

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING MINUTES

Thursday August 4, 2016

Location: Rifle Library, Rifle, Colorado

CALL TO ORDER/INTRODUCTION

Chair Scott Stewart called the meeting to order at: 6:00 P.M. Secretary Jake Janicek conducted roll call and read the EAB mission statement.

EAB members in attendance:

Ed Green	City of Rifle
Kirby Wynn	Garfield County
AJ Hobbs	Town of Carbondale
Marc Morton	Colorado Oil and Gas Conservation Commission
Don Mumma	Battlement Mesa Oil & Gas Committee
Leslie Robinson	Grand Valley Citizens Alliance
Robin Haney	Colorado Mountain College (Vice Chair)
Bob Arrington	Citizen Rep Battlement Mesa/Battlement Creek
Jeff Simonson	Divide Creek
Howard Orona	Parachute/Parachute Creek
Scott Stewart	Roan Creek (Chair)
Hank Kracht	Rulison
Tom VonDette	Taughenbaugh Mesa
Jason Metcalf	Una Bridge/Wallace Creek/Spring Creek
Cary Baird	Chevron
Jake Janicek	Caerus Oil & Gas (Secretary)
Jason Eckman	Encana Oil & Gas
Shawn Brennan	Enterprise
Lorne Prescott	Laramie Energy, LLC
Brian Gardner	Summit Midstream
Don Simpson	Ursa Resources
Susan Alvillar	Terra Energy Partners

Invited guests in attendance:

Steve Ficklin	BLM
Nita Smith	Community Counts Colorado
Richard Haut	Environmentally Friendly Drilling Program, Houston Advanced Research Center

APPROVAL OF LAST MEETING MINUTES

The board reviewed the June meeting minutes, after a minor edit requested by Don Simpson, Susan Alvillar made a motion to approve the June EAB Meeting Minutes, this motion was seconded by Kirby Wynn, the board unanimously approved the amended August EAB Meeting Minutes.

NEW BUSINESS

New Business was discussion of previous request to have further education regarding pipeline management on a more local level. Additionally a review of topics that have been covered as well as topics that have not been covered were discussed to determine future educational topics. Susan Alvillar suggested having the results of traffic report shared. Shawn Brennan of Enterprise offered to share a

presentation that Enterprise has on pipeline safety, as well as mechanical integrity and right-of-way topics that relate to monitoring pipe, repairing, as well as preventative measures. Robin Haney suggested another issues subcommittee meet and focus on the specific needs of this board. Audience member Marion Wells requested further pipeline information to include video, and details on the failure of the pipeline on her property an “autopsy” as it were. Scott Stewart would like to hear information on local economic impact. Don Simpson made a motion Subcommittee will include; Susan Alvillar, Robin Haney, Bob Arrington, Cary Baird and Kirby Wynn. The subcommittee will meet to finalize the next several month’s topics for education at future EAB Meetings. Other New Business introduced by Scott Stewart was the introduction of Sheryl Bower the new Garfield County Community Development Director to the board.

OLD BUSINESS

Kirby updated the group with information the Preferred Haul Route Map is being updated under the direction of Garfield County Road and Bridge Director Deb Fiscus. The updates have been submitted to the County Attorney’s office. We do not have a timetable for receipt of this updated information and map. Any proposed changes, and language changes will go to the BOCC for approval after the County Attorney’s office has finished its review and given their recommendation.

EDUCATIONAL PRESENTATION

Dr. Richard Haut, Managing Director, Environmentally Friendly Drilling Program, Houston Advanced Research Center presents; **Environmentally Friendly Drilling Practices? Filed Trial Highlight How to Address Environmental Issues.** What is a “Green Completion” and does it fully protect the environment? Dr. Haut discussed the latest oil and gas drilling field research and newly discovered best practices and opportunities to reduce societal and environmental impacts.

PowerPoint and video of the presentation are available from EAB web page: <http://www.garfield-county.com/oil-gas/energy-advisory-board.aspx>

Dr. Haut’s presentation was followed by extensive Q & A.

PUBLIC COMMENTS

Marion Wells of Rulison commented on an article noting there are 339 high risk category wells in Garfield County. These high risk category wells generate numeric scores, Ms. Wells would like to know where she can view or get a copy of those scores. Additionally Ms. Wells states that the American lung association has given Garfield County an F in grading air quality contrary to what Garfield County air monitors and staff have reported. Perhaps this could be a place for further discussion. Also “Light Pollution” obscures the Milky Way and Meteor showers all over, there is a meteor shower expected in August, Ms. Wells request that industry shade their lights so it does not go upward into the night sky.

