

**GUNNISON COUNTY PLANNING COMMISSION
PRELIMINARY AGENDA: Friday, February 17, 2012**

- 8:45 a.m. Call to order; determine quorum
Approval of Minutes
Welcome to New Planning Commission member
Election Of Officers
Designation Of Official Posting Location
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. • **SG Interests I, Ltd.**, work session/no action, possible executive session; request for the Hughes 11-90-26 #2 gas well and well pad for 4 future gas wells, located in northwest Gunnison County, in Section 26, Township 11 South, Range 90 West, 6th P.M., west of Highway 133
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 - 10:00 a.m. • Break
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 - 10:15 a.m. • **SG Interests I, Ltd.**, work session/no action, request for the Eck 12-90-1 #1 gas well and well pad for a future gas well and water disposal well, located in northwest Gunnison County, in Section 1, Township 12 South, Range 90 West, 6th P.M., west of Highway 133
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 - 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.
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 - Adjourn •

GUNNISON COUNTY PLANNING COMMISSION
Regular Meeting
February 17, 2012

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- Ramon Reed	Director of Community Development- Joanne Williams
Vice- Chairman-Jim Seitz	Assistant Director of Community Development- Neal Starkebaum
Commissioner- Warren Wilcox	Planner- Cathie Pagano
Commissioner- Susan Eskew	Community Development Department Services Manager-Beth Baker
Commissioner-Kent Fulton	Others present as listed in text
Alternate Commissioner- Jeremy Rubingh	

ABSENT: Alternate Commissioner- A. J. Cattles

With a quorum present Chairman Ramon Reed opened the regular meeting of the Planning Commission.

MOVED; by Seitz seconded Wilcox to approve the minutes of February 3, 2012 as amended. The motion passed unanimously.

ELECTION OF OFFICE:

NOMINATED: by Seitz to appoint Commissioner Reed as Chairman of the Gunnison County Planning Commission. The nomination passed unanimously.

NOMINATED: by Eskew to appoint Commissioner Seitz as Vice-Chairman of the Gunnison County Planning Commission. The nomination passed unanimously.

NOTICE POSTING LOCATIONS: **Moved;** by Seitz seconded by Fulton to designate the official meeting notice locations for 2012 to be the glass case outside the North West entrance to the Courthouse and the bulletin board outside of the Commissioners Meeting Room at the Courthouse; with the glass case in the Blackstocks Government Center designated as an advisory posting location. The motion passed unanimously.

SG INTERESTS – HUGHES WELL; The Gunnison County Planning Commission (Commission) conducted a work session, to review a request for the Hughes 11-90-26 #2 gas well and well pad for 4 future gas wells, located in northwest the Gunnison County, in Section 26, Township 11 South, Range 90 West, 6th P.M., west of Highway 133.

With a quorum present Chairman Ramon Reed opened the work session.

SG Interests representatives Eric Sanford, and Catherine Dickert were present for the work session.

The additional information that had been submitted by the applicant was discussed.

Public Works representative Allen Moores was present to discuss the recent site visit.

The County LGD, Gunnison County Attorney David Baumgarten was present.

MOVED; by Fulton, seconded by Wilcox for the Commission to go into executive session with County Attorney David Baumgarten, Assistant Director of Community Development Neal Starkebaum, and Public Works representative Allen Moores, for the purpose of discussing the technical infeasibility- P-2 waiver request by the applicant. The motion passed unanimously.

The Commission went into executive session at 9:10 a.m. Executive sessions of the Gunnison County Planning Commission are conducted as per C.R.S. 24-6-402(4). This specific session was conducted as per C.R.S. 24-6-402(4)(b).

Attorney Statement Regarding Executive Session

Pursuant to C.R.S. 24-6-402 (2)(d.5)(II)(B), I attest that I am the Gunnison County Attorney; that I represent the Gunnison County Planning Commission; that I attended all of the above referenced executive session; that all of the executive session was confined to the topic authorized for discussion pursuant to C.R.S. 24-6-402(4) and that, because in my opinion all of the discussion during the executive session constituted a privileged attorney-client communication, no record of the executive session was required to be kept and no such record was kept.

Date: _____

David Baumgarten
Gunnison County Attorney

A. Chairperson Statement Regarding Executive Session

Pursuant to C.R.S. 24-6-402(4)(d.5)(II)(B), I attest that I am the Chairperson of the Gunnison County Planning Commission; that I attended all of the above referenced executive session; and that all of that executive session was confined to the topic authorized for discussion pursuant to C.R.S. 24-6-402(4).

