

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING MINUTES

Thursday February 5, 2015

Location: Rifle Library, Rifle, Colorado

CALL TO ORDER/INTRODUCTION

Chair Howard Orona called the meeting to order at: 6:01 P.M. Secretary Don Simpson conducted roll call and read the EAB mission statement.

EAB members in attendance:

AJ Hobbs	Town of Carbondale
Art Riddile	Town of New Castle
Bob Arrington	Citizen Rep Battlement Mesa/Battlement Creek
Brent Buss	Citizen Rep Rifle
Don Mumma	Battlement Mesa Oil & Gas Committee
Don Simpson	Ursa Operating Co.
Howard Orona	Citizen Rep Parachute
Jake Janicek	Caerus Oil & Gas
Juanita Williams	Town of Parachute
Kirby Wynn	Garfield County
Leslie Robinson	GVCA
Michael Brygger	Oxy Oil & Gas Corp
Michael Rynearson	Caerus Oil & Gas
Patrick McCown	Williams Midstream
Robin Haney	Colorado Mtn College
Sandy Kent	Encana Oil & Gas
Scott Brynildson	Citizen Rep Mamm Creek/Hunter Mesa
Scott Ghan	Vanguard Operating LLC
Scott Stewart	Citizen Rep Roan Creek
Susan Alvillar	WPX Energy

APPROVAL OF LAST MEETING MINUTES

The board reviewed the minutes from the October 2, 2014 meeting. Minutes were approved without modification. Motion set by Kirby Wynn and second by Brent Buss.

OLD BUSINESS

Illene Roggensack – Discussed her role as the facilitator for the November and December 2014 work sessions. The first item was agreements on how to interact or interface with each other. When you bring different people with different opinions there is a chance that they may not interact well with each other. A very key part of the work that has happened was for the EAB to look back at its original documents, how it got set up with the board of county commissioners and why it got set up. Are we on purpose or on task, are we doing the things we were set up to do? In ways we have been hitting it and in other ways we might be able to improve. A lot of the conversation has been around, how we take what the board of county commissioners told us what is reason for existing and do that in a more productive manner. That has essentially set the stage for all the work since then. There are several key points this group has recommitted to; meet with BOCC on a quarterly basis because this group is called to be advisory to the BOCC, provide a forum for positive and honest discussion, and finally to disseminate information regarding oil and gas exploration and development to local government and local citizens. To make all that happen the EAB really thinks having work sessions will help. Tentatively the EAB is committed to having 2 work sessions out of the 10 open public meetings each year. Illene discussed the agenda reconstruction and how member updates are to be more informative and relevant. To make public forum

the best it can be. Either having a focused discussion on a specific issue or giving an education presentation on a specific issue. Beyond that there have been two subcommittees created and one group really tried to isolate what would EAB prioritize issues that might be worth studying first and came up with a list that is actionable, solvable, current problem, and local. Those four criteria will drive the selection of issues. The second group worked on the agenda for tonight's meeting and a generic version of what the meetings will look like in the future. Illene asked the public if they have any feedback on the agenda to please share with the EAB.

Robin Haney – Member of subcommittee commented on how the two work sessions and two subcommittee meetings were very valuable and brought where we are right now. The most important thing is we got centered and refocused on the mission.

Leslie Robinson – Member of subcommittee commented on how she likes the fact that we can come up with a good solution on helping resolve problems in the gas patch by not only listening to people's problems or a situation that's happening to them, now we have a mechanism in how we can resolve some of those problems as to where before we were unable to react.

Kirby Wynn - Participated in both work sessions and subcommittee meetings. First work session had 24 members in attendance and the second had 26, full participation and everyone contributed. Discussed and handed out a draft public concern report that can be used to submit issues to EAB and especially tracked and how item(s) will be logged to show an accounting of it and to capture all key details of issue for follow-up. Once issue is presented to EAB, the appropriate citizen/municipal/county rep and operator will be assigned for follow up. Form will be offered to public if they want issue to be followed up on after presenting such issue during public comment.

