

Enhanced Oil Recovery Commission



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MINUTES

April 15, 2015 – 7:30 AM
Aspen Room, C'mon Inn Hotel and Suites
Casper, Wyoming

Commission Members Present:

Tom Fitzsimmons, Chairman
Aaron Otteman, Vice Chair
Rob Hurless, Representing Governor Mead, Acting EORI Director
Senator Eli Bebout
Tom Drean, State Geologist
Jimmy Goolsby
Ron Baugh
Eric Easton, Senior Assistant Attorney General

Commission Members Excused:

John MacPherson, UW Trustees

Enhanced Oil Recovery Institute Staff Present:

Pepper McClenahan, Business Manager
Laura Dalles, Outreach Manager
Nick Jones, Research Scientist, Senior (Technical Lead)
Allen Tanner, Computer Support Specialist, Senior
Chana Conley, Office Assistant, Senior
Jordon Bebout, Research Assistant

School of Energy Resources Staff Present:

Mark Northam, Director

Guests and Members of Public Present:

Representative Thomas Lockhart, Wyoming House of Representatives

I. Call to Order

Chairman Fitzsimmons called the meeting to order at 7:33 AM. A quorum was established.

II. Approval of Minutes

Chairman Fitzsimmons expressed his gratitude to Vice Chairman Otteman for chairing the January 15, 2015 Enhanced Oil Recovery Commission meeting.

Chairman Fitzsimmons asked for changes or corrections to the January 15, 2015 meeting minutes. There were no changes or corrections.

Motion: Senator Bebout moved to approve the January 15, 2015 meeting minutes as published. Commissioner Goolsby seconded the motion. **Motion passed unanimously.**

****Wyoming House of Representatives Member Thomas Lockhart, Co-Chairman of the Joint Minerals Committee, joined the meeting at 7:34 AM****

III. Consent Items

Chairman Fitzsimmons called for an update of Enhanced Oil Recovery Institute (EORI) projects and prospects. Technical Lead Nick Jones stated the development of a data platform is on-going, and EORI continues to collaborate with True Oil on core flood testing. Contact has been made with True regarding interest in the pilot test in the current oil market. Commissioner Dreaan asked for clarification on the role the EORI will play concerning the pilot tests for True Oil. Mr. Jones stated the model used will be the same as tests completed for Osage. True will be prepping the well site, and may have to put a liner in the well. The out of pocket expenses for the operator will be significantly higher. The test results will be a good characterization of a typical Minnelusa field and will benefit other wells in the Minnelusa formation. EORI will encumber the cost of tests performed by Chemical Tracers.

Senator Bebout inquired about progress on the Little Mitchell Creek project. Mr. Jones explained the Little Mitchell Creek project had been tabled until the operator develops various operating scenarios for reservoir modelers to model.

Outreach Manager, Laura Dalles presented an update on the outreach program. June 10-12, 2015 the EORI Outreach Program will host a field trip to study the Permian-Pennsylvanian eolian sandstones of South East Wyoming. An agenda for the field trip was shared with the Commission.

The Wyoming EOR CO₂ Conference will be July 14th through 16th in Casper. A field trip to Alcova Reservoir is planned on July 14th, and will be led by Peter Hennings. Technical short courses are scheduled for July 15th, 2015. The final day will be a series of short presentations.

Chairman Fitzsimmons asked for details regarding budget for the EOR CO2 conference. Ms. Dalles explained donations totaled \$35,500 with an expected \$5,000 - \$10,000 additional donations to follow. Total cost of the CO2 conference was estimated at \$67,000. This estimate was larger than previous CO2 conferences in part because a BBQ was planned the night before the conference, and the conference itself having added content. The field trip portion of the conference charged a fee to help offset costs. The rest of the EOR CO2 conference would be free to attendees.

Ms. Dalles presented the agenda for the Sandstone Field Trip to view the Flat Top Outcrop and sandstone outcrops. The field experience from the first day will lead into the technical discussions over the next two days including use of the 3D visualization facilities, and hands on core examination of core samples taken from the outcrops.

