

Battlement Mesa Service Association

Oil & Gas Committee Report

March 16, 2010

Northwest Oil & Gas Forum

Don Mumma and I attended the Forum on March 4, 2010 in Rifle. Several members of the BCC also attended.

Although the number of active rigs is still down, several operators indicated that they plan on making substantial capital outlays this year.

The detailed report made by David Neslin, Director of the COGCC, is available on their website: www.cogcc.state.co.us

Committee Meeting March 9, 2010

Representatives of Williams presented details of their proposed project within the town limits of Parachute, located between the railroad and the river, across from Battlement Creek Village and the Reserve.

An interesting discussion took place covering traffic impacts, visibility (especially at night), water issues, drilling rig type, area of coverage, total drilling and completion time, etc.

Don Mumma, our Local Government Designee, gave an update on the Energy Advisory Board's activities. Most important was the decision to continue the Board's existence. He also informed us that future meetings would include an "educational segment."

Dave Devanney and Bob Arrington were the only members of the public in attendance. They participated in the discussions.

Further details of the presentation and discussion will be posted on the website very soon.

ExxonMobil Energy Outlook to 2030

I attended this Energy Briefing hosted by the Rifle Area Chamber of Commerce on March 11, 2010.

The presentation by ExxonMobil was of a very global nature and projected substantial increases in demand for energy from all sources.

I took advantage of the opportunity to speak at length with Jim Branch, Piceance Project Executive and John D. Estes, External Affairs Advisor. ExxonMobil is doing extensive research into tight sands operations and have patented a new procedure called "Just-in-Time Fracturing." This procedure allows them to achieve greater lateral reach and does not require 10 acre bottom hole spacing. They operate with 20 acre spacing.