GUNNISON COUNTY PLANNING COMMISSION
PRELIMINARY AGENDA: Friday, March 16, 2012

****WORKING MINUTES- FOR REVIEW****

8:45 a.m.
- **Call to order; determine quorum**
- **Approval of Minutes**
- **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.**, public hearing/no action, 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; possible direction to staff

10:00 a.m. **SG Interests I, Ltd.**, public hearing/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; possible direction to staff

11:00 a.m. **SG Interests I, Ltd.**, work session/no action, request for the Federal 11-90-24 #3 gas well and well pad for a future gas well, located in northwest Gunnison County, in the SESE1/4 Section 24, Township 11 South, Range 90 West, 6th P.M., west of Highway 133

Lunch

1:00 p.m. **Bear Ranch**, work session/no action, request for two sleeping quarters in addition to a primary single family residence and a secondary residence, generally described as being located northeast of County Road 12 (Kebler Pass) and west of County Road 2 (Bear Road), on Parcel 3, Bear Ranch Amended Parcels.

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

GUNNISON COUNTY PLANNING COMMISSION
Regular Meeting
March 16 2012
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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- Ramon Reed
Vice- Chairman-Jim Seitz
Commissioner- Susan Eskew
Commissioner- Warren Wilcox
Commissioner-Kent Fulton
Alternate Commissioner- Jeremy Rubingh
Alternate Commissioner- A. J. Cattles

Assistant Director of Community Development- Neal Starkebaum
Planner- Cathie Pagano
Community Development Services Manager- Beth Baker

Others present as listed in text

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

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MOVED; by Seitz seconded by Eskew to approve the minutes of February 17, 2012 as amended. The motion passed unanimously.

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SG INTERESTS- HUGHES 11-90-26 #2- The Gunnison County Planning Commission (Commission) conducted a public hearing. They discussed the applicant's 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.

With a quorum present Chairman Ramon Reed opened the public hearing.

Community Development Services Manager Beth Baker confirmed public notice. The applicant submitted the public hearing certified mailing receipts and proof of posting, and the Planning Office had the public notice published in the Crested Butte News, Gunnison Country Times, and the Delta Independent.

SG Interests representative Catherine Dickert explained they are planning five wells on the pad, a pipeline route and upgrading an existing two track road to the well site. The site is located on private property, owned by Nick Hughes. It is defined as fee surface and fee minerals. The pipeline will cross a wetland area that will require the Army Corps of Engineers approval. There was an onsite visit that included a representative from the Parks and Wildlife Service and Gunnison County Public Works representative Allen Moores. It is unknown at this time how many of the wells will be coal bed methane, and how many will be shale. They are assuming 50% of each type. The Environmental Assessment (EA) should go out for public comment next week. The EA was conducted assuming full development of the resource. No Federal action involving National Environmental Policy Act (NEPA) will take place on the overall project, but will be considered on the individual wells. Light Detection and Ranging (LIDAR) was used to make the routes used as efficient as possible.

Assistant Director of Community Development Neal Starkebaum noted the department had received comments from the County Public Works regarding the site visit to the proposed Hughes and Eck wells. The Local Government Designee (LGD) also submitted comments. Reed added High Country Citizens Alliance (HCCA) had submitted comments. Starkebaum said the applicant's have requested a five year extension for the duration of the project.

Reed identified the requests as;

- The five year extension
- The wavier for setbacks from a water body
- The waiver for setback of the pipeline from the road

Reed asked Public Works representative Allen Moores about the photographs and the mapping and the physical separation from the wetlands. Moores explained the topography he had observed on the site visit, noting there is physical separation between the proposed well pad and the wetlands. SG Interests representative Eric Sanford explained the edge of the proposed pad is on fill, but the edge of the proposed pad is also on a ridge making a physical barrier between the pad and the wetlands. Moores estimated the distance between the proposed pad and wetlands to be 300 yards. Rubingh remained concerned with the wetlands, and noted it is still within the County water body setbacks. He recommended the use of best management practices.