Commissioner Dreaan questioned the economic equilibrium of the field trip. Ms. Dalles committed she would calculate the minimum number of registrants required to offset the cost of the Sandstone Field Trip.

Chairman Fitzsimmons asked if the field trip would provide continuing education credits. Commissioner Baugh stated continuing education was not required for Wyoming geologists, but visitors from other states could benefit. Ms. Dalles responded a certificate of completion was available. Attendees could submit the certificate for continuing education credit.

Chairman Fitzsimmons requested future meetings include an update regarding distribution of enhanced oil recovery data to the public. Chairman Fitzsimmons wanted regular status updates on EORI increasing transparency. Also updates regarding the migration away from confidentiality agreements with individual companies to working with data that will be made available for wide distribution.

Action Item: The Consent Items section of future EORC meetings will include an update on bringing data about enhanced oil recovery to the public which will provide further transparency.

Mr. Jones agreed to provide ongoing updates regarding the data platform at future meetings. He stated one mission of EORI is to benchmark best practices and promote technology transfer. Moving forward, EORI will no longer perform individual reservoir studies. Studies must involve larger plays or entire formations.

Mr. Jones reported that the data compiled from studies or industry is entered in a central spreadsheet used to screen reservoirs based on various criteria providing a connection between service companies and candidate reservoirs. The data platform will expand the process through an online resource to run queries on a live data set. A portal will provide online access to a map server, a queryable tabular data set, as well as a data library containing various geospatial and reservoir property assets.

Representative Lockhart stated the direction the data platform was taking sounded promising. In the past there were issues with data not being widespread. A project to disseminate data would hold value for operators and for the State of Wyoming.

Commissioner Otteman asked if liability issues for the use of boats at the Sandstone Field Trip had been addressed. Ms. Dalles reassured the Commission the trip was covered under the University's existing liability coverage.

Business Manager McClenahan presented the financial update for the EORI. The report tracked expenditures through the end of February, 2015. Fifty-six percent of the yearly budget remains. Estimated end of the fiscal year budget spending would place the budget at 76% spent. EOR CO2 conference expenses will be charged to the sponsor reserve account and were not factor into the fiscal year budget. Intern payroll was estimated to increase as interns would be available to work additional hours in the summer. Estimates of the payroll budget were made difficult by the possibility of changes to the staffing model once a new director was hired. Faculty budgets were on track for fiscal year spending. Computer supplies showed a sharp increase due to a software maintenance agreement requiring renewal.

In the Commission and Support budget, spending was approximately 48% of the fiscal year budget. Ms. McClenahan reminded the Commission the underspent money in the current fiscal year could be spent in the next fiscal year as they are in a single biennium. \$55,000 for the data platform has been encumbered under the consulting sub category, and \$20,000 was encumbered to the Outreach sub category.

Chairman Fitzsimmons asked for clarification on the obligations column in the spending report. Ms. McClenahan clarified that the obligations column was for expenses that have been formally encumbered using a purchase order, or expenses that have been sent to accounting but have not yet cleared the account.

Senator Bebout asked the number of open positions at EORI. Ms. McClenahan stated current staffing was eleven personnel. The operating budget reflected nineteen staff members with one additional position budgeted but not filled. The director's position is funded by the School of Energy Resources and not included in the EORI payroll budget.

Senator Bebout advised the budget session for the next biennium will most likely include reductions. EORI should prepare budget alternatives in advance to prepare for a variety of possible budget scenarios. Commissioner Drean agreed, stating critical positions should be filled, while less critical positions could remain vacant for the near future. Commissioner Drean also reiterated that it was not necessary to spend an entire budget each biennium and reverting some money back to the State at the end of the biennium showed good stewardship of funds.

Commissioner Drean inquired about the frequency of updates from faculty projects funded by EORI. Ms. McClenahan answered the faculty provided quarterly updates of project progress. Spending was tracked on a monthly basis as accounts were reconciled. Each month the faculty accountants receive a report including a snapshot of transactions to monitor spending rates. Traditionally the faculty would make presentations to the technical advisory board (TAB), however the last TAB meeting where presentations were made took place more than a year prior.

