

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 191
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN AN MAMM CREEK FIELD,) DOCKET NO. 1010-SP-37
GARFIELD COUNTY, COLORADO)

SECOND PREHEARING CONFERENCE REPORT AND ORDER

Procedural History

1. On August 30, 2010, Antero Resources Piceance Corporation (Antero), filed an application (Application) to establish an approximate 640-acre drilling and spacing unit for the below-listed lands:

Township 5 South, Range 91 West, 6th P.M.
Section 31: All

Garfield County, Colorado

2. Antero's Application requests all future Williams Fork Formation and Iles Formation wells to be optionally drilled in the above-described drilling and spacing unit upon a 10-acre density basis with each well to be located generally such that wells shall not be located downhole any closer than 100 feet from the boundary of the unit. An exception to this rule would apply where the unit boundary abuts or corners lands without 10-acre well density Williams Fork Formation wells, in which case, wells shall be drilled downhole no closer than 200 feet from the unit boundary, unless otherwise ordered by the Commission. Antero also requests well-pad density at not more than one pad per 40 acres and that Iles Formation wells be drilled only in conjunction with Williams Fork Formation wells.

3. On November 12, 2010, Garfield County (County) filed a motion to intervene by right pursuant to Rule 509.a.(2)B. based on issues related to public health, safety, welfare and the environment.

4. A prehearing conference was held in this matter on November 23, 2010, and an initial Prehearing Conference Report was issued on November 26, 2010. As memorialized in the initial Prehearing Conference Report:

a) The parties agreed to bifurcate the case into two parts as follows: Phase 1- technical spacing issues related to hydrocarbon drainage characteristics of the Williams Fork and Iles Formations; and Phase 2 – public health, safety, welfare and environment matters.

b) The County agreed to supplement its motion to intervene by December 3, 2010 to identify:

i) Issues raised by the Application that are reasonably related to potential significant adverse impacts to public health, safety and welfare, including the environment and wildlife resources, and are within the Commission's jurisdiction to remedy;

ii) Potential impacts that are not adequately addressed by the Application; and

iii) Potential impacts that are not adequately addressed by the rules and regulations of the Commission.

c) It was agreed that Antero will proceed first with its case in Phase 1 of the case. The County is not expected to have any presentation in Phase 1 of the case. The County will present its case first in Phase 2 of the case, followed by Antero's presentation.

d) It was agreed that discovery matters would be deferred until Antero had an opportunity to review the County's supplemental motion.

e) It was agreed that a second prehearing conference would be scheduled in December 2010.

5. On December 3, 2010, the County supplemented its motion to intervene by filing an Amended Motion of Board of County Commissioners of Garfield County, Colorado, for Intervention under Commission Rule 509.(a). (Amended Motion).

6. A second prehearing conference was held on December 15, 2010.

Attendees:

For Antero:

Bill Keefe (Attorney)
Ken Wonstolen (Attorney)
Brian Wade (Landman)

For Garfield County (all by telephone):

Cassie Coleman (Assistant County Attorney)
Carey Gagnon (Assistant County Attorney)
Judy Jordan (Local Governmental Designee)

COGCC Staff:

Dave Neslin (Director)
Matt Lepore (Assistant Attorney General)
Rob Willis (Acting Hearings Manager)
Peter Gowen (Hearing Officer)

7. The Commission Director, David Neslin, presided over the second prehearing conference pursuant to section 34-60-104.5 C.R.S. and Rule 527.b.

8. This matter is set for hearing before the Commission at the January 13, 2011 meeting of the Commission.

Preliminary Motions:

1. On December 14, 2010, Antero electronically filed a Response to Amended Motion of Board of County Commissioners of Garfield County for Intervention Under Rule 509(a) (Antero Response). Antero objected to the responsiveness of the Amended Motion, and requested that the County be required to identify the issues it intends to address at the Commission hearing more specifically, including identifying specific Commission Rules the County contends are inadequate to protect public health, safety and welfare with respect to Antero's Application. There was some discussion during the second prehearing conference whether Antero wanted to convert its Response into a motion to dismiss the Garfield County intervention, but it ultimately withdrew its request to do so while reserving its right to object to the thoroughness of the County's next submission.

2. On December 15, 2010 Garfield County electronically filed a Motion to Hold Hearing in Garfield County (Venue Motion). The Venue Motion requested the January 13, 2010 hearing on this matter be held in Garfield County, or in the alternative, be continued so it can be rescheduled to be held in Garfield County at a time convenient to the Commission. Antero objected to the Venue Motion at the second prehearing conference.

3. Also on December 15, 2010, Garfield County electronically filed an additional motion requesting that the Commission conduct a site visit prior to, or in conjunction with, the Commission's January 13, 2010 hearing in this matter (Site Visit Motion). Antero objected to the Site Visit Motion at the second prehearing conference.

Rulings on Motions:

The Hearing Officer is authorized under Rule 527 to rule on preliminary motions. The Hearing Officer rules on the above identified Preliminary Motions as follows:

1. Antero's Response: The Parties agreed to the Prehearing Schedule and

Procedures set forth below, which address the issues raised in Antero's Response. Therefore, no ruling will be issued on the Response.

2. Garfield County's Venue Motion: The Commission attempts to hold three meetings per year outside of Denver, and has held at least one hearing per year in Garfield County in seven of the last eight years. Two months ago, the Commission held its October 2010 hearing in Rifle, and 19 County residents addressed the Commission during the public comment period; most of the resident comments concerned Antero's Application, which was initially docketed for October as a Consent Agenda item (a copy of the public comments' portion of the October 2010 hearing transcript is attached for ease of reference). Out of town hearings are costly due to travel and accommodation expenses, and result in significant down time for Commission Staff; state budget constraints require the Commission to limit these expenditures if possible. In addition to these general concerns, a venue change for the January 13-14, 2011 hearing would present a number of logistical difficulties. Twenty-two other matters have been docketed for the January hearing, all of which have been noticed for hearing in Denver and would have to be re-noticed if the venue changed. A venue change would burden parties and counsel in those matters who must or wish to attend the hearing. The Hearing Officer notes that continuing this matter to another date would mitigate some but not all of the concerns associated with a venue change. However, at the second prehearing conference, the County and Antero both expressed the desire to have this matter heard without delay. Moreover, Antero objects to continuing this matter to accommodate a change of venue, and accordingly under Rule 506.a only the Commission may grant such a continuance.

The Hearing Officer also notes that nine of the County residents identified as potential witnesses in the County's Amended Motion previously commented on Antero's Application at the October hearing. County residents who cannot travel to Denver can listen to the hearing via the internet at <http://cogcc.state.co.us/>. Residents for whom travel to Denver is burdensome may participate in the January hearing by submitting a written statement pursuant to Rule 510 (note that written statements sought to be entered into the record should be sworn). Alternatively, by making advance arrangements with Commission Staff, witnesses may be permitted to appear telephonically, as the County did for the second prehearing conference. For the foregoing reasons and in consideration of the totality of the circumstances, the County's Venue Motion is denied.

3. Garfield County's Site Visit Motion: Garfield County's Site Visit Motion asserts the Silt Mesa and Peach Valley residential areas have unique geography and terrain, and that a site visit would allow the Commission an opportunity to better assess the County's contentions regarding potential impacts to the environment and public health, safety and welfare related to Antero's Application. As a preliminary matter, the Hearing Officer notes the Commission, courts, and other state regulatory agencies routinely decide contested adjudicatory matters in analogous situations without seeing the contested location first-hand. The Commission conducts a large number of adjudicatory proceedings each year and very rarely visits the site at issue. A site visit potentially could provide some benefit to the Commission's analysis and decision making in every matter, but conducting a site visit prior to each adjudicatory proceeding is impractical for a citizen Commission operating on a restricted budget.

