

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING MINUTES

Thursday March 2, 2017

Location: Rifle Administrative Building, 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:

Kirby Wynn	Garfield County
Art Riddle	Town of New Castle
Marc Morton	Colorado Oil and Gas Conservation Commission
Leslie Robinson	Grand Valley Citizens Alliance
Brackett Pollard	Holy Cross Cattlemen's Association
Bob Arrington	Battlement Mesa/Battlement Creek
Jeff Simonson	Divide Creek
Scott Brynildson	Mamm Creek/Hunter Mesa
Howard Orona	Parachute/Parachute Creek
Michael Gross	Peach Valley/Silt Mesa/Silt
Scott Stewart	Roan Creek (Chair)
Hank Kracht	Rulison/Holmes/Morrisania Mesa
Craig Bruner	Taugenbaugh Mesa
Jason Metcalf	Una Bridge/Wallace Creek/Spring Creek
Tom VonDette	Taugenbaugh Mesa
Cary Baird	Chevron
Jake Janicek	Caerus Oil & Gas (Secretary)
Shawn Brennan	Enterprise Products
Brian Gardner	Summit Midstream
Don Simpson	Ursa Resources
Pat McCown	Williams Midstream
Don Mumma	Battlement Mesa Oil & Gas Committee
Jason Eckman	Encana Oil & Gas

Invited Guests:

Nita Smith	Community Counts
Steve Ficklin	BLM

APPROVAL OF LAST MEETING MINUTES

The board reviewed the February meeting minutes with minor updated text request made by Bob Arrington. Jeff Simonson made a motion to approve the February EAB Meeting Minutes, this motion was seconded by Bob Arrington, and the board unanimously approved the amended February EAB Meeting Minutes.

NEW BUSINESS

Leslie Robinson requested that Kirby Wynn reach out to habitually absent board members to find out if they still want to represent their area and also advertise vacancies on the EAB. Scott Stewart reiterated

that this was a priority moving forward. Kirby Wynn gave notification that the Dry Hollow area and Grass Mesa HOA are vacant.

OLD BUSINESS

Nothing to report

EDUCATIONAL PRESENTATION

Brian Gardner, Operations Manager, & Cameron Bingham, Construction Manager, Summit Midstream: Safety Considerations for Natural Gas Pipeline Construction, Operation and Maintenance

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

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

Brian Gardner's presentation was followed by extensive Q & A.

PUBLIC COMMENTS

Marion Wells of Rulison stated she had concerns about Garfield County being portrayed in a negative light in national and international magazines, particularly from the National Wildlife Federation. They had an opening picture of a compressor station on the north side of I-70, west of Webster Hill. They state that their studies have determined that night owls, bats and other creatures that rely on sonar and things for their survival are being adversely impacted. Noise may possess a big threat to biodiversity and is changing the way those animals behave in those neighborhoods. Although we may not hear it driving on the interstate, after personally living near a compressor station, the noise can not only be heard but it can also be felt. Thinking about how they depend on hunting, their night work and own survival possible being affected, it is now factual and she hates thinking about Garfield County being the center of that study.

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.

December Concerns/Information–

1. Concerns – 1
2. Numerous road and informational updates, high volume work
3. Ursa's Community Update-March 14th, 6:00pm, at the Grand Valley Firehouse
4. Rig Move

Current Rig Count – 4 Garfield County, 1 Mesa County

1. Terra Energy Partners - 2 Garfield County - SR 43-12
2. Caerus Oil & Gas - 1 Garfield County - C23-697 Pad
3. Ursa Operating Company - 1 B&V Pad
4. Laramie Energy – 1 Mesa County
5. Statewide – 26 total rigs

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 March 15th, 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 Update – Steve Ficklin, Colorado River Valley Field Office, Silt, CO; APDS approval update as of October 1, 2016:

Approved by CRVFO

1. 36 – TEP in the CRVFO Resource Area
2. 12 – Laramie in the GJFO Resources Area

Approved WRFO

1. 1 – Sandridge in the LSFO Resource Area

December 2017 Lease Sale

1. 28 Parcel in Garfield and Mesa Counties
2. Comment period is still open and comments need to be received by March 8, 2017
3. Comments can be sent to:
 - a. blm_co_december_2017_lease_sa@blm.gov
 - b. Bureau of Land Management, Attn: Dec 2017 Lease Sale, 220 E. Market ST., Meeker, CO 81641

Activities

1. (1) Rig on Federal Land
 - a. H & P #522 Drilling for Laramie
 - b. Piceance Fed. 29-10W on the 29-07 Pad
 - c. Mesa County
2. TEP will be expanding the MV34-5 pad along with some realignment of the road up Riley Gulch. Work is expected to last through the spring and possibly into early summer.
3. TEP also intends to begin construction on the SR23-12 Pad. The pad is about ½ a mile south of the SR32-12 Pad they built last fall along CR 317.
4. TEP has been working on a water line above Parachute near American Soda and will be moving onto a 485' section of BLM. They anticipate completion around March 15th.
5. Caerus will be doing a realignment of a portion of the Riley Gulch (Ant Hill Road) to allow improved storm water management and well access. Anticipated to start in early summer.
6. Summit Midstream will begin installing a 16" natural gas line for Red Rock Gathering, LLC in the Battlement Mesa area. Anticipated start date of April 1st.
7. Summit Midstream will also be doing some work in the Beaver Creek area adding 2 new launchers, some valve add-in and widening an access road. It is anticipated to start sometime this spring or summer.

