

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING MINUTES
Thursday, March 1, 2012
Location: Rifle Library, Rifle, Colorado

CALL TO ORDER/INTRODUCTION

Brent Buss called meeting to order at: 6:03 pm. Thanking Creekbend @ The Midland and Susan Alvillar with WPX Energy for providing dinner.

Brent thanked the public and Commissioners for attending the EAB.

EAB members introduced themselves. EAB members in attendance:

Bob Arrington (BA)	Battlement Mesa
Sheree Walcher (SW)	WPX Energy
Eric Brynildson (EB)	Mamm Creek/Hunter Mesa
Kirby Wynn (KW)	Garfield County
Heather Hoffmeister (HH)	Rulison/Holmes Mesa
Sean Norris (SN)	Oxy
Art Riddle (AR)	Town of New Castle
Howard Orona (HO)	Parachute/Parachute Creek
Brent Buss (BB) Chair	North Rifle
Sher Long (SL)	Encana
Kelly Lyon (KL)	Town of Silt
Michael Braaten (MB)	City of Rifle
Leslie Robinson (LR)	GVCA
Jeff Simonson (JS)	Divide Creek
Clare Bastable (CB)	Town of Carbondale

MINUTES FROM PREVIOUS MEETING

The Board reviewed the minutes from February 2, 2012 meeting. Brent Buss entertained a motion to approve the minutes from the last meeting. Kirby Wynn moved to accept the minutes and Sean Norris 2nd the motion, the board then voted unanimously to approve.

OLD BUSINESS

Brent Buss signed the updated copy of the 2008 by-laws. Kirby Wynn stated that the by-laws will likely be added to the Garfield County website.

NEW BUSINESS

Clare Bastable, Town of Carbondale representative introduced herself to the EAB.

Kirby Wynn had a discussion with Colorado Oil and Gas Conservation Commission (COGCC) regarding the list of presentation topics from the February 2012 meeting. COGCC has agreed to provide speakers for the presentation scheduled in April. The topic for April will be Hydraulic Fracturing Chemical Disclosure rules. Kirby Wynn is also currently working with COGCC and industry on scheduling the May presentation which will hopefully be Hydraulic Fracturing Methodologies and Technology/Science Options Available to Oil and Gas Operators.

COMMUNITY COUNTS UPDATE

Mary Lou was absent from the meeting. No update.

Sher Long gave an update regarding Community Counts (CC) concerning Encana. She stated that CC received one complaint in Battlement Mesa. They have pinpointed the issue as being flowback operation west of Battlement. Encana is in the process of changing the way they handle the flowback so that the odor will be eliminated. A combustor installation was delayed due to weather and she expects the issue to be resolved in the next two to three days. Encana has been in touch with the County and the resident to resolve this issue. (See Battlement Mesa update)

Kirby Wynn stated that CC had a booth in Energy Forum and Expo held in Mesa County last month and several people signed up to receive the CC newsletter. Residents were also added to the CC distribution list. Residents on this list will be informed of oil and gas industry's movement and operations through-out Mesa and Garfield Counties

PUBLIC COMMENTS

Thomas Thompson discussed his on-going concerns with Encana. He believes that Encana has not fully complied with the provisions in his surface use agreement which were set to protect him as a resident and landowner as well as Encana's interests. He claims they have not controlled weeds and dust on his parcel. Mr. Thompson believes that flood damage has been done to his property and Encana is refusing to pay him to rectify this damage. He received an offer for Encana contractors to repair the flood damage, which he rejected because he prefers to have his contractors do the work to his specifications. He then received a letter of a financial settlement from Encana to cover the flood damage that is well below the amount his contractors have estimated the cost to be.

Sher Long clarified to the EAB and Thomas Thompson that there has been a gross production of 3.3 million dollars (approximately) in the last 13 years. Encana has received approximately \$300,000 dollars. Ms. Long read a letter dated February 3, 2012 from Mr. Thompson's lawyer to Encana stating that they would rather have the funds that would be used for litigation be used for appropriately cleaning up the site. Encana has accepted their proposal and would like to have the work done before spring run-off.

Sher Long stated that she does not feel that the EAB is the right venue for Mr. Thompson to discuss his one-on-one issues with Encana. Encana's attorneys are presently trying to resolve the issue with Mr. Thompson. Sher Long assures the EAB Board members that Encana is not ignoring Mr. Thompson's issues and stated that Encana and Mr. Thompson have worked very hard to resolve the on-going issues. She also indicated that because it is now a legal negotiation she cannot provide detailed answers in response to Mr. Thompson's claims.

The Board reiterated to Mr. Thompson that the Energy Advisory Board (EAB) can listen to his issues and concerns but has no authority to negotiate or enforce his contract with Encana. Brent Buss indicated that the EAB generally cannot prevent Mr. Thompson from bringing his issues in front this Board but it is a fair point that the topic is a challenge to handle equitably now that lawyers are involved.