Parties regularly use evidence such as area and topographic maps, Sanborn maps, aerial photographs, video, and geographic information systems data and presentations to depict relevant site-specific conditions in adjudicatory proceedings. The County has identified Rob Hykys, County GIS Analyst, as a witness it may call to testify in this matter, and lists several maps it may present as exhibits. The County's Site Visit Motion does not demonstrate why testimony and exhibits to be presented during the hearing are insufficient to depict the unique geography and terrain of Silt Mesa and Peach Valley. In addition, if the Commission determines that a site visit is necessary, then it may continue the January hearing for this purpose. For the foregoing reasons and in consideration of the totality of the circumstances, the County's Site Visit Motion is denied.

Bifurcation:

Phase 1:

Pursuant to section 34-60-116(1), C.R.S., spacing decisions are designed to prevent waste, avoid the drilling of unnecessary wells, or protect correlative rights. Phase 1 testimony is to focus primarily on geology and petroleum engineering considerations, as those considerations impact well density and hydrocarbon drainage. The issue to be determined in Phase 1 is whether a maximum of one well pad per 40 acres and 10-acre downhole well density are appropriate for the proposed 640-acre spacing unit.

Section 24-4-105(7), C.R.S., places the burden of proof on the proponent of an order. Antero has the burden of proof on the issue to be addressed in Phase 1. Antero will proceed with its case-in-chief and be subject to cross examination by the Commission. The County has stipulated that it will not contest this Phase of the Antero Application.

Phase 2:

The County has intervened by right pursuant to Rule 509.a to raise environmental or public health, safety, and welfare concerns related to Antero's Application. The Commission is authorized to regulate oil and gas operations to prevent and mitigate significant adverse impacts on any air, water, soil or biological resources resulting from oil and gas operations to the extent necessary to protect public health, safety, and welfare, including protection of the environment and wildlife resources, and taking into consideration cost-effectiveness. § 34-60-106(2)(d), C.R.S.; see also § 34-60-102(1)(a)(I), (IV), C.R.S. The County's Amended Motion states the County wishes to present evidence regarding the potential impacts to the environment, including air and water quality, noise pollution, increased traffic and related health and safety concerns, and scarring of the terrain related directly to Antero's request for a maximum of one well pad per forty acres and 10-acre downhole well density in the proposed spacing unit.

The Commission has promulgated a body of Rules intended to prevent and mitigate significant adverse impacts to the environment and to protect public health, safety, and welfare, including the environment, during all phases of oil and gas exploration and production, including reclamation. Moreover, conditions of approval may be incorporated into approvals of well pads and permits to drill wells within the proposed spacing unit during the location assessment and permit application process under Rule 303. Conditions of approval can provide site- or area-specific means to prevent or mitigate potential significant adverse impacts to the environment or public health, safety, and welfare in conjunction with Commission Rules. Under Rule 305.d.(1), the County will receive notice of such conditions, and under Rule 503.b.(7).(C) the County may obtain a hearing on them before the Commission.

The issue to be decided in Phase 2 of the case is whether Antero's Application will result in adverse impacts to public health, safety, welfare and the environment that cannot be adequately prevented or mitigated through application of Commission Rules coupled with site-specific conditions of approval imposed during the location approval and well permitting process as necessary and appropriate. The Commission has previously determined that the Rules "will ensure the protection of the public health, safety and welfare, including the environment." Statement of Basis, Specific Statutory Authority, and Purpose at 5 (Dec. 2008). This effectively creates a rebuttable presumption that the Rules, together with the location approval and well permitting process, will adequately prevent or mitigate any significant adverse impacts from the Application. The County bears the burden of rebutting this presumption, that is, of demonstrating that the Rules and the location approval and well permitting process will be inadequate to prevent or mitigate significant adverse impacts to public health, safety and welfare, including the environment, as a direct result of the well-pad or downhole density proposed by Antero. Therefore, the County will proceed with its case-in-chief and be subject to cross examination by the Commission and Antero. Antero may then proceed with its presentation, which will be subject to cross examination by the Commission and the County.

Prehearing Schedule and Hearing Procedures:

1. The County has agreed to submit to Antero and Commission staff by the close of business on December 22, 2010, the following:

a) Identification of specific Commission Rules alleged to be inadequate for protection of public health, safety, welfare and the environment with regard to Antero's Application; and

b) Identification of specific significant adverse impacts to the environment or public health, safety and welfare resulting from the proposed well pad and downhole density the County alleges are not adequately covered by any existing Commission Rule.

2. By the close of business on January 4, 2011, the County shall submit to Antero and Commission staff the following:

i) A list of the witnesses the County expects to call at the hearing,

identifying those witnesses it will offer as experts;

- ii) Resumes/curricula vitae for expert witnesses;
- iii) A brief summary of each witness' testimony; and
- iv) Identification of any matter for which it seeks the Commission to take administrative notice under Rule 519.c.

3. By the close of business on January 5, 2011, Antero shall submit to the County and Commission staff the following:

- i) A list of witnesses it expects to call as witnesses, identifying which witnesses it will offer as experts;
- ii) Resumes/curricula vitae for expert witnesses;
- iii) A brief summary of each witness' testimony; and
- iv) Identification of any matter for which it seeks the Commission to take administrative notice under Rule 519.c.

4. No later than January 10, 2011, the parties shall exchange between themselves and Commission staff the following:

- a) Copies of all exhibits.
 - i) Where intended exhibits are lengthy reports, the parties are encouraged to copy only those portions that are particularly useful for Commission determination of the critical issues.
 - ii) Where the nature of an exhibit is such that providing copies would be unduly burdensome, the party shall describe the exhibit and indicate where the exhibit is available for inspection at a specified location prior to the hearing. Any such exhibit shall also be available for inspection at the hearing, and shall become part of the record of the hearing.

5. The parties' attention is called to Commission Rules 510, 519 and 528 and § 24-4-105(7), C.R.S., regarding presentation of evidence and conduct of the adjudicatory hearing. Witnesses providing opinion testimony will be required to be qualified to render such opinions. Duplicative testimony is discouraged and may be limited pursuant to Commission Rules 509.f.(2), 510.a, and 528.f., and unduly repetitious evidence may be excluded pursuant to § 24-4-105(7), C.R.S. The Parties are encouraged to make use of Commission Rule 510, particularly with regard to lay- and percipient-witness testimony.

6. Pursuant to Rule 509.3(d), written materials submitted in this case, shall include an original and 13 copies. In addition to the paper copies, electronic versions of the same shall be sent to the Hearings Assistant. Parties are encouraged to utilize three-ring binders for exhibits and portions of the record they wish to introduce at the hearing if appropriate.

7. The parties are encouraged to cooperate with each other for purposes of: limiting legal and factual issues; identifying admissions or potential stipulations of fact or law; making offers of settlement (particularly with regard to terms and conditions of approval of either the spacing Application or Form 2 and Form 2A's submitted at time of permitting); and for completing any necessary informal discovery. Discussions at the second prehearing conference lead the Hearing Officer to conclude that it could be productive for the parties to explore the possibility of using as a basis for settlement the BMPs that were committed to by Antero as part of, and incorporated by Commission staff into, the approval of Antero's Fenno Ranch A Pad.

Conduct of the Hearing

1. Antero shall have 30 minutes for presentation of its case-in-chief for Phase 1 of the hearing. This time allotment will not be diminished by Commission questions or cross-examination by Garfield County.

2. Each party will have one hour total for the combination its case-in-chief and cross examination in Phase 2. This is inclusive of opening statements, direct examination, cross examination, and closing arguments. Questions from the Commission and their responses will not count against this one hour limitation.

3. Antero has requested that it be permitted to hire a court reporter, who would be present at the hearing to transcribe the live hearing proceedings at Antero's expense. The County does not object to this request. Antero's request is granted.

4. Except as otherwise provided in the preceding three paragraphs, the hearing will be conducted consistent with Rule 528.

