

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING MINUTES
Thursday, September 6, 2012
Location: Rifle Library, Rifle, Colorado

CALL TO ORDER/INTRODUCTION

Brent Buss called meeting to order at: 6:00 pm. Thanking Bill Barrett for providing dinner from Haute Plate Bistro.

EAB members introduced themselves. EAB members in attendance:

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|-----------------------|--------------------------------|
| Howard Orona (HO) | Parachute/Parachute Creek |
| Eric Ward (EW) | Marathon |
| Mike Braaten (MB) | City of Rifle |
| Art Riddle (AR) | Town of New Castle |
| Bob Arrington (BA) | Battlement Mesa |
| Sheree Walcher (SW) | WPX Energy |
| Scott Brynildson (SB) | Mamm Creek/Hunter Mesa |
| Kirby Wynn (KW) | Garfield County |
| Daniel Padilla (DP) | Oxy |
| Brent Buss (BB) Chair | North Rifle |
| Cary Baird (CB) | Chevron |
| Rebecca Brock (RB) | Grass Mesa HOA |
| Sandy Kent (SK) | Encana |
| Kelly Lyon (KL) | Town of Silt |
| Leslie Robinson (LR) | Grand Valley Citizens Alliance |
| Nancy Genova (NG) | Colorado Mountain College |
| Mike Gross (MG) | Peach Valley/Silt Mesa |

EDUCATIONAL PRESENTATION

Matthew Lepore introduced himself as the new Director of the Colorado Oil and Gas Conservation Commission (COGCC). Introduction followed by a question/answer session about oil and gas industry regulation in Garfield County.

COGCC priority agenda for the future:

- Well site setback rules: next meeting September 14, 2012;
- Enforcement of O&G regulations to follow COGCC mission statement:

| <u>MISSION STATEMENT</u> |
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| The mission of the Colorado Oil and Gas Conservation Commission (COGCC) is to foster the responsible development of Colorado's oil and gas natural resources. |
| Responsible development results in: |
| The efficient exploration and production of oil and gas resources in a manner consistent with the protection of public health, safety and welfare |
| <ul style="list-style-type: none">• The prevention of waste• The protection of mineral owners' correlative rights• The prevention and mitigation of adverse environmental impacts |
| The COGCC seeks to serve, solicit participation from, and maintain working relationships with all those having an interest in Colorado's oil and gas natural resources. |

- Baseline water sampling (voluntary base line sampling right now but will consider mandatory sampling); and
- CSU Air Study seems a tremendous opportunity to collect important data that are lacking.

PUBLIC COMMENTS

- Tara Meixsell - New Castle

After reading about the new air quality study, she is concerned about the positive comments made by the Commissioners regarding the new air quality study, since in her opinion; the County had backed out of the health study (HIA) after spending approximately 200 thousand dollars. Even though the HIA is a political football, Garfield County needs the scientific data. Stated Colorado School of Public Health completed the study on there and she felt the Commissioners would not back their findings.

What happened to the water well test up Divide Creek?

KW responded and clarified some possible misconceptions: Two full drafts of the HIA were been completed. The report is available on the Garfield County Environmental Health website. It was stopped after the second draft because there was not going to be a consensus between various stake holders on the additional suggested edits of the report. The lead report author was present at the BOCC meeting when the decision was made to consider the report final. The author stated she agreed with the commissioners that it was probably appropriate to call the study finished and that she felt Colorado School of Public Health had produced everything that was asked of them.

Rather than completing the HIA on their own, Colorado School of Public Health merely published the same data and results the County had in the HIA report. They simply extracted out a sliver of the data and recast existing results but without benefit of the more complete topical coverage. The new CSU Air Emissions monitoring study should not be a concern in that it will fill in exactly type of data gaps the HIA authors emphasized were the most critical to fill in. The HIA authors had very limited ability to defensibly identify potential health impacts because so few data were available.

