

Enhanced Oil Recovery Commission



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February 21, 2014 – 9:00 AM
Special Meeting via Telephone

Commission Members Present:

Bruce Williams, Chairman
Tom Drean
John MacPherson
Rob Hurless, Representing Governor Mead
Jimmy Goolsby
Tom Fitzsimmons
Eric Easton, Senior Assistant Attorney General

Enhanced Oil Recovery Institute Staff Present:

David Mohrbacher, Director
Glen Murrell, Deputy Director
Pepper McClenahan, Business Manager
Nick Jones, Senior Geologist
Chana Conley, Office Associate, Sr.

Other:

Norm Morrow, Professor Chemical and Petroleum Engineering

I. Call to Order

Chairman Williams called the meeting to order at 9:00 a.m. Roll call was taken and a quorum was established. Eric Easton of the Attorney General's Office reminded participants that this was a special meeting and therefore, the only items that could be discussed and voted on were items specified on the meeting agenda.

II. Old Business

Budget Reallocation Requests

- Discussion was held about a proposal to reallocate \$37,000 from the EORI labor budget category for FY 2013 to the EORI lab equipment budget category for the purpose of purchasing additional lab equipment.

- The EORI laboratory group requested that additional lab equipment be purchased to increase accuracy, precision, and efficiency. Included in this request were four extra pressure transducers and data acquisition hardware. Director Mohrbacher noted that current transducers in the lab have to be moved between pieces of equipment to acquire different measurements. Purchase of additional transducers would allow for multiple pieces of equipment to be used simultaneously, and would also reduce the risk of damage to equipment that is possible when transducers are moved repeatedly between the pieces of equipment. Another benefit would be that the pressure data could be more efficiently collected and recorded. Currently the equipment has pressure gauges which require a staff member to manually read the gauge and record the data by hand. Adding the digital transducers would improve efficiency as well as accuracy of the data collected and allow for more experiments to be performed, and over longer periods of time. Director Mohrbacher stated that the digital pressure gauges are a required piece of equipment in order to perform necessary work at EORI.
- Purchase of gas generators was also included in the reallocation request. Installation of these generators would allow the laboratory to produce its own gases and eliminate the need for ordering of gas cylinders. Director Mohrbacher noted that the cost savings of having the gas generators over the ordering of cylinders would pay for itself in four years if used exclusively. More realistically the gas generators would be used to produce 50% of the current gas needs of the lab and pay for themselves in eight years. Also noted was the increased safety to the lab group using the generators instead of having to physically handle the compressed gas cylinders and explosive gas.
- Commissioner Tom Drean expressed his concern that these pieces of lab equipment had not been requested prior to the end of the biennium and inquired if the transducers and gas generators could wait until the next biennium for purchase. Director Mohrbacher noted that while it would be possible to wait on these purchases, a delay would slow work on the PVT apparatus. Going forward, Director Mohrbacher offered reassurances that increased staff training, development of a more detailed strategic plan, and quarterly updates would be implemented to identify when new equipment was needed in a timely way. Additional information on the next biennium budget and strategic plan will be presented in April.
- Commissioner Goolsby indicated that it is not unusual to identify the need for additional equipment during commissioning of laboratory equipment, and completion of technical work within the lab based on his personal laboratory experience.

Motion: Commissioner Goolsby moved to approve the reallocation \$37,000 from the fiscal year 2013 labor budget category to the lab equipment budget category for the purchase of transducers and gas generators. Commissioner Fitzsimmons seconded the

motion. A roll call vote was held with Chairman Williams, Commissioner Fitzsimmons, Commissioner Goolsby, and Commissioner MacPherson voting in favor and Commissioner Drean voting in opposition. **Motion Passed.**

- Discussion was held on a proposal to reallocate funds from the EORI labor budget to provide additional funding to the Petrophysics and Surface Chemistry Research Group headed by Dr. Morrow.
- Dr. Morrow requested the reallocation of \$48,000 for costs of labor and lab work to complete his work on sequential waterflooding in the Osage Field. Commissioner Fitzsimmons requested further details on how the project was related specifically to the needs of Wyoming producers and fields, and the interest from Wyoming operators regarding sequential waterflooding.
- Chairman Williams inquired if there had been a large screening of fields in Wyoming to determine the applications of sequential waterflooding. Director Mohrbacher noted that while wide screening would be possible, there were not currently criteria in place for screening for effectiveness of sequential waterflooding, and that criteria would have to be developed before wide screening could be implemented.

Motion: Commissioner Fitzsimmons moved to deny the reallocation of funds. Chairman Williams seconded the motion. A roll call vote was held with Chairman Williams, Commissioner Fitzsimmons, and Commissioner MacPherson voting in favor of denying the reallocation. Commissioner Goolsby voted in opposition of the motion to deny funding and Commissioner Drean abstained from voting. **Motion Passed.**

III. New Business

Proposals from Faculty for Funding in the FY15 – FY16 Biennium

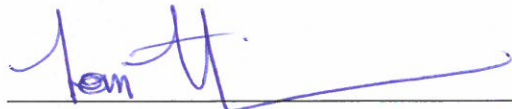
- Director Mohrbacher presented the six faculty proposals EORI received requesting funding for the FY 2015 and FY 2016 biennium. Also presented were two tables summarizing the scope, potential impact on Wyoming oil and gas production, and the estimated costs of each proposed project. Director Mohrbacher also noted Mohammad Piri intended to provide a proposal after the proposal deadline. Director Mohrbacher was enthusiastic about project proposals received from two faculty members who did not have a prior working relationship with EORI, Dr. Saman Aryana and Dr. Lamia Goual.
- Commissioner Fitzsimmons expressed some concern with the practical applications to Wyoming fields of the new faculty projects. Commissioner Fitzsimmons requested that EORI Outreach work with Dr. Aryana and Dr. Goual to introduce them to Wyoming producers and operators to ensure that the proposed projects could transition from the theoretical stage to the

practical use stage. Director Mohrbacher stated that EORI was already working on a plan to introduce the new faculty partners to local producers if the projects were approved.

- After reviewing the proposals, Chairman Williams noted that he did not understand how the proposal by Dr. Johnson applied to Wyoming producers and that funding from the commission and institute was statutorily mandated to be allotted to projects that had a direct impact on the gas and oil production in the State of Wyoming. Chairman Williams also stated that he had concerns regarding the funding of Dr. Towler's proposal as it involved widespread, full-field simulations using public data, and not the cooperation of the local producers and operators.

Motion: Commissioner Dreaan motioned to approve funding for the projects presented by Dr. Alvarado, Dr. Aryana, Dr. Cook, and Dr. Goual. Commissioner Goolsby seconded the motion. A roll call vote was taken and the Commission voted in favor of funding those specific projects unanimously. **Motion Passed**

The meeting was adjourned at 10:12 a.m.

 4/9/2014

Chairman

TOM FITZSIMMONS