Educational Foundation to raise money for books for schools, the neighborhood watch, and Garfield County live stock sale.

OXY – Chris Clark reported that they have no rigs running. They are developing disposal wells with success and have brought them online, which should help reduce some of the truck traffic on Garfield County roads. They have been doing a little pipeline work to tie in some water pipelines to the injection facilities.

Maralex – Leland Clifton reported no new activity.

Williams Production – Susan Alvillar reported that they have 8 rigs running; 1 in Rio Blanco and 7 in Garfield County. There is one pad to the north that is a centralized frac pad and they will be fracing wells on those 3 pads through October. The oldest remaining structure in Parachute Creek, the Glover Cabin which has been surrounded by their plant, will be moving. The structure was donated years ago to the Grand Valley Historical Society and will now be placed by the restored school house on Battlement Mesa. The cabin will be moved in September and a ribbon cutting will take place on October 1st. They will be sending out invitations to the board and encourage everyone to come.

Chevron – Cary Baird reported that no rigs are running. They have also suspended any planned work that they are not currently involved in. They have started the commissioning process on a completion facility that will probably take place in September. Chevron has had no safety or environmental issues since the last EAB meeting.

Laramie Energy II – Ken Leis reported 1 rig in Jack’s Pocket, with 7 wells to drill and 3 completed. They plan to be out of the area 6 to 7 weeks early because they are drilling the wells fast. The rig will then be moving to south of Una Bridge where 6 wells are to be drilled. No completion operations are being done currently but they are planning to start completion operations in the Beaver Creek area.

Garfield County Oil & Gas – Judy Jordan gave an update on the following issues:

- Judy followed up on some comments made by municipalities in specific regard to DOLA grant funds and with Mike Braaten’s help have been trying to estimate how much severance tax money will be coming back to Garfield County. The new formula changed and the towns now will get a smaller portion of distribution. Judy thinks that smart growth principles suggest that most of the future growth in the county should be directed to the towns and they are going to need money for infrastructure. She will try to help shepherd more DOLA applications and have the county partner with the municipalities to strengthen the application.
- Judy introduced two new staff members to the Oil and Gas Department. Nikki Reckles the Oil and Gas Representative, and Ryan Clarke the Oil and Gas Intern.
- Judy reported that there is an RFP out for Phase III of the Hydrogeologic study.
- Judy reported that the Thompson Divide Coalition came to the BOCC on Monday 8/3/09 and that John Martin mentioned something about getting the EAB involved with this. It is unclear at this time when or how the EAB will be involved.
- Wendy reported that in June they received 4 complaints; 1 odor, 1 dust, 1 drill location, and 1 storm water. In July there was 1 haul route violation complaint.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

- Jon Black to do a presentation on urban development and drilling in sensitive areas.
- Presentation on conflict resolution.

PUBLIC COMMENTS

- Marion Wells said she would be willing to host anyone interested in coming to her property. She also said that four of the photographs show that the Williams’ best management practices (BMPs) had failed and the water was still directed onto her property. She and Lisa Bracken are certified in conflict resolution and both would do it for free. Marion felt the EAB public comment spreadsheet was inadequate because this month only had the noxious weed issue and she had also reported the storm water issues at the last meeting and there are 5 other things from previous meetings that should be on the spreadsheet. If the EAB goes to the BOCC to report on the public comment spreadsheet, she hopes the whole picture will be relayed to them.
 - Wayne Bankert said he would like to have a full copy of public comment spreadsheet at each meeting and sent via email as well.
 - Susan Alvillar said Williams is happy to host a visit to the Stubbs pad for those who are interested.
- Juanita Williams thanked Williams for their donation of \$830 dollars to the neighborhood watch so they could purchase refrigerator magnets with emergency numbers printed on them.

ADJOURN

Betsy Suerth adjourned at 8:09pm.

MOTIONS PASSED AT THIS MEETING

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

Approved by the Energy Advisory Board on

Date

Mike Braaten, Secretary of the Board