Additional Prehearing Conference

No additional prehearing conference is expected prior to the January 13, 2011 Commission meeting.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By David Neslin
David Neslin, Director

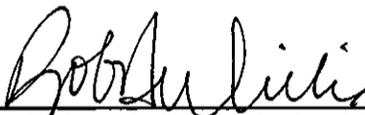
Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
December 20, 2010

CERTIFICATE OF SERVICE

I hereby certify that on December 20, 2010, a true and correct copy of the foregoing Prehearing Conference Report and Order was served by electronic mail upon the following:

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Robert A. Willis, Acting Hearings Manager

REPORTER'S TRANSCRIPT

COLORADO OIL AND GAS CONSERVATION COMMISSION

OCTOBER 21, 2010 HEARING

AUDIENCE COMMENTS

NINETEEN MEMBERS OF THE AUDIENCE ADDRESSED THE COMMISSION ABOUT THEIR ENVIRONMENTAL, HEALTH, SAFETY, WELFARE AND WILDLIFE CONCERNS ASSOCIATED WITH INCREASED OIL AND GAS OPERATIONS IN GENERAL. MANY ALSO SPECIFICALLY EXPRESSED CONCERNS ABOUT THE ANTERO RESOURCES PICEANCE CORPORATION APPLICATION FOR 10-ACRE WELL DENSITY IN THE MAMM CREEK FIELD, GARFIELD COUNTY, AND THEIR OPPOSITION TO THE ANTERO APPLICATION, CAUSE NO. 191, DOCKET NO. 1010-SP-37.

1 MR. COLBY: Okay, whoa. Sorry about that.
2 I'll start over here. I'm a twenty year resident of
3 Peach Valley. I am a commercial bee keeper. I feel
4 like I -- Peach Valley, for those of you who don't know
5 it is the new area that the gas industry is moving
6 into. Just to the east of Silt Mesa.

7 Despite the self congratulatory remarks made
8 by the panel here this morning, by the Board, I have
9 bees all over the place. I get around and
10 [indecipherable] on the ground is a horror. The press,
11 I believe, has done a good job of, of illuminating us
12 to the careless -- at least careless, sometimes
13 negligent, or rather sometimes criminally negligent
14 practices of the industry.

15 I would remind you that the best, safest,
16 most responsible industry, industry practices are not
17 necessarily compatible with the greatest short-term
18 profit of the oil and gas industry.

19 You people have families. I see the rings on
20 your fingers. You know the difference between right
21 and wrong. Each of you has a conscience and I appeal
22 to each and every one of you individually and
23 collectively to use it.

24 Those are my remarks. Thank you.

25 MALE: Thank you Mr. Colby. Next speaker is

1 Doug Saxton.

2 MR. SAXTON: I'm speaking today as a, as a
3 resident and citizen of Battlement Mesa community. I
4 came to Battlement Mesa about five years ago and I
5 invested a good part of my life savings and my
6 retirement home there.

7 The current plans of the Antero Project call
8 for a well head that's going to be almost across the
9 street from my house. When I was growing up, I was told
10 by my parents that you have nothing if you don't have
11 your health and I always respected that wisdom. Right
12 now, I feel like I have no place to run and no place to
13 hide.

14 As a body, I feel that you all have positions
15 of public trust and really, no matter how you look at
16 your specific responsibilities, there's an implicit
17 responsibility to protect the health of the citizenry,
18 so I would implore you to consider the magnitude of the
19 risks that are cited in the Health Impact Assessment
20 that was commissioned by the County. and please
21 consider whether those risks would be acceptable to you
22 if you were a homeowner caught in the cross hairs of
23 this project.

24 Thanks.

25 MALE: Thank you, Mr. Saxton. Bob Arrington.

1 MR. ARRINGTON: Good morning and welcome to
2 Garfield County. I'm looking forward to also seeing
3 many of you tomorrow at Battlement Mesa on the tour,
4 but today I came to talk about a little bit different
5 issue in the HIA [phonetic].

6 The Oil and Gas Commission was established
7 under Colorado law to protect health, safety and
8 welfare of the people of Colorado. The expense, the
9 Battlement citizens petitioned the government to
10 express their concerns on the health affects of
11 drilling. Garfield County heard this plea and they
12 moved forward and financed a Health Impact Assessment.

13 This Assessment gives recommendations that
14 would mitigate the factors affecting public health,
15 particularly in a community like Battlement Mesa. And
16 as gas drilling moves in closer to homes, this means
17 all the homes, people from Silt Mesa, Battlement Mesa
18 and every area, their operations need to be raised to
19 higher standards and the use of best technology which
20 is improving daily. And this has to be the cost of
21 doing business here in the communities.

22 These companies are able to take advantage of
23 infrastructure in this valley, roads, rail,
24 communications, water, and electrical power. They need
25 to be encouraged to utilize those things to their best

1 efforts, but by the same token, they need to be
2 responsible for repair and upkeep that their use puts
3 on.

4 The, the expectations on companies by you as
5 a Commission and making rules, must go up
6 proportionally as they move in closer to homes and
7 people that are affected by this. And the companies are
8 able to take additional advantage of all these
9 utilities and infrastructure, that you must impose more
10 responsibility on them. It's the cost of doing
11 business.

12 Thank you.

13 MALE: Thank you, Mr. Arrington. Tara
14 Meixsell and I apologize if I mis-pronounce your name.

15 MS. MEIXSELL: Hello. My name is Tara
16 Meixsell. I'm from New Castle.

17 You -- those of you who have been on this
18 Committee for some years, some of you have seen me.
19 I've come before you for over five years advocating on
20 behalf of citizens who've been directly and negatively
21 impacted by gas drilling in Garfield County.

22 I'm here today to request a ninety day delay
23 on the matter of reduced well spacing to ten acres from
24 a hundred twenty acres in the Silt Mesa, Peach Valley
25 area so the local citizens, many and most, who are new

1 to the complexities of gas drilling regulations, COGCC
2 [phonetic] hearings, etcetera so they have time to
3 learn about all of this new business and have adequate
4 time to prepare a response. To be honest with you,
5 most of these people have any idea what was hitting
6 them in the face and now, they're beginning to know and
7 they're not happy.

8 My own family farm is now directly impacted
9 by drilling in Peach Valley and I'm fearful of the huge
10 damages to come if ten acre spacing is granted.

11 Already my nearest neighbors suffer burning
12 eyes, rashes, sore throats, massive amounts of stress.
13 They're fifty foot flares burning in the day and at
14 night which are absolutely horrific, if you would like
15 to go drive up by them, you'll understand. Fumes
16 coming off them, fracking operations, constant industry
17 traffic, which you all know about; it's now totally
18 ruining these neighborhoods and it's very close to
19 mine.

20 Garfield County has now become a very sad
21 poster child for gas drilling gone woefully wrong. I'm
22 not blaming you guys. I know great strides have been
23 made, but it's just downright sad and things are still
24 very unregulated and I believe they're very poorly
25 monitored.

1 Two award winning documentaries; Gaslands and
2 Split Estate, have pressed Garfield County land owners
3 into the world wide stage, literally and the world is
4 horrified by what has been, what has been allowed to
5 happen to these people and their homes here in Garfield
6 County.

7 We ask the COGCC to protect those of us who
8 still call Garfield County our homes; do not allow ten
9 acre spacing.

10 Now when I come home from my neighbor's
11 house, I drive by wells burning like infernos over the
12 homes. It looks like it's coming straight out of the
13 roofs of some of these homes. My eyes burn for hours.
14 Now I avoid drinking my own water due to fracking
15 concerns. I still have to bathe in it. My horses
16 still have to drink it.

17 I and my neighbors are stuck with plummeting
18 land values, ruined neighborhoods and life styles.
19 Please don't make it worse.

