AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Transfer of Permit #2007-01, Bull Mountain Natural Gas Pipeline; SG Interests I, Ltd. and Divide Creek Gathering System, LLC

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
SGI Interests I, Ltd. request the transfer of the Bull Mountain Pipeline Oil and Gas Permit to Divide Creek Gathering System, LLC

Fiscal Impact:

Submitted by: Neal Starkebaum **Submitter's Email Address:** nstarkebaum@gunnisoncounty.org

Finance Review: ○ Required ● Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ● Required ○ Not Required

Comments:

Reviewed by: GUNCOUNTY1\atrezise Discharge Date: 8/29/2014 Certificate of Insurance Required Yes ○ No ●

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\khaase Discharge Date: 8/29/2014

○ Consent Agenda ● Regular Agenda ○ Worksession Time Allotted: 5 Minutes

Agenda Date: 9/2/2014 Follow Up Agenda Date:

Revised April 2013

SG Interests I, Ltd. **1485 Florida Road, Suite C202** **Durango, CO 81301**

July 10, 2014

Gunnison County Board of County Commissioners
c/o Neal Starkebaum
Assistant Director
Gunnison County Community Development Department
Blackstock Government Center
221 N. Wisconsin, Ste. D
Gunnison, CO 81230

Re: Permit #2007-01 Bull Mountain Natural Gas Pipeline

Mr. Starkebaum:

SG Interests I, Ltd. wishes to transfer our permit for the Bull Mountain Pipeline Project (2007-01) to Divide Creek Gathering System, LLC. The changes are as follows:

Transferee	**New Owner**	**Permit Compliance Contact (Operator)**
SG Interests I Ltd.	Divide Creek Gathering System, LLC	Axip Energy Services,
Catherine Dickert, Env & Permit Manager	Tim Heaney, Accounting Manager	Michael Felcman, Regional Operations Manager
1485 Florida Road, Suite 400	c/o McGladrey LLP, PO Box 290058	596 23 ½ Road
Durango, Colorado 81301	Boston, MA 02129	Grand Junction, CO 81505
Phone: 970-385-0696	Fax: 617-977-2812	Phone: 970-257-1030 x 4612
Email:cdickert@sginterests.com	Email:Dividecreek@bill.com	Email: mfelcman@axip.com

Please contact me with any questions or requests for additional information. Thank you.

Sincerely,

Catherine Dickert
Environmental and Permitting Manager

Divide Creek Gathering System, LLC
c/o McGladrey LLP
PO Box 290058
Boston, MA 02129

August 8, 2014

Gunnison County Community Development
221 N. Wisconsin
Gunnison, CO 81230

Attention: Neal Starkebaum

Gentlemen:

SG Interests I, Ltd. hereby requests that Gunnison County Oil and Gas Permit OG2007-01 be transferred to Divide Creek Gathering System, LLC ("Divide Creek"). Divide Creek is a Delaware limited liability company comprised of two members owning 50% each: Gunnison Energy LLC 50% and SG Interests IX, LLC 50%. Divide Creek is managed through a management committee comprised of representatives of the two members, M. Brad Robinson and Robert H. Guinn, II. Gunnison Energy LLC is part of the Oxbow companies and SG Interests IX, LLC is owned 20% by Falcon Seaboard Oil & Gas LLC and 80% by SG Interests VII, Ltd., et al. The local contact for Divide Creek will be Catherine Dickert at cdeckert@sginterests.com, telephone 970-385-0696.

Divide Creek does hereby agree to comply with all of the requirements, terms and conditions contained in the above Gunnison County Oil and Gas Permit.

Sincerely,

Robert H. Guinn, II
Management Committee Member

M. Brad Robinson
Management Committee Member

BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY
RESOLUTION NO. 14 - __

A RESOLUTION
APPROVING THE TRANSFER OF GUNNISON COUNTY OIL AND GAS PERMIT
OG2007-01 BULL MOUNTAIN PIPELINE
FROM SG INTERESTS I, LTD. TO
DIVIDE CREEK GATHERING SYSTEM, LLC

WHEREAS, the *Gunnison County Colorado Regulations for Oil and Gas Operation* provides, at Section 1-110: *Enforcement and Penalties*, *B. Transfer of Permits*, the process to transfer Gunnison County Oil and Gas Permits, with written approval of the Board of County Commissioners of Gunnison County; and

WHEREAS, the Board of County Commissioners approved Resolution No. 2008-16 A Resolution approving the Bull Mountain Natural Gas Pipeline on May 6, 2008, Oil and Gas Permit OG2007-01, recorded in the Office of the Gunnison County Clerk and Recorder at Reception No. 589031, February 10, 2009; and

WHEREAS, by letter of July 10, 2014 Catherine Dickert, Environmental & Permit Manager, SG Interests I, Ltd., requests the transfer of Gunnison County Oil and Gas Permit OG2007-01 Bull Mountain Natural Gas Pipeline to Divide Creek Gathering System, LLC; and

WHEREAS, the transferee, Divide Creek Gathering System, LLC, by letter of August 8, 2014 states they can and will comply with all conditions, terms and requirements contained in the Oil and Gas Permit; and

WHEREAS, the Board of Commissioners intends to approve the transfer of Gunnison County Oil and Gas Permit OG2007-01 Bull Mountain Pipeline to Divide Creek Gathering System, LLC; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY that:

Gunnison County Oil and Gas Permit OG2007-01 Bull Mountain Pipeline, issued to SG Interests I, Ltd., is hereby transferred to Divide Creek Gathering System, LLC, and that Divide Creek Gathering System, LLC shall comply with all conditions, terms and requirements identified in the Permit; and that all such conditions, terms and requirements remain in full force and effect;

INTRODUCED by Commissioner _____, seconded by Commissioner _____, and passed on this 19th day of August, 2014.

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF GUNNISON, COLORADO

_____
Paula Swenson, Chairperson

_____
Phil Chamberland, Vice-Chairperson

_____
Jonathan Houck, Commissioner

ATTEST:

_____

Gunnison County Deputy County Clerk