

**MINUTES OF COMBINED COMMISSION WORKING AND REGULAR SESSION
MEETING HELD MAY 13, 2013 BEGINNING AT 9:00 A.M. IN COMMISSION
CHAMBERS, IN DUCHESNE, UTAH**

Present

Commission Chairman Ronald Winterton; Commissioner Kirk J. Wood, Commissioner Kent R. Peatross, Deputy County Attorney Marea Doherty, Public Works Director Glen Murphy, Weed Department Supervisor Ron Johnson, and Commission Assistant BobbiJo Casper taking minutes of the meeting.

Public Works/Landfill Department Update

Uintah Basin Standard Reporter Steve Puro joined the meeting at 9:12 A.M...

Director Murphy reported that the Road Department is working on the Strawberry River Road and will be done this week. They will then work on the North Crescent Road with XTO.

Director Murphy also reported that, according to his records, they still owe the Duchesne County School District ninety five thousand dollars (\$95,000) for the exchange of the old bus garage and the new parking lot in 2008. Commissioner Peatross suggested doing as much in kind work as possible. Commissioner Wood stated that this may fall within the contract of Revitalization Funds in the Fairground allocation.

Consideration Of Amendments To The Duchesne County Road Department Right Of Way Encroachment Permit Application

County/Community Planning Administrator Mike Hyde joined the meeting at 9:20 A.M...

Director Murphy stated that we would like to charge more for a permit when someone is barring a pipeline long distance and suggested the possibility of charging by the foot after a certain length. He will find out what other counties are charging. Supervisor Johnson stated that the Utah State Ag Inspector is concerned that there isn't anything in the permit that states what they need to do to control weeds. He has prepared a simple version of what they are requesting and suggested adding the language "Comply with Utah State Noxious Weed Ordinance R68 and County Ordinance No. 04-224" to the application.

Consideration Of A Quit Claim Deed With Easement And Covenants Associated With The Pariette Road (County Road #33)

Administrator Hyde stated that he was contacted by Jones & DeMille who has been working with owners of the former Hollow Moon Café property to acquire right of way for widening of the abutting county road. The owners have agreed to sign a quit claim deed for such right of way provided that the county continue to recognize the property as legal and conforming, maintain all of the existing access points, and pave them as part of the project. The request needs approval from the commission so the project can move forward. Director Murphy stated that he is unsure of all of the access point locations, but he will look into it. *Commissioner Wood motioned to approve the Quit Claim Deed with Easement and Covenants associated with the Pariette Road project. Commissioner Peatross seconded the motion. All commissioners voted aye and the motion passed.*

Discussion Of Property Taxes

Treasurer Colene Nelson & Ruth Roberson joined the meeting at 9:42 A.M...

Ms. Roberson stated that she bought this home in 1996 and moved to Apple Valley and has been renting it out. The last renters completely trashed the home and its going to take a lot of work and money to repair the damages. The rent hasn't been paid since July of 2012 and that was her only source of income. Commissioner Peatross stated that they are willing to give her twelve months to get caught up including 2013 taxes to keep it off of the tax sale, but this needs to be paid before the 2014 tax sale or it will be a part of the auction. Treasurer Nelson stated that she will calculate what the payment amounts are and provide payment vouchers.

Charles Pierce joined the meeting at 9:53 A.M...

Mr. Pierce stated that his wife handled all of their property taxes and she passed away last year and he didn't know that it hadn't been paid so it's going to tax sale. This is his primary residence and he is retired. Commissioner Peatross stated that we are allowed to extend this out a year, so you have to have back taxes plus 2013 taxes paid by this time

next year or it will go to the tax sale. He suggested that Mr. Pierce work with Treasurer Nelson on payment arrangements and payment coupons.

Consideration Of Payment Vouchers

Deputy Clerk Auditor Connie Sweat joined the meeting at 10:00 A.M...

