

Ms. Spaulding addressed the Board and replied "First Liberty Energy, Inc. wants to be a good corporate neighbor with Rio Grande County". Ms. Spaulding appreciated the time and effort the Rio Grande County Board of Commissioners and the Planning Commission have put into this decision. Ms. Spaulding then asked that First Liberty Energy, Inc. respectfully requests that they approve this application.

Commissioner Bricker replied, in looking at the technical information the casing will go 4000' and then 200' beyond that. Ms. Spaulding replied the casing will be 200' below the bottom of Conejos formation however deep that might be.

Chairman Shriver asked if Todd Wright is the correct contact person for the County contact. Chairman Shriver suggested that the contractor consider a mock drill to go over all aspects of the drilling in case of emergency. Ms. Spaulding implied there will be a safety person on site 24 hours a day while drilling is going on. Peterson Energy has a 24 hour emergency line.

Commissioner Davie would like to make a motion that the Board approve the First Liberty Energy, Inc. application to drill with the following conditions:

1. The Applicant shall regularly communicate and coordinate with the Rio Grande County Road and Bridge Department with a review to avoiding damage to county infrastructure. The Applicant shall inform the Rio Grande County Road and Bridge Department in advance of any work being done within the county right of way. Normal dust suppression activities do not need to be noticed.
2. The Applicant is specifically informed that during periods of wet weather, the Rio Grande County Road and Bridge Department may place weight restrictions on unpaved county roads to avoid damage. This could restrict access and delay the drilling or completion of the well.
3. The Applicant shall apply for and receive any necessary over-weight permits prior to moving any over-weight loads to or from the drilling site.
4. The Applicant will follow all reasonable and necessary recommendations and supervision of the Rio Grande County Road and Bridge Department concerning any and all required road maintenance, repairs and dust suppression.
5. The Applicant will coordinate and communicate with the Rio Grande County Emergency Planning Manager and comply with

all reasonable requests and recommendations regarding emergency management.

6. Any spill or other incident that requires notification to the COGCC shall also be immediately reported to the Rio Grande County Emergency Planning Manager, or his designee, (24 hour contact number: 719-588-1608), the Rio Grande County Land Use Administrator (Business hours contact number: 719-657-4003), and the Rio Grande County Road and Bridge Supervisor (24 hour contact number: 719-850-1368).
7. The Applicant shall provide to the Rio Grande County Administrator copies of general commercial liability insurance policies for itself, its operator, and all subcontractors in the amount of a minimum of one million dollars per policy prior to the start of any operations.
8. The Applicant shall modify its water well sampling schedule so as to remain in compliance with all current and future COGCC water well sampling guidelines.
9. The Applicant shall record with the Rio Grande County Clerk and Recorder's Office and with the Colorado Call-Before-You-Dig Program the location of all flow and, or, gathering lines. Such recording and notice shall be accurate to plus or minus 2 feet horizontally and 1 foot vertically.
10. The Applicant shall record with the Rio Grande County Clerk and Recorder's Office and with the Colorado Call-Before-You-Dig Program when any of the flow and gathering lines are abandoned or removed.
11. The Applicant shall comply, as a condition of this permit, with all COGCC Rules and conditions. Specifically, it shall place intermediate well casing from the surface to below the base of the Conejos formation.
12. The Applicant, contractors, and subcontractors shall only use a closed loop drilling mud system.

Commissioner Bricker seconded the motion. Roll call, Commissioner Davie, Yes; Commissioner Bricker, abstain; Chairman Shriver, Yes. The motion passed.

Chairman Shriver inquired as to why Commissioner Bricker abstained. Commissioner Bricker replied "I do appreciate First Liberty Energy, Inc. cooperation and that it is a personal decision of mine and I don't believe for the record I really need to state why I would abstain." After the permit was approved Commissioner Bricker commented, "I appreciated First Liberty Energy, Inc. cooperation and they have gone the extra mile, so to say. Because I am the newest member on the Commission and it is a very serious matter and an issue that has

so many questions. I feel the county is unprepared at this time".

The hearing was closed.

Attest:

Karla L. Shriver
Chairman of the Board

Linda Slade
Clerk of the Board