Dr. Richard Haut offered to share information that he will receive from an upcoming meeting addressing this subject.

Marc Morton of the COGCC also responded to Ms. Wells mention of High Risk Category wells to clarify the understanding the terminology “High Risk” it is important to keep in mind that it is relative risk, not risky as in something is bound to happen, it’s a relative risk scale in prioritizing inspections. It’s a modeling approach in respects to proximity to dwellings, age of wells, and history of wells.

Kirby Wynn responded to Ms. Wells mention of an F rating of air quality given to Garfield County and suggests that we have our Environmental Health Department come and speak on this issue as it is known by state and local air experts that the ratings were based on wholly inadequate data to make such a

determination. The report in question is national in scale and is not really useful to determine if local citizens are in fact exposed to poor air quality conditions.

AJ Hobbs noted he will be resigning from the Energy Advisory Board and the Carbondale Town Council as he will be moving to Spain. Mr. Hobbs gave his thanks to the board for the opportunity to learn and grow in understanding of the issues related to Oil & Gas concerns.

COMMUNITY COUNTS AND STATE/FEDERAL AGENCY UPDATES

Community Counts Update – Nita Smith; Community Counts Colorado is a broad-based non-profit organization established to facilitate open and direct dialogue between communities and the energy and extraction industries that encourages timely response and resolution to matters of mutual concern.

We currently have 78 members and operate in Garfield, Mesa and Rio Blanco Counties. Newest members are Battlement Mesa Service Association and Battlement Mesa Metropolitan District and D and J Gardner Excavation.

May Concerns/Information –

1. 2 Concerns
2. 2 Rig Moves, 1 Workover Rig
3. 4 High Volume Work Emails
4. Numerous Road Updates

Current Rig Count – 3 Garfield County, 1 Rio Blanco County

1. Terra Energy Partners – 1 Garfield County – RU 22-7
2. Caerus Oil & Gas – 1 Garfield County – 17L
3. Ursa Operating Company – 1 Garfield County – Tompkins Pad
4. Natural Soda – 1 Rio Blanco County
5. Statewide - 21

Response Line: 866-442-9034

PRESS 1 TERRA ENERGY PARTNERS

PRESS 2 ENCANA

PRESS 3 URSA RESOURCES

PRESS 4 VANGUARD

PRESS 5 CHEVRON

PRESS 6 CAERUS

PRESS 7 SOLVAY CHEMICALS

PRESS 8 LARAMIE ENERGY

PRESS 9 GARFIELD COUNTY OIL & GAS LIAISON

PRESS 0 COMMUNITY COUNTS EXECUTIVE DIRECTOR

PRESS # XTO ENERGY OR EXXONMOBIL IN RIO BLANCO COUNTY

PRESS * NATURAL SODA IN RIO BLANCO COUNTY

CCC 2016 -2017 BOARD OF DIRECTORS

SUSAN ALVILLAR – TERRA ENERGY PARTNERS – President

DON SIMPSON – URSA OPERATING COMPANY – Vice-President

MONIQUE SPEAKMAN– CHERYL & CO PROPERTY MANAGEMENT - Secretary

KIRK DAEHLING – NATURAL SODA - Treasurer

BRIAN GARDNER – SUMMIT MIDSTREAM

ZACH JACOBSON– SUMMIT MIDSTREAM

DAVE MORLAN– RIO BLANCO ROAD & BRIDGE DIRECTOR

KIRBY WYNN– GARFIELD OIL & GAS LIAISON
CHUCK HALL – BATTLEMENT MESA RESIDENT – (NEW BOD)
STEVE RIPPY – BATTLEMENT MESA METROPOLITAN DISTRICT (NEW BOD)

Community Counts Board Meetings are held every other month on the 3rd Wednesday, 3:30 – 5:00 pm at the Town of Parachute. Our next Board meeting will be September 21ST, 2016.

Contact information is: Nita Smith, Executive Director, nita@communitycountscolorado.com
susan.alvillar@wpenergy.com (970.263.5315) (970.712.7317 or 303-916-4009) or Susan Alvillar, Board President.

Bureau of Land Management: – Steve Ficklin; We have three new personal coming on board to increase our inspections. Additionally we also have gone to risk based inspection, it's based on level of production, violations, length of time since last inspected.

EAB MEMBER UPDATES

Municipalities:

Town of Carbondale – AJ Hobbs; Carbondale is very grateful for the 25 leases cancelled in the Thompson Divide and also very empathetic for those impacted by this decision. The BLM process was very thorough and that is very much appreciated.