Howard Orona – Discussed how and when issues are brought to the board they will be presented as old business during next EAB meeting to see what progress has been made.

Kirby Wynn – Provided information on the two subcommittees, one is a Meeting Structure committee and any one on the board is encouraged to participate at. The other is the Issues committee, a group to find logical issues for the EAB to study in detail.

Leslie Robinson – Discussed having an agency update spot added to the EAB agenda to allow agencies involved with oil and gas to provide updates and how it will benefit the communication between citizens, oil and gas companies and the public.

Howard Orona – Asked Scott Stewart if he would like to discuss how the update on January 20th to the BOCC went. Scott Stewart stated he had the opportunity to speak with the commissioners and presented to them the new direction the EAB is taking and to make sure the BOCC was aware of the new approach for EAB meetings and what the EAB will be providing to the constituents of the county. The commissioners were greatly appreciative.

Kirby Wynn – Discussed a previous concern about the sound levels in the room during EAB meetings and stated the issue is still being investigated. Kirby explained about the sound system in the room and discussed the headsets that can be provided to those who may need them. The headsets tie into the sound system currently in the meeting room.

Howard Orona – Had Kirby introduce Marie Payne as the newest addition to oil and gas division and to her first meeting.

NEW BUSINESS

Kirby Wynn – The group determined that Jeff Simonson and I would be the nominations committee. Jeff and I recommend that Howard Orona should remain Chair and Scott Stewart should remain Vice Chair

and to nominate Robin Haney as the secretary of EAB who will will replace the current secretary Don Simpson who has served for the past two years. This was based in large part on the great job Howie and Scott have done in the last year. As part of the retooling the secretary job will have more duties than it has had in the past. An election needs to take place tonight and the changes will take effect at the next meeting in March.

Susan Alvillar – I move we accept the slate of nominees that have been presented, Juanita Williams second. Unanimous vote in favor of the slate.

Kirby Wynn – We've heard from Illene's description of what we've been doing. The idea is to refine what we are thinking about as a board to have a unity of thought and creative solutions on issues that we have and provide recommendations to the county commissioners. The issues committee was Robin Haney, Leslie Robinson, Brent Buss, Jeff Simonson, Jeff Powers, Tom Vondette, Howard Orona, and myself. We had some facilitation assistance from Illene. Kirby re-discussed what Illene shared during old business about the issues committee. Kirby stated traffic was the number one issue, which includes haul routes, speeding and spills and road conditions. The second ranked issue identified was odors and the third ranked issue was noise. The next two were local economic impacts and state or federal rule makings.

Leslie Robinson - Stated it's just not the studying, it's the resolving of issues and making those recommendations to the county commissioners so that as a team we can resolve problems in traffic.

Kirby Wynn – Part of it is fact finding to understand the issue and what potential opportunities are to improve the issues. Our recommendation is that we adopt traffic and panel a subgroup to think about how we exactly address it. Many options are available including invite the county sheriff to come in to give a presentation on the model traffic code and how they go about enforcing traffic rules and regulations. When the next meeting is advertised, the public could be asked to come in and share their questions, concerns or experience on traffic issues.

Susan Alvillar – Trucking companies should be involved to provide insight on how they handle complaints.

Howard Orona – Asked board if recommendation from issues committee on traffic will be number one issue, all were in favor.

Kirby Wynn and Howard Orona – Volunteers for traffic subcommittee? Robin Haney, Leslie Robinson, Kirby Wynn, Tom Vondette, and Jake Janicek all volunteered to serve on subcommittee.

Juanita Williams – Provided comment on how she has never had any issues with oil and gas traffic. The drivers have always been courteous. Sometimes when you going under the speed limit it can seem as if you're going faster. How are you going to determine if someone was speeding?

Kirby Wynn – Explained numerous trucks have GPS tracking and can be used to determine the speed in response to a detailed complaint.