The commission reviewed vouchers # 124830 through 124907 dated May 13, 2013, in the amount of one hundred forty three thousand two hundred sixteen dollars and thirteen cents (\$143,216.13) as presented by the Clerk Auditor's Office. *Commissioner Peatross motioned to approve the vouchers as presented by the Clerk Auditor's Office. Commissioner Wood seconded the motion. All commissioners voted aye and the motion passed.*

Consideration Of A Business License Application For Club Rec North

Deputy Clerk Sweat stated that this business will rent out water sports equipment and have a snack shop at Starvation State Park. *Commissioner Wood motioned to approve the business license application as presented. Commissioner Peatross seconded the motion. All commissioners voted aye and the motion passed.*

Consideration Of A Business License Application For Pride's Small Business Solutions

Deputy Clerk Sweat stated that this is a business provides book keeping and human resource services. *Commissioner Wood motioned to approve the business license application as presented. Commissioner Peatross seconded the motion. All commissioners voted aye and the motion passed.*

Consideration Of Minutes For Combined Commission Meeting Held April 29, 2013

Commissioner Peatross motioned to approve the minutes with the necessary changes. Commissioner Wood seconded the motion. All commissioners voted aye and the motion passed.

Consideration Of Minutes For Combined Commission Meeting Held May 06, 2013

Commissioner Peatross motioned to approve the minutes as presented. Commissioner Wood seconded the motion. All commissioners voted aye and the motion passed.

Commissioner Wood excused himself at 10:05 A.M...

Tax Adjustments – Assessor

Assessor Greg Garff joined the meeting at 10:10 A.M...

The commission reviewed the attached tax deferrals presented by the Assessor's Office. Commissioner Peatross motioned to approve the tax deferrals as recommended by the Assessor's Office. Chairman Winterton seconded the motion. Both commissioners voted aye and the motion passed.

Consideration Of Acquisition Of Real Property

Attorney Doherty stated that this is in regards to property in Indian Canyon. If there are competing bids, the auction will take place on May 31st. Commissioner Peatross stated that we need to determine a maximum amount and suggested going into closed session for that discussion.

Closed Meeting –

Commissioner Peatross moved to go into and out of closed session for the purpose of discussing pending or reasonably imminent litigation and the purchase, sale, exchange, or lease of real property at 10:40 A.M. Chairman Winterton seconded the motion. Both commissioners voted aye and the motion passed.

Commissioner Wood rejoined the meeting at 10:41 A.M...

Re-entered Combined Commission Meeting at 10:53 A.M...

Consideration To Take Action Discussed Under Closed Meeting

No action was necessary.

Closed Meeting –

Commissioner Wood moved to go into and out of closed session for the purpose of discussing personnel issues at 10:54 A.M. Commissioner Peatross seconded the motion. All commissioners voted aye and the motion passed.

-Re-entered Combined Commission Meeting at 11:18 A.M...

Consideration To Take Action Discussed Under Closed Meeting

No action was necessary.

Entered recess by general consent at 11:18 A.M...

Re-entered Combined Commission Meeting at 1:30 P.M...Meeting was relocated to the Duchesne High School Auditorium...

Public Hearing 1:30 P.M. – Consideration Of Ordinance # 12-308, An Ordinance Amending The Duchesne County Zoning Ordinance Regarding Oil And Gas Wells

County/Community Planning Administrator Mike Hyde, Shirley Weathers, Bill Walsh, Joe Fieldsted, Steve Puro, Paul Paramore, Dennis Ingram, Russ Cowan, Stephanie Winterton, Dick Timothy, Margie Burdick, Mara Burdick, Jason Danley, Dave Nelson, Scott Olsen, Stan Larsen, Kathryn Larsen, Scott Wickel, Kay Cloward, Christine Rich, Cody Rich, Randy Cloward, Lorrie Cloward, Michael Barneck, Susan Hamilton, Lowell Braxton, Michael Halsell, Diane Phillips, Richard Middleton, RoJean Rowley, Brad Hill, John Rogers, Harold Nielson, Virgil Nielson, Tracy Adams, Frank Marold, Chuck Rich, Jacob Woodland, Trent Potter, Allan Smith, Bobby Mitchell, Richard Yeates, Scott Beddes, Darin Axthelm, Alex Keeler, Miranda Keeler, Braden Oaks, Kelley Huemoller, Sean Nazer, Jerry Nelson, Sam Knaizer, Tim Trujillo, Bill Hansen, Stacy Hadlock, Brad Mecham, Brook Gilbert, Shatrina Kenney, Beverly Joy, Jeff Crozier, Mike Schnars, Jeff Schnars, Art Taylor, Lee Peacock, Greg Todd, Jared Thacker, Robert Russell, Russell Sorenson, Dalas Jones, Norval Glines, Wayne Garner, Dennis Scmitt, Larena Carter, Brent Carter, Colleen Carter, Garrick Hall, Ron Smith, Barbara Turner, Doug Dennison, Mike Beath, Wanda Cordnee, Clark Cordnee, Shaun Mullins, Jay Van Tassell, Linda Blue, Gary Blue, Swayne Davies, Jeff Henderson, Ryan Brock, Cly Grant, Andy Jones, Glenn Farrer, Shana Young, Maranda Keeler, Megan Rhoades, Kristen Cummings, Joe Pippy, Forest Bird, Irene Hansen, Linda Pogroscewski, Ray Wood, Luis Zamora, Ron Sweat, Ronald Theard, Cody Stewart, Ryan Chapman, Brock Parkhurst, David Allred, Ray Morlan, Dan Orr, Byron Moon, Bryson Bench, Val Oman, Brandon Hardman, Jeff Stevenson, Chad Peatross, Dan Karren, Allen Rydman, Susan Rydman, Tawsha Brandt, & Joe Steed entered the meeting at 1:30 p.m.