City of Rifle – Ed Green; Nothing to report.

COGCC:

COGCC – Marc Morton; Morton let the board know that three new commissioners will appointed in the near future, they are appointed by the Governor, one that will be replaced is Richard Alward out of Grand Junction. COGCC held a small operator training recently geared towards operators with less than 100 wells, to help them understand the rule changes. The next commission hearing will be Oct 29th and 30th in Denver.

School Districts:

Colorado Mountain College – Robin Haney; August 31 CMC will host an OSHA update, the update will cover the new confined spaces standards for construction, the final rule on crystalline silica, the final rule on record keeping and recording and very important the new OSHA Penalty Structure that took effect August 1st. This will be presented by Herb Gibson, the region 8 OSHA Director from Denver at the CMC Campus August 31st 8:00 – 12:00pm operators are welcome to send as many of their people to attend as they would like.

Organizations:

Grand Valley Citizens Alliance – Leslie Robinson; The GVCA along with Sierra Club and Western Colorado Congress is hosting what is called the mapping of the Oil & Gas threat map on August 8, 6:30pm at the GWS Community Center, it tracks the population, medical facilities, schools, located within a half mile radius of an Oil & Gas Facility. This event will show attendees how to use the map and how to track the facilities set-backs in your community.

Battlement Mesa Citizens – Bob Arrington; July 19th, 2016, The COGCC held its hearing in Glenwood Springs Community Center. The GVCA and BCC helped community members voice their concerns about the Ursa drilling plans in Battlement Mesa.

Later in the hearings, Ursa was scheduled on violations and fine. There is no record online of outcome at this time, but it centered about odor violations resulting from complaints in Battlement.

Residents have voiced their concerns that despite new rules, the COGCC does not have the will to enforce them to full extent and that, despite many BMP's, Ursa will continue to have problems. At this time, of two Battlement sites known as Pad B and Pad D, Pad D was approved and Pad B was pending. There is a hearing scheduled this month for Pad B, but if approved before the hearing, it will be moot.

Early in July, Ursa held another community meeting and described a plan to drill within 650 to 700 feet of the Parachute High School, on a piece of land that is surrounded by Parachute town, but county administrated. The attendance of Ursa associates, County Commissioners, staff and candidate, photographer and sound man appeared to equal if not out-number residents.

Battlement Mesa Oil & Gas Committee – Don Mumma; Nothing to Report

Citizen Representatives:

Parachute/Parachute Creek – Howard Orona; Nothing to Report

Rulison – Hank Kracht; We have Ursa operating in our area around 301 road but have no complaints to report.

Una Bridge/Wallace Creek/Spring Creek – Jason Metcalf; Nothing to Report

Roan Creek – Scott Stewart; Nothing to report

Taughenbaugh Mesa – Tom VonDette; Terra Rig on Beaver Creek lots of truck traffic in that area but speed hasn't been an issue at this time.

Divide Creek – Jeff Simonson; Nothing to Report

Operators:

Laramie Energy – Lorne Prescott; Not currently doing any drilling in the area, we are still reviewing the infrastructure of Oxy assets we acquired and preparing for some possible drilling next year.

Encana Oil & Gas – Jason Eckman; Nothing new to report, still producing, staying active in the community with participation in the livestock auctions in Mesa County, Garfield County Rio Blanco, 26 staff volunteered for the special Olympics summer games in Grand Junction and we were able to sponsor the track and field event.

Summit Midstream - Brian Gardner; We finished building a 3,000 ft. pipeline on Flatiron Mesa in July, we are going to build 2 more on the south end of Flatiron Mesa about 7,000 ft., we have new gas coming coming into the system on Battlement Mesa and Flatiron Mesa.

Terra Energy Partners – Susan Alvillar; Terra closed the sale on April 8th and started operating the facilities on July 1st we have a team of about 145 people in Parachute another 60 in Houston. Terra Energy Partners chose this asset to purchase which shows they have a lot of faith in this basin. Brian

Hotard is still there with us, Brad Moss is there as our production superintendent, so there are still familiar faces if you have any issues please call and we will get someone to help you.

Ursa Operating Co. – Don Simpson; Not much has changed since the last meeting, we did start drilling on the Monument Ridge Pad (17 wells) and started drilling on the Tompkins Pad (18 wells) and we are constructing the pipeline from Tompkins to Monument Ridge Pad and are ahead of schedule should be earlier than expected in September. We have a tentative plan to sit the rig for 3 weeks to allow for completions on the Monument Ridge B pad, then move the rig back there and we have interim reclamation ongoing on the Monument Ridge pad and dirt work completed on the Speakman, Yater & Watson Ranch pads, with only seeding remaining.

