

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING MINUTES

Thursday December 1, 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
Art Riddile	Town of New Castle
TJ Tucker	Town of Silt
Juanita Williams	Town of Parachute
Marc Morton	Colorado Oil and Gas Conservation Commission
Leslie Robinson	Grand Valley Citizens Alliance
Brackett Pollard	Holy Cross Cattlemen's Association
Robin Haney	Colorado Mountain College (Vice Chair)
Bob Arrington	Battlement Mesa/Battlement Creek
Scott Brynildson	Mamm Creek/Hunter Mesa
Scott Stewart	Roan Creek (Chair)
Hank Kracht	Rulison/Holmes/Morrisania Mesa
Tom VonDette	Taughenbaugh Mesa
Jason Metcalf	Una Bridge/Wallace Creek/Spring Creek
Rich Grubbs	Chevron
Jake Janicek	Caerus Oil & Gas (Secretary)
Jason Eckman	Encana Oil & Gas
Shawn Brennan	Enterprise Products
Brian Gardner	Summit Midstream
Don Simpson	Ursa Resources
Scott Ghan	Vanguard Natural Resources

Invited Guests:

Nita Smith	Community Counts
Steve Ficklin	BLM

APPROVAL OF LAST MEETING MINUTES

The board reviewed the November meeting minutes. After an edit requested by Don Simpson, Robin Haney made a motion to approve the November EAB Meeting Minutes, this motion was seconded by Tom VonDette, and the board unanimously approved the amended November EAB Meeting Minutes.

NEW BUSINESS

Leslie Robinson: 2017 Officer Nominations Committee report – The Officer Nomination Committee recommended to the Energy Advisory Board that Scott Stewart, Chair, Robin Haney, Vice Chair and Jake Janicek, Secretary remain in the positions they currently hold. Bob Arrington made a motion to accept the recommendation made by the Officer Nomination Committee, Scott Brynildson seconded the motion, and the board unanimously approved the recommendation. Recommendations for appointments will be voted on by the Board at the next Energy Advisory Board meeting in February.

OLD BUSINESS

Robert Legrand, PE, Senior Engineer, AECOM and Gary Webber, Vice President, NW Colorado Consultants, Inc.: Introduced the successful Pilot Test of the Garfield County Petroleum-Contaminated Soil (PCS) Treatment Facility with a comprehensive presentation. For more information contact the Garfield County Landfill 970-625-2516 <http://www.garfield-county.com/landfill/index.aspx>

EDUCATIONAL PRESENTATION

Sarah Hawkins, Geologist, U.S. Geological Survey and Robert Downey, VP of Operations, Gunnison Energy: PICEANCE BASIN IS THE EMERGING GIANT AMONG NORTH AMERICA'S OIL & GAS FIELDS

PowerPoints and videos of the presentations are available from EAB web page:

<http://www.garfield-county.com/oil-gas/energy-advisory-board.aspx>

Sarah Hawkins and Robert Downey presentations were followed by extensive Q & A.

PUBLIC COMMENTS

Douglas Andrew Salg of Carbondale indicated he is a longtime local and addressed the board asking that they cease drilling, pack up your equipment, leave the state of Colorado and not come back unless it is to do some skiing. Mr. Salg asked those not inclined to leave to find a job that does not harm our people and our water supplies. Mr. Salg asked the board that those not comfortable with his request remember his name and face and stated "I will be getting in front of your trucks, your equipment, slowing you down, taking a chunk out of your profit margins. Good luck, good night."

Marion Wells of Rulison stated she had concerns over the boards "righteous indignation against citizens". Ms. Wells shared concern regarding a citizen requesting oil and gas information impacting his area, Ms Wells says the citizen was told by the EAB to find it for himself. A citizen's representative who does not meet the requirements to be the rep yet the board does nothing. Ms. Wells states that an article in the Daily Sentinel disclosed a pipeline leak in Garfield County that occurred in June, Ms. Wells notes this leak was never reported at this meeting. Ms. Wells states it is this board's mission is to provide information on impacts.

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.

November Concerns/Information–

1. Concerns - 4
2. Numerous road and informational updates, high volume work
3. 2 Rig Moves

Current Rig Count – 3 Garfield County

1. Terra Energy Partners – 1 Garfield County – SR 43-12
2. Caerus Oil & Gas – 1 Garfield County – C23-697 Pad
3. Ursa Operating Company – B&V Pad
4. Statewide - 22

24-hour Response Line: 866-442-9034

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 Annual Board meeting will be January 18th, 2017.

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

BLM, CRVFO Update – Steve Ficklin; Updates for the Energy Advisory Board;

Terra Energy Partners

- 1) RU 32-12 Pad in Beaver Creek area, drilling should begin this winter
- 2) Drilling on the SR 43-12 Pad in Beaver Creek Area
- 3) Expanding the MV 5-10 Pad approximately 2 miles west of Parachute, anticipate drilling of approximately 35 federal wells from this pad beginning in 2017

Laramie Energy

- 1) Start Drilling on the Piceance 29-07 Pad west of Collbran

Summit Midstream

- 1) Finishing up 2 buried pipelines in the Flatiron Mesa – Grass Mesa area

Additional BLM updates regarding APD's, EIS, Thompson Divide APD, Roan Plateau SEIS final record of decision, December 8th there will be a lease sale, 22 parcels in Mesa County, 2 Parcels in Garfield County. For more information on these updates go to;

<https://www.blm.gov/co/st/en/fo/crvfo.html>

The BLM issued three new regulations effective January 1, 2017, for more information go to <https://www.federalregister.gov/documents/2016/11/17/2016-25407/onshore-oil-and-gas-operations-federal-and-indian-oil-and-gas-lease-site-security>

EAB MEMBER UPDATES

Municipalities:

Town of New Castle – Art Riddile; Nothing to report.

Town of Silt – TJ Tucker; Nothing to report.

City of Rifle – Ed Green; Nothing to report.

Town of Parachute – Juanita Williams; Noted the sound wall being built by Ursa around their B&V pad in town and indicated their presence is appreciated in our community.

COGCC:

COGCC – Marc Morton; Result of the Governor's Task Force that was completed in 2015 one of their recommendations was alleviating truck traffic concerns and mitigations for these concerns related to oil and gas. Mr. Morton responded to a concern mentioned by an audience member about a spill that occurred in the area in June, Mr. Morton states the spill that occurred in June was reported immediately, they complied with reporting requirements and initiated clean up shortly thereafter. They are now doing a remediation project on the spill which will go on for a while since it is a complex site, but they did take quick steps to shut-in the release and continue to work with the COGCC on this. An enforcement action has been initiated against that Hunter Ridge. As a reminder community members can refer to the COGCC website to access the data dashboard tool to look at the Garfield County list to see if spills have occurred.

For more information you can visit our website at:

<https://cogcc.state.co.us/dashboard.html#/dashboard>

Second item; Reminder on our public complaints process has been revamped, you can easily file a complaint online.

<https://cogcc.state.co.us/complaints.html#/complaints> or call our Statewide Complaint Line: 888-235-1101.

School Districts:

Colorado Mountain College – Robin Haney; Nothing to report

Organizations:

Grand Valley Citizens Alliance – Leslie Robinson; Grand Valley Citizens Alliance would like to echo a board members concern regarding the lack of proactive communication on oil and gas mishaps. The GVCA also believes that there should have been earlier communication about the north Parachute Creek oil spill that happened in June, but was not discussed until now. The GVCA feels that with Encana and local and state officials being a part of the EAB there should have been some communication before now on this spill. If our members had been informed about this earlier we would have been a lot less conflicted about this situation. We would like to see word TRUST in our EAB Mission, but it can't happen until these lines of communication start.

Holy Cross Cattlemen's Association – Brackett Pollard; Nothing to report

Citizen Representatives:

Battlement Mesa/Battlement Creek - Bob Arrington; The BMSA was given the news by the COGCC that we no longer have a Local Government Designee because the BMSA is not a governmental body. We have also had some complaints about the lights at the B & V Pads. We also received news of the north Parachute Creek oil leak.

Mamm Creek/Hunter Mesa – Scott Brynildson; It's pretty calm in Mamm Creek.

Roan Creek – Scott Stewart; An incident occurred on a Meralex well, a leak was reported to BLM, COGCC, Garfield County. All got involved. Meralex is doing work on this well in December.

Taugenbaugh Mesa – Tom VonDette; Still waiting for a report on the Beaver Creek truck accident a couple months ago. Trucks on Spruce Creek are exceeding the speed limit. I have seen "scattered" spills on roads in our area. Would like to ask the truckers to watch out for wildlife as they will be closer to the roads during this time of year. Mr. Wynn provided a follow up to the request for the report on the Beaver Creek truck accident. For any additional questions on this accident please contact Blake Herbert 281-285-1533.