Presentation was followed by a brief Q & A.

EAB MEMBER UPDATES

Municipalities:

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

COGCC:

COGCC – Marc Morton; Quick update to add to the BMC-D pad work. We are very engaged with both Summit Midstream and Ursa, and Kirby, on working on those two sites. COGCC doesn't really take regulatory authority over those two pad sites until the construction starts. We have permitted them, we've issued the oil and gas location assessment permits. Everything is available in our file on the internet by going to our website and looking at the two location numbers: #447695 and #446582 for the two pads, including the letter we sent to Kirby that outlines some of our concerns and recommendations. And they've been very responsive to addressing our concerns.

Secondly, to get periodic staff reports and hearings updates, sign up on our website to see those notifications. We have hearings about every six weeks and our next one is March 21st in Loveland. We do have a Northwest Forum meeting coming up on April 6th, from 9:00am-12:00pm at CMC Rifle campus.

Lastly, personally what I've been doing for the COGCC, of late, is providing training and orientation to a lot of the new local government designees that have joined that group. We get them oriented on using our website and cover our rules. If you need to reach me, my phone numbers are online so you can reach me there with questions, give me a ring.

For more information you can visit our website at:
<https://cogcc.state.co.us/dashboard.html#/dashboard>

Update followed by brief Q & A.

Organizations:

Grand Valley Citizens Alliance – Leslie Robinson; This past Tuesday, a group of citizens lobbyist's went down to the State Capitol from Western Colorado Congress, from Grand Valley Citizens Alliance and from Battlement Concerned Citizens. We just happened to be on the Senate floor when the Senate Bill, regarding levying felony charges on anybody who tampers with oil and gas facilities. It did pass the Senate and I do believe it is going on to the House. I want to assure people here that the citizen activists have no and have never had any plans to tamper with pipelines or other facilities because we're not interested in causing another environmental disaster. We might lock ourselves to a gate but we are not interested in tampering with pipelines. So we're not sure if this Bill is necessary or not but it came at an interesting time to be down at the Capitol when this was being discussed with the Senators of our State.

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

Citizen Representatives:

Battlement Mesa/Battlement Creek - Bob Arrington; we've had a busy month here. We had the Ursa community meeting and one of the gist's that came out of that meeting was that the M pad could be sacrificed. They could get all their injection wells where they needed them and dependent on getting four injection wells, was it. And the M pad, of course being right in the middle of the PUD and the golf course has been a sensitive pad. But they were also changing the L pad and adding more wells to make up for the M pad. So that was an interesting meeting, waited patiently during that meeting to speak and say my peace and had to put up with interruptions from the audience which makes it really tough to get a point across at a meeting like that. I would appreciate it if your moderator would settle the crowd down, the person down.

Then we had a presentation by Ursa at the BMMD meeting and Bill, BMMD liaison designee per the COGCC, would like to share as he was at the meeting; Matt Honeycutt came by to the BMMD meeting, which was a special meeting, for the purpose of going into detail what an injection well really is, how it's built, and advantages/disadvantages, the history of the thing, specific locations, why they needed them in the suggested locations. It was a very good presentation, very small attendance by the public. About six people, including the board and some employees in the meeting but it went very well. We allowed the audience to ask questions and I think it was very successful. I think most people learned something. It was attended and there were a few ideas exchanged on the floor.

Coming out of that meeting, during the course of time here, preparing presentation for the county meeting so much of the groups of there have been working on their presentations to go the county planning commission meeting on March 8th, so that will be attended and those preparations.

Then taking on further, I'm personally as an engineer was concerned, with the water seepage and the saturation that's been going on on that hillside. It was saturation that caused the WPX 16" line failure that in the same geologic soil, set-up, bluff, slope, the whole type of thing and since they had that failure, I was particularly concerned about it. Of course I then contacted the COGCC and also the Colorado PUC and have received the things from them. So we have had correspondence on that and they're coming out to take a look on that thing. One thing in that study I did, was I pulled up a thing about pipeline problems. One of things that have come up since 1986 to 2016, there has been over 9,000 some incidences that are rated significant and thousands more that were rated non-significant. They also compiled a list that was from 2000 to 2017, and on that list they've listed over 604 significant things. So even though with regulatory programs at all, remember the regulation people respond afterwards. They levy fines and whatnot but they respond after. That's why it's important to have a good program upfront and know what you're running into because otherwise these things will come up and bite you. They're really significant and of this 604 incidences, these accidents resulted in 548 deaths, 2,576 injuries, and over 8.5 billion dollars in damages. So they don't come cheap when they happen. That was the research and contact that were made and that takes care of our Battlement report tonight.