Chairman Winterton opened the public hearing and stated that this is a continuation from April 4, 2013. We follow Roberts Rules and want everyone to be orderly and conduct themselves in a professional manner. We will not allow whistling, cat calls, or applauding. Be respectful to those presenting and making comments.

Chairman Winterton made the following opening comments:

We all recognize how important the oil industry is and how it provides products, jobs, income, and tax revenue to the county and citizens. In no way do we want to diminish that. We have heard a lot of comments and most of what people are saying is that they don't want an oil well in their back yard. This ordinance is not intended to regulate where oil wells are drilled, but to maintain the safety and welfare of the citizens of Duchesne County. We are trying to promote a good faith effort and to be able to allow the industry to do what they need to do in a responsible manner. We have learned that mineral owners have a right to access their minerals and that the mineral rights are dominant in a split estate so we are not going to dispute whether or not the mineral rights have power, we are not deciding that.

The removing of the 660-foot setback from homes now applying to certain zones in the county will be detrimental. The commission is attempting to apply uniform standards to all private land in the county rather than just the higher density areas. A large setback may restrict reasonable access to minerals in some areas of the county. This could expose the county to expensive lawsuits. The ordinance does maintain a conditional use permit process in those higher density zones to allow for more public knowledge and participation in the oil well siting process.

There have been recent oil well site fires and explosions. The commission understands that the oil industry presents certain dangers. The industry is very responsible, they know what the risks are, so we are not trying to tell them how to conduct business; we are trying to set a minimum standard to protect the people. The ordinance proposes a setback of at least 300 feet to minimize that danger, yet allow access to the minerals we all need.

Chairman Winterton asked if Administrator Hyde would explain how we have gotten to

where we are.

Administrator Hyde stated what the commission is considering today is an amendment to the county zoning ordinance. Duchesne County started regulating oil wells in 2005. At that time, we looked at what our surrounding counties were doing with regulating oil wells on the surface and Carbon County was requiring a 660 foot setback on private lands. The commission at that time felt that distance was appropriate. In 2011, we started seeing more oil wells coming off of public lands onto private lands. The rub has been that the 660 foot setback has only applied to three higher density zones in the county (A-2.5, R-1, R-1/2). People outside of those zones want the same protections. The Planning commission recommended a change that would apply countywide. We have had seven different versions of the ordinance and have heard lots of comments. The ordinance before the commission today is our attempt to find middle ground here. Case law has established that the mineral rights are superior to the surface rights, so the county has to be careful not to make it too tough for mineral owners to access those minerals. Case law also says the surface owners need to be protected and that the energy industry needs to be reasonable and practical to limit the impact on those owners.

Commissioner Peatross stated that, two years ago, he felt all of the frustrations that surface owners are facing on property that has been in his family for ninety three years. He was approached by a company wanting to put an oil well on my property and he said he didn't want an oil well in his back yard. He spoke to three attorneys and decided to back off when he realized how much it was going to cost and ended up negotiating with the operator for a better deal. The bottom line is, to further emphasize what Chairman Winterton stated, that today's discussion isn't whether we want an oil well on our property. The commission has read all comments, but the county's authority is minimum in this situation. What we are doing is trying to minimize the impacts and provide people within the 660 foot radius with an opportunity to be heard. We have property owners on both sides of the fence and need to come up with a middle of the road accommodation. The three hundred feet is the best we can do as a safety threshold in his mind.

