

Pinedale Anticline Working Group
Meeting Minutes

1:00 PM • Thursday • February 25, 2010

Rendezvous Conference Room
Pinedale Field Office
1625 West Pine St.
Pinedale, Wyoming

In Attendance

PAWG Members

Present: Cathy Purves (Chair/Environmental), Scott Smith (State of Wyoming), Paul Hagenstein (Livestock Operators), Kevin Williams (Oil and Gas Operators: Questar), Nylla Kunard (Town of Pinedale), Bart Meyers (Sublette County),

Absent: Jackson Schwabacher (Landowner), Chris Corlis (Public), Public-at-Large vacancy.

PAWG Task Group Members

Carmel Kail (Socioeconomic TG) Jocelyn Moore (Water Resources TG), Therese Hartman (Wildlife TG).

BLM / Agencies

Brian Davis (FM/DFO), Larry Jensen, (AFM), Jim Lucas (PAPO), Dave Crowley (PFO), John MacDonald (PAPO Detail), Kellie Roadifer (PFO) Dan Stroud (PAPO/Wyoming Game and Fish).

Public

Tony Franchina (Shell), Jim Sewell (Shell), Tony Gosar (CC), Linda Baker, (UGRA), Pete Aengst (TWS), Courtney Skinner (Public), Sandy Wise (Shell), Darci Sinclair (Shell), Cally McKee (Ultra) Aimee Davison (Shell), Peggy Bryant (Public), Mary Lynn Worl (Public).

U.S. Congress

Pat Aullman (Field Representative for U.S. Congresswoman Cynthia Lummis)

Press

Derek Farr (Sublette Examiner), Kaitlyn McAvoy (Pinedale Roundup)

Approval of Previous Meeting Minutes

Meeting minutes were distributed and reviewed by the group. Cathy Purves raised a question about exactly when Gary Rees was formally approved as a PAWG member. Brian Davis indicated that he was approved on January 19, 2010. Kevin Williams noted that the meeting minutes were very thorough but that in the future a summary would be more helpful than transcription. Paul Hagenstein made a motion to accept the minutes. All members present were in favor, none opposed.

Motion to accept minutes from the PAWG meeting of January 28, 2010 passed unanimously.

Cathy Purves opened the meeting to public comment. There was no comment.

Wildlife Task Group/PAPO Report

The group then heard from the Wildlife Task Group. Therese Hartman indicated that there was no report at this time but the PAPO report to be presented later in the meeting had the wildlife report incorporated into it. Jim Lucas described the PAPO handout, entitled PAPO Monitoring and Mitigation Projects. The handout consists of the projects discussed at the previous meeting, the accountant's report, the PAPO communication structure and functionality, and maps of the Grindstone project and the Wildlife Monitoring projects. Jim Lucas then turned the floor over to Therese Hartman for more details.

Therese Hartman indicated that the sage grouse report is almost finished and the Task Group is meeting with the contractor on the March 2 to review the draft. The final report should be available by the next PAWG meeting on March 25.

With regards to contracting sage grouse, it was determined that PAPO is not a legal entity that can enter into contracts for flights, PAPO is in the process of renewing all of our contracts through the game and fish. Pygmy and sage grouse contracts are in Cheyenne for review. Mule deer, pronghorn, and snow and traffic monitoring will be renewed when they expire next year. The contracts will be will be yearly with option to renew for up to three years. Contracts will be renewed to start monitoring in April of this year. RFPs have been sent out

Jim Lucas indicated that this is an early jump on the new contracting process. The process will be presented at our next PAPO board meeting, which has been moved to March 15. Independent contractor reviews will be done by the end of March.

A discussion followed regarding the amounts of the various contracts, how sage grouse flights are conducted, the methodology of locating collared birds and determining vitality or mortality. Also discussed were the reports of vandalism to the snow traffic monitors, and the mule deer winter habitat project Environmental Assessment, road kill reports on 189 and 191, the status of the WyDot connectivity project. Also, the mule deer winter habitat project EA was discussed and Cathy Purves asked that Dan Stroud send a copy of the final draft EA to the PAWG for review.

