

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, August 7th, 2008

Minutes (FINAL)

Location: Colorado Mountain College West Garfield Campus in Rifle, Colorado

CALL TO ORDER/INTRODUCTIONS

Ms. Betsy Suerth called the meeting to order at 6:09 pm. EAB members introduced themselves. EAB members in attendance:

Suerth, Betsy
Black, Jon
Braaten, Mike
Jordan, Judy
Mumma, Don
Wizer, Joyce
Wells, Marion
Brynildson, Scott
Shed, Monty
Pollard, Kristi
Long, Sher
Leis, Ken
Coleman, Bob
Padilla, Daniel
Clark, Chris
Alvillar, Susan

EAB Chair – Town of Silt
EAB Vice Chair – Antero Resources
EAB Secretary – City of Rifle
Garfield County Oil & Gas
Battlement Mesa Oil & Gas Committee
Grand Valley Citizens Alliance (GVCA)
Rulison/Taughenbaugh Mesa/Morrisania Mesa
Mamm Creek/Hunter Mesa
Bill Barrett Corporation
Chevron
EnCana
Laramie Energy II
Marathon Oil
OXY Oil & Gas Corporation
Plains Exploration & Production
Williams Production

MINUTES FROM PREVIOUS MEETING

Betsy Suerth entertained a motion to approve minutes from the last meeting on Thursday, June 5th, 2008. Marion Wells moved to accept the minutes as presented and Don Mumma seconded. The board then voted unanimously to approve.

PUBLIC COMMENTS

- Jon Prater, a professor with CMC, who provides training for oil and gas operations spoke to the board about an immediate need for an instructor at the CMC West Garfield/Rifle campus for his Basic Equipment I class on rotation equipment. The class will be one night per week for 15 weeks from 6 – 9:30pm. He asked operators to call him at 625-1871 with any leads on an instructor for this class.

UNFINISHED BUSINESS

- Garfield County Sheriff Lou Vallario gave a follow up report on the county resolution and enforcement of designated haul routes. The resolution does not designate the Sherriff's Office as the authority that can enforce the haul routes. Although the resolution could be amended, only the Road and Bridge Department is authorized to enforce the haul routes, yet Road and Bridge doesn't have the authority to arrest violators.
- On July 23, the Sheriff's Department set up a traffic monitoring point on CR 309. They issued 21 citations. They realize that there are many problem areas with industry truck traffic and are trying to do a focused blitz program on these problem areas.

EDUCATIONAL PRESENTATION

Jim Koffer, the Technology Deployment Engineer with Chevron Energy Technology gave a presentation on the Chevron Oil Shale RD&D Program Status.

- Chevron is researching a technology on their BLM research and development plot that uses supercritical CO2 to extract kerogen from oil shale.
- Please visit the EAB website at <http://www.garfield-county.com/Index.aspx?page=768> and click on the minutes from the 8/7/08 EAB meeting to view the Power Point slides that Jim Koffer prepared.

EAB MEMBER UPDATES

City of Rifle –Mike Braaten reported that they released a case study specific to the City of Rifle as a companion document to the AGNC Socioeconomic study and it is available on their website at www.rifleco.org . They are partnering with Sun Edison to install a 2.3 mega watt solar array. Sun Edison is offering a solar energy tour across the nation and will be at Rifle City Hall on August 15 from 10am – 2pm. This demonstration is free and open to the public.

Town of Silt – Betsy Suerth reported that Garfield County did a traffic study on Silt county roads 331, 311 and 346 from July 8 – 16. The traffic counter clocks speeds as well and observed widespread speeding. They have sent their public safety department to these areas and they ask drivers to please be safe driving on the county roads. They appreciate patience with the Silt roundabout construction.

Battlement Mesa Oil & Gas Committee – Don Mumma reported that the PUD has no industry issues right now.

Mamm Creek/Hunter Mesa – Scott Brynildson reported that it is busy as usual in the area and that a cow on the road was hit by a truck.

Rulison/Taugenbaugh Mesa/Morrisania Mesa - Marion Wells reported that she made some phone calls to her neighbors prior to the meeting about concerns over the past 2 months. They had a lot of complaints about jake brake noise on Holmes Mesa to Morriania Mesa, Holmes Mesa to Rulison and on Taugenbaugh Mesa. Odors and speeding continue to be a problem. The neighbors were very aware of the Sheriff's presence on July 23, which had a marked effect on vehicle speeds for a few days. She observes many trucks on Rulison Hill that do not stop at the stop sign at the bottom of the hill and many have out of state license plates. The neighbors are also very bothered by the out of state plates which do not contribute to the upkeep of Colorado roads. There is a switchback at the end of CR 320 – Taugenbaugh Mesa that is dangerous for the trucks to use.