20 MALE: Beth Strudley.

21 MS. STRUDLEY: Hi there. My name is Beth
22 Strudley and I live at 7741 County Road in Silt Mesa,
23 Colorado where Antero is requesting ten acre spacing
24 down from one hundred and twenty acre spacing.

25 We are currently affected by the towering

1 infernus behind our house. The truck traffic that
2 usually starts around four o'clock in the morning and
3 goes through the day until eleven or twelve at night.

4 We are new to the COGCC process and didn't
5 know that there were deadlines to oppose the spacing.
6 We are requesting a ninety day delay on this matter, so
7 that citizens like me can prepare a response. We are
8 extremely concerned about Antero being in our
9 neighborhood.

10 Antero is already adversely affecting our
11 water, our roads, our air and our right to quiet
12 enjoyment at a hundred and twenty acre spacing. We
13 fear that the ten acre spacing will drive us all out of
14 our homes.

15 We are aware of how Antero's land man, Dave
16 Strickland, just lied under oath in Glenwood Court in
17 front of Judge Lynch.

18 We are also aware of how Antero's witnesses
19 in court testified that they had buried all other
20 pipelines in similar cases to Bob Rugulski's in the
21 same fashion.

22 We are in fear of Antero's sloppy business
23 practices.

24 It is a shame when other film makers are
25 coming here to film the desecration and devastation

1 that the natural gas industry has caused. They're
2 doing this so they can avoid it happening to them.

3 How can you folks keep on letting this happen
4 to Colorado, keep on letting this happen to Colorado?
5 We are only asking that the COGCC to support a truly
6 democratic process where citizens like me can be heard
7 above the sound on industry consultants and
8 specialists. If you cannot or will not consider a
9 delay, then we request that out of the oil and gas
10 mitigation fund, all domestic wells in Silt Mesa and
11 Peach Valley be tested for water quality to establish a
12 baseline of existing water quality before Antero's
13 allowed to continue to build new wells.

14 We went on the ghost tour this past Tuesday
15 with another film maker and TV station from New York
16 and we were absolutely shocked at how dead Divide Creek
17 and Dry Hollow have become. The farms and people that
18 we interviewed were explaining how the vegetation
19 doesn't grow any more, the animals are sterile and the
20 migration herds have shrunk. It was just absolutely
21 devastating and their water and air qualities have been
22 totally compromised.

23 I truly can't believe that this is happening
24 in the State of Colorado, that was once a beautiful
25 place. So please, for the sake of our families on Silt

1 Mesa and Peach Valley, do not grant Antero Resources
2 ten acre spacing.

3 Thank you.

4 MALE: Thank you. Lisa, I'm sorry, I can't
5 read your last name. It's like --

6 MS. WUERKER: Wuerker.

7 MALE: Wuerker. Please join us.

8 MS. WUERKER: Good morning ladies and
9 gentlemen. My name is Lisa Wuerker and I live in
10 Glenwood Springs, Colorado.

11 I didn't -- I have no speech prepared, but I
12 am glad to come before you today. This summer, I had
13 the opportunity -- I have a friend that is extremely
14 wealthy and has benefitted from the oil and gas
15 industry for about twenty-five years and while I was
16 traveling with him this summer, I asked him about --
17 based upon my concerns, I have friends that live in
18 Silt Mesa, Bill and Beth Strudley, what's been
19 happening to them. I asked him about the safety of oil
20 fracking and he explained to me that it was a, a very
21 safe process if it's done right and I believe him, or
22 that is what he is lead to believe. He has not
23 experienced having this drilling happen in his backyard
24 where it has impacted his ground water. When he gets
25 back from his trip, I will be speaking to him further

1 on this matter and I actually expect him to support me,
2 further scrutiny with what is happening with these oil
3 and gas wells in our valley.

4 I have moved up here from Denver to Glenwood
5 Springs. My husband and I -- he has just opened up a
6 new business. I've been here nine years, started out
7 in New Castle, and I feel like I have had my head in
8 the sand regards to what's been happening to this area.
9 It's been -- seems like it's been really effective that
10 newsworthy and politically, it really hasn't been
11 expressed to the people of Garfield County how
12 incredibly impacting the affects of this drilling has
13 been. We all have seen the economic benefit of the
14 drilling, but now we're beginning to see the
15 environmental back splash.

16 I understand we need energy. We all use it.
17 We're all co-conspirators in this. This is where I
18 believe, the battle is going to be fought regarding
19 where we head in our new energy policy.

20 When people are worried about their ground
21 water, this is a basic resource that we all need to
22 live and survive, so yes we have one economic benefit,
23 the gas, but then is it worth destroying our ground
24 water?

25 I have traveled extensively in the United

1 States and Europe. I choose to live in Glenwood
2 Springs, Colorado. I understand that the drilling is
3 coming to Four Mile. I guarantee you this face will be
4 seen again and people in Glenwood, when they realize
5 that their water supply is being destroyed or
6 contaminated, and this ripples all the way down the
7 valley, how can this be of benefit to anyone, except
8 the oil and gas?

9 I believe and, with, with Bill and Beth, to
10 actually have drilling in their neighborhood is
11 astounding to me. Absolutely astounding that this can
12 be allowed in people's neighborhoods. Is there no plan
13 in place where there, where it's already -- even, we
14 don't even know what's happening in the outlying areas.
15 This is coming to neighborhoods now? There needs to be
16 a plan, if there isn't, in place where there -- these
17 wells should not be drilled in neighborhoods, until of
18 course, they can be proven that they're doing it the
19 right way. Is there a way to be doing it the right
20 way?

21 And when you have people who are concerned
22 about their health and safety of their water, I would
23 think at this point, it would be, at the very least,
24 you are guardians of the, of the people of the
25 community and the land, to at least do or do some over

1 sight as -- and testing of ground water and water
2 quality in neighborhoods. I ask this of you, please. I
3 mean this is coming, this is Colorado. This is -- we,
4 we love to live in Garfield County. We don't want to
5 see it destroyed. We don't want to see people dying
6 because of gas.

7 Thank you.

8 MALE: Thank you. Janean Nutter.

9 MS. NUTTER: My name is Janean Nutter and I
10 live on Silt Mesa and I wasn't prepared to speak today,
11 but I signed the wrong list, I guess.

12 A well just went up behind our house last
13 week and we were pretty horrified. We've been very
14 concerned about all the other land owners in the county
15 and what they've gone through and now that we know that
16 in our subdivision, we've got one right in our backyard
17 and we didn't know about it.

18 And so I'm here to express my concern, my
19 grave concern for our, our future health problems and
20 the quality of our life that's going to be bringing to
21 all the children running around the neighborhood.

22 So I'm here to learn and get involved and I
23 thank you.

24 MALE: Thank you. Fiona Lloyd.

25 MS. LLOYD: Good morning Commissioners.

1 Director Neslin mentioned stake holder meetings.

2 Three weeks ago, I was completely unaware
3 that a well was going to go in twelve hundred feet from
4 my house. Until last Saturday, I didn't know that
5 Antero was going to ask to be drilling every ten acres.

6 I breed horses; that's what I moved here to
7 do and I am deeply, deeply concerned about my well
8 quality, my well quantity, about the air that I and my
9 horses have to breathe. I'm concerned that Antero have
10 done nothing to inform their communities, the people
11 who will be their future neighbors.

12 When I built my mother's house, I had to send
13 registered letters to each of my neighbors informing
14 them of public meetings and informing them of what I
15 was doing, where they could see the plans.

16 Twelve hundred feet from my house and Antero
17 don't even have the good manners to tell me! How dare
18 you.

19 In addition, there's going to be light
20 pollution, noise pollution, traffic. Let's hope my
21 dogs don't get hit on the roads, eh? And when they
22 flare, boy I hope they're going to tell me because my
23 horses are going to end up in the next damn county.

24 You guys need to be doing way, way more for
25 the communities in Garfield County. You're riding

1 rough shot over us.