In regards to safety we have achieved a 0.0 which is very high with the industry average at 2.5 to 2.9. In 2015 we had 155 COGCC inspections, in 2016 from January to July we have had 168 inspections by COGCC mostly in Parachute.

Current production is 106 from 450 wells.

BMC D pad COGCC permits have been approved, still waiting on BMC B permit responses.

We provided initial LUMA 90 day notice for proposed Lacy Park pad near Grand Valley High School, there will be additional notices, and we hope to be on the school board agenda in September.

Ursa's community outreach included a tour of our operations to students from the University of Bern Switzerland, we held a Parachute/Battlement Mesa update meeting on July 12th, the Colorado Mountain College scholarship from Ursa was awarded to a Grand Valley High School graduate, and Ursa also participated in the Garfield County Fair livestock purchase.

Caerus Oil & Gas – Jake Janicek; We have a drill still operating on the 17L south of Rulison we are about to move it to a pad recently acquired from Marathon to the C23 on Logan Mesa.

Enterprise Products – Shawn Brennan; We would like to offer follow up to Community Counts mention about County Road 5 emergency response group. There is a pretty extensive effort going on in Rio Blanco County along with involvement with emergency responders from Garfield County with firefighters, sheriff's department, BLM and most of the operators in the Piceance basin along County Road 5, planning for emergency situations. We did a table top exercise in the spring, we're working on a functional exercise and working towards a full exercise for next summer to ensure that everyone can be prepared for emergency response to potential oil and gas issues.

Chevron – Cary Baird; Chevron has had a recent restructuring in Colorado and central US area which includes their Piceance operations they now report to a central area under Greg Germani out of their midland office, new Colorado operations superintendent is Nick Machete. New Piceance Skinner Ridge Operations supervisor is Vince Guinta, 1 workover rig with no safety or environmental incidents to report.

County:

Garfield County – Kirby Wynn; Wynn introduced himself as the Garfield County Oil & Gas Liaison. PowerPoint and video of his update is available on the EAB website at: <http://www.garfield-county.com/oil-gas/energy-advisory-board.aspx>

There is an email sign up list available if any new attendees would like to be added to the mailing list for EAB and other notifications, or you can contact npayne@garfield-county.com or call 970-625-5915.

(Provided as a PowerPoint presentation available online at: <http://www.garfield-county.com/oil-gas/energy-advisory-board.aspx>)

Resident calls to the office for June and July 2016 are; 2 Haul route, 2 Odor, 1 Spill/release cleanup inquiry, 33 Information requests.

There are 3 rigs currently drilling in Garfield County. 289 drilling permits have been approved so far in Garfield County this year. Annual well starts in Garfield County 67.

Ursa Battlement Mesa Permit Applications;

- County permit application was approved for 2 well pads within Battlement Mesa PUD
- COGCC approved BMC-D well pad and expect to make decision on BMC-B pad in August
- Numerous County COA's were adopted or enhanced within the COGCC permit
- Community Outreach: Oil & Gas Liaison has standing agenda item at Battlement Mesa Service Association Board meetings and monthly column in their newsletter

Large Urban Mitigation Area Consultation

- New rule adopted by COGCC February 2016
- Fosters early discussions among industry and local government for "urban" well pads
- Garfield County is consulting on a proposed well pad near Grand Valley High School and have included the School District in the process
- To be discussed at September 20 School Board meeting

BLM Existing Leases EIS

- BLM released Final EIS for 65 leases in White River National Forest
- Proposes to cancel 25 leases on the Thompson Divide
- Adds 1993 ROD Lease Stipulations to leases already tied to production
- 30-day review period through September 4th

Again, to report an oil & gas related health concern to **Colorado Department of Public Health and Environment**, please fill out the web-based form <http://www.oghir.dphe.state.co.us> or call the HELP Line at 303-389-1687.

Kirby encourages citizens who are having issues or questions regarding oil and gas to contact him to get the matter resolved quickly. If folks have questions about oil and gas topics or would like to report an issue please contact Kirby Wynn, Garfield County Oil & Gas Liaison, office 970/625-5905 or cell 970/987-2557 or email at kwynn@garfield-county.com.

General Information:

None.

ADJOURN

There being no further business, Scott Stewart adjourned the meeting. Next meeting is here in the Rifle Library on September 1, 2016.

MOTIONS PASSED AT THIS MEETING

None.

NEW ACTION ITEMS:

None at this time.