Jim Lucas then reported on two requests for refunds on wildlife projects, one from Shell (\$1440,000 for a pronghorn) and one from Questar (\$97,134.77 for a mule deer project). PAPO will consider refunds on these projects subject to submission of all receipts. The Operators began these projects before the

PAPO was created. PAPO wanted to keep these projects going with PAPO funds and the operators would like to be reimbursed for monitoring funds they spent before PAPO was created. Questar has submitted all of their data and, BLM PAPO and BOARD find the submission complete. Shell has not submitted the data but there is lots of history regarding this project. We have received some info from Shell and from Mary Flanderka and from Chuck Otto. We will be assembling the info and take it to the board for their consideration on March 15.

Darci Sinclair pointed out that Shell is not withholding the data but Wildlife Conservation Society (WCS) that Shell hired has the data and is not releasing it.

Jim Lucas continued reporting on other monitoring and mitigation projects. One is Dr. Field's study (from the University of Wyoming). This study is intended to help reduce diesel emissions. Another is Sommers grindstone conservation project. Of all conservation easements that JIO and PAPO have done, this is the largest. It involves three ranches protecting 19500 acres, the Sommers Place, the Duke Place, and the Todd Place.

Dan Stroud explained the wildlife values associated with these parcels. The greatest benefit is the connectivity related to migratory corridors. The Todd place includes 1500 deeded acres, conveyance of mineral rights, and fishing access. That property contains moose crucial winter range, mule deer crucial winter range and year-long range, antelope year-long range, and 50% of the property is within 2 miles of lek. The Duke and Scott places are important for migratory corridors, mule deer, prong horn, elk, moose, and sage grouse.

Cathy Purves asked if we have these on the PAPO website and if we could make sure to explain the relationship of the PAPO to these projects? The website is still under construction and will be combined with JIO. Dan Stroud indicated that he could make sure it's on the website and that we would be updating the JIO/PAPO booklet with projects, hopefully we'll have it done in the next month.

Cathy Purves then asked if JIO had any money left? Dan Stroud indicated that there is about 1 million dollars as of yet uncommitted. Jim Lucas followed up by saying that PAPO has ear-marked 5 million dollars but not committed. Committed dollars will be spent, but Ear-marked dollars are reserved but not committed. At this point is that the board has only earmarked those funds through the end of the year for the Sommers Grindstone Project. At that point, if not enough progress has been made, the board may withdraw funds

A discussion followed about fair market values and appraisals, the potential decrease in property value at the time the project was proposed, and the proportional reduction in cost to the PAPO.

Brian Davis asked if the Sommers Grindstone project falls through, are there other properties or projects that have been identified? Jim Lucas indicated that they expect new proposals to come in soon. Cally McKee reminded PAPO that they didn't have to spend all the money immediately. Dan Stroud pointed out that it is a factor of how the PAPO /JIO are set up. The office does not develop projects; they wait for submissions from the outside and review it.

Jim Lucas then presented the accountant's report. The current balance for the PAPO is now 10.2 million dollars. That shows disbursement but does not show committed funds. The next report would have more details.

The next topic for discussion was the monthly outreach sessions. Jim Lucas indicated that the JIO/PAPO was still strategizing to develop monthly sessions with employees in a public location to allow the public to ask questions and learn about the JIO/PAPO. The first meeting would be a meet and greet session; the following meetings would be more topic-specific.

Cathy Purves reminded the group that at the last meeting, District Manager John Ruhs stated the first meeting would be in Feb. Jim Lucas admitted that there was no fixed date yet, but that we are trying to set one up. A public notice will be released when it is scheduled.