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

Rulison/Holmes/Morissania Mesa – Hank Kracht; Nothing to report.

Operators:

Summit Midstream – Brian Gardner; As mentioned by the BLM we are finishing building a couple of pipelines, Flatirons, Flatirons to Grass Mesa we will tie those lines in next week. Another 20 inch loop line in Mamm Creek will be tied in next week.

Enterprise Products – Shawn Brennan; Nothing new to report.

Ursa Operating Co. – Don Simpson; Since the last meeting we finished drilling on Monument Ridge B Pad and are currently completing on that pad. We have moved the rig to the B & V Pad which will drill 24 wells, 1 occupation with completion shortly after that.

We appreciate receiving the complaint on the lights and are addressing it right now. We encourage complainants to call as soon as they have an issue so it can be addressed.

Ursa made a \$50,000 payment to Garfield County for air quality monitoring equipment as part of a permit Condition of Approval.

In Mid to late December we will start a portion of the pipeline from BMC B to the BMC D pad and probably start pad construction in February 2017 to start drilling operations in April 2017. If prices remain stable we will drill BMC D (half the wells) then move to the BMC B and drill all the wells there in 1 occupation and then move back to the BMC D to drill the remaining wells there.

We are doing additional traffic studies around the B & V Pad because that is a busy road.

Ursa started a substantial Christmas food drive.

Caerus Oil & Gas – Jake Janicek; We have a couple of active locations right now. We are drilling on the C23-697 for a couple more weeks then we will move the rig about a ½ mile to the 26 A-607 Pad. We are currently fracking south of Rulison and we are completing at the E1-797 Pad.

Chevron – Richard Grubbs; We are in steady state operation, nothing new planned.

Encana – Jason Eckman; The pipe leak that occurred in northern Garfield County in June was discovered when we were doing our routine quarterly water sampling, immediately when it was noticed we implemented our spill response containment, clean-up began, notifications were made to the agencies as well as the affected landowners. We found it was a 6 inch liquids condensate line that was leaking, that line was immediately shut-in, drained and has been taken out of service, decommissioned. Looks like an internal corrosion issue due to bacteria built up in the line. We've installed an oil and water separator at the take out point and an air stripping unit to remove hydro carbons. We are working with the COGCC on a new system for better winter time operations to continue with this clean up. We have installed over 45 ground water monitoring wells to get a better assessment of the effect of this spill. We are looking at this failure and how to prevent this from happening in the future as we work hand-in-hand with COGCC to clean up with minimal impacts. We feel we have successfully contained the spill and will continue to mitigate and clean up.

Vanguard Natural Resources – Scott Ghan; We operate approximately 950 wells south of Silt, we will be laying down the 1 work over rig we have with no further work over operations through the end of the year. We may bring the work over rig back between January and March based on a few variables that will be determined in early 2017.

Terra Energy Partners – Kirby Wynn on behalf of Susan Alvillar; Terra has one rig running up Beaver Creek. Our gas production averages about 660 million cubic feet per day. Construction is continuing on a water line west of Parachute and north of the interstate. Terra wishes everyone a wonderful holiday season.

Laramie Energy, LLC – Kirby Wynn on behalf of Lorne Prescott; No current drilling activity in the GarCo area. Our focus is on general compliance activities related to Air Quality, Storm water BMPs, SPCC and response(s) to COGCC inspections. We are working with GarCo Community Development Department to secure a building permit for a small structure in Cascade Creek area.

County:

Garfield County – Kirby Wynn; Wynn introduced himself as the Garfield County Oil & Gas Liaison.

Resident calls to the office for November 2016 are; 2 Odor complaints, 17 Information requests.

Ursa Battlement Mesa Permit Applications

COGCC and Garfield County have issued permits for BMC-B and BMC-D well pads

Estimated development time frame: in December 2016

Drilling will to begin on new well pad(s) by April

Permits require all drilling and completion activity to be wrapped up within 36 months after they start

Numerous County COAs were adopted or enhanced within the COGCC permit

PowerPoint and video of his update is available on the EAB website at: <http://www.garfield-county.com/oil-gas/energy-advisory-board.aspx>

Our next EAB Meeting will be February 2nd, 2017. 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 UPDATES:

No EAB Meeting in January.

ADJOURN

There being no further business, Scott Stewart adjourned the meeting. Next meeting is here in the Garfield County Rifle Administration Building on February 2, 2017.

MOTIONS PASSED AT THIS MEETING

Approval of November meeting minutes

NEW ACTION ITEMS:

None