In response to query about status of water study...Garfield County Hydro-geologic Phase IV Study has continued in 2012. Samples were collected in the last month, another round of sampling will happen this fall. The results will be available when the study is completed probably close to the end of the year.. There seems to be a misconception that the study was halted and restarted. That is not the case—it is simply taking longer to get the needed data and complete the study.

- Peggy Tibbetts – Silt

She wants to draw attention and to protest Bill Barrett flare stacks on Mineota Ridge south of Silt. She is worried about the Air Quality in Garfield County and the chemicals being released into the atmosphere near residential areas. Discussed health issues she has been having this summer/fall.

Peggy spoke with Sean Kellerby from Rifle COGCC office he stated that the stacks are legal, have been inspected, and are not in violation of the state regulations.

- Thomas Thompson (TT) – Porcupine Creek

TT gave a status report about his ongoing frustration with O&G activity in Garfield County.

- Marion Wells - Rulison

She is worried about the “immaculate” sites that Matthew Lepore toured while he was in Garfield County. She feels it is not a standard representation of what is dealt with by the resident. She invited anyone that would like to tour her property to give her a call.

She is frustrated with the EAB meetings, feeling that citizens cannot express their concerns in the allowed time of 3 minutes.

MINUTES FROM PREVIOUS MEETING

The board reviewed the minutes from August 2, 2012 meeting. Brent Buss entertained a motion to approve the minutes from the last meeting. Bob Arrington moved to accept the minutes and Leslie Robinson 2nd the motion, the board then voted unanimously to approve.

OLD BUSINESS

Bob Arrington wanted to know the status of the committee that the EAB would be put together regarding the unitization of pipelines in Garfield County. Scott Brynildson would like to postpone making a committee until the October meeting.

Thomas Thompson interjected to ask the how the Commissioners have answered his questions about protecting residents from industry operations

Brent Buss responded that questions asked of EAB will be brought to the Commissioners on Monday September 17, 2012 when the EAB chair gives his quarterly report. KW indicate he will be giving the BOCC an update on all manner of oil and gas topics from the Liaison's office on the same day.

NEW BUSINESS

- KW announced the October EAB educational presentation will be given by WPX on water use and recycling.

COMMUNITY COUNTS UPDATE (Nita Smith)

1. CCC is a non-profit organization established to connect the energy industry and the community through responsive, open dialog. We serve as a platform for candor, goodwill and mutual respect between the Energy Industry and the Community.
2. We do that with our 24/7 Response Line 866-442-9034; by helping the Operators solve complaints; Sending out rig moves and providing a website.
3. We have upgraded our website and continue to enhance it. An interactive tool will soon be available to increase our dialogue capability and accountability. We also have a map that shows the current rig locates that is updated monthly or as a rig moves.
4. Brochures and Inserts for member packets have been updated and printed.

5. We currently have 51 members and a combined e-mail database of 165 members and interested persons.

7. We had a booth at National Night-Out, Aug. 7th in Battlement Mesa that was sponsored by Garfield County Sheriff's Department and handed out CCC information to the Community

8. We attended the NW Oil & Gas Forum, Sept. 6th at CMC

9. Plan on attending CSU Oil & Gas Conference in Ft. Collins Oct. 1-3, 2012

10. Complaints:

- 8/7/12 – Kudo - Operator received a compliment from landowner regarding the quick response in handling the lightening issue on CR 330 reported the previous month.

- 8/7/12 – Complaint received of a semi water tank truck using jake brake coming down Battlement Mesa Parkway. Operator addressed the issue with the contractor within two hours of the complaint going out.

- 8/9/12 – Complaint came in of speeding oil & gas trucks on CR 330. Several Operators responded to this complaint when it was sent out and sent messages to their employees and contractors reminding them of their expectations that they follow all applicable traffic regulations in addition to operating in a courteous and safe manner. Eric Bruton with Mesa County also was having his District Manager look into setting up a speed monitor.