Carmel Kail asked for an explanation of how projects are selected and how the millions are spent. John Huston explained that when a project proposal is submitted, it receives a full staff review as required by the ROD. We do have a ranking system for wildlife projects. For other projects, the board has discussed NOT ranking non-wildlife projects, but there is more to come on that. Once we have a full staff review, we produce a memo to the board with a recommended motion (denial or approval) with certain funding levels and it goes to the board. The board votes based on our recommendations and we would hope it is unanimous and move forward to sign grant agreements and fund the project.

Brian Davis then spoke about the roles and responsibilities of the PAWG and the BLM. He indicated that, with direction from our Director's office, we are going to bring in a contractor to meet with the PAWG members (Don Maruska). Cathy Purves and Bill Lanning have both spoken with him. I am excited about bringing in an outside person who has experience with FACA groups to have him help with our process, both the PAWG and TGs. We are working under the same regulations as the larger Resource Advisory Committees, but I really want to enhance what we (the PAWG and BLM) are doing. We need more definition about the task groups, including technical members, who would be assigned a specific task to report back to the PAWG. When the Director's office suggests it, we are encouraged that they want to help and get our process running smoother. PAWG is the only charter group in the state and there are no RACs like our neighbor states. We want to more clearly delineate the task group tasks, so that things come from the TGs to the PAWG and public more clearly.

Cathy Purves added that the need for a contractor has developed out of the problems we have had over the past few years. I have spoken with Chuck Otto and Brian Davis and John Ruhs and I think the PAWG has reached a great operating level at this point and I don't want to lose the momentum and continuity that the PAWG has developed over the last year and a half.

Brian Davis indicated that he had read all of the RAC charters that have been signed recently and compared them to the previous PAWG charters. We need to make sure we have a very clearly defined standard operating procedure so that the process can carry on as membership changes. We need to make a sustainable organization unit. We want to make sure those processes are the in the future. We will sit down with Don Maruska to make sure our new charter reflects the process that we need to keep the PAWG running smoothly.

Merry Gamper indicated that the new charter letter has gone out. Brian Davis clarified that it has gone to the State Office but has not gone to DC and will be pulled back. There have been changes coming out of Salazar's office and it has not yet been ratified. Every state was asked to look at the structure of the

charters to make sure they reflected the goal of the group (PAWG). When we are offered this commitment from the agency, we take it. It will cost approximately 40k for the next year.

Socioeconomic Task Group

Cathy Purves gave the floor to Carmel Kail, chair of the socioeconomic task group (SETG). Carmel explained that everyone should have a hand out which is a copy of the SETG grant application. Carmel had previously met with Jim Lucas and Shelley Gregory to go over some details. Jim and Shelly provided suggestions regarding justification language in the application because we didn't fit in specifically with PAPO or ROD. For background reference: the SETG was first started in 2004 and was reinstated by Chuck Otto as a necessary charter. The current PAWG guidelines say that TGs will submit annual report to the PAWG and this is why we need PAPO help. The SETG produced a report which is available online, but it has not been finalized. It was thought that this report would be moved forward as an action item. Mary Flanderka (Wyoming state representative on the Task Group) coached the SETG to get a grant for 35k for 2 years with the requirement that another group would match a 50% co-pay. The SETG received small amounts from the towns in the county and the commissioners supplied the rest. With that money, the SETG contracted with the county to hire someone for 2 years to collect data. The data that was gathered was not in a format that the SETG wanted, but the data and the employee were not under our control. At that point the group fell apart. Aside from Carmel Kail and Roy Allen, most of the members are new as a result of a recruitment effort last year. In order to do annual report, we need data. We were hoping to have someone to gather data, analyze and come up with recommendations. The original group came up with recommendations. Up until now, we did not have funding (JIO but no PAPO) so now we are applying to PAPO for funds to hire WYSAC to gather data. We developed a SOW and WYSCA has produced a budget.

Cathy Purves clarified that the SETG wants to have a third party collect socioeconomic data as it relates to oil & gas development and keep this going on a regular basis. Bart Meyers then asked how this data would be different from the County's ERG socioeconomic report? Carmel Kail indicated that the County's ERG report mostly focused on economic issues, but there are many social issues that are not addressed, such as crime, quality of life, etc.