Robin Haney – This is why we need to be more educated on these options.

Kirby Wynn – Asked board to offer COGCC a nonvoting seat on the board.

Howard Orona – As a nonvoting member will this be something that goes through the commissioners?

Kirby Wynn – It would be brought to the commissioners since you are changing the membership and it would be changing a membership class that didn't exist, so it would be change of the by-laws and change of all these things we could do. They don't have to be a voting member.

Kirby Wynn – Made a motion that we invite COGCC to become a nonvoting member. Sandy Kent seconded the motion.

Susan Alvillar – Suggest to create list of other agencies and present them all at once to become nonvoting members to the BOCC.

Bob Arrington – Suggested we identify them as an honored guest to be welcomed at any time so we don't have to change the by-laws and not a member.

Susan Alvillar and Juanita Williams – Amend motion to create an agency class to be presented to BOCC and to present having COGCC as a nonvoting member.

Board voted, 22 in favor of adding COGCC as a non-voting member, 1 opposed. Motion passed and Kirby will take to BOCC for approval.

EDUCATIONAL PRESENTATION

Speaker – Marc Morton, COGCC Local Government Liaison

Presentation – Recent Changes to Colorado Oil and Gas Conservation Commission Complaint Procedures

Extensive Q&A took place after presentation.

PUBLIC COMMENTS

Orona invited public comments, asking that each person limit their comments to 3 minutes each.

No Public Comments Offered

COMMUNITY COUNTS (CC) UPDATE, Nita Smith

Response Line: 866-442-9034 - The response line system is designed to connect residents with the source of their issues and concerns for timely response and resolution. Once Community Counts facilitates that connection, they are no longer involved. The operator and resident address and resolve the issue, and in the future the resident contacts the operator directly. To close the loop with calls that come to Community Counts, the operator gets back with us to let us know the issue has been resolved.

We have a good neighbor training that was started last January. Our past executive director and some trucking companies was instrumental in starting the training. It is help empower field people to become good neighbor ambassadors in the field. We will be conducting this training throughout the year. We have three companies that are good neighbor certified; Ursa Operating, Noles Enterprises, and Rain for Rent. Next CCC board meeting will be March 11, 2015.

October to January Concerns & Informational E-mails –

1. Careless driving issue - Handled by Operator
2. Odor issue west part side of Parachute – Handled by Operator
3. E-mail sent out to Operators and Contractors reminding them to strictly observe speed limits in De Beque
4. Trespassing issue with hunters – Followed up through Operator
5. Odor complaint on Grass Mesa – Followed up by Operator
6. Odor complaint off of I-70 between airport and Rifle – Followed up by Operator

7. Jake Brake noise issue on Beaver Creek – Operator/Contractor followed up with resident
8. Inquiry through website on if company was a member of CCC in Mesa County – Executive Director e-mailed and followed up with resident
9. Two inquiries from website regarding when rig would be finished drilling – Rig move notices sent out to both inquires
10. Notices sent to Operators and Contractors on I-70 work
11. Notice was sent out about CCC's Annual Meeting/Reception
12. Notice sent out to Operators/Contractors on a funeral that was being held up Divide Creek
13. Several rig move notices were sent out

Current Rig Count –

1. WPX Energy – No Report
2. URSA Operating Company – 1 Garfield County
3. Black Hills Exploration & Production – 1 Garfield County
4. Piceance Energy, LLC – 1 Mesa County

STATE/FEDERAL AGENCY UPDATES

Sarah Hankens – Is the District Ranger in Rifle as well as the forest leasable mineral staff with the White River National Forest. She is new to the western slope and new to oil and gas. The main point to update folks on is that the objection period for oil and gas availability for the White River National Forest is coming to a close this Monday. The draft record of decision was signed December 10th, 2014 and it is about a 90 day review period. The decision once finalized will be revisited in 15 to 20 years. What this decision does is it identifies lands that are available for future leasing. It shouldn't be effecting current leases. The draft decision looks at the balance of maintaining roadless character, wildlife habitat, recreation opportunities, and recognizing or supporting in providing lands for exploration and development on the national forest as well as recognizing natural gas development as a contributor to economic wellbeing in local areas and throughout Colorado. Contact information for Sarah Hankens; email- shankens@fs.fed.us, work– 970-625-6840, cell- 970-274-0498.