Bob later corrected his statement after Pat McCown's update to read "react to a violation" to clarify it a bit more.

Divide Creek – Jeff Simonson; Nothing to report.

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

Peach Valley/Silt Mesa/Silt – Michael Gross; Nothing to report.

Roan Creek – Scott Stewart; As we heard earlier, the only activity coming up is the lease coming up here in December with the BLM property. The acreage that affects us in Roan Creek, and I've been

reaching out to several other property/land owners in and around, really sits at the eastern edge of Kimball Mountain. It is between Kimball Creek and the next road over, where Roan Creek comes up, it turns to the west. The area to the west of it is owned by Encana. The area to the south of it is owned by our group and the area to the east of it is owned by Chevron. It's an area that is heavily utilized by hunters, during hunting season. It's often referred to, if some are local, it's referred to as Teeter Hills. It usually has camps and so forth, and during hunting season it might be host to several hundred hunters. I'm sure there'll be additional comments for that. That's the only thing we have going on in Roan Creek for this past month. Really reaching out before the comment period is closed on the 8th to see if anyone has any comments.

Parachute/Parachute Creek – Howard Orona; Activity in the city limits with pipelines, boring in the road there in Parachute Creek. Trying to use previous right of ways, Terra is trying to use BLM's previous right of ways. By doing that, Terra is not going to have to bore under the creek to two different locations. So sometimes it can work out good using an existing right of way by them using a section of BLM, saving them from having to go under the creek, two different locations. Terra is trying to develop some better practices there.

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

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

Mamm Creek/Hunter Mesa – Scott Brynildson; I live real close to Dry Hollow, if anyone needs to have a representative I'll be glad to take any complaints or calls. Ursa did come to a problem that was on Mamm Creek and they repaired it in a timely manner and it's all taken care of. That's all I have.

Taugenbaugh Mesa – Tom VonDette; Not much going on in Taugenbaugh Mesa, things sort of slowed down. We've had a couple of trucks that have pushed the speed limit a little too hard but outside of that it's been pretty quiet.

Operators:

Summit Midstream – Brian Gardner; operations side has been normal this month. The big thing going is the lines being built in Battlement Mesa. Cameron Bingham will update those.

Cameron Bingham, Construction Manager; on February 20th, pipe was pulled in on the first 10" bore that we have from the future B pad to the D pad and were able to grout it in like we do a lot of the bores. That stopped that water. In the process we already had our pilot hole bored on the second bore, which is a 12" line, for the future B pad to the D pad. It was actually in for 2 or 3 days, in the process of reaming, which increases the size of the hole to be able to pull the actual 12" pipe in when we encountered water again, it took 3 or 4 days to actually start. We did start hauling water again while in the boring process. Possibly wrong on the date but I believe it was February 24th. We have hauled only during the daylight hours. We have had our facility, the way it is set up now from the original, to set everything up so we're only hauling from 7:00am-6:00pm. We try to shut them off at 6:00pm. There may have been a few stragglers before or after that, but for the most part it's been in daylight hours.

We are about 75% complete with the back reamer/pole reaming on the 12" line and we are hoping to pull that 12" section in sometime over the weekend or early next week. If we are able to do that then we will do the same thing we were able to do on the first pipeline, then grout that pipeline around that bore shut to stop that water flow as well.

If we get done with the bore and we're not able to pull pipe right away, depending on timing, then we still have a discharge permit that is still in place. We just want to make sure that water is clean, meets all of our permitting and then we'll discharge it to the river. That will stop the trucks at that time. That's where we are at as far as the bore goes. And as far as the truck traffic, we've tried to do everything we can to mitigate it. We've had guys out there, if anyone has been around that area, you'll see our guys out there at night. We even shut our lights off, we try to go with head lanterns and flashlights. We've brought in different pumps, they're called suitcase pumps, to try to quiet everything down. We've tried to do everything we can to mitigate the noise and only keeping truck traffic during the day. When Summit took over the pipeline process, 99% of our pipelines are regulated by Garfield County. We do most of our work in accordance with our storm water permit, through CDPHE.