Date: _____

Ramon Reed, Chairperson-Gunnison County Planning Commission

The Commission came out of executive session at 9:35 A.M. Chairperson Reed stated the discussion had remained on the stated topic.

****See Attached signed executive session.**

Allen Moores was present at the recent site visit. He said if the pad is constructed as described there would be a barrier between the wetlands to the west. He added the site is in a draw and reiterated if the pad is built as described there will be barriers. He said 80% of the road is a two track. He explained Alt Creek flows down from the NW to the SE.

Reed asked about the access road and the proximity to a water body; Moores said the road is within 500 ft. of a water body. Reed was concerned with additional traffic on the road; Sanford said they would be upgrading the road using best management practices (BMP), to prevent sedimentation and dust. They will place rock on the road for dust control, and will get the Army Corps to look at the road; the Army Corps will dictate how the crossings are constructed and the size and type of culvert to be used. The applicants will submit a copy of the Army Corps permits.

Dickert said the storm water permit calls for erosion control which will require some kind of sediment barrier around the down gradient. They are considering using straw waddles. They will construct a pad with a perimeter berm surrounding it. There is normally a ditch at the top of the pad when constructed. There will be piles protected from erosion, until the piles are stabilized. They will use an alternate seed mix if the piles are temporary, but if the piles are permanent they will use the regular specified seed mix. The berm around the pad itself will have a small ditch, used to catch rain etc., and in the corners there will be a catchment basin, using rock and water and filtered with straw bales. The applicants will submit the information concerning the berms.

Rubingh asked if using a closed loop system is feasible; would it help meet the standards? Sanford explained there is a misconception concerning a closed loop system; it is not a completely closed system. The closed loop system recycles the water in the mud, separating the cuttings out. The cuttings are placed in a cuttings pit. The extra fluids are sent down hole. Sanford explained a closed loop system is most effective in conjunction with coal bed methane wells because they are shallow. He said the main difference between a closed loop system and other disposal systems is the size and the amount of moisture.

Sanford pointed out a pit large enough to store a large volume of fluids and cuttings is needed, particularly if there are any problems.

Dickert explained when a pit is closed three samples are taken from separate locations of the pit and tested. They then remove the liner and dig down three to four feet to ensure there was not a leak in the liner.

Reed asked if the pit would be open and closed more than once; Dickert said if they have to come back for multiple seasons the pits would have to be closed and reopened. Dickert explained there are several elements found in the cuttings; the barium found dissipates, and there is arsenic. She said they will have no problems meeting the requirements to close their pits. Sanford pointed out they could leave the cuttings on site if they were only drilling one well on the pad, it becomes a volume problem with five wells on one pad. He reiterated it is not a chemical problem it is a volume problem. They currently haul their cuttings to Delta County, where it is permitted through the State.

Seitz asked if the traffic trips described included the trips needed to close the pits. He was concerned with the additional traffic on the single track road. Sanford explained when possible the flowback pits will be used. He added when trucking water in it will be used for the drilling process.

Dickert explained produced water is intended to go by buried pipeline to the flowback pits. They will use the MacIntyre flowback pits for completion. She said there should be another plan in case the pits cannot be used. The flowback pits were intended to decrease traffic to and from the pads. She added if the traffic increases the Army Corps would require a permit, increasing the dust control and maintenance of the road.

Sanford explained drilling requires several thousand gallons of fresh water. It is more economical to truck in a small volume of water. During the completion phase the hydro-fracture occurs, the water can go through the process five or six times.

Sanford said a closed loop system means you are drying the cuttings before they go into the pit. It is not always 100% effective.

Rubingh asked why the location could not be moved to a site where a waiver was not needed. Sanford said this is located on privately owned fee leased minerals. The owner chose the site. He added locating somewhere else could come with its own set of issues- on a slope with sedimentation problems, or other wetlands. There is rarely an ideal situation for the 500 ft. setbacks. The topography in the area limits the suitable sites. It could be moved but a waiver would still be needed.

Fulton asked how they determine if the well will be a horizontal or vertical drill. Dickert explained any water generated needs to be pumped off coal bed methane wells; if drilled horizontally the pumping rod will rub on the well bore casing creating a hole. Shale wells can be drilled horizontally, and it is generally more productive to do so.

Reed was concerned with the well sites close proximity to Alt Creek and the wetlands; he said more frequent water sampling could be needed. He noted if there were a problem it would be detected earlier. Dickert said the water testing included only chemicals not invertebrates. Reed pointed out testing only for chemicals gives a single snapshot of that sample at a very specific time, whereas sampling for invertebrates will monitor the stream health over time. He requested the applicants address this issue, in light of their requested technical infeasibility waiver.

Wilcox asked how the pipelines crossing the wetlands are constructed; Sanford explained they are steel lines buried six to eight ft. below ground. He said they do corrosion tests. He added some are double lined, depending on the size of the wetlands.

Reed asked if the site could be fenced until reclamation is complete: Sanford said they have in the past.

Reed said the applicant should modify the waiver request to address why this proposed pipeline route is the only feasible route, as opposed to following the established road way.

Reed was concerned with the noise generated by the drilling being potentially detrimental to wildlife in the area. He noted a rotary electric pump ran off a generator was very quiet. The other extreme was a single cylinder AJAX pump which is

very noisy. Dickert said they both are used in different situations. Dickert said the State regulates the noise standards. Reed said he would like to see the quietest pump available used.

Starkebaum noted Colorado Parks and Wildlife have been onsite and should be submitting comments.

Rubingh requested a staff report on a closed loop system.

The Commission did not direct Staff to prepare a draft decision noting information needed on; closed loop systems, additional water quality monitoring, road standards to accommodate heavy road traffic, following the existing road or proposed pipeline route, mitigation for wetland crossings, reclamation of wetlands crossing, fencing, garbage containers, and excessive noise.

Sanford stated some of the potential conditions are technical conditions, and the County is preempted by the State and Federal regulations.

The Commission identified outstanding issues;

- Need copy of Storm water management plan for the site
- Information on closed loop systems – staff to provide
- Include in waiver request the justification for the proposed pipeline route

The Commission will conduct a public hearing on March 16, 2012, at 9:00 A.M.

SG INTERESTS- ECK WELL; The Gunnison County Planning Commission (Commission) conducted a work session, to discuss the request for the Eck 12-90-1 #1 gas well and well pad for a future gas well and water disposal well, located in the northwest Gunnison County, in Section 1, Township 12 South, Range 90 West, 6th P.M., west of Highway 133.

With a quorum present Chairman Ramon Reed opened the work session.

SG Interests representatives Eric Sanford, and Catherine Dickert were present for the work session.

Public Works representative Allen Moores was present for the meeting.

Dickert said they are proposing two gas wells and a water disposal well. The property is owned by an entity of SG. The access road to the south would be upgraded. The requested pipeline route is going to the West. The access road would take off from an existing road; the pipeline services the two wells and the disposal well. The pipeline will not follow the existing road, because they are trying to build the access road for the entire south side of the unit.

Dickert explained they expect to drill one coal bed methane well, one shale well, and one water disposal well. The coal bed methane well would be the first.

The location of the Eck well as sited will be an upslope physical barrier. They intend to use tanks to hold water, as opposed to an open pond.

Sanford said the Hotchkiss road comes up and there is also the Narrows road which is not improved, no rock surface. The drilling rig and well completion equipment will come in from the south; all other traffic will come in from the north. The road from the south will be plowed and maintained.

Allen Moores said the wetlands will be in a totally different area than the site. There was some discussion of how high the cut would be on the ridge. The site will be in the bottom of the draw, in the sage brush. Moores suggested the applicant submit a road cross section and profile, before the drill rigs are brought in.

Rubingh asked about the road going north from the drill pad- what is the gradient; Moores said it was not visible because of the snow, but is down gradient from the wetlands.

Reed requested drawings showing the details close to where things are going to be sited, and the proximity of the two existing wells.

Fulton asked about the wastewater disposal well; Sanford said it would be limited in capacity under the State permits; 2,000 to 2,500 barrels per day are permitted by the State.

Moore said four individuals from the DOW were all present at the site visit. Rubingh said the DOW comments will be beneficial.

The Commission did not direct staff to prepare a draft decision. They concluded additional information was needed.

The Commission requested:

- Description of the routes for the pipelines and access road
- Cross section and profile information

The Commission will conduct a public hearing on March 16, 2012, at 10:00 A.M.

END OF DAY MEETING;

- The BOCC met and approved the Elze two parcel subdivision.
- The BOCC decided to approach the proposed oil and gas amendments in a multi-step process. They will conduct several work sessions. The first one will be primarily on the process aspects of the amendments, and the water quality issues, then a motion to adopt a section of amendments to be followed by additional work sessions to review the other information.
- The Commission was concerned with the water quality and sampling reports; they said they need expert input and explanation of the reports.

Reed adjourned the meeting at 12:30 P.M.

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