Commissioner Wood requested to hear facts and figures from the industry regarding the proposed three hundred foot setback.

Lee Peacock with Utah Petroleum Association stated that this has been a long and difficult process. It's a complicated issue with many scenarios. We understand the reasons, but it has been a concern of ours that it has been a bit of a moving target. There are several significant changes with each ordinance presented. We try to get opinions from several companies and it has been difficult to get a cohesive response to the drafts. As an organization, we are more confident with draft #6. We appreciate the threshold term rather than the setback. Our commitment was to mitigate impacts on the dwelling owner. We have a primary concern with the three hundred foot setback and have a hard time understanding the justification. The concept of an offsite owner having a say as to where the oil wells will be placed is completely new to State Law and he isn't sure if its specified by the law, so that's concerning. We feel that the placement of oil and gas wells falls directly on the Division of Oil, Gas, and Mining, which is authorized by the State Legislature. In Section J on the minimum setback, it is dangerously close to what falls under the State jurisdiction. He believes that the circumstances will be right at some point in the future where that will be challenged if passed and the court of law will have to dictate what the State authority is and what the county authority is and the court of law would have to dictate the balance because we believe with that setback, minerals will be left in the grounds. We appreciate the improvement in version #7, but in Subsection J, he has significant concerns.

Doug Dennison with Bill Barrett Corporation stated however this ends up, we think that a lot of good has come out of this whole process. As an industry, we have greater appreciation for the citizens in the county. We know now that we need to increase our communication and education efforts. You asked for facts, but in Colorado, they went through months and months of testimony and deliberation and ended up with a political compromise of a 500 foot setback. For those of you who own surface and not minerals, we know that our operations can result in impacts, both negative and positive. We respect those property rights, but we can't support the latest version because of the 300 foot

setback and we are concerned with the dangerous precedence the process will set. In addition, we have a problem with the clause regarding location of production equipment; the language needs to be tweaked. What is more troubling in this is the inclusion of a requirement to allow the offsite owner to veto what someone does with their own private property. We are concerned when we see ordinances like this that makes it more difficult to operate. We support revision #6 and believe with the threshold concept in #6, it will address any issues that would arise in the future. The burden is on us. On behalf of Bill Barrett Corporation, we are committed to making the threshold concept work.

Sam Knaizer with Newfield Production Company stated that this is a complex issue. The commission asked a question about the three hundred foot setback but the setback isn't so much the issue. The issue on the latest draft is that you are giving adjacent land owners legal property rights; this has never existed anywhere to his knowledge before. He is interested in seeing how that plays out. That upsets the balance of property law in unidentified ways. Should this ordinance pass in its current form? It most certainly invites litigation. To flesh this out, it's going to be a case in Utah courts and one that he thinks we need to see, especially with the changes from version #6.

Wayne Garner with EP Energy stated that the commissioners have come a long way. This document has vastly improved. We would like to see verbiage added to line #124 regarding the spacing because it's not practical. In regards to H2S gases, we test and treat our facilities for this monthly. The 300 foot spacing is a vast improvement. We negotiate with people and come up with a compromise, so he can live with the 300 feet and feels 660 feet was impossible in some locations.

Kraig Phillips with Homeland Gas and Oil stated that he has been in the oil industry since 1971. Common sense tells him that the further away a well is the chances are smaller for something to happen. As an example, Frontier Drilling with Devon Energy had a rig burn down and they evacuated everyone within 2500 feet. In the more populated areas they should consider horizontal drilling. To make it short and simple, you should move wells further away to protect citizens of this county.

Cody Stewart from the Governor's Energy Office stated that he has had a lot of discussion with industry and the commission over the last few weeks. This has been an incredibly complex issue. The energy industry has concerns and there are a number of opinions on the matter. The caveat is that I can't say that I speak for the entire State of Utah, our job is to promote energy and DOGM's job is to regulate it. DOGM is considering if there should be a state rule on this matter. If you make the rules too rigid, you may take away the ability to negotiate. If you can't come to an agreement, you will end up in litigation and you never know how that will end. If everyone can pull together, you will come up with a better outcome.

John Rogers with the Division of Oil, Gas and Mining stated that the division is not taking a position that the county cannot do a ruling like this. We felt it's not in our right to do so. Our Attorney General has looked at this and if you look at the Utah Oil and Gas Conservation Plan, setbacks are not mentioned. We then looked at the Land Use Development Management Act and it states that of the county can protect the welfare and safety of the individuals of the county. As he has done research, Colorado has a 500 foot setback, Wyoming has a 250 foot setback, Texas has a 200 foot setback, so it's not unheard of that there are setbacks throughout the industry. We aren't going to step in and say what you can and can't do. We may choose to develop a setback rule, but if we did, it would be at least two years down the road. As you have seen in the past, there have been incidents such as a fire near Roosevelt and the explosion last week; where is enough-enough; we don't have a hard threshold rule.

Commissioner Peatross stated that comments have been made that the county doesn't have authority over zoning when it comes to tribal or federal land or when it's related to federal or tribal minerals. We know that our county is under lied with federal and tribal minerals that are under private property. Commissioner Peatross asked Mr. Rogers if he has made any comparisons in other states as to how they would weigh in on that kind of an issue and if they have those issues.

Mr. Rogers replied by stating that we look at it differently because we are dealing with surface owners. He doesn't think federal or tribal minerals are an issue at this time, its primarily surface owners.

Commissioner Peatross stated that as a commission, we have taken the position that we don't care who owns the minerals, the issue that we are dealing with is the impacts to the surface. Commissioner Peatross asked Mr. Rogers if in his mind, DOGM feels it makes a difference.

Mr. Rogers replied by stating no, if its federal or tribal minerals we go out and look at that as a protected right of the surface owner to see what we can do to make the site acceptable.

Trent Potter with Farm Bureau stated that we have been heavily involved with this issue for a while. Ever since the cancellation of the federal leases, there has been more pressure put on the commission for oil and gas development on private lands and it results in more conflict. The Farm Bureau's efforts are with our agricultural producers to minimize the best we can to avoid impacts to agriculture land. A year ago, in the legislative session, they passed a surface owner protection act. What this does is it gives surface owners a mediator that allows extra time to negotiate and help with the process to minimize the impact. We discussed with agriculture producers of the county about this issue and in our meeting we voted for a 330 foot setback cutting the proposed 660 foot ordinance in half. We had first responders who attend the meeting last week and said 300 feet is a hot spot. To determine that distance, a football field is 300 feet long. Directional drilling can help eliminate surface owner's heart burn and reduce impacts. We aren't against oil and gas development; we appreciate diesel fuel for our farm equipment. Negotiating is the name of the game, but it's frustrating to surface owners and we just want to be treated fair and equitable and hope we can find common ground. Oil and gas is a big part of our economy.

Chairman Winterton asked for public comment with new concerns not already mentioned.

Stan Larsen stated that he was not notified of a well coming in across the street from his house and now he is dealing with pollution and noise. House Bill 74 was passed by our government where power of eminent domain is given to the industry. They don't have to negotiate, they will just take it from you and now he has to pay the property taxes on what has been taken from him. He went through absolute theft. You don't have the right to negotiate with Ombudsmen and wants the commission to push back and wants the voters to push back to get back some of our rights.

Jay Abbott stated that he lives in Duchesne. He was gone for 2 years and came back to find 4 oil wells on his ground. After House Bill 74 passed, the industry doesn't have to negotiate and he feels that he lost the ability to negotiate. He didn't receive any money for the wells and it can happen to you.

Art Taylor stated that he was never able to slice a piece of meat that didn't have 2 sides. A gentleman said "respect" for private property owners. He graduated from high school 65 years ago and at that time you had to move away to get a job. He has children that work in the oilfield and now has 26 well sites on his property that has been discussed each and every time with his family. We approve the survey and when the well comes; we have made changes. We also approve when the State comes out and we don't have any problems. We had to change 2 wells to move a quarter of a mile but we have had a good working relationship with the industry.

Richard Yeates stated that prior to buying his property he didn't know much about mineral rights. His land is his retirement and the compensation of a well compared to the compensation of growth doesn't compare. Where do negotiations lie when you can't sell your property? My future investment should pay me \$200,000 where the oil company will pay \$4,000. He's not against the industry because you have to have energy resources, but people who own the mineral rights don't have the consequences that the surfaces owners have. It seems like a losing deal so far.