2 Thank you.

3 MALE: Thank you. That's the last person who
4 signed up. Is there anybody else who has not signed up
5 that would like to speak?

6 FEMALE: There's four pages.

7 MALE: Oh, I've only got two. There we are.
8 We're going to have a short lunch? A short lunch? Dave
9 Devanney.

10 MR. DEVANNEY: Hello. My name is Dave
11 Devanney and I'm co-chair of the Battlement Concerned
12 Citizens Group. We are a small, relatively small group
13 of Battlement Mesa citizens concerned about the
14 drilling activity and who now spend our retirement
15 years attending meetings like this instead of being out
16 playing golf or riding our bikes. Not that I don't
17 appreciate being here and enjoy your company, but it
18 wasn't in the grand plan.

19 I appreciate the opportunity to speak today
20 and I'm very pleased to see you guys visiting Garfield
21 County.

22 As you probably know, our group created a
23 petition last year and we presented that petition to
24 the Garfield County Commissioners and let me read the
25 wording of that:

1 "We, the undersigned, hereby petition the
2 Board and County Commissioners of Garfield County, the
3 Colorado Department of Public Health and Environment
4 and the Colorado Oil and Gas Conservation Commission to
5 defer any permitting decisions related to natural gas
6 exploration and/or production within the planned unit
7 development of Battlement Mesa until a thorough study
8 of public health, safety and welfare concerns
9 associated with urban natural gas development has been
10 completed."

11 I would like today to formally present the
12 Commission with a copy of this petition containing over
13 four hundred signatures.

14 Garfield County Public Health staff worked
15 with us to define the health study. Garfield County
16 Commissioners agreed to fund the study and the Colorado
17 School of Public Health did the work to produce this
18 study.

19 Right now, the draft of the, our HIA report
20 is available on the Garfield County website. I would
21 invite and encourage each Commissioner to review this
22 report. If you were not aware previously, this report
23 will open your eyes to the toll of our -- on our human
24 resources by current oil and gas production practices.

25 While it is a large document and it's filled

1 with valuable information and makes recommendations
2 aimed at decision makers like yourself. In particular,
3 I would point out that as you consider the HIA's
4 recommendations, that you also keep in mind the words
5 of Rule 201 of your regulations that state, I quote,
6 "To prevent waste and conserve oil and gas in the State
7 of Colorado while protecting public health, safety and
8 welfare."

9 I understand the reality that dealing with
10 the, regulating the oil and gas industry, it is
11 sometimes easy to overlook the larger responsibility of
12 public health and safety. In my opinion, this is what
13 is happening across the U.S. today.

14 Since becoming involved with BCC, I have
15 become much more aware of the many ways in which we, as
16 a society, are poisoning our planet. We foul our air,
17 contaminate our water supplies and simply bury the
18 toxic wastes for future generations to uncover.

19 I truly worry about the world that my
20 grandchildren and their children will inherit. When
21 the world's last drop of fossil fuel has been consumed,
22 will there be anybody around to celebrate?

23 So let me ask you these questions, can we
24 start a new trend right here in Colorado, in Garfield
25 County? Can we begin to put human health and -- before

1 corporate profits? Can we find a way to extract
2 resources that we need in a safer manner? Can we
3 return to using common sense rather than business
4 sense? Can we show the rest of the state and the
5 country and the world how it is done?

6 FEMALE: Here, here.

7 MR. DEVANNEY: I certainly hope so. Thank
8 you.

9 MALE: Thank you. Ron Galterio.

10 MR. GALTERIO: Good morning. My name is Ron
11 Galterio. I'm a Board Member of the Grand Valley
12 Citizen's Alliance and a Co-Chairman of the Battlement
13 Concerned Citizens as well as a resident of Battlement
14 Mesa.

15 My comments this morning concern the rules
16 and regulations of the COGCC. Your mission to promote
17 the development of Colorado's oil and natural gas
18 resources, while at the same time protecting the public
19 health, safety, welfare and the environment presents
20 what we believe is a conflicting role for your agency.

21 We understand that you must make decisions
22 based upon current rules and regulations and we
23 acknowledge there are many rules and regulations in
24 place that do much to protect the public health and
25 environment from the many potential hazards that are

1 inherent to the oil and gas extraction processes.
2 However, these rules and regulations are only effective
3 if they are stringently applied and enforced.

4 We believe that it is far too easy for the
5 oil and gas industry to request variances and waivers
6 of these rules and regulations and in many cases, the
7 COGCC has been far too lenient in granting these
8 requests.

9 It is our opinion that the COGCC places too
10 much emphasis on promoting and accommodating the
11 development of oil and gas resources at the expense of
12 public health and environment. We believe that your
13 agency needs to take additional measures to more
14 thoroughly consider public concern and provide
15 additional consideration for protecting public health,
16 safety, welfare and the environment to ensure that your
17 decisions are more fairly balanced.

18 I would also like you to know that a great
19 many people in Garfield County are very concerned at
20 COGCC Rule 905 regarding pit liner disposals may be
21 amended. The request from the Colorado Petroleum
22 Association to amend this rule would allow companies to
23 return to their previous practice of burying pit liners
24 in place. We have serious concerns over the long term
25 land use implications of this practice and the

1 potential adverse impacts to the health and welfare of
2 local residents, wildlife and the environment. The
3 proper disposal of pit liners should be an expense that
4 is born entirely by the drilling operator as a cost of
5 doing business.

6 Allowing companies to return to their
7 previous, less protective waste disposal practices
8 could also reduce the incentives for using pitless
9 drilling systems and other emerging technologies such
10 as waste water reclamation that would make the use of
11 pits and liners largely unnecessary.

12 Thank you for your attention.

13 MALE: Thank you. Leslie Robinson.

14 MS. ROBINSON: Good morning to the Commission
15 and thank you for bringing the COGCC meeting to Rifle
16 today so citizens like me, can participate.

17 I'm Leslie Robinson and I live at -- I have
18 lived in Rifle since the 1970's and in forty years,
19 this is my fourth energy development boom and bust;
20 uranium, coal, oil trail and now oil and gas
21 development. And this is also the fourth cycle of
22 cleaning up toxic mess left behind by those industries.

23 As a Board Member of the Grand Valley
24 Citizens Alliance, we have worked hard to promote best
25 industry practices and responsible development while

1 defending the quality of life and health of our
2 citizens and to protect the environment in western
3 Garfield County.

4 Today I ask each individual COGCC member to
5 read the upcoming report of the Garfield County Health
6 Impact Assessment report that will be available by the
7 end of the year. And in particular, to look at the
8 recommendations concerning oil and gas drilling plans
9 within and directly surrounding Battlement Mesa. For
10 instance, it refers to air quality testing at setbacks
11 of a hundred and fifty, three hundred, five hundred and
12 a thousand foot levels. And this is to scientifically
13 measure airborne toxins and affect on the health of
14 Battlement Mesa citizens.

15 In the meanwhile, as an example of what
16 happened at Watkins Ranch, which is more than two
17 thousand feet away from Battlement Mesa residents where
18 there was an odor problem, citizens have now armed
19 themselves with the bucket brigade and we are taking --
20 because of the lack of immediate response by government
21 officials, to test when an odor, air or water situation
22 happens, we have formed a bucket brigade that will test
23 when the odor occurs and have this, the odor, tested
24 for toxins. But citizens shouldn't have to resort to
25 this. We depend on government officials to protect our

1 health and safety.

2 In addition, we are also asking the COGCC
3 staff to increase the oversight of oil and gas
4 production in Garfield County and in particular
5 Battlement Mesa, Silt Mesa and south of the river.
6 Citizens and DVCA are growing increasingly concerned
7 and alarmed of the poor drilling practices and pipeline
8 constructions that have been affecting human health and
9 air and water quality; such as on the Rugulski's
10 property, the Antero pipeline, the Prather [phonetic]
11 Springs and the Watkins Ranch.