- 8/21/12 – Complaint came in of oversize illegal trucks traveling on Porcupine Creek Road. After looking into the issue it was determined that legal size dump trucks, according to the State Patrol, were hauling boulders from a landowner for a rock wall. The job was completed that day.

- 8/23/12 – Complaint came in of oil and gas traffic on CR 309. Operator contacted the contractor and addressed the issue.

- 8/29/12 – Question was address regarding possible drilling activity south of Mesa, Colorado near Chalk Mountain. None of our Operators knew of any activity and the question was sent to Craig Meis, Mesa County Commissioner and Randy Price, Energy Planner for Mesa County. The source of the activity was identified and landowner was notified and was very appreciative of CCC's continued follow-up with other sources when we were not first able to identify the activity.

11. Rig Moves:

- 8/2/12 - WPX – Cyclone 17 moved from RWF 14-32 (South Rulison) north to GM 41-4 Pad

- 8/7/12 – Bill Barrett – Patterson 313 rig moved out of Garfield County to Utah

- 8/8/12 – Encana – Patterson 303 rig moved from North Parachute to Mamm Creek

- 8/23/12 – Antero - Patterson 307 rig moved in to Southeast of Silt to Valley Farms F Pad

- 9/5/12 – 9/7/12 – Dejour Energy moving a drilling rig to Jolly Mesa south of Silt

21. Rig Count – Encana – 4; WPX – 5; Antero – 1; Dejour Energy – 1; Axia Energy – 1 rig in Moffatt County

CC NEXT BOARD MEETING - WEDNESDAY, SEPT. 12TH – 3:30 – 5:00 PM- TOWN OF PARACHUTE

EAB MEMBER UPDATES

Municipalities:

Town of New Castle – Art Riddle (AR)

- No Update

Town of Silt – Kelly Lyon (KL)

- New Dollar General Store to open in September. Installing a hydro-electric plants at Harvey Gap and Rifle Gap in still in the process.

City of Rifle – Mike Braaten (MB)

- No Update

School Districts

Colorado Mountain College – Nancy Genova (NG)

- CMC is happy to serve on the EAB Board;
- CMC Rifle has a new Integrated Energy Program that teach course work in fossil fuel, solar energy and bio fuel energy;
- They are part of a statewide coalition that has received grants from State Department of Labor and/or Education to expand their energy program.
- Their focus is on environmental safety for citizens and new technologies

Organizations:

Battlement Mesa – Bob Arrington (BA)

Battlement citizens and associated groups have been active in many meetings and actions this last month.

Garfield County Air Quality Study:

Don Grey and I attended. Dr. Collett outlined the basics of the study to be conducted in preparation of presentation to the County Commissioners. I asked if presentation slides would be available and they were later received from Paul Reaser of Garfield County Health. I forwarded to members of the stakeholder 'Champions' that were involved in formulation of the project from GVCA, WCC, and BCC that were not able to attend the meeting. An important question and concern I expressed was the use of acetylene gas as a tracer gas, as it is a common industrial gas in use throughout the county and on well pads and is easily produced with calcium carbide and water, such as dew, when scattered on the ground. I suggested they consider a different unique tracer gas. Dr. Collett responded the EPA had such a unique tracer gas. There was a tour of a well pad undergoing flow-back and production readiness. The tour was from off-site advantage point with arrangements made by Kirby Wynn.

COGCC Setback Rule Making: Leslie Robinson, Judy Jordan, Frank Smith and I attended the 8/23/12 COGCC meeting on setbacks participating in presentations and Q&A sessions. Frank Smith and Dave Devanney attended the previous meeting and I sent a letter to be part of the comments.

The Garfield County Commissioners were enjoined by lawsuit concerning illegality of a meeting and resulting resolution not conforming to Colorado 'Sunshine' law and the County Commissioners have responded, to date, by rescinding that resolution. A resident, of Battlement, and a close neighbor, was a party to the suit.