The discussion continued regarding what data the ERG report collected, whether the County report is sufficient and what additional data is necessary. The discussion focused on the timing and timeliness of the data and the fact that the ERG report data is five years old now and cannot be considered especially usable for developing a current socioeconomic report.

Cathy Purves then asked how the SETG can gain value and use this proposed information gathering to help the community, how would this give opportunities for changing the element that is causing the socioeconomic problems? Carmel Kail indicated that the idea is to contact agencies that collect this type of socioeconomic issues and then to flesh out the details to produce a socioeconomic report for the PAWG and the public. The last report produced 28 recommendations. Most would have become the responsibility of local governments, not the BLM. The suggestions were made available to the county and the towns.

Cathy Purves questioned the amount requested and whether the \$39,000 would be an annually required amount. Carmel Kail indicated that no, it is for a specific set of proposed goals. The money would be

for data collection, monitoring, and focus groups and any money required after the initial year should be 1/3 or ¼ of the original cost.

Kevin Williams asked if the NERPA funding still is option. Carmel Kail indicated that she did not know, but what she had heard was not encouraging and that PAPO seemed to be the more appropriate option rather than trying to go through another partnership that may result in less useful data like last time.

Nylla Kunard asked if the PAWG was going to do away with SETG, and what does the PAWG expect out of this group if we cannot support them? The PAWG needs to either support this group or do away with it because we cannot expect the TG to gather all of this data without support.

Bart Meyers indicated that, as the Sublette County representative, Roy Allen's forecast has been helpful to the county and that was a direct result of the SETG. Recently a letter was sent to the Pinedale Field Manager from the County commissioners asking for an annual meeting and a socioeconomic update, but the County Commissioners feel that many decisions regarding socioeconomic effects are the duty of the elected officials rather than the BLM.

Kevin Williams added that Carmel Kail deserves praise for her hard work that a lot of good has come from it. The drilling forecast presented last year is the best publically understandable document the PAWG has produced. But, talking with other operators, we question whether the SETG is the best use for the PAPO money. There will be many other projects where we could use the PAPO money to have more on-the-ground effects than the SETG. The SETG proposal to gather information is useful, but not as useful as mitigation for other projects.

Cathy Purves then asked Bart Meyers to clarify his statement and asked if county and town want to reserve the right to make SE decisions. Bart Meyers indicated, yes indeed, but that the county could do a better job sharing the socioeconomic information, like the ERG report, with the public. Cathy Purves then stated that the rolling forecast was good too, and that the SETG was put into place to deal with the landscape effects that the town's and county's citizens feel and that Nylla has a valid question.

Carmel Kail then brought of the federal government's requirements under the National Environmental Policy Act – NEPA's requirement states that agencies must take into account all action whether the agency has the authority to deal with it or not. There have been lawsuits previously that have proven this case and I think this is something that the BLM could deal with. Another thing that is problematic about the Pinedale NEPA efforts, the RMP had Rob Winthrop develop a plan. The general consensus is that a lot of things he wrote comes from the birdseye view of Washington and could be applied to any town anywhere. While our plan suggests we use local source, his plan suggests we use federal data from DC. Another thing is, his plan comes out 2 year after the data is collected. The problem with his report is not a problem of quality but a problem of time.

Brian Davis asked if there are there assurances that the new contractor can come up with better or more timely data under the SETG proposal and Carmel Kail indicated that she would make sure that happened.

Cathy Purves asked if there is consensus on this project from the members of the SETG? Carmel Kail indicated that yes, the proposal was routed around the SETG as numerous drafts and they had all been trying to figure out a way to get help.

Nylla Kunard then reiterated her concerns about the SEGT stating that the PAWG should have these folk do a lot of hard work if PAWG doesn't need the information they are generating. She then asked about other social issues such as health, alcoholism, etc. and whether the SEGT proposal addresses that information. Carmel Kail indicated that the proposal does address those issues.