When we first started and there was an agreement with Ursa, there was some confusion COGCC did come out on site and there were questions on which part was an Ursa job site and which was Summit regarding which permits supersede which and which to follow. There was a little confusion but we worked through that. We've had approximately 10 COGCC members, some of the same/repeat, visit our site. We met with 4 COGCC members, 4 Garfield County members, we've had other entities out there also and we've walked through and looked at all the items. There are things that are within our CDPHE permit that we're allowed to do and if you look at the COGCC permit, we're not allowed to do. We're trying to find a happy medium and make everybody happy so we have been working on that. All those items that were issues or concerns we've worked through with Garfield County, with COGCC. We've got CDPHE coming out March 8 to inspect. The Colorado Public Utility Commission will probably be on site next week, which is the agency that regulates our gas line. So we are addressing all those items and we've worked very diligently. If you've gone out and looked at our area you can see a lot of good work out there, so I hope you guys can see that when you're looking over the hills or looking down in there.

Update was followed up with Q & A.

Ursa Operating Co. – Don Simpson; Ursa had a community meeting in Battlement Mesa on Feb. 2nd with about 55 people in attendance, not including industry people, that live in the area. We also had about 10-12 Hispanic (Spanish) speaking only people and we actually had an interpreter so they could ask questions also and hear the presentations and answers to everything. It's tough to do those kinds of things but I think it went pretty smoothly. It was a good job.

Our next community meeting is March 14th, so we'll give you another update on that. We got a lot of discussion at our Feb. 2nd meeting, a lot of questions, about pipeline boring and things like that.

Currently we're drilling on our B&V pad. Should be finished around March 21st. The rig will then move to the BMC-D pad. We've just started construction on that on Feb. 21st, I think it was, and we had to wait until Summit was finished with the pipeline before we got in there. We got in there and saw, if you saw the article in the Post Independent on Feb. 21st, about pipelines and we haven't had any other problems other than what Summit's ran into. We got out there and started our construction on the BMC-D pad and in that article, there was all kinds of warnings about problems here. We've had four inspections since then from the COGCC and all have been satisfactory for storm water and everything else. Again, that rig will move to BMC-D pad, starting around March 21st that will take us into the end of May and we'll drill 14 holes. Then we'll move to the BMC B pad, where we'll drill all 25 wells in one occupation.

On the completions side, we're completing the Monument Ridge B pad. It will be finished around April 11th and then it'll move to the B and V pad, will kind of follow the rig after the wells are drilled.

Chevron – Cary Baird; Nothing to report.

Enterprise Products – Shawn Brennan; Nothing new to report.

Caerus Oil & Gas – Jake Janicek; Presented a brief presentation

- Caerus has about 1,000 wells in south Grand Valley, Battlement locations and Rulison, then Logan Mesa
- Four most active locations; Parachute Creek, Parachute, Battlement Mesa and Rulison
 - Drill rig is on the 26A; around May 1st it will move to the Parachute Creek 5A
 - 8A-a lot of water coming off of it right now, coming down Spruce Creek
 - 17L-completions operations around mid-April
- Plans to complete other wells as well
- C23 is also in the area, near the 26A

Williams Midstream – Pat McCown; Nothing to report as far as opportunities and work going on. I would like to say that I do take some contention with Bob Arrington's comments about regulatory agencies only showing up after events. As a pipeline operator, we are routinely in contact and inspected by all of these regulatory agencies, you've heard about them in this room tonight. I think your comments about them only showing up after the fact is incorrect and unwarranted because I think it's disrespectful to the work these people do in a day-in, day-out basis. They're very active, they're very engaged and as a citizen of this community, I'm absolutely pleased that they are.

Bob Arrington corrected his statement after Pat McCown's update to read "react to a violation" to clarify it a bit more but they can't tell you how to do it.

Pat responded, that if they find us out of compliance they can penalize on the spot. I've been through a number of facility inspections, audits and I disagree. That is not the experience I've had.

Encana Oil & Gas – Jason Eckman; Rangely asset sale closed on March 1 in the Dragon Trail/Baxter Pass area to a company called SwiftCo. We are in the process of permitting two wells and plan to drill later this spring in the Mamm Creek area. Update on our spill cleanup we had over the summer, the pipeline leak- we are still in the cleanup process on that. Everything is going real well, we're working real close with COGCC every step of the way in remediating that. It's ongoing and we'll get it cleaned up.

County:

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

Resident calls to the office for February 2017 are;

- 2 Traffic complaints
- 1 Odor complaints; Some-one driving down I-70 near Rifle. We were not able to figure out where that one went but we did mobilize operators and myself, we couldn't quite figure that one out. There were no odors when we went over there.
- 18 Information Requests.

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 April 6th, 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.

Presentation followed by Q & A.

GENERAL INFORMATION UPDATES:

Nothing to report

ADJOURN

There being no further business, Scott Stewart adjourned the meeting. Next meeting is here in the Garfield County Rifle Administration Building on April 6, 2017 at 5:30pm.

MOTIONS PASSED AT THIS MEETING

Approval of February meeting minutes

NEW ACTION ITEMS:

None