EAB MEMBER UPDATES

Municipalities:

Town of Parachute – Juanita Williams

Parachute has had WPX rig drilling for a while now, the one right across the street from the senior center and it is about a city block from my house. I have not seen any lights or heard any noise or smelled any odors. It's like it is not there so I appreciate all the efforts that WPX has made. I also appreciate all of WPX's and Encana's participation in comprehensive plan that Parachute is working on.

Town of Carbondale – AJ Hobbs

The town of Carbondale would like to thank the US Forest Service and Scott Fitzwilliam for their recent choice to protect the Thompson Divide area from future oil and gas leasing on new lands. We are currently working on the BLM process for lands that are currently leased.

Town of New Castle – Art Riddile

Nothing to Report

Organizations:

Colorado Mountain College – Robin Haney

Nothing to Report

Battlement Mesa Oil & Gas Committee – Don Mumma

Nothing to Report

GVCA – Leslie Robinson

The GVCA has been involved the Task Force deliberation and just reminder that the Task Force was put together by the governor and their mission was to address conflicts with drilling in residential areas. Our members testified before the Task Force when they were here in Rifle and our members are looking forward to the legislative process once the recommendations leave the Task Force group which will be by the end of the month. So far in their preliminary deliberation the have not addressed setbacks and we are quiet disappointed in that because we felt setbacks from the production sites to the residential areas should be expanded. So we will continue on with that struggle to convince the COGCC and the legislator to address that.

Citizen Representatives:

Mamm Creek/Hunter Mesa – Scott Brynildson

Nothing to Report

Roan Creek – Scott Stewart

Black Hills is active with one rig and are looking at bringing in another rig. Their plans are to get ten wells completed by the end of this year. Three are done now and seven more to go. There is a group of stake holders that I am actively involved in as well as NRCS, the BLM, CPW, Mule Deer Foundation, Black Hills, Encana and several other organizations that have created a stakeholder group called the Roan Creek Initiative working on a response to energy development. First priority being with the master planning.

Parachute/Parachute Creek – Howard Orona

Nothing to Report

Rifle – Brent Buss

Nothing to Report

Battlement Mesa – Bob Arrington

It's been quiet and the groups down there have been following the county about the special use permits and nothing is moving forward yet that we've heard about. The issue of drilling within the PUD is still the contingent point that people are concerned with. Many of the citizens was able to make it on the testimony list for the Task Force meeting in Rifle.

Operators:

Williams Midstream – Pat McCown

(Provided PowerPoint presentation) Update on Parachute Creek incident, still a successful ongoing mitigation of site. No benzene in creek since Aug. 2013 and on Sept. 22, 2014 EPA lifted its UAO. We will continue to test groundwater and monitor per CDPHE consent order. There has been substantial progress in cleanup of the site. Remediation continues. Status of remediation phases; Phase I air sparge and vapor extraction system is no longer in use, Phase IIA air sparge and vapor extraction system is still in use, Phase IIB bio-sparge system is still in use, and Phase III air sparge and vapor extraction system is still in use. Through mitigation efforts, we have substantially reduced the delineation of the plume. What we will continue to do; still under Consent Order by CDPHE, continue to work until cleanup effort is complete, continue to work with CDPHE to plan and perform the best techniques for long-term remediation, and continue to keep you informed. Regular water sample information and timely updates are available on answersforparachute.com

WPX – Susan Alvillar

There was a recent news story that we were pausing our completions to get vendor price more in line with commodity prices, so the last completions we did were last Thursday and Friday. We are just on hold for completions for 2015. As we are a public traded company and we haven't announced our schedule for 2015, I am not at liberty to talk about the schedule. Our earning calls with our analysts is on February 26th, 2015. Next month we will be able to talk specifically what we have planned for 2015.