Nylla then asked Bart Meyers of the County ERG report addresses those issues. Bart Meyers responded that he did not know, but assumed so.

Cathy Purves excused the bluntness of her question and asked Kevin Williams if he was concerned about the SETG proposal from an industry standpoint since the information is likely to point out problems without proposing solutions? Kevin William indicated that he and industry are more concerned about the use of the PAPO fund and though that those dollars should be spent on the ground where there have the most benefit and that there would be no direct benefit from a report that gets shelved.

Paul Hagenstein then expressed his concern that the PAWG and the SETG are back to where they were three years ago and that the PAWG has been monitoring but not mitigating. He explained that this is evident when you follow the police around, or go up to the clinic. We (the county) have problems that most people in this room don't know about. The SETG identified the problems years ago and we still have the problems. The socio economic group is necessary and we need to keep it. Kevin Williams admitted that everyone knows there are problems but was worried that another report wouldn't solve them.

Paul Hagenstein asked of all three commissioners aware of the letter that was sent to the Field Manager? Bart Meyers indicated that yes, all three had signed off on it. Paul Hagenstein retorted that there seem to be miscommunication going on and that as soon as drilling picks up again, the problems are going to come back

Cathy Purves suggested that perhaps the PAWG can table this issue in order that the SETG could restructure with some help (maybe the county) a proposal that will provide beneficial and useful information that the county can utilize. Carmel Kail questioned whether the county interested in helping?

Bart Meyers said that the County wants to collect the right kind of info and perhaps the SETG or the PAWG should get on the county commissioners agenda.

Carmel Kail expressed concern that the SETG is doing this for the PAWG and for the BLM so it could go out to the public as a result for the Anticline SEIS per the PAPA development goal of monitoring the resources and that it was not being done for the county commissioners per se.

Bart Meyers indicated that from discussions with the commissioners, if there are socioeconomic effects that aren't being address, we need to address it. It doesn't matter where the data comes from. Carmel Kail responded that is not what the letter from the Commissioners to the Field Manager says.

Brian Davis commented that the questions are: should the PAPO be funding this? Is the proposal for WYSAC to capture data sets that aren't being gathered elsewhere? And is this proposal different from

what other entities are doing? And you are saying that this will be more recent data but the proposal does not specify that.

Cathy Purves suggested that maybe at the next meeting, the County can tell us what is being collected and then we can move from there. I like what is being proposed but I don't know if WYSAC will be collecting anything different.

Carmel Kail indicated that she thought there was miscommunication happening. The ERG report was made available in 2009 but the only hard data was 2005-2006, three years old, with projections into the future. It did not seem to our group worthwhile to pull together a report based on old data given the changes in the economy

Linda Baker then asked to be heard and Cathy Purves recognized her. Linda Baker stated that she recommends that the PAWG vote favorably on this and recommend it to the PAPO because it allows the county to use this information for afterschool programs, drug abuse programs, violence program, recycling, health care, etc. The county monies must be expended for the benefit of our county based in good statistics to find out where our problems are. The ERG info is outdated. We have a new scenario politically, economically, and we need good, valid timely data. Certainly PAPO funds should be used to mitigate social and economic funds as a result of oil and gas.

Cathy Purves then asked if the SETG could rewrite this proposal to explain to us and the county how exactly how this will spend money to gather specific data. Carmel Kail expressed some doubts and Bart Meyers suggested that we need to get this proposal in front of the commissioners.

Paul Rock then asked to be heard and Cathy Purves recognized him. Paul Rock indicated that Brian Davis says he is not clear about what the commissioners think. Brian Davis corrected him by stating that no, rather he was not clear about what types of information the county is collecting and that the PAPO board will have the same questions and it will dilute the other proposals that this group presents. Also, it is possible that the county should get more engaged in the things they are not addressing. Maybe we should be taking this to the county commissioners because if this is something that should be come sustainable and the PAPO goes away, the county should be on board for collecting this data. Paul Hagenstein made a good point, we are in a lull with regards to drilling, but what will the next boom look like.

