

## **BMSA Oil & Gas Committee**

Meeting with Antero Resources

January 27, 2010

**Committee members present:** Chairman Bill Nelson, Lynn Shore, Mary Ellen Denomy, "Mac" McCurdy.

**Antero representatives:** Lars Inman, Brian Wade, Dave Stricklin, Jon Black and Kelly Br\*\*\*

Other persons present: Three members of the community.

The meeting was called to order at 1:10 pm.

John Black gave an update on the fire which occurred on an Antero pad near Silt. It was a small fire contained involving two tanks. Silt and Burning Mountain fire departments responded. The fire never spread further than the area of the pad. No cause has yet been determined for the fire, which lasted about one hour twenty minutes. The well was in completion mode after frac'ing. COGCC is investigating and we will receive more info after their report is issued.

Bill Nelson asked if a visit to each proposed pad site could be arranged for the committee. John Black said yes this could be done when weather allows, probably in late spring.

Antero reported that it is reviewing the pipeline corridor on the east side of the PUD. There have been some easement issues found, which must be addressed.

A member of the audience asked why a pad in the area north of the shopping center, which was in the Exxon SUA, was no longer planned. The answer was that Exxon has agreed to the new SUA which supersedes the original SUA.

A member of the audience asked if Antero would consider recycling water rather than using injection wells. Their response was in two parts:

First: Antero does recycle water from drilling. The mud is recovered and is saved for use in subsequent wells and/or sold to other operators. Once its use is complete, it is mixed with sawdust to dry it.

Second: There are problems with using current recycling systems:

A. There is a high cost and problems associated with the amount of power needed to run them;

B. After processing the drilling fluids in a centrifuge to remove the water, disposal of the waste generated is a problem. This represents about 30% of total volume and would require a substantial amount of truck traffic.

Injection wells are approved by the EPA under the Clean Water Act. Antero will have two such wells, which will also be gas-producing after being used for injection purposes. They are already doing this in the Silt area.

The subject of remote frac'ing was again discussed. Antero still has serious safety concerns due to the high pressure involved and the fact that the pipes must be fairly straight and inspected regularly.

The pit at the proposed water treatment facility will be approximately 20' deep and have a double liner. It will have a cover which will channel any VOC's created to combustors for

burning. The technology comes from pig and chicken farms which have been using them for years. Antero has never used this technology before. Two inspection wells will be drilled to monitor for leakage.

In response to a follow-up question by Bill Nelson, the Antero representatives present were not able to commit to a request for a \$500,000 contribution to the BMAC. They recommended that a letter be written with a formal request to their CFO.

They were also not comfortable in providing “Mac” McCurdy with an estimate of the amount of severance taxes to be paid to Garfield County over the life of the project.

It was explained that we are seeking some basic information to be used in the reworking of the incorporation study for Battlement Mesa.

The annual meeting of Antero with the community will be held on February 10<sup>th</sup> at 7pm.

The meeting adjourned at approximately 3pm.