EAB MEMBER UPDATES

Town of Carbondale – Clare Bastable (CB)

No Report.

Town of Silt – Kelly Lyon (KL)

Town of Silt is trying to bring in retail business. KL had a meeting with Town of Silt today and the Dollar General Store is still a go. BOCC have agreed to “dress up” main street with new sidewalks, trees and streets.

KL is on the Silt Water Conservation District Board. The Board has a couple of permits for hydro-electric plants at Harvy-Gap. Approximate costs are 3.5-4 million dollars. Hydro-electric plants will produce 40kw/400kw electricity for Silt and eventually other municipalities. The Board has hinted to the County for funds. There is new legislation in Washington that has made it through the full committee to help with the process.

Town of New Castle – Art Riddle(AR)

Town of New Castle has a priority project: Pedestrian access crossing the bridge at exit 105. The Town is trying in touch with BOCC looking for help financing the project.

City of Rifle – Mike Braaten (MB)

Gov. Hickenlooper has signed an executive order to create a task force to look at jurisdictional issues between local and state governments.

<http://cogcc.state.co.us/Announcements/ExecutiveOrderB2012-002.pdf>

Battlement Mesa – Bob Arrington (BA)

Bob Arrington (BA): Members of the Town of Parachute were given mis-information regarding the Battlement Concerned Citizens (BCC). The BCC is not a party to the lawsuit with Antero. The BCC is just following the proceedings, as the suit is a class action suit and all the citizens of Battlement Mesa are a party to unless they opt out.

BA reports he had 4 citizen complaints of odors coming into Tamarisk Meadows area. Dave Devanney forwarded just one of four complaints to the County. A NPR reporter did interview some of the concerned residents. Reporting citizens have BCC provided forms available to detail their issues. Sher Long has been in contact with the 1 party and the press interviewed some.

Kirby Wynn asked why 4 different people had complaints and he had been advised of only one family till now. KW is concerned that the residents are not getting a helpful response to issues when the issues and/or reports are not shared with Community Counts, GarCo Liaison or the individual operators. It is challenging to see the value of sending radio reporters to interview residents while the operators who can actually fix the issue have not been made aware of the problem. We all need to work together and focus on fixing problems that arise.

BA noted report forms with addresses, phone numbers, ect. also provided to interested residents so they can forward on to the County, COGCC, CC. BA stated that most of the time

they receive phone calls from residents well after issues have taken place. This leaves nothing to investigate and reports only document the issue.

SL would like to encourage residents to call Community Counts (CC) for immediate action. CC will get the information directly to the correct operators 24/7. BA stated that residents did not want to call in the early morning hours. SL said that they were happy to take calls anytime to resolve an issue. SL experienced the odors herself and called her person and was able to trouble shoot and get resolution for the resident. SL indicated CC will investigate until they figure out what and where the issue is coming from. SL stated that is why CC was created for the people to call when they feel that they are at risk for harmful odors. GPS is on most of the trucks in the field and can be tracked with the time the complaint is being taken when the complaint is traffic related.

Brent Buss stated that Dave Devanney should be telling the people that are filing the reports that Community Counts can help resolve issue quickly. SL would be happy to come to BCC and tell them what CC is all about. BA is worried about the resident's anonymity. SL noted they can still make the complaints to CC and remain anonymous.

KW wants residents to know that there are no repercussions from the operators or the County and that they should always feel free to call in with concerns.

BA There was a tanker truck roll-over about two miles toward Battlement Mesa on Una Bridge.

Battlement Mesa O&G Committee – BA reported for Don Mumma (DM)

The Oil and Gas committee would like to invite Jim Rada with Garfield County to come to a meeting to present Air monitoring topics. KW indicated he would let Jim know.

SA with WPX briefed both the Battlement Mesa O&G Committee and BCC leaders attending the meeting about the Williams split of operations and the overturned truck on Uni-Bridge.

The BCC discussed the pending air quality studies by the County, and Chuck Hall, Chair of BMOG expressed interest in having Jim Rada talk to the committee about the programs for Battlement Mesa.

BA, WCC representatives were able to meet with Deputy Director Bob Randall of the Colorado Department of Natural Resources (DNR) and talk about COGCC potential new set back rules.

Grand Valley Citizens Alliance (GVCA) – Leslie Robinson (LR)

GVCA will participate with the COGCC. The COGCC requested that GVCA give feedback on setbacks.

Divide Creek – Jeff Simonson (JS)

WPX has 2 rigs operating on Jolly Mesa, BB 1, Antero continuing operations. Antero informed the residents that they were going to be working on a Gas line blow-out. The residents appreciated the call. RFP was sent out by the County for work to be done on County Road 311. The work will be done from East Divide Creek to West Divide Creek including replacement of the two bridges and the roads in-between.

