

BMSA Oil and Gas Committee Meeting Minutes June 14, 2011

Members I Attendance: Chuck Hall, Chairman; Don Mumma, Lynn Shore, Frances Rose

Antero Representatives: Robert Mueller, Lars Inman, geologists; Dave Strickland, Landman

Community Attendees: Keith Lammey, BMSA chairman, Jeff Hill and Sara McCurdy, BMSA members, Bob Arington, BMSA and BCC member, Dave Davanney, BCC Chairman; Don Grey, BCC member.

Discussion:

Lars Inman produced a imagery graphic of the Battlement Mesa PUD and surrounding area. This graphic's imagery is some what dated, but is adequate to show Antero's plans for the area contained on the graphic. The graphic shows the planned Antero pad positions, planned pipelines and water lines. The general area of the Encana and Williams pads that are currently in operation outside of the PUD were noted. It was also noted that these well pads would probably have around 14 gas wells drilled from each.

Antero does not plan to having any drilling or completion work take place on any of their pads or proposed pads noted on the graphic during 2011. Antero has postponed drilling at the Watson Ranch site. There are eight wells left to drill and complete on the Watson Ranch site. When these wells are drilled and completed that will bring the total number of wells on the pad to twenty. Antero's previous commitment requiring access to EXXON minerals by October 27, 2011 has been renegotiated.

Antero has negotiated a second pad within the Watson Ranch. They plan to use either the G Pad or the 2nd Watson Ranch pad, but not both. The pad to be used will be determined in the future.

Antero will submit the State Comprehensive Drilling Plan (CDP) first, since all other government agencies are involved with it. The County Plan will be submitted after the CDP is completed. The planned submission date is September 1, 2011. The time period for the review would begin in October to November 1 with approval expected by the first of 2012. Then the information for the major land use impact review will be submitted to GarCo in early 2012; the approval process can take from six months to a year. There is a large amount of redundancy between state and county requirement, but there are some major differences. Most of what is required for each aspect of the permitting has been done.

Williams and Antero have finalized acreage trades in Section 8. The trade will help with Antero's infrastructure.

Antero is working with Battlement Mesa Partners for pipeline easements. Antero is still working on a few other right-of-way issues.

The water required is planned to be delivered by pipelines to the pads. Antero is considering using electric power (instead of diesel generators) but the availability of the necessary power hasn't been concluded with the electric company.

The Monument and Speakman A & B Pads (outside of the PUD) have been approved but these pads and their wells will be included in the CDP. The Tompkins Pad will be part of Phase 3 or 4 and will be accessed by existing road.

Meeting with EnCana's Don McClure and Sher Long on 6/7/11

Several members of the BMSA O&G Committee joined other community members at the meeting with EnCana personnel, Don McClure and Sher Long.

Mr. McClure emphasized that stakeholder connectivity and the Social License to operate is important to EnCana.

He pointed out that natural gas is a viable energy. It is not just a heating source, it is now an integral to production of a variety projects and manufactures. It is a valuable option for the nation.

Although there are other areas of the country that are competition for the Piceance Basin production, it is still competitive with other areas. It is the number three area for EnCana production.

McClure also discussed horizontal and directional drilling and their value to the gas industry in this area and throughout the United States.

He also mentioned the use of Natural Gas Vehicles (NGV) and the fact that there are natural gas outlets for vehicles in Rifle and Grand Junction, as well as others across the nation. In California, trucks that service the ports are required to be converted to natural gas to reduce pollution. Some companies are committed to converting their fleets to natural gas.

He stated that EnCana sees no big influx of EnCana workers into this area in the foreseeable future.

Those in attendance enjoyed a box lunch provided by EnCana.

Northwest Colorado Oil & Gas Forum 6/2/2011

Drilling permits approved for Garfield County in 2011 – 570

Projected permits for Garfield County in 2011 – Approximately 1200

Weld County has about 50% and Garfield County has about 31% of the approved wells. The permits are valid for two years. Garfield County has 8249 active wells.

David Ludlum of Western Slope Colorado Oil & Gas Association discussed the Hydraulic Fracturing disclosure Registry <http://fracfocus.org/welcome> . This website is the hydraulic fracturing chemical registry website. The impetus for creating this website comes from a of the Board of Directors of the Ground Water Protection Council (an organization whose members are state regulatory agencies). This website is a joint project of the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission. Their intention is to provide the public with objective information on hydraulic fracturing, the chemicals used, the purposes they serve and the means by which groundwater is protected. The public information portion of the website interfaces directly with the well fracturing information uploaded by the operators. This allows the public to see what chemicals are being used in well sites near their property. You will also find materials designed to help you put this information in perspective with respect to protecting groundwater. Over a thousand wells have been logged into the system since April 2011.

Drilling Rigs in the area:

Oyx – 2 north of Debeque

Williams – 11 north and south of Colorado River

Bill Barrett – 2 south of Silt

Encanna – 9 north and south of Colorado River

Next Oil and Gas Committee Meeting: 3:30 p.m., July 12, Activity Center

Submitted by Frances Rose