Alan Smith representing the Utah Royalty Owners Association stated that we would like to see the ordinance do away with the conditional use permit and treat all homes in the county the same in all zones. Last week we discussed with the industry a 300 foot hard setback, but now he is hearing that the industry and Utah Petroleum Association wants a 660 foot threshold. The Utah Royal Owners Association can support that idea. If you go back to #6, he would like to keep the surface disturbance provisions in there to protect our minerals and our surface. As mineral owners, we are partners with the industry. The bottom line is that he can agree with the proposal from the industry to work with the 660 foot threshold.

Shirley Weathers stated that she lives in Fruitland and doesn't own the mineral rights. They use their forty acres for grazing and have a guest house and a tourism business. After we were approached about an oil well on our property, we did a lot of research. As far as she is concerned, she is going to call version #7 the lesser of the evils. We know that the industry is uncomfortable with version #7. The only right we have been able to ascertain is the right to deal with a land man and you can't say no. The only thing you can do is try to get them to consider your circumstances. We are very unhappy that the existing zoning regulations would be repealed. With regards to surface disturbance, we propose that the language be changed to allow the surface owner the greatest possible use of their surface. Three hundred feet is not good enough, but it's better than what we who live her in the A5 and A10 zones have, which is nothing. The H2S gases in Subsection L gives surface owners some sense of relief. The issue of a surface use agreement in dealing with negotiations, we feel that we generally have no cards and have no right to say no. She urges the commission to pass #7 as written.

Ron Smith stated that he lives in Fruitland and supports what Mrs. Weathers indicated other than the setback requirement. The county commission should consider all planning issues in a fair, equitable, and practical manner that needs to be done while taking into consideration the needs of oil and gas development but also the health, safety, and welfare of Duchesne County residents. He urged the commission to resolve a balancing test of resources with the development of the health and safety of your residents and maintain the 660 foot setback and extend this requirement to all private land in all zoning districts in Duchesne County. Not because of the property values, but for the safety of the residents. The 660 foot setback provides a safety margin to surface owners and their families. After the recent tragedy, emergency services evacuated over a mile from the site for safety. He is asking for a minimum of 660 feet. It will cost a little more, but that cost is not comparable to the cost of losing a life. How do you expect to work out a fair agreement in mediation? The 660 foot setback requirement is within your power as commissioners, it's not pre-empted by the oil and gas conservation act according to the Utah Attorney General's opinion, which was sought in this matter and was issued on March 18, 2013. Neither State acts nor County ordinances preempt the other. There have been veiled threats of litigation towards the county and he is asking the commissioners to take a stand and say if you want to sue us for protecting the safety of our residents, then do so, because that's our job. He feels that they don't interfere with state law or regulations or interfere with development of oil and gas development and are responsible for the health and safety of Duchesne County residents.

Irene Hansen with the Chamber of Commerce stated that she loves our county, agriculture and industry. After living here 35 years and seeing the ups and downs, she does know one thing; if we want to keep our property values secure, we need the oil industry here. We are the envy of rural America. We have had utilities brought in and emergency services because of the industry expansion. She wouldn't move next to an oil well location, but because of the restrictions that the industry is under she would feel comfortable. We do have accidents, but she feels that the industry does everything they can. The industry can only be pushed so far and they will leave. The economy is why we are the envy of rural America and why she believes we are flourishing. She knows there are impacts, but the industry works hard and so do we. The new high school we are in right now is the result of the industry.

Bill Walsh stated that he is a surface owner. His thoughts are that this regulation, though monumental, is really small within the big picture. If we are declared non-attainment by

the EPA, we are going to see regulations by the Federal Government who won't negotiate and can't be pushed around. If this happens, this ordinance is going to pale by comparison. Use of water hasn't been addressed. We are pumping millions of gallons down in the dirt. Transportation has also not been addressed and the millions of dollars it costs to rebuild a road. There will be consequences. This has been a difficult process and accommodations have been made. This needs to be regulated and if there are self-regulations by the industry to spread out the impacts, to do a decent job, you will need a much better position when that day arrives.

Ray Morlan with Nabors Well Service stated, without the oil industry, we wouldn't have what we have. The oil industry is Duchesne County. The commission has come a long way with the ordinance, but without the oilfield, you won't have much.