Acting Director Hurless reminded the Commission that faculty funded projects faced Commission pre-approval. At the time of project approval, EORI was moving away from being a source of research funds without definitive outcomes. Going forward EORI will move from funding studies on fundamental research to applied research. The shift will allow for more definitive outcomes that are easier to present. As budgets are tightened, the EORC will expect to know in greater detail where research dollars are being applied.

Commissioner Drean stated the Wyoming Geological Survey had some experience with a faculty funding system that did not release funding until predetermined milestones had been reached. Commissioner Drean also restated EORI mission that all funded projects must focus on a benefit to the State of Wyoming. Representative Lockhart agreed, noting during the current interim many organizations were performing the same introspection. The Minerals Committee had a responsibility to the oil and gas industry.

Senator Bebout stated the Senate leadership was focusing more on applied research. Considerations must be made as to how EORI interfaces and interacts with industry instead of putting money strictly to research.

Acting Director Hurless pointed out EORI historically worked to span the spectrum from fundamental research to tertiary recovery, however the focus had been that first dollars were spent on the fundamental research side of the spectrum. The School of Energy Resources (SER) was now in a better position to fund and monitor fundamental research. EORI should focus on the other end of the spectrum at applied research.

Senator Bebout commented with the tightening budget it was much better for organizations to come forward and show how they could reduce spending in house instead of the Legislature having to require across the board cuts from the organization. When appearing before the State Appropriations Committee, EORI needs to show the benefits funding had to the State of Wyoming. Presenters will have to be thinking about justification for the program. If there is a movement to start cutting programs, than EORI will have to be able to really defend itself.

Chairman Fitzsimmons commented in the last round of approving academic research funds, a significant volume of requests were denied. The projects approved had to align with a Wyoming operator, or a known Wyoming formation or field. Mr. Jones stated that all faculty projects are

using Wyoming data and are Wyoming focused. Mr. Jones gave a brief recap of each faculty project.

Chairman Fitzsimmons noted moving forward a new staffing model was going to be developed. The earlier statement about EORI having nineteen employees at peak staffing was no longer relevant. Until the new model for staffing was defined, there would be no clear picture for the number of vacant positions within EORI. In regards to the faculty updates, Chairman Fitzsimmons felt that the knowledge contained in the EORC was relevant enough to provide peer reviews of faculty projects. By presenting to the Commission, the faculty members would not have to wait for the next TAB meeting to receive credit and feedback on projects.

Commissioner Goolsby agreed regarding peer reviewing faculty projects. He also noted that during the three years he has served as a Commissioner with the EORC, the direction of EORI has moved more to applied research.

Action Item: At the June 17, 2015 EORC meeting, faculty members with EORI funded projects will make a half hour presentation on the status of their projects.

Acting Director Hurless reminded the Commission that the \$400,000 allocated to faculty funding was an arbitrary number based on the proposals submitted. The 2015-2016 biennium was the first time that requests for proposals (RFPs) had been utilized. In the past there were no hard looks at where the money was being utilized by the faculty. However, in response to requests from the EORC members, more details on where money is being spent have been required. Depending on where EORI goes and how it will be structured as the new budget is prepared, the RFPs might tighten, or disappear completely. EORI is in a unique position at the current time to have a greater freedom in deciding strategic direction.

Ms. McClenahan concluded the financial report section of the meeting by reminding Commissioners EORI did revert approximately \$216,000 to the State in the previous biennium. Ms. McClenahan estimated money would be reverted again at the end of the current biennium, depending largely on decisions regarding the structure and direction of EORI in fiscal year 2016.

Representative Lockhart commented the Appropriations Committee was an important part of the budget approval process. Funding decisions are made by around 90 people who do not understand the oil and gas industry. How EORI's budget is presented to these people outside of industry will be critical for gaining approval for the next budget cycle. The budget proposal should be very easy to understand as the Appropriations Committee will not have the time or the interest in digging in deeply. Then if Appropriations can translate that to the Legislature, the budget has a better chance of being approved.