12 The residents here in Garfield County, there
13 almost seems to be a headline a week of what troubling
14 practices and problems are occurring in drilling.

15 Just because of lower natural gas prices
16 doesn't mean we can accept lower drilling standards. We
17 ask that citizens and environmental protections be a
18 priority, not the industry's profit margin.

19 Thank you very much.

20 MALE: Thank you. Joyce Wiyer.

21 MS. WIYER: Hi. My name is Wiyer. I have
22 lived in Rifle for forty years. I'm a retired school
23 teacher.

24 Thank you so much for being here today. It
25 means a lot to us that you would make that effort and

1 meeting in our hometown.

2 In recent years, I've watched an interface
3 develop between the natural gas industry and some home
4 owners. As industry -- industrial development has
5 moved closer to densely populated areas, the interface
6 has become more emotionally charged. You all ride that
7 interface between industry and communities.

8 Some people fear their homes are no longer
9 safe. Others are concerned that their business
10 opportunities are unjustly limited. We have worry,
11 fear, resentment, frustration. We have anecdotal
12 evidence, but what we don't have is a body of straight
13 forward and easily accessible information.

14 I would like you to consider this idea. If
15 we had each drilling company assigned a unique chemical
16 tag, that chemical tag could be different for each
17 company, added to the materials that they put into the
18 ground, such as fracking fluid, then that would be an
19 identifier, a signature and it could verify either poor
20 or excellent quality work. So if questions arise about
21 the integrity of a well, tests could be targeted on
22 that chemical signature, if the chemical is found,
23 accountability is clear. If it's not found, then that
24 shows reliably conducted well.

25 There are two advantages to this. Chemicals

1 can remain proprietary if a company wishes that to be
2 the case, unless something were to come up and it also
3 could streamline this investigation of an incident,
4 making it cheaper and faster.

5 Thank you for listening today and thank you
6 for being here.

7 MALE: Thank you, Ms. Wiyer. Sandy Pickard.

8 MS. PICKARD: Good morning. My name is Sandy
9 Pickard and I live on County Road to 57 up on Harvey
10 Gap [phonetic] Road, Silt Mesa and I'm here today to
11 represent, not only myself, but all my neighbors who
12 had to work.

13 We're very concerned and, and I'm here to
14 talk about the stepped up drilling processes that are
15 going to happen on Silt Mesa, especially this ten acre
16 drilling request. We're just urging you to deny it,
17 put it off, give us some more time to think about it,
18 just like you were told by my other neighbors. I
19 concur with all the things that my neighbors are saying
20 too.

21 There's a lack of public awareness. We're
22 not informed about anything that's happening. I'm
23 living fifteen hundred feet from a proposed well site
24 and directly across the street from that is a well pad
25 that's already gone in. I'm a mile from the one that's

1 pluming up right now.

2 We're concerned about all the things you've
3 already heard; the wildlife, mitigation, one of these
4 wells is directly in the middle of where wildlife cross
5 and had been crossing for as long as I've been there.
6 We're concerned about air quality, water quality. We
7 have irrigation ditches, we've got ponds. We all drink
8 from our wells. We have good wells. We drink from
9 them. Our livestock drink from them. There's just too
10 many unknowns about this fracking and you know, I've
11 been going over this plan, this -- the Community
12 Development Plan that was drafted in 2006 and I'm just
13 not seeing a lot of this happening any more. And you
14 know, I was reading on the back of it here and it says
15 Antero is taking steps to ensure that the chemicals
16 used in the fracturing process will be biodegradable,
17 non-toxic, non-carcinogenic. To date, they still
18 won't tell us what's in the fracking solution.

19 And I just would urge, urge this -- you guys
20 represent the citizens. You represent us. You're all
21 we have, so please you know, until we get more, more
22 documentation that proves -- you know, provides us with
23 some kind of safety net when things do go awry and we
24 have seen them go awry. We all have too many neighbors
25 that have had problems, so I think that's totally

1 pumped up our, our fear factor for all of this and we
2 don't feel -- I've been listening to, this morning,
3 about, you know, how there's a real push for to have a
4 liaison with the community, but that just really isn't
5 happening. When you're on the ground and you're one of
6 the people on the ground, that's not happening. We are
7 not having this great relationship with industry. We
8 don't know what's going on.

9 So I, I would encourage that there, you know,
10 there needs to be strictly rules and better business
11 practices just like we all have to adhere to in our
12 own, in our businesses and in our personal lives too.

13 So I just urge you to vote no on this ten
14 acre thing, at least the density I mean. That's just
15 ridiculous, can't, cannot happen up there.

16 Anyway, I think that's all I have to say, but
17 thank you. I concur with all my neighbors too and all
18 the other people who have spoken here today.

19 MALE: Thank you very much. I'm sorry I keep
20 butchering people's names, but I can't read some of the
21 handwritings. I believe this is Bob Rugulski?

22 MR. RUGULSKI: Rugulski. Good morning and
23 thank you for having me here.

24 I, I dropped off this morning a packet of
25 information to you all. I have a request of you and I

1 have some other letters and photos attached to it.

2 I'd like to read the letter of my request to
3 you so the audience can hear it.

4 "Dear Commissioners. I understand that
5 Antero [indecipherable] Resources has filed an
6 application request permission to use ten acre spacing
7 for its gas collection on the north side of the
8 Colorado River in New Castle Silt. I am requesting
9 that you delay any action on the application for a
10 period of at least ninety days for the regions
11 identified below.

12 I'm a property owner on the south side of the
13 Colorado River in New Castle and executed an easement
14 agreement with Antero for installation of natural gas
15 and produce water pipelines.

16 Recently Antero, A) deliberately violated its
17 easement on my property, B) put its pipelines in the
18 ground improperly, C) lied in court during the hearing
19 at which I attempted to extend a temporary restraining
20 order against Antero. One of its witnesses later
21 admitted in court that he had not told the truth. D)
22 As a subject to his stop work order issued by Garfield
23 County because of shoddy construction practices, he has
24 -- we've had at least three engineers condemn Antero's
25 work, including the former Executive Director of the

1 Oregon Oil and Gas Commission who found the work to be
2 dangerous and in every instance proved unwilling to
3 respect the rights of Colorado citizens.

4 For your review, I enclosed the copy of the
5 letter I previously sent to the Garfield County Board
6 of Commissioners with photo illustrations of the
7 pipeline construction on my property.

8 By waiting ninety days to take action, Antero
9 will have an opportunity to prove it will actually
10 follow the laws of our State and County to make its
11 operation safe on the south side of the river. If
12 Antero does not do so, the Commission should consider
13 Antero's failure to set, to act with property
14 construction methods, thereby putting the public at
15 risk."

16 The Commission should not approve any
17 additional applications from a corporation with no
18 regard for the safety of the citizens of this State. If
19 you have any doubt for, for the need for delay, I
20 invite you to join me to view my property; it's only
21 ten minutes from here and I previously spoke with Dave
22 and Tom and they're going to come out tomorrow morning.

23 I guess that's all I have to say. I've been
24 locked in a bitter battle with these guys for two and a
25 half months and the neglect and the -- it's just

1 unbelievable, so that's it.

2 MALE: Thank you. Nina and Ed Dunn
3 [phonetic]. Christina Kakayannis. Sorry.

4 MS. KAKAYANNIS: I can always tell when
5 someone is calling for me. Good morning. My name is
6 Christina Kakayannis and I live in Silt Mesa where
7 Antero's requesting to increase the density of wells.

8 My husband and I just moved into our home
9 three weeks ago and to be honest, the primary factor
10 that played into our decision to move there versus
11 Rifle or south of the highway was to avoid gas drilling
12 near our home that could potentially contaminate our
13 water.

14 We looked at maps of existing gas wells and
15 considered moving much farther east in Garfield County,
16 although my husband's job is in Silt, to reduce that
17 likelihood.