Cathy Purves followed-up by stating that, as it is written now, and knowing who is on the board, I don't think they will appreciate the passion with which this is written, especially since the county is not even included.

Paul Rock was allowed to finish his statement and gave his opinion on how the commissioners see the issues. He explained that there used to be Michael Coburn and Jeffery Jaquette, county employees who filled the role that Carmel is trying to replace. Not only did the County get rid of those people, they got rid of the positions too. I have much more faith in Carmel and the SETG than the county as far as keeping the populations informed on SE issues. To go back to the commissioners is the definition of insanity if you expect a different result each time you try it.

Cathy Purves voiced her concerns about this proposal by saying that she is not trying to diminish this but PAPO may consider this to be larger than the PAPO issues. There are other projects ongoing besides the

PAPO (Jonah, EOG, LaBarge etc.) and the board may say that this is not appropriate for the PAPO because it is larger than the anticline. Kevin Williams followed up by saying that he is afraid the board will reject it because it is not exclusively anticline.

Paul Hagenstein then indicated that he thought it was absolutely necessary and that we should let the PAPO Board make that decision. Paul then made a motion to that the PAWG forward the SETG proposal to the PAPO as is. Nylla Kunard provided a second to the motion.

Cathy Purves called for a vote and Scott Smith asked for discussion. He stated that the proposal could be massaged to capture the previous discussion, but if it isn't he is afraid the proposal won't carry. Cathy Purves indicated she supported the proposal but wants to see it revised. Nylla agreed and said that she liked the proposal but though it wouldn't carry even if it is revised. The proposal should be submitted so we can get the Board's ideas on it and then revise the proposal to fit the Board's conclusions. Scott Smith asked about the Board's discussions with the county commissioners regarding this proposal. Jim Lucas allowed that he did not attend the previous meeting and did not know the outcome, but from a PAPO standpoint the board would like to see support from PAWG and the county before they commit to this.

Cathy Purves then called for a vote on the motion to submit the proposal to the PAPO Board and take the Board's advice.

Scott Smith, Paul Hagenstein, Nylla Kunard, and Cathy Purves voted for the motion.

Kevin Williams and Bart Meyers voted against the motion.

The motion to forward the SETG proposal to the PAPO board passed by a 4-2 margin.

Adaptive Management and Shell DA-5 Proposal

After a five minute break, Brian Davis reviewed the adaptive management process approved under the Anticline SEIS and Adaptive Management Implementation Memo. He then introduced Jim Sewell from Shell Exploration and Production who is presenting an adaptive management proposal for the liquids gathering system (LGS).

Jim Sewell gave a PowerPoint presentation explaining Shell's proposal requesting a deferral of the LGS installation in DA5. The presentation explained the status of the LGS system in the rest of the field, why DA5 is different, and some of the details about the commitments we are making. Shell has leases from the North end of the Anticline through the south end. Phase 1 of the LGS is completed and is gathering and disposing produced water. Before phase 1 was done everything was trucked to caplet disposal in BP. Shell is currently working on phase 2a which gathers water from DA 3-4. Shell is still finishing the condensate system, which will be completed this summer. Shell is also working on Phase 2b, north side of river in DA-2 and DA-1. Phase 3 is in DA-5 and this is where Shell is requesting deferral. The central facility is under construction and will be done this summer. That will account for 60% of liquids. It is partially operating and finishing. Shell is also working on the LGS north facility. Together, both facilities will collect 95% of liquids in the field produced by Shell. Over the life of field 200 million truck miles will be reduced. Tank flash and truck loading emissions are also reduced. Since phase 1, 9 million miles of truck traffic has been eliminated and 1.2 billion barrels of water have been gathered in DA-3 and 4 since 2009, which has eliminated 7000 truck trips in those areas. All well pads in DA-3 and DA-4 will be connected and Shell is on schedule to complete the LGS in DA 1, 2, 3, and 4 by Sept 2010. DA-5 accounts

for 5% of Shell liquids in PAPA. Shell has also reduced VOC emissions from facilities by 94% by controlling all tanks and heat trace pumps, installing low-bleed controllers, and reducing water truck trips by 200,000 miles.