Antero Resources – Jon Black reported that they have 4 rigs operating, 1 north and 3 south of the Colorado River. They are bringing in a 5th rig soon and plan to have 6 rigs by the 1st quarter of 2009. The majority of wells south of the Colorado River are completed. They are continuing development of the water transmission lines and satellite load out facilities to reduce truck traffic. They have acquired Windsor Energy which is located on BLM federal ground 7 miles southeast of Silt. They have been working closely with BLM on this acquisition and are having regular inspections by BLM. They recently had juvenile intruders at a well site who were caught and handed over to the local Sheriff. All oil and gas facilities are under federal laws and trespassing is considered an act of terrorism. They are working with GarCo Environmental Health on air monitoring at Antero Rig 27.

Bill Barrett Corporation – Monty Shed reported that they have 4 rigs running with 1 in Mamm Creek, 2 on Chipperfield Lane and 1 in Divide Creek and a 5th rig is arriving in two weeks. They plan to maintain a 5 rig program for 2008 & 2009. They have increased their budget to include 135 wells. The 20 inch loop line will be completed in the next few weeks for efficiency in their gathering systems. They have had a successful start up on the Bailey compressor station which is located between Divide Creek and Dry Hollow, North of Chipperfield. They continue to install water lines and water stations throughout the field to reduce water truck traffic.

Chevron – Kristi Pollard reported that they have had no injuries since last EAB meeting. They just completed the 4th pad and 82 wells. They still have their 2 multi purpose flex rigs on site and they are currently moving to the 5th and 6th pad locations. One of the two rigs went a full year with no injuries. The level of activity is ramping up every day. They currently have 250 employees which should expand to 500 employees. The operations staff in Grand Junction currently has 62 people and is expected to go up to 80. They are sponsoring the Rob River Rally event to raise awareness to the trail systems and natural resources.

Encana – Sher Long reported that they are operating 12 drilling rigs; 4 in Parachute, 3 in Mamm Creek and approximately 5 on North Parachute Ranch. 10 of the rigs are fit-for-purpose and 2 are conventional. They are expanding Community Counts to Mesa County and have Delta, PXP and Black Hills on board and the program will be coming east soon.

Laramie Energy II – Ken Leis reported that they have 4 rigs on Taughenbaugh Mesa. 3 of those rigs just moved in over the last few months. They bought some assets from Petro Hunter South of Battlement Mesa and in the Una Bridge area. They plan to bring in a 5th rig at the end of this year for those properties. They set up a water treatment center on Taughenbaugh Mesa that is pumping 100 barrels per day and hopefully will go up to 200 barrels per day in the near future.

Marathon Oil— Bob Coleman reported that they have a new External Relations Representative, Bill Groffy, who will attend future EAB meetings. They have 4 rigs on the mesa up Garden Gulch and plan to run 4 rigs this year and into 2009. They continue to build their water infrastructure to reduce water truck traffic. On August 1 they started a temporary pump for the pipeline from the valley floor up to the mesa which is pumping 4,000 – 6,000 barrels of water per day and has reduced the water truck traffic by 40 to 60 trucks per day. By the end of September they should have the permanent pump in which will pump 20,000 barrels of water per day.

OXY— Daniel Padilla reported that they have 2 rigs drilling north of DeBeque on multi-well pads. They are devising a master development plan with BLM for their operating area north of DeBeque. BLM will send out the master development plan for public comment in the near future. In June, COGCC issued them 4 notices of alleged violation for 3 releases that occurred on their property. They have provided COGCC with their corrective action plans and hope to get their comments back over the next two weeks. In addition to the COGCC, they have communicated with the National Response Center for US Army Core of Engineers, CDPHE, DOW, Judy Jordan and Jim Rada of Garfield County, BLM, grazing lessees, neighbors and other state representatives. In order to establish a water baseline on their property, they have started an inventory of all water body features including springs, wetlands, perennial and intermittent drainages and seeps. In June they participated in the Grand Junction Relay for Life event and contributed over \$9,000. They met with the GarCo BOCC to discuss expansion of a Colorado natural resource area located on their property. The plan to expand this area is moving forward.