Commissioner Peatross stated in regards to House Bill 74, greenbelt was an issue that was driven by a County assessor in the State of Utah who wanted to rollback all of the properties that had oil wells on before January of 2013 off greenbelt and put them in a different classification. The issue according to the State Constitution did require for this to happen, and Representative Mathis ran the bill. The bottom line was that they grandfathered all of the locations prior to January 2013 in and left them alone. The future locations do have the possibility to roll off of greenbelt if they change use. We have taken a position in the county, that if cows are sleeping around tank batteries and farmers have parked their equipment next to a well, we haven't changed the use from greenbelt. This really has nothing to do with what we are talking about today, but it is out there and we are trying to deal with it. If anyone has any questions, he is willing to discuss this with them further.

Commissioner Peatross also stated that we have heard testimony on both sides of the issue. In Paragraph K, it talks about consolidating the tank batteries. We recognize that we have waxy crude, so that may not be realistic. He is concerned about that language, but the intent is to encourage industry to make those provisions. We have heard some very compelling testimony today. It was brought up that the 660 foot setback is being repealed in the higher density areas. As we got looking into this, it comes back to encroaching on private property because not all of the areas that qualify are in the high density areas. The reality for him is if we go with the hard 660 foot setback, we will continually impose on adjoining people's property rights. To the industry, he is going to have to say sorry, but feels we need to stick with at least 300 feet. He is in favor of supporting this ordinance, but he wants to change Paragraph K.

Commissioner Wood suggested changing the working in Subsection K from "possible" to "practical" in two locations and stated that our intent is to be logical. It has been mentioned a few times that the county is dealing with health, safety and welfare. As far as health goes, there is no question that oil and gas production adds to the pollution of the county, but so does he every time he starts his vehicle. However, the stress is definitely a factor and if he is not employed that is stressful. When it comes to safety, a lot has been said about the 300 foot setback; are we leaving minerals in the ground? He is not sure, but every instance is going to be different. We all take risks everyday of our lives. We want to eliminate as much danger as we can, so we have to weigh benefits with risks every day. When we talk about welfare and property values, if jobs leave the county property values will tank. If the oil companies leave, our property taxes would double or triple overnight. Fifty three percent of property taxes will be paid from the extraction industry this year. Litigation has been mentioned and he hopes it doesn't come to that; you may win the battle, but you will lose the war. With those comments he thinks we have a workable agreement and he has leaned towards the threshold in the past, but the recent events made him look at the hard setback of 300 feet.

Chairman Winterton stated that he has been all over the board on this and feels that in the work sessions we held, we were under the impression that everyone felt good about the direction we were headed and we felt good about it. We present it today and the people who were involved in those discussions are now in opposition. We want what is best for our county residents. He still has concerns, but who is to say where the safe zone is, so for him he wants to continue to see the county prosper and wants his kids to be able to stay here and work. He wants us to have good air quality and have good transportation

where we can drive down the road and be safe. With that said, we will conclude the public hearing and go back into our combined meeting.

Entered back in Combined Commission Meeting at 3:45 P.M...

Commissioner Wood moved to adopt Ordinance No. 12-308 with the recommended changes in Subsection K and adopt the findings of fact and conclusions of law.

Commissioner Wood stated that he hopes that people don't abuse the conditional use permit option. He knows that this has concerned industry and the appeal process can go on and on. That needs to be used when there is a legitimate concern. There has been talk of increased education and cooperation. As a commission, he feels that is a big key to this ordinance. This is a hard line drawn in the sand and he doesn't intend to stretch that out any farther. He hopes that we can continue to work with people to do what we need to as a county and that the industry can continue to function and we can continue to grow and develop as we need to as a county.

Commissioner Peatross seconded the motion. All commissioners voted aye and the motion passed.

Entered recess at 3:48 P.M...

Reentered Combined Commission Meeting at the Duchesne County Administration Building in Commission Chambers at 4:32 P.M...

Commission Calendaring

Closed Meeting –

Commissioner Wood moved to go into and out of closed session for the purpose of discussing pending or reasonably imminent litigation at 4:39 P.M. Commissioner Peatross seconded the motion. All commissioners voted aye and the motion passed.

Reentered Combined Commission Meeting at 4:51 P.M...

Consideration To Take Action Discussed Under Closed Meeting

No action was necessary.

Adjourn

Chairman Winterton adjourned the meeting at 4:51 P.M.

Read and approved this 17th day of June 2013.

*Ronald Winterton
Commission Chairman*

*Diane Freston
Clerk/Auditor*

Minutes of meeting prepared by BobbiJo Casper _____