The reason for the deferral request in DA-5 is because there is significant uncertainty with regards to the nature of the formation and the gas in that area. Shell is currently conducting a 4-well pilot project and acquiring seismic data. Shell needs more information to determine a development plan (well count, spacing, production) in DA-5. The development plan determines size and location for the LGS. There are wildlife resources in DA5. It is a key sagegrouse area, and after the 4-well acre pilot program there will be no additional drilling until LGS is installed. Currently there are 26 wells in area and those will continue to produce. 80% of area is in interim reclamation.

Deferral of the LGS in DA-5 will reduce potential for subsequent and unnecessary wildlife and habitat disturbance. The steps Shell has taken and will take under deferral will protect wildlife and reduce air emissions beyond what is required by ROD. The Governor and State Game and Fish have written letters of support for the deferral proposal. Shell is committed to building the LGS in DA5, but they want to build with certainty. An LGS facility that is either too big or too small is bad either way. The wrong type of LGS will result in reconstruction and increase overall impacts in the future. Shell will install the LGS in DA-5 by Sept 1 2013. No additional wells in DA-5 will be drilled until the LGS is operation. Shell is also pursuing joint infrastructure with other operators. Shell will install and operate a new vapor recovery unit and condensate truck unloading facility and will also be closing all drilling and completion pits. Additionally, Shell is developing a travel mgmt plan to avoid sage grouse leks. Further efforts to reduce emissions will include selective catalyst reduction on the pilot rig and the use of infrared cameras for leak detections.

There were a few follow-up questions for Jim Sewell and clarified the following points: the vapor recovery and condensate truck unloading is being permitted now and will be in place by the fall; Shell is committed to building size appropriate LGS regardless of profitable the development may be; The 4-well pilot is ongoing and year round drilling is approved for those 4 wells and it is scheduled for three more years; except for the pilot wells, there will be no more wells drilled in DA-5 done until the LGS is installed; Shell has to go to the BLM and the WYOGC for approval of the LGS plans; there is a total of 26 wells now with 5 pilot wells for a total of 31 wells on 10 or 11 locations; DA-1 is complete and Shells condensate ties into Questar's lines; as of Jan 2008 everything is trucked in field to the central facility, nothing goes to Calpet anymore; 90 % of our produced water comes from DA3, of that 60% is being gathered in the LGS, 40% is being trucked and by September 2010 95% will be gathered; most of the water that is gathered is piped to a water disposal well.

Cathy Purves thanked Jim Sewell and reviewed the adaptive management process developed, which was developed last March and approved in September. This is the second adaptive management proposal the PAWG has reviewed, the other was for reclamation monitoring. PAWG has one month to act on this proposal. If PAWG doesn't act by the next meeting, the FM will act without our input.

Kevin Williams indicated that the proposal offers mitigation that offsets their deferral of installation and he had no problem with it. Scott Smith concurred and reminded the group that the Wyoming Game and Fish had provided comments to the Governor and the Governor had written a letter of support for the proposal. The letter was submitted for record and reviewed by the group.

Cathy Purves asked how this proposal may be affected by pending decision by the US FWS to consider including the sage grouse on the endangered species list. Brian Davis admitted that it would be difficult to speculate on.

Cathy Purves asked if the PAWG is interested in deciding on the proposal today, or taking time to review it. Kevin Williams made a motion that BLM approve adaptive management plan subject to conditions set forth in letter from Gov. Nylla Kunard provided a second vote for the motion. Brian Davis called for a vote on the motion. All members present were in favor, none opposed.

Motion to recommend that BLM approve Shell's adaptive management proposal to defer construction of the liquids gathering facility in DA-1 subject to the conditions set forth in the letter from Governor Freudenthal passed unanimously.