Vanguard Operating LLC - Scott Ghan & Michael Frow

Michael gave brief overview of Vanguard; Vanguard is an MLP so we distribute cash to our end holders. Our most predominate mode of growth is by acquisition and we purchased the Bill Barrett Corp. assets. We don't have anything internal approved for 2015 but we are hopeful for 2016. Scott states we took over the operations of Bill Barrett on December 1st, 2014. Our area of operations extends from Mamm Creek east to Jolley Mesa and just south of Mineota Estates to south Chipper Field Lane. We have joined and signed up with Community Counts. At this time we are trying to maintain steady production. We are honoring Bill Barrett's pledge regarding the CSU emission study.

Encana – Sandy Kent

We are not drilling but are still producing, no plans for 2015.

Oxy– Michael Brygger

Niobrara well is complete. No drilling plans for 2015.

Ursa Operating Company – Don Simpson

We had plans to go to two rigs this year and now we are going to stick with one rig. That rig is now back at Battlement Mesa and will stay in areas outside of the PUD. One of those locations is our BMV pad located behind the Holiday Inn. We are going to have a community meeting on February 19th, 2015 at 6pm in the Parachute library. Semiannual meeting in Silt Fire House at 6:30 pm March 9th, 2015 and at 6:30 pm on March 10th, 2015 at the Grand Valley Fire House.

Caerus Oil & Gas – Jake Janicek

Recently purchased Noble Energy Assets in Garfield County. Nothing else to Report.

Garfield County – Kirby Wynn

(Provided as a PowerPoint presentation.) Wynn introduced himself as the Garfield County Oil & Gas Liaison. 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 mpayne@garfield-county.com or call 970-625-5915.

He said the EAB meeting was advertised in the Post Independent as always to let the Community know when the EAB is meeting.

Garfield County has 9 active drilling rigs operating.

Resident calls to the office for September 2014 to January 2015 are: 3 odor; 2 noise, 11 haul route/traffic, and 193 information requests. Wynn encouraged citizens who are having issues or questions regarding oil and gas to contact him to get the matter resolved quickly. The County has 10,899 total wells, second only to Weld County. COGCC-approved drilling permits in Garfield County are 1066 as of January 5, 2015.

Garfield County Oil & Gas Navigation Guide - This document serves as a guide for oil and gas project proponents to navigate the county's land use regulations, known as the Land Use and Development Code (LUDC). BLM Existing Leases EIS, BLM conducting new EIS for 65 leases in White River National Forest and Garfield County is a cooperating agency. Supported BOCC to prepare and submit comments.

BLM Roan Leases, BLM conducting supplemental EIS for leases on and near Roan Plateau and Garfield County is a cooperating agency. Supported BOCC to prepare and submit socioeconomic data. EAB retooling, created an "Issues" subcommittee and created a "Meeting Structure" subcommittee. EAB to set aside 2 of 10 regular monthly meetings to be work sessions. Conferred with County Attorney prior to convening board-only work sessions.

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. Wynn said the next EAB meeting would be March 5, at the Rifle Library.

ADJOURN

There being no further business, Orona adjourned the meeting at 8:56 pm.

MOTIONS PASSED AT THIS MEETING

A motion was passed approving the October 2, 2014 meeting minutes.

A motion was passed to approve Howard Orona as Chair, Scott Stewart as Vice Chair and Robin Haney as secretary for 2015.

A motion was passed to ask the BOCC to approve a non-voting membership class and to add COGCC as a nonvoting member.

NEW ACTION ITEMS:

Kirby will present EAB request for BOCC to approve adding COGCC as EAB member and will prepare updated EAB bylaws for approval by EAB in March.

Prepared by Marie Payne, Garfield County Oil and Gas Assistant.

Approved by the EAB on March 5th, 2015.