Plains Exploration & Production (PXP) – Chris Clark reported that they have 6 rigs in Mesa County and 3 rigs in the South Silt Hells Gulch area. They just had a second EA approved for the Hells Gulch area and another for Hightower. They plan to have 3 rigs and possibly a 4th for the summer seasons in years to come. Shawn Helm is doing a great job with the community counts program and he thinks it will be a good program for the citizens and operators of Colbran Valley.

Williams Production— Susan Alvillar reported that they have 25 rigs operating in Garfield County and Rio Blanco County. They are currently building two new pads in the Porcupine Creek area. They have been talking with neighbors to establish communication efforts for a dust management program. They have 20 miles of above ground water pipelines that go from recycling facilities out to the field and over south of the river. Their goal is to build centralized frac facilities. In Rulison they have an above ground frac line up to 4 miles away from the well head to help cut down on truck traffic. On August 14 from 5 – 8pm they are hosting a picnic at Rock School House and will be giving tours of the Willow Creek plant. On September 10 from 3 – 6pm in Parachute at Cottonwood Park they are hosting their 100th year celebration. They recently sent letters out to 500 of their contractors to alert them of security and trespassing issues and Colorado licensing requirements. They are involved with OXY in the notice of alleged violations investigation. They have completed phase 1 of investigations with three other companies on another incident. Their team took second place in fundraising honors at the Rifle Relay for Life. The Community Counts picnic in Rulison was very well attended.

Garfield County Oil & Gas Department– Judy Jordan reported that she is serving on the energy sub-committee of the energy needs assessment that is being undertaken by the River Conservation District. The contractor, URS, has drafted a report that should be finalized by the end of the year. The draft report from Papadopulos on the hydrogeologic assessment Phase II for the Mamm Creek and Divide Creek area was just received (4 months late). Judy has a meeting set up with the consultants to discuss her comments on the report and will send out the data to each of the citizens who had their domestic wells sampled once the report is finalized. Andrew Stone was introduced as the O&G intern.

Wendy Swan reported that in June Garco O&G received 7 total complaints (2 odor, 1 traffic, 1 dust, 1 environmental, 1 noise and 1 open pit) and in July received 11 total complaints (2 odor, 1 permit, 2 truck traffic, 1 truck pollution, 1 truck noise, 1 truck dust, 1 health, 1 well water and 1 stormwater soil/ erosion control for pipeline). About one year ago, Garco O&G used to ask operators to fill out a demographic report each month, but Wendy has been working on a way to get that data on our own. The report covers:

- # of rigs in county
- # of producing wells
- # of wells spud
- # of permits approved
- # of permits pending
- location of current drilling activity.

These are requested on a monthly basis for each operator. Garco has found most of the data on the COGCC website, but Garco O&G appreciates each operator adding the # of wells spud each month to their report at EAB if possible. Wendy will send an email to all of the Garfield County operators with the demographic report attached and a request to please report on these each month at EAB.

Susan Alvillar and Ken Leis said they wanted Judy Jordan to revise her analysis of the proposed COGCC/DOW timing restrictions on Garfield County in conjunction with operators. Marion Wells said as a citizen she would like to see what the discrepancy was and that the EAB should be advised as well. Kristi Pollard asked if other operators, like Chevron, would be included in the discussion and Susan responded that she would let other operators know how to be part of their discussions.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

- A tentative educational presentation ideas calendar was handed out to the board to discuss future suggestions. The tentative suggestion for September was to invite candidates running for the BOCC positions to speak about where they stand on energy issues. Certain members of the board were opposed to this idea. A suggestion was given to have each candidate speak for only 5 minutes and state where they stand on energy issues, but no questions would be allowed to the candidates in consideration of time. Marion Wells moved to invite and give each candidate a 5 minute time period as part of the agenda at the next meeting to speak about where they stand on energy issues, Scott Brynildson seconded the motion, but it did not carry. Judy Jordan abstained from the vote, citing her status as an employee of the county as a conflict. Susan Alvillar moved to let the candidates speak during the first public comment period for 5 minutes each if they want to at the next meeting, Sher Long seconded the motion and the motion was approved. Judy Jordan abstained from this vote as well.
- Sher Long suggested a future educational presentation on noxious weeds in Garfield County. Wendy will follow up with Garco's expert, Steve Anthony to see if he would be available.

PUBLIC COMMENTS/ISSUES

A citizen asked if anyone from Orion Energy was present to give an update on the Garfield Creek State Wildlife area. There was no representative from Orion Energy at the meeting.

ADJOURN

Betsy Suerth adjourned at 8:04pm.

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