Grass Mesa – Rebecca Brock (RB)

Rebecca Brock reported that the HOA has sought legal counsel regarding funding for the HOA road upkeep on Grass Mesa. A letter was sent to Encana several weeks ago and they are still waiting for a response.

GVCA –Leslie Robinson

- The GVCA participated in the setback discussion where they advocated a 1,000 foot setback to the COGCC setback sub-committee. GVCA felt it was important the 1,000 foot setback from residential areas to protect health, welfare and environment.
- GVCA and Western Slope are participating in litigation against the BOCC regarding the violation of the open meeting laws.

Citizen Representatives:

Parachute/Parachute Creek - Howard Orona (HO)

- Nothing to report.

Rifle/North Rifle – Brent Buss (BB)

- Nothing to report.

Mamm Creek/Hunter Mesa – Scott Brynildson (SB)

- A vehicle went through a fence not sure if the driver was a resident or O&G worker.

Peach Valley/Silt Mesa - Mike Gross (MG)

- Nothing to report.

Operators

Antero – Jon Black (Emailed)

Antero Resources is currently operating 1 Drilling Rig, one work over Rig at an ad-hoc basis, and one Completions Crew, South of the Colorado River in between Rifle and Silt.

Rig move is scheduled for mid to late September mobilizing Paterson 307# out of the area, Rig move plan will encompass considerations to school bus routes and times. Completion operations will continue at the Dixon A pad throughout September. Notification shall be

forwarded to EAB, Community Counts, Oil & Gas Liaison, Garfield County Roads and Bridges of scheduled rig mobilization.

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

Dejour Energy – Kenny Kuhn (emailed)

Dejour Energy indicates they will drill 1-4 gas wells this year, probably one at last estimate. They expect to begin drilling in about 1 month at their 21-A pad on Jolly Mesa.

Chevron – Cary Baird (CB)

- Working on infrastructure completions;
- No safety or environmental issues; and
- Operational excellence audit indicated that Chevron Piceance received awards for environmental stewardship along with their motor vehicle record.

Encana – Sandy Kent (SK)

- 4 Rigs running currently; 3 on Mamm Creek, 1 on the north Parachute Ranch a 5th rig will be added to the Parachute Ranch this month. They have 6 work over rigs running. Excited about moving into the new building in October.

Marathon Oil – Eric Ward (EW)

Eric reported that they currently have operations up County Road 215 on the Roan Plateau. They have not drilled or had completion operations since 2010 and are strictly production operations.

Oxy USA Inc. - Daniel Padilla (DP)

Oxy does not have any active drilling rigs. Currently have production operations and have work over rigs are on site for maintenance.

WPX Energy – Sheree Walcher (SW)

- WPX has 5 drilling rigs. 1-Kokopelli; 1-Rio Blanco County; 2 – Porcupine Creek and 1 in Parachute Creek. One rig will be moved at the end of the month from Porcupine Creek.
- WPX is supporting United Way. September 13, 2012 is United Way Day of Caring-50+ employees from WPX have volunteered their time to help the seniors at the Grand Valley Senior Housing center in Parachute.

Bill Barrett Corp – Doug Dennison (DD) emailed

- BBC has released 1 rig and will release the 2nd one in the next couple of weeks. One completion crew will continue working on production operations for the foreseeable future.
- Will continue to evaluate our future level of activity based on natural gas prices and other economic factors.

Garfield County – Kirby Wynn (KW)

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

- Citizen Inquiries and concerns provided to GarCo O&G office and resolution status, and
- Summary of COGCC approved permits & new well starts for Garfield County;
- Gave a general overview of the Air Emissions Research Project that will be completed in 2015; and
- Updated EAB on the Garfield County Energy Master Plan;

ADJOURN

- BB adjourned the meeting at 8:24 pm.

MOTIONS PASSED AT THIS MEETING

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

NEW ACTION ITEMS:

- **None**

Prepared by Denice Brown, Garfield County Oil and Gas Assistant

Approved by the Energy Advisory Board on 10-4-2012.