GUNNISON COUNTY PLANNING COMMISSION
PRELIMINARY AGENDA: Friday, February 6, 2015

8:45 a.m.

- **Call to order; determine quorum**
- **Approval of Minutes**
- **Welcome New Members**
- **Designation Of Official Posting Location**
- **Election of Officers**
- **Unscheduled citizens:** A brief period in which the public is invited to make general comments or ask questions of the Commission or Planning Staff about items which are not scheduled on the day's agenda.

9:00 a.m. **Spadafora Water Storage Facility, Gunnison Energy LLC (GELLC)**, continued public hearing/no action. The application is for the construction and operation of a Centralized Exploration & Production Waste Management Facility, known as the Spadafora Water Storage Facilty, consisting of three water storage pits (each approximately 220,000 barrels (bbl) or 9,240,000 gallons) and pump station, on approximately 14-acres, to provide storage, reuse and disposal of produced water from GELLC's existing and future gas production wells. The site is located within the NW ¼ NE ¼ Section 20, Township 11 South, Range 90 West, 6th PM.
Work Session/possible direction to staff **Application # OG-14-00004**

11:00 a.m. **Staff - *Gunnison County Land Use Resolution* Amendment**, work session/no action, Section 13-103: General Site Plan Standards and Measurements. F. Minimum Residential Floor Area; possible change to current minimum residential floor area of 600 square feet

End of Meeting

- Report of actions taken by BOCC
- A brief period in which Commission debriefs on the day's processes, etc. No discussion or action on any specific Land Use Change Permit applications will take place at this time

Adjourn

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GUNNISON COUNTY PLANNING COMMISSION
REGULAR MEETING
February 6, 2015
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The Gunnison County Planning Commission conducted a regular meeting, in the Commissioners' Meeting Room in the Blackstocks Government Center, Planning Commission meeting room. **Present were:**

Chairman- Kent Fulton
Vice-Chairman- Jeremy Rubingh
Commissioner- A.J. Cattles
Commissioner-Tom Venard
Alternate Commissioner- John Messner

Director of Community Development- Russ Forrest
Senior Planner- Cathie Pagano
Community Development Services Manager-Beth Baker
Others present as listed in text

Absent; Commissioner Molly Mugglestone, and Jack Diani

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8:50:20 AM With a quorum present Chairman Kent Fulton opened the February 6, 2015, regular meeting of the Planning Commission.

Unscheduled Citizens:

Marlene Zanatell said she appreciated that the Community Development Department continues to publish their agenda in the newspaper.

Butch Clark asked if the Planning Commission was going to hold a meetings on the Bull Mountain EIS; Fulton said not unless there is an application that is presented to the Commission involving the EIS.

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Moved by Fulton seconded by Cattles to approve the January 9, 2015 PC minutes as amended. The motion passed unanimously.

Moved by Cattles seconded by Fulton to approve the January 23, 2015 PC minutes as presented. The motion passed unanimously.

Seated Messner for the February 6, 2015 PC meeting.

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Spadafora Water Storage Facility, Gunnison Energy LLC (GELLC); The Gunnison County Planning Commission 9:02:10 AM conducted a continued public hearing. The continued the review of The application is for the construction and operation of a Centralized Exploration & Production Waste Management Facility, known as the Spadafora Water Storage Facility, consisting of three water storage pits (each approximately 220,000 barrels (bbl) or 9,240,000 gallons) and pump station, on approximately 14-acres, to provide storage, reuse and disposal of produced water from GELLC's existing and future gas production wells. The site is located within the NW ¼ NE ¼ Section 20, Township 11 South, Range 90 West, 6th PM.

With a quorum present Chairman Kent Fulton opened the continued Public Hearing.

Commissioner Jeremy Rubingh recused himself from the review of the application at the prior Planning Commission meeting, January 23, 2105

Fulton seated Messner for the review.

Present representing the Gunnison County Planning Commission; Kent Fulton, A.J. Cattles, Tom Venard, and John Messner.

Present representing Gunnison County Community Development staff; Director of Community Development, Russ Forrest, GIS Manager Mike Pelletier and Administrative Services Manager, Beth Baker.

Present representing Gunnison Energy LLC; Lee Fyock and Brad Robinson, with Weston Solutions Dave Goetz and Ken Miller.

Baker noted there had been 65 comments submitted; all were forwarded to the applicant, the Planning Commission, and they appear on the Gunnison County website for public review.

Pelletier helped illustrate the location of the site.

Fyock explained this is a 19+ acres site, and the ponds will hold 220,000 barrels of water. The two smaller ponds are retention ponds for water around the pits- rain, or snow, etc. They are not dams and are sunk into the ground with free board around them.

Robinson said there is no public access; it is gated. It would be visible from Roger Cesario's parcel, but none other. They have delineated the wetlands, and the creek is an ephemeral spring.

Fulton asked how far they would be from County Rd. 133; Fyock said eight miles.

Marlene Zanatell asked if this would be close to the Paoina reservoir; Fyock said it is 11 miles above the reservoir and two miles from the West Muddy to the project.

Fyock explained the site would be fenced to prevent wildlife from getting in.

Forrest explained a staff report, January 9, 2015, which detailed the criteria and standards for the review of this application was distributed to the commissioners.

Mesnner asked about the fracking fluid transported to the ponds; Robinson said it is produced water from coal bed methane wells and uses the pipeline.

Messner asked where is the fluid being transported; Robinson said the Hotchkiss water facility. Fyock explained the ponds are needed for real time water used for well completions because t cannot be pumped out the ground fast enough.

Messner asked if the applicants knew when they started drilling in the area, that these pits would be necessary; Robinson said no, but they found the shale and began experimenting with how to best get gas out of the shale. The wells are drilled horizontally and it requires a lot of water.

Forrest asked the applicants to quantify the impact of the truck traffic and water tankers; Fyock said the number of trucks needed for each well would be in the thousands. There would be dust, and traffic issues. These are curvy narrow mountain roads, there could be safety issues.

Sue Navy asked if there was additional pipeline needed for these ponds; Fyock said yes to tie in, they would need approximately 1,000 ft. of pipeline.

Robinson said this would support future wells for future drilling.

Robinson addressed cumulative impacts in the foreseeable future. He said it is difficult to see into the future because of the unknown including the price of gas and changes in technology. If oil prices stay low price they would only drill the wells required by lease agreements and maybe even let the leases go. If gas prices go higher it would been an incentive to drill more wells. They would considered working on a comprehensive drilling plan with the county later.

Public Comment

Ramon Reed asked how much water was used for the three completed well from the Hotchkiss facility; Robinson said the 1st well had 17- to 18 fracks and used less than 4,000 barrels per frack. The water usage varies between wells and

fracks. Roughly 20% of the water is returned the remaining water is lost. Coal bed methane wells provide water for the fracks; they are not using fresh water.

Roger Cesario is the adjacent land owner. He is concerned about the project because of location. Would like to development done in a proper fashion with wildlife in mind. He urged the applicants and commissioners to look at the cumulative impacts of the whole process; look at the big picture.

Marlene Zanatell agreed with Cesario. She asked where the water rights came from; Fyock said the Hotchkiss ranch area has coal seam wells which the produce water to get the gas. That water is produced and not potable water – it goes to the ponds. It is not agricultural water. It is considered non tributary, ground water in the coal formations. Fyock said any water comes from West Muddy Creek and various streams or they purchase water, or during high flow they use "free water "in the early spring. To drill one well they need 1000 barrels of fresh and 2000 barrels of produced water.

Zanatell asked if trucks would be needed to take water out of the ponds in case of a large rainfall or snow fall; Fyock said they would reverse the pipeline and send all the water back down hole to one or both of the disposal wells. He added that three ponds are designed with two ponds for production and one to send water to. There is a lot of flexibly.

Butch Clark suggested this type and size of development could happen in the Ohio Creek valley. We need to get tighter and more comprehensive development. He said there is a need for an endowment for monitoring at the permitting stage. It is expensive to do regularly.

Fulton asked if they were bonded; Fycok said they are bonded with the State of Colorado.

John LaDuke asked about job creation and taxes going back to the county: Robinson said this facility would create a a small number of jobs and money to the county continues to depend on oil and gas prices.

Ali Melton, representing HCCA, thanked the commissioners for extending the public comment period. She encouraged them to require a comprehensive drilling plan from the applicants.

Fyock said they are considering a comprehensive drilling plan for that area in the future.

Sue Navy was concerned with water quality and wildlife, and was nervous about the water leakage possibilities.

Fyock said the pipeline is a steal pressure tested six inch line that is monitored by the state.

Bruce Bertram encouraged the commissioners to consider the activity at the site closely, because Delta county is downstream and would experience any negative consequences.

Fycok explained there is third party contactor doing inspections for the county, which is partly funded by the application fees.

Leslie Locklear said her brother has property in Texas and he has experienced leakage from broken pipelines on his property. She suggested requiring bonding for that type of contingency.

Jenny Defraties was very concerned with runoff, toxins and sludge. She suggested the commissioners watch the movie, Gas Land.

Ramon Reed was concerned with produced water being spread on the roads. Fyock said they won't be spreading it on the roads.

Frank Coleman was concerned with diesel fuel and other major toxins and suggested requiring detoxifying the produced water; Fyock said they don't use diesel fuel in well drilling, and it is dry gas that it is relatively fresh water. The gas is almost 100% pure methane.

Marlene Zanatell said the BOCC should be more involved in theses activities. This is too piecemealed; there should be a larger picture.

Butch Clark mentioned the Aspen Anomaly as a concern. He said the drilling could possibly cause a disturbance of the anomaly.

Robinson said he appreciated the consideration of the commissioners and the sincerity of all the comments verbal and written.

Tony Smith encouraged the commissioners to focus on solutions versus problems.

Staff

Forrest said Western Water and Land conducts inspections for the county, as well as another third party inspector.

Forrest asked if there were water issues at the Hotchkiss pit; Robinson said no.

Forrest noted the Oil and Gas regulations do not allow the county to require a comprehensive drilling plan, but it is a fair discussion to have with the applicant.

Cattles asked if the best technology available is used for this process; Miller said it uses the best standard.

Fulton closed the public hearing but left open the opportunity to take written comment until February 13, 2105 at 5:00 P.M.

Planning Commission will conduct a work session on February 20, 2015.

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10:50:41 AM ***Gunnison County Land Use Resolution* Amendment (LUR);** The Gunnison County Planning Commission conducted a work session. They discussed Section 13-103: General Site Plan Standards and Measurements. Minimum Residential Floor Area; possible change to current minimum residential floor area of 600 square feet.

With a quorum present Chairman Kent Fulton opened the work session.

Present representing the Gunnison County Planning Commission; Kent Fulton, A.J. Cattles, Tom Venard, Jeremy Rubingh, and John Messner.

Present representing Gunnison County Community Development staff; Director of Community Development, Russ Forrest, Senior Planner Cathie Pagano, and Administrative Services Manager, Beth Baker.

The Commission conducted a discussion concerning eliminating the 600 sq. ft. residential minimum building size requirement. There was a consensus of the commissioners to eliminate the requirement.

This will come back as a proposed amendment to the LUR at a later date.

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Fulton adjourned the meeting at 12:10 P.M.

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/S/ Beth Baker
Community Development Department Services Manager
Gunnison County Community Development Department

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