18 You know, we're not alone in thinking this
19 way and I really believe that Silt and other towns
20 west, farther west than Garfield County are really
21 losing the opportunity to attract businesses and people
22 due to concerns over hydraulic fracturing chemicals.

23 I'm tremendously concerned about the toxic
24 chemicals used in fracking and the potential for even
25 trace amounts of those chemicals to contaminate the

1 air, the water and harm my health, my husband's health
2 and my neighbors.

3 As you all know better than I, a water is the
4 most precious resources that we have in the west and
5 especially in light of models that suggest that
6 Colorado will increasingly have water shortages in the
7 future due to hotter, dryer weather, the quality of our
8 ground water becomes even more important and anything
9 that potentially contaminates it, should really be held
10 up to the highest level of scrutiny.

11 It's simply not good enough to be told by the
12 same industries that profit from drilling that there's
13 no connection between fracking and human health
14 impacts. The history of this country, unfortunately,
15 is full of examples like Love Canal where industry
16 hasn't told residents the whole truth and people's
17 lives have been devastated through miscarriages, cancer
18 and early death.

19 The EPA has already found water wells in
20 Wyoming, Town of Wyoming, contaminated with toxins
21 found in oil and gas production and they have warned
22 residents not to drink water from their own wells.

23 However profitable it may seem at this time,
24 nothing that pollutes our ground water with toxic
25 chemicals can be economically advantageous for our

1 community in the long term.

2 I'll admit, it's very frightening to realize
3 that there are so few government protections for the
4 community's health due to chemicals from fracking. At
5 this point in time, the Commission is our primary
6 avenue for protection. Part of your goal reads to
7 prevent and mitigate adverse impacts to public health,
8 safety, welfare and the environment and I ask that you
9 really strongly consider the health and safety of this
10 community's residents and reject the application to
11 increase the density of wells to every ten acres in
12 Silt Mesa.

13 Thanks for the opportunity to speak.

14 MALE: Thank you. Laura Amos.

15 MS. AMOS: Thank you Commissioners for coming
16 to Garfield County today and giving me the chance to
17 speak.

18 My name is Laura Amos and I'm here today
19 because of concerns with the ten acre spacing proposal
20 by Axia [phonetic] in my neighborhood.

21 I lived in the -- I have lived in the Colbran
22 area now for five years. We moved there after our
23 Garfield County property was impacted severely
24 negatively impacted by natural gas development.

25 When we moved over to the Colbran area, our

1 four year old daughter, "Mom, what if the gas guys find
2 us over here?" Well, the gas guys did find us and
3 that's why I'm here today.

4 Quickly, I'd also like to tell you that my
5 husband and I are outfitters and it's hunting season. I
6 came here this morning from our Indian Cliff's base
7 camp on the eastern edge of the flattops wilderness. I
8 left the wilderness this morning in the dark, drove
9 down a pretty serious four-wheel drive road to get here
10 today.

11 Anyway, last June, I received a contract from
12 Axia to lease our minerals. I threw it away hoping it
13 really wasn't going to happen. And then in August, I
14 read about the federal lease sale just up the road from
15 us. I heard about it after the fact.

16 The first point that I'd like to stress to
17 the Commission today is that this new policy of greater
18 public involvement and the BLM [phonetic] public
19 outreach and participation is failing. Contrary to
20 Secretary Salazar's leasing reform, COGCC reform and
21 the BLM memorandum of understanding, my neighbors and I
22 were not notified. The BLM field officers did not
23 ensure greater public involvement. The public was not
24 involved to review and comment on the draft document.

25 And now Axia is applying for ten acre spacing

1 in my neighborhood, so as a concerned, alarmed, past
2 affected land owner, I filed a motion to protest, but
3 remember I'm an outfitter. I'm not an attorney, so I
4 have been effectively out maneuvered by industry
5 attorney's today.

6 I expect that my motion to, my motion to
7 intervene or protest will be dismissed today, so in
8 that event, I'd like to ask you to consider it as a
9 five ten statement or at least to read it and take it
10 into consideration.

11 Axia argued that I failed -- that I filed a
12 motion to protest, but in the body of my motion, I
13 refer to it as -- I referred to my basis for
14 intervention, so that was my strike one. Strike two was
15 regarding --

16 MALE: Ms. Amos, I hate to interrupt you, but
17 since you will be -- have the opportunity to speak
18 later, in all fairness, it probably makes sense to --
19 and I will also assure you the Commissioners read
20 everything that's put in front of you -- it may make
21 more sense for you to present this during -- because
22 you are the applicant in a number of matters later on.
23 I'm, I'm going to leave that up to you, but I might
24 recommend that we go into this during the actually
25 contested matter of [indecipherable] in the afternoon.

1 MS. AMOS: Okay. I, I appreciate that and I,
2 I don't mind that you interrupted me. My concern is,
3 if Carol advises you to grant -- to, to dismiss my
4 motion, will I have the opportunity to address you?

5 MALE: Absolutely.

6 MS. AMOS: Okay.

7 MALE: We'll give you the opportunity, you
8 know, before we make any rulings. You are the
9 applicant and we'll most certainly give you the
10 opportunity to address the Commission.

11 MS. AMOS: Okay. I'll put this on hold then.

12 MALE: Okay. Thank you. Jay Mueller.

13 MR. MUELLER: Thank you for coming here to
14 Garfield County today and thank you for whoever set
15 this up.

16 I have no prepared statement. I actually ill
17 advised, as someone else very well put it, had their
18 head buried in the sand and I too, and I think the line
19 of communication has also been brought up that needs to
20 be worked on between you folks, the drillers and us who
21 will be living amongst it, so along those lines, I
22 would like to see that improved and I would also like
23 to thank at this time everybody else who has gotten up
24 here and who has been prepared to get up here and speak
25 their peace. Personally, I didn't know anything about

1 this until my wife called me at seven o'clock in the
2 morning and said that there was a meeting going on over
3 here, so I plan to be a bit more involved and better
4 educated on the matter.

5 Thank you.

6 MALE: Thank you. Mark Gubkin.

7 MR. GUBKIN: Actually my name is Mark Gubkin.
8 I live in Grand Junction, Mesa County and I have a
9 couple of comments to make about a proposed drilling
10 project in Mesa County and Delta County.

11 Framm [phonetic] Operating Incorporated has
12 proposed drilling four hundred and ninety-two wells,
13 directionally drilled wells on fifty-five paths on some
14 ninety-thousand acres in White Water Unit BLM lands and
15 this has got me a little bit concerned and a whole
16 bunch of other people a whole lot concerned about water
17 quality and water quantity issues.

18 Framm wants to contract with the City of
19 Grand Junction for water for their drilling project and
20 this prompted me to examine some data in the
21 [indecipherable] database and I want to bring that to
22 your attention.

23 I looked at data from January of 2000 to
24 September 29 of 2010 and I found that there were two
25 thousand, eight hundred and nine records of oil and gas

1 spills statewide. Eighteen counties had twenty or more
2 spills. Six hundred and sixty-six of these spills
3 affected ground or surface water and eight hundred --
4 sorry -- one thousand, eight hundred and thirty-six of
5 those spills were not berm contained.

6 The current rate of spills works out to about
7 one a day. The Framm project is a six year project.
8 It's likely, if this is the industry's record on this
9 that there will be some kind of spill. The area that I
10 mentioned is in the watersheds, near the watersheds. I
11 think one of the wells is actually in a watershed, of
12 Grand Junction, Palisade and Clifton.

13 So I have, I have a question if I'm allowed
14 to ask a question and I'm going to read it because if I
15 don't, I'll forget the words that I wrote.