Public Comment

Jocelyn Moore, Chairperson of the Water Resources Task group was given the floor. She reported that at the last PAWG meeting in January, the WRTG was put on the docket to present at the March 25th PAWG meeting. The next WRTG meeting is now scheduled for March 30, after the next PAWG meeting and the WRTG will present to the PAWG in April. One thing we will discuss is relocating a monitoring well upstream of oil and gas development. The current monitoring location which was upstream of development is now downstream because of the recent private well that was drilled. Also, could the BLM respond to the TG (before the next TG meeting) regarding their recommendations that the PAWG approved during the November meeting. Finally, could you respond to the request to identify two frac chemicals that are most toxic, not found in nature, and present in the highest concentration?

Brian Davis indicated that the question of frac chemicals is an ongoing global issue that we may not be able to respond to at the field office level.

Darci Sinclair reported that Shell contracts with the fracing companies and that Shell is not permitted by their contract to release that info.

Jocelyn Moore then asked if, since Merry Gamer is leaving Pinedale, will the TG be assigned a new BLM liaison? Brian Davis responded that for now, we will default to Dennis Doncaster

Linda Baker was then given the floor. She asked if the PAPO board is reimbursing operators for wildlife research project that occurred before the PAPO was created, does that mean that the PAPO is now funding research. Jim Lucas responded that the Board had discussed it and they are now open to funding research and research-related projects

Linda Baker then stated that the public is very interested in making sure that the impacts to water air and wildlife are truly mitigated by the 36 million dollars in mitigation funding promised through the ROD. Therefore, the public would like to know how proposal are decided upon. The decisions are proposal driven, and they have value, but it is not clear to the public that standards of assessment and protocols have been developed to select projects. It is not clear to the public how conservation easements mitigate impacts to wildlife air and water and human values after they are approved. How does a 22 million dollar project to preserve ranch land offset impacts to the PAPA? The public would like

to see the protocols regarding the way proposals are judged. As I mentioned at the last PAWG meeting, the public would like to see how previous easements have been decided upon. Furthermore, what about private minerals on conservation easements? What will happen after the minerals go to the Game and Fish Department?

Courtney Skinner was then given the floor. He announced that we would like to commend the PAWG on their work as a board and as a group because the decisions made by the PAWG and the BLM effect everyone in the county and city and even in the state. Earlier in the meeting, Dan Stroud used the word 'crucial' and I want to put highlight that. This is crucial land, crucial habitat and the conservation easement is crucial. I live on the Scott Place road which is the middle part of the easement, and I don't worry so much about the grouse but I see a huge red flag on the ungulates and particularly the moose in the corridor. The moose herd runs from Green River Lakes all the way to Big Piney and there is a problem with moose habitat. This conservation easement will protect the moose habitat, as well as the sage grouse and a large part of the ungulates are moving north as a means of survival and they are using the Sommers conservation easement corridor to survive and get from their summer to winter range. One key area to this corridor is the soap holes. There are numerous cultural and wildlife benefits, in particular is the cultural resources there. We have tried historically to conserve land and now we have the means to do it. These easements will help out homesteaders, ranchers and allow public access. These residents have struggled to survive and they are deserving of this conservation. The value of these conservation easements far exceeds the cost.

There were no additional comments and the public comment period was closed.

Cathy Purves restated the need for the BLM to distribute the notes and minutes from the quarterly and annual planning meeting to the PAWG, as well as the annual status report to the citizens brochure/document. Larry Jensen stated that the BLM is working on it.

There was a brief update on other projects in the Pinedale Field Office, including Paradise Transmission Line, Shell/Ultra Lander Road PA, LaBarge Platform EIS, Jonah NPL, and Jonah Seismic.

Paul Hagenstein then made a motion to adjourn the meeting. Kevin Williams provided a second. All voted unanimously to approve the motion and the meeting was adjourned at 5:05pm.

Minutes taken and respectfully submitted by D. Crowley 3/09/2010