Rulison/Holmes Mesa - Heather Hoffmeister (HH)

No Report.

Mamm Creek/Hunter Mesa – Eric Brynildson (EB)

No Report.

Parachute/Parachute Creek – Howard Orona (HO)

No Report.

Rifle/North Rifle – Brent Buss (BB)

No Report.

WPX Energy – Sheree Walcher for Susan Alvillar (SA)

At this time WPX has 7 rigs operating. They will be dropping one March 4, 2012 and another in April 2012 having 5 rigs running for 2012. Currently WPX is producing 900mcf/d.

Antero - emailed

Antero Resources is currently operating 1 Drilling Rig, two-work over Rigs, and one Completions Crew, South of the Colorado River in between Rifle and Silt.

Rig move is scheduled for late in the first week of March mobilizing approximately 1.2 miles from County Rd 331 and 346 will be affected, Rig move plan encompasses school bus route times. Notification was given to EAB, Community Counts, Oil & Gas Liaison, Garfield County Roads and Bridges. It's expected to take two to three days.

Antero Resources held its Annual Community Meeting for the Battlement Mesa Community as well as the Rifle Silt New Castle, Peach Valley was well attended and wishes to thank those which made the meetings successful.

Antero Resources continues to operate and proceeds into 2012 with optimistic caution given current gas prices.

Bill Barrett Corp – Doug Dennison (DD) emailed

BBC continues to operate 3 drilling rigs south of Silt and plans to stay in the 2-3 rig range this year, however, everything is dependent upon economics.

Chevron –KW updated from NWOG Forum

They are not currently drilling. Their update is on the NWOG Forum website:

<http://cogcc.state.co.us/Library/Presentations/NWForum20120301/Chevron.PDF>

Oxy USA Inc. - Sean Norris (SN)

Oxy has two rigs and several work-over rigs Cascade Creek area. Work-over rigs working in the Colburn area.

Encana – Sher Long (SL) (left early no update)

Encana achieved 2011 operating targets; 2012 liquids condensate is the focus to padding their profit for 2012. Encana currently has 8 rigs running and 7 work-over rigs. Encana had planned 10 rigs but price of gas is too low. There are 6 rigs on south side of river and 3 on the north. This has flipped flopped 5 on north Piceance and 2 rigs in the Mamm Creek area (Grass Mesa), 1 Rig up Divide Creek, and 1 Rig in Battlement mesa.

Encana is focusing on their joint ventures to sustain themselves through 2012

Community Investment to non-profit agencies on the Western Slope was \$600,000.

There are 1415 wells in the south Piceance, south of I-70 (Silt, Debeque and Collburn). These wells were drilled from 431 pads. Encana is working very hard on their “resource play hub” to reduce their footprint to drill more wells on a pad. Encana is starting to see results of this effort by bringing down the cost of doing business. They have the same number of wells on the North side of I-70 on 75 pads. These numbers are encouraging and the numbers show where the new technologies can take us. This is the direction Encana is heading to reduce impacts.

Gathering and pipelines: Commissioning Story Gulch Compressor Station (N). 24-inch river bore under the Colorado River near the Una bridge; Completed Orchard pipeline in Wallace Creek to Orchard compressor station running along I-70.

Encana's had ground breaking new building in Parachute Park. Eighty percent of the sub-contractors are western slope companies. Encana commitment is 8 to 10 million dollars. The building is 3-stories and 51,000 sq ft. Hope to complete by the end of 2012 along with the interchange.

Habitat for Humanity awarded Encana “Business of the Year”.

\$365,000 donated to RAFTA for CNG buses;
15K donated to area schools; and
22K donated to community outreach.

Garfield County – Kirby Wynn (KW)

Kirby Wynn gave a Power Point presentation updating the following information:

- Citizen Inquiries to the GarCO O&G office;
- Summarizing the COGCC approved permits & new well starts for Garfield County; and
- Updated the EAB on the DOLA residence reporting process and the income it brings to the County and municipalities.

EDUCATIONAL PRESENTATION

A Geologic Primer of the Energy-rich Piceance Basin, Western Colorado

By: Peter Barkmann- Colorado Geologic Survey

ADJOURN

- BB adjourned the meeting at 8:30 pm.

MOTIONS PASSED AT THIS MEETING

- A motion was passed at this meeting to approve last month minutes.

ACTION ITEMS:

1. Kirby to call the School Districts to encourage EAB participation:
 - a. RE-1 – Theresa Hamilton 665-7621
 - b. RE-2 - No listing
 - c. District – 16 Rose Belden 285-5701
2. Set up a meeting between Jim Rada and Chuck Hall (BM O&G committee) for overview of Air Quality Studies.

Prepared by Denice Brown, Garfield County Oil and Gas Assistant

Approved by the Energy Advisory Board on 4-5-2012