16 Would the Commission consider some sort of an
17 action threshold for the types or number of spills that
18 occurred within -- that occur within a specified period
19 of time? And what I mean by an action threshold is
20 that some number would trigger an in-depth examination
21 of field practices with the goal of insuring that best
22 practices are being followed. Some of these spills
23 might be wholly prevented if that came to be.

24 One thing I don't understand is, while I did
25 examine just the number of spills and I didn't do it as

1 a percentage of drilling that was going on, the number
2 has been going up a lot and I don't understand why,
3 even though there are more, lots more wells being
4 drilled, that that necessarily means there has to be
5 more spills.

6 So those are just some comments and some
7 information from the [indecipherable] database.

8 Thank you.

9 MALE: Thank you. Nina and Ed Dunn.

10 FEMALE: I think they left.

11 MALE: All right. Are there any other
12 members of the public who would like to -- who have not
13 signed up, who would like to address the Commission?

14 MS. NICHOLSON: Hi, I would also like to
15 thank all of you for being here today. It's wonderful,
16 as a college, to be able to host something like this
17 and I just, I wish the auditorium was filled with
18 people on, you know, on both sides of all these issues.

19 However, I'm also a citizen and a resident of
20 Silt Mesa. Our house is right on the edge, on the
21 eastern edge of Silt Mesa just above Peach Valley and
22 today is the first that I have heard that there was a
23 request for ten acre spacing and it's very frightening
24 and very upsetting. We own ten acres. We do not own
25 our mineral rights, however in our covenants, it states

1 that there can be no drilling or mining or leasing of
2 our, our, our mineral rights, the minerals underneath
3 our land without our express written permission. No
4 one has come forward to ask us about that, whether it
5 be the mineral rights owner or Antero and I know they
6 have been in negotiations for at least three months on
7 this and we are looking into whether or not a lease has
8 actually been signed.

9 I was told that not to worry about it because
10 if there was a lease actually in, in the works that the
11 title searchers for Antero would contact us and ask us
12 for our signatures. Don't know what's going on with
13 that, but we definitely have reason to believe that a
14 lease has been signed and the owner also owns the forty
15 acres below us and has told us, just in passing, that
16 he's thinking about letting them put a pad there. Can't
17 do it without our written permission. Again, no one
18 has approached us about that, shown us a contract or
19 anything.

20 We also are bordered by BLM on the north and
21 on the east. Not sure what's going on with that. We've
22 had no contact from BLM for the last two years about
23 any leases, but strongly suspect that Antero is going
24 to try to lease the area just behind our ten acres to
25 do directional drilling.

1 And I wonder with all these new, all the new
2 communications things that have been put into place,
3 are we really going to get any communication? From,
4 from what I'm hearing from my neighbors here, I
5 seriously doubt it and I, I just really hope there's
6 something that you guys can do to look into that to
7 stop the ten acre spacing.

8 If you drive through Silt Mesa and through
9 Peach Valley, you'll notice that these are heavily
10 populated rural areas. Ten acre spacing would just, it
11 would absolutely decimate our property values in
12 addition to all the, you know, physical ramifications
13 that we would experience with air, ground and water.

14 I spoke with John Black from Antero a couple
15 of months ago, expressed to him my concerns because I
16 do have a lot of health issues and am very sensitive to
17 fracking odors and he was very, very, very nice, told
18 me he was going to check into some things and would get
19 back to me. I have not heard a word from him and do
20 not expect to. The companies seem to be very, very,
21 you know, forth right and very honest when you're
22 speaking -- actually speaking to one of them, but then
23 what they actually do is something completely
24 different.

25 So I beg you, please help us.

1 MALE: Thank you. And for the record, what
2 is your name please?

3 MS. NICHOLSON: I'm sorry. My name is Deb
4 Nicholson.

5 MALE: Thank you, Deb. If there's no other
6 citizen comment, we are going to take a prompt ten
7 minute break and resume at, at noon. We'll be in
8 recess for ten minutes.

9 (End of public comments.)

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1 STATE OF COLORADO)
 2) ss. CERTIFICATE
 3 COUNTY OF DENVER)
 4

5 I, Christopher Boone, Certified Electronic
 6 Court Reporter and Notary Public within and for the
 7 State of Colorado, certify that the foregoing is a
 8 correct transcription from the digital recording of
 9 the proceedings in the above-entitled matter.

10

11 I further certify that I am neither counsel
 12 for, related to, nor employed by any of the parties
 13 to the action in which this hearing was taken, and
 14 further that I am not financially or otherwise
 15 interested in the outcome of the action.

16

17 In witness whereof, I have affixed my
 18 signature and seal this 16th day of December, 2010.

19

20

My commission expires August 16, 2014.

21

22

23

Christopher Boone

24

Christopher Boone,

25

AAERT Certified Electronic Court Reporter



COLORADO OIL & GAS CONSERVATION COMMISSION

Thursday, October 21, 2010 Hearing

Public Comments

West Garfield Campus, Colorado Mountain College, 3695 Airport Road, Rifle, Colorado 81650

| Name | Address and Phone Number | Briefly Describe Comment |
|-----------------------|--|---|
| ED COLBY | 6765 Rd. 214 New Castle 970-984-0419 | Appeal to common sense |
| DOUG SAXTON | BATTLEMENT MESA | HIA |
| BOB ARRINGTON | 60 WILLOW CREEK CT, BATTLEMENT MESA, CO 81635 | HIA EFFECTS ON RULES |
| EMMA BARON | | |
| Tara Meixsell | New Castle | 10 acre spacing / Silt Mesa Peach Valley |
| | | |

COLORADO OIL & GAS CONSERVATION COMMISSION

Thursday, October 21, 2010 Hearing

Public Comments

West Garfield Campus, Colorado Mountain College, 3695 Airport Road, Rifle, Colorado 81650

| Name | Address and Phone Number | Briefly Describe Comment |
|---------------|--------------------------|--|
| Beth Strudley | Silt | Antero |
| Lisa Wuerker | Glenwood Springs | Antero - Residents concerns Silt water quality |
| Janean Nutler | Silt | HOA Water/Air Quality Concerns |
| Fiona Lloyd | 1491 CR 237 Silt | concerns with Antero drilling & may likelihood re: well water & air quality |
| | | |
| | | |

COLORADO OIL & GAS CONSERVATION COMMISSION

Thursday, October 21, 2010 Hearing

Public Comments

West Garfield Campus, Colorado Mountain College, 3695 Airport Road, Rifle, Colorado 81650

| Name | Address and Phone Number | Briefly Describe Comment |
|---------------------------|---|--|
| Chad [unclear] | SILT MESA (970) 365-0817 | DRILLING TO AVOID APPLICATION TO 10 ACRES |
| DAVE DEVANNEY | BATTLEMENT MESA | H/A |
| RON GALTERIO | " " | RULES & REGS |
| LESLIE ROBINSON | RIFLE, CO | Health Impact Study in Battlement mesa COGCC oversight |
| Joyce Winger | 670 Village Drive Rifle, CO | chemical tags |
| SANDY PICKARS | SILT | 10 ACRE DRILLING REQUEST- |

COLORADO OIL & GAS CONSERVATION COMMISSION

Thursday, October 21, 2010 Hearing

Public Comments

West Garfield Campus, Colorado Mountain College, 3695 Airport Road, Rifle, Colorado 81650

| Name | Address and Phone Number | Briefly Describe Comment |
|----------------------|--|-------------------------------|
| Bd Regulski | PO Box 9 Rifle CO 81650 970 876 2675 | Anteo |
| * Nina & Ed Dunn | LaFrenz Lane, Silt | |
| Christina Kekoyannis | LaFrenz Lane Silt, | |
| Laura Amos | 19561 Kimball CK Collbran CO | Axia 10-AC Spacing Protest |
| J. Moeller | 001 Area D Rifle 970 876 2600 | 10 A. Spacing |
| Marc Gubkin | 625 Carlsbad Dr. Grand Junction, CO 970-842-4013 | |