Reed said the commissioners had requested information on pit usage and pit types; open pits vs. a closed loop system. The Planning staff collected the information for commissioners.

Seitz said the State Form 2a looked like the applicants where going to use a closed loop system, as submitted to the State. Dickert clarified, although the Form 2a can be confusing, it did not identify a closed loop system.

Starkebaum said the State's 2011 report shows a statewide trend of using closed loop systems. The Colorado Oil and Gas Conservation Commission (COGCC) does not require a closed loop system, but it does seem to be a trend in the industry.

Rubingh noted a concern with wildlife and the need for an overall wildlife plan in the Bull Mountain Area. SG representative Eric Sanford said SG's biologist Eric Pederson will be meeting with the Parks and Wildlife Service to discuss an overall wildlife plan.

Gunnison County resident Ralph/Butch Clark said he was present to learn what is being proposed. He said Delta County had been working with shale leases recently. He was concerned with the need for a common set of considerations, and he hoped the County would be a party to that. He said Douglas County has done an analysis on the cost of the roads and the maintenance of them in relation to oil and gas exploration. He stated his concerns with the offsite impacts, where do the crews live, are they camping, what are the safety requirements?

Sanford said there is no Sage grouse habitat in the area. Each Federal lease comes with lease stipulations; nesting of raptors, what and when activities can go on, and big game consideration, etc. He said that approximately 85% of Bull Mountain area contains Federal mineral leases, and about 95% are fee surface leases. There are hunting date restrictions on three of the ranches. Their crews have been housed at the Aspen Leaf Ranch, a fully licensed facility, with a kitchen.

Starkebaum said the County had entered into an ongoing agreement for dust suppressant, for County Rd. 265. The industry pays for the products used, and the County does the work.

Moores said Douglas County had been in contact with Gunnison County, because of Gunnison County's experience with road maintenance and the oil and gas industry.

Rubingh said using a closed loop system would help take away many of the concerns. Dickert could not guarantee SG would use a closed loop system.

Wilcox said the SG's use of the Lidar system is efficient and it creates less disruption. Sanford noted SG is the first company to use Lidar on a project of this size.

Reed closed the public hearing @ 10:00 A.M.

The Commission directed staff to prepare a draft decision of approval- Reed noted the findings should address;

- The setback waiver need to look at closed loop system- the topography is such that a leak can spill into the ground even though there is a slight rise between the well and the wetlands. Reed would require a closed loop system- Rubingh agreed.
- Recommend using double lined piping at the water body crossing and pipeline crossing
- Strongly suggested requiring invertebrate testing, for stream health monitoring
- Wetlands should be fenced until reclaimed
- SG to maintain the roads with particular care for the water bodies and safety
- Provide bear proof trash containers
- Noise generators and loud equipment should be enclosed/ housed

- The County retains the right to make comments when there are changes to the plan
- The well should be located where it is currently sited

Sanford stated the use of double lined pipe, and the fencing of the wetlands are under the purview of the Army Corps and they could conflict with the County's regulations, in which case the County would be preempted. SG will be meeting with the County concerning the maintenance of the road. SG objects to the water body setback requirement, and requiring closed a loop system is not within the County purview. The State is not requiring a closed loop system. At a minimum SG will use a lined drilling pit.

The Commission will conduct a work session to discuss the draft decision of approval.

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SG INTERESTS- Eck 12-90-1#1- The Gunnison County Planning Commission (Commission) conducted a public hearing. They discussed the applicant's 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.

With a quorum present Chairman Ramon Reed opened the public hearing.

Community Development Services Manager Beth Baker confirmed public notice. The applicant submitted the public hearing certified mailing receipts and proof of posting, and the Planning Office had the public notice published in the Crested Butte News, Delta Independent, and Gunnison Country Times.

SG Interests representative Eric Sanford explained the Eck property was sold to Gunnison Hunting properties, a branch of SG Interests. The permitting process began before the sale, and changing the name would be time consuming because the Environmental Assessment (EA) is in process.

SG Interests representative Catherine Dickert said this is a multi well project, one coal bed methane, one shale, and a water injection well. County Public Works representative had participated in a site visit to the proposed well site. She said the existing access road will be upgraded. The pipeline would not follow the access road. SG is proposing going west to pick up the existing gathering lines. They are putting together a gathering system for the south end of the unit.

Assistant Director of Community Development Neal Starkebaum said the department had received comments from High Country Citizens Alliance (HCCA), and comments from Ted Eck.

Fulton asked which well would be drilled first; Dickert said the coal bed methane well.

Reed asked if the State approval of the pipeline was a separate approval; Dickert said it was not. Reed said there would be no conflict for the pipeline route; Sanford explained the pipeline routes as shown are flexible, things could change when they are actually on the ground and installed.

Rubingh asked about the well casing mentioned in Mr. Eck's letter; Sanford said they proposed cement and the plan has been submitted to the State.

Sanford said if the pits are left open, they place tarps over the cuttings pit, for the winter. This would prevent any birds, or other wildlife from getting in the pit.

Sanford explained the cuttings have to be tested before they close the pit. There is no water in the reserve pit, because the water is trucked out.

Gunnison County resident Ralph/Butch Clark was concerned with disposal of the produced water. He said the EPA and OHIO State EPA is doing research on an extremely absorbent material which filters the water and keeps it clean.

Reed closed the public hearing at 11:35 A.M.

The Commission directed staff to prepare a draft decision of approval- Reed noted the findings should address;

- Water body crossings – double pipe required
- Any wetlands disturbed should be fenced until the wetlands are reestablished.
- Closed loop system
- Roads and maintenance of roads the same as Hughes Well
- Provide bear proof trash containers
- Address noise levels
- The County retains the right to make comments when there are changes to the plan

Sanford noted SG had requested a tech infeasibility waiver, because there is a hydrological separation of the water body and the well.

The Commission will conduct a work session to discuss the draft decision of approval.

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SG INTERESTS-FEDERAL 11-90-24 #3- The Gunnison County Planning Commission (Commission) conducted a work session. To discuss the applicant's request for the Federal 11-90-24 #3 gas well and well pad for a future gas well, located in northwest Gunnison County, in the SESE1/4 Section 24, 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 representative Catherine Dickert said there will be two wells on one pad. She said Public Works representative Allen Moores has been on site.

SG representative Eric Sanford explained this would be on Nick Hughes property surface and BLM minerals. The pad will be used for this well and two other future wells. This is a smaller than average pad. The road comes off of the Narrows road; it is an existing two track road.

Reed requested that SG state in writing that there are no water bodies within 500 ft. of the well pad.

The Commission directed staff to schedule a public hearing. Starkebaum said the hearing would be conducted on April 6, 2012.

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BEAR RANCH PARCEL #3 - The Gunnison County Planning Commission (Commission) conducted a work session. They discussed the applicant's request for two sleeping quarters in addition to a primary single family residence and a secondary residence, generally described as being located northeast of County Road 12 (Kebler Pass) and west of County Road 2 (Bear Road), on Parcel 3, Bear Ranch Amended Parcels.

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

Bear Ranch representative Tom Newland described the request. He said parcel three currently contains five buildings in various stages of completion. All the buildings are about 2,000 sq. ft. maximum.

The buildings H2 and H3 are Victorian buildings which are already constructed. They are requesting H2 and H3 be converted to sleeping quarters. They are requesting approval of more than two residential accessory structures on the property. There will be no kitchen in either structure.

Bear Ranch can no longer use separate septic systems; they have applied for a State waste water treatment plant. The two septic systems will be on either side of the road. Bear Ranch will all be on a central sewage system, and a central water system.

Following a brief discussion of the LUR standards and review issues, the Commission directed staff to conduct a public hearing and prepare a draft recommendation of approval, for review following the public hearing.

The public hearing will conducted on April 6, 2012.

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END OF DAY MEETING:

- The BOCC and Planning Commission will conduct a joint meeting on, March 30, 2012.
- The Planning Commission will conduct site visits and a meeting in Marble, April 27, 2012.

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Reed adjourned the meeting at 2:30 P.M.

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