Agenda

Jonah Interagency Mitigation and Reclamation Office (JIO)

and

Pinedale Anticline Project Office (PAPO)
Managers Committee Meeting
December 9, 2010
8:30 a.m.
Wyoming BLM State Office

ming BLM State Of Cheyenne

11:25 a.m. JIO Session

ATTENDING:

<u>BOARD</u>: John Corra (WDEQ Director), Steve Ferrell (WG&F Director), Jason Fearneyhough (WDA Director), Don Simpson (BLM Director);

<u>STAFF</u>: John Ruhs (District Manager, Wyoming BLM High Desert District), Shane DeForest (Field Manager, BLM Pinedale Field Office), John MacDonald (JIO PAPO Coordinator)

<u>PUBLIC</u>: Ben Arambel, Midland Ranch; Mike Smith, QEP; Margaret Spearman, USQ; Windy Kelley, Wyoming Department of Agriculture, JIO PAPO; Merry Gamper, WSO BLM; Justin Caudill, Wyoming Department of Agriculture, WLCI; Linda Baker (on phone), UGRA.

AGENDA: ADDITIONS OR CHANGES: none

REVIEW AND APPROVAL OF MEETING MINUTES, JIO Board Meeting of August 5, 2010: consensus approval

11:28 Ben Arambel: Status of earmarked funding for Arambel Reservoir Project handout map John MacDonald introduction:

- this was the first project of the Jonah field, and was set up 5 years ago between Arambel Ranch and EnCana prior to JIO formation; was subsequently rolled into the JIO
- Arambel Ranch wants to change the original scope of the project; to use balance of funds for something other than originally intended
- normally, unused funds are put back into the JIO for competitive applications
- staff requests Board decision regarding this situation

Ben Arambel presentation:

- provided original project history; because it was the first project of this nature, some of the intended expenditures were later found to be unnecessary
- experience is showing a better use for the remaining funds:
- wildlife riparian benefits coming from the Arambel Reservoir can be increased by drilling new water wells in other locations of the ranch's grazing rotation, taking livestock pressure off the reservoir
- more wells can result in additional green areas for wildlife
- location of ranch north of Farson is in a large antelope migration route and increasing wildlife demands as animals move away from Jonah activity

Discussion:

- JIO request is to drill one new well on 27N108W section 16 and refit an existing well on 26N108W section 36; (there is a PAPO application to fit existing wells with solar)
- project total was \$499k; \$379.9k has been spent, leaving the \$126k balance; Arambel has two bids supporting the requested \$126k, which include the drilling plus storage and pipeline facilities
- one well is solar powered, the other is thought to be artesian; if it turns out not to be artesian Arambel will find a way to power with portable solar and will not ask for additional funds
- Jason Fearneyhough: is in support of allowing these earmarked funds to be utilized by the ranch; because project was later rolled into the JIO should not take away their original access to the funds
 - John MacDonald: staff would be able to conduct the technical review next week if approved

Chairman summary: original project agreement allows changes in the use of the funds; agreeing to honor the change now would allow funds to be used before prices increase and to have most of it in place next spring for the grazing season

Jason Fearneyhough: the original funding agreement for the Arambel Reservoir project pre-dated JIO and was later absorbed into the JIO oversight, thus requiring a unique consideration by the Board. Because of this it was agreeable to allow the unspent balance to remain with the project

rather than adding it to the other available project funds, and requiring the Arambel project to recompete with others.

Chairman and Board consensus: "due to the unique nature of the grandfathered Arambel Reservoir Project, the Board is amenable to a change of scope, provided that change passes a technical review by staff"

12:00 JIO Budget Update see handout John MacDonald presentation

- EnCana contribution has 2 more years left with \$2.8m; can ask for all of it in 2011 or split it over two payments; doesn't need a board decision today
- \$500k needed for operational funds annually
- salaries and outstanding invoices will come to \$3.4m in 2011
- \$1.9m available to commit to projects in 2011; does not include the \$2.8 remaining payment from EnCana
- Discussion:
 - Don Simpson: can PAPO money be combined with JIO money for future project priorities?
 - John MacDonald: these are separate funds but the final decision would be up to the board
 - Don Simpson: expenditures now carried out to 2015; now staff needs to show the five year out picture
 - Don Simpson: does 2015 make any sense or do the agencies want it to go to 2020, etc? also need to look at other expenses shifting from JIO to PAPO in anticipation of JIO eventual end; can decide at spring meeting
 - John MacDonald: can already make the shift if the board wants to; will provide staff shifting report for spring meeting

12:15 JIO Project Applications for 2011 overview see handout John MacDonald presentation

- does not include any additional funding for Arambel project per previous discussion
- total requested: \$2.6k
- 11 applications total, but 4 are redundant with identical applications filed for PAPO funding;
- including the \$2.8 million not yet received from EnCana and accounting for the \$2.1 million earmarked for salaries and other expenses there's about \$2.6 million left in the JIO fund for projects
- Chairman: this round of projects is truly the end of the JIO funding

12:30 Public Comment Period

Chairman:

Linda Baker, UGRA, Pinedale: via conference line:

- Are there any wildlife monitoring results available since March 2007?
 - John MacDonald: staff will have to check and talk with her next week
- Referring to Game and Fish report showing sage grouse declines in 2008: would that make sage grouse mitigation a priority in project consideration?

John MacDonald: yes

Chairman: same would go for other wildlife showing declines

Jason Fearneyhough: has been operating under the assumption that projects are supposed to address any wildlife declines; also, declines in the short term were expected in the Jonah field

As new water projects are considered, is anyone considering the potential for increased predation of wildlife? Shane DeForest: yes

Chairman: no further business

Don Simpson moved: John Corra seconded, unanimous to adjourn

12:23pm Adjourn