Commissioner Fitzsimmons called for discussion on outstanding action items:

- Members of the EORC will join the staff meetings at EORI.

- Chairman Fitzsimmons stated while the Commission had been doing well at attending the staff meetings, he felt that there had not been enough routine staff meetings held.
- Tracking of deviations from budgeted salary totals monthly until EORI vacancies are filled.
 - While tracking should continue, it was noted the restructure of EORI will have drastic effects on staffing budget plans.
- Approval of new, large, projects between EORC meetings.
 - This action item had been crafted under the expectation a few large projects would begin. Until the new director was hired, no new projects would commence. The action item was unnecessary.
- Draft a new structure for EORI.
 - It was determined that the action item regarding structure would be tabled and discussed under new business.

Motion: Senator Bebout moved to convene into Executive Session in order to discuss personnel matters. Commissioner Otteman seconded the motion. **Motion passed unanimously.**

IV. Executive Session

**** Adjourned into Executive Session 8:28AM****

**** Reconvened into General Session 9:48 AM****

V. New Business

Chairman Fitzsimmons called the meeting back to order and stated an additional Executive Session may be required later in the meeting to further discuss filling the director position.

Chairman Fitzsimmons stated there would be a slight amendment to the agenda under the section new business. Items a and b currently on the agenda regarding the upcoming EOR Legal Frame Work Conference, and the fiscal year 2016 draft budget would be deferred. Chairman Fitzsimmons wanted to add three new items: 1) Discussion on a future location for EORI; relocation of EORI, in whole or in part, to a new location to facilitate the mission statement. Chairman Fitzsimmons reminded the Commissioners that the goal of the EORC was to evaluate success regarding the mission being met. It is the goal of Mark Northam and staff to provide the tactical solution to meeting the mission. 2) Moving away from propriety studies and ensuring any work done with State money or State effort was as publically accessible as possible. The previous year Chairman Fitzsimmons presented to industry at the 8th annual CO2 conference discussing the direction EORI needed to follow. In the three areas covered, transparency was the first. The data platform in development at EORI marked the first step in the movement to transparency. The second area covered in the presentation was EORI spending more time on

developing an understanding for improved recovery regarding unconventional. 3) Networking and outreach; EORI products need to be taken to industry. With those considerations in mind, Chairman Fitzsimmons tasked Acting Director Hurless and Dr. Northam to examine EORI's strategy. As a result of this examination, it was proposed that EORI would be better able to meet mission objectives with a relocation to Casper, Wyoming.

Chairman Fitzsimmons invited Representative Lockhart of the Minerals Committee to attend the discussion about the possibility of relocation. Chairman Fitzsimmons wanted to discuss strategy and how to get the best results for money spent. Effort was made to notify the Governor's Office, the Senate President, and University of Wyoming (UW) President Richard McGinity about a discussion to move staff employed by the University of Wyoming. On Monday, April 13, 2015, Chairman Fitzsimmons met with staff from the Enhanced Oil Recovery Institute to inform them that a partial or complete relocation of EORI to Casper would be discussed at the EORC meeting.

Computer Support Specialist Allen Tanner asked what Casper offered compared to the current location, Laramie, Wyoming. Chairman Fitzsimmons responded Casper had more industry presence.

Chairman Fitzsimmons asked Acting Director Hurless to present information on the relocation option. Acting Director Hurless explained his thoughts on the goal of the institute which is the idea of curating data. Taking data from industry or government sources, and incorporating that data in a form for use by industry. EORI should maintain traditional relationships with academia and form new relationships with industry, governmental sectors, service and consulting companies who may have data to contribute. Acting Director Hurless went on to comment about value-added opportunities producers resulting in increased feedback from industry. Demonstrations of the data platform have already provoked conversations with various entities. Additional conversations need to take place with petroleum engineers and other groups that fall in the spectrum covering fundamental research, applied research, primary recovery, secondary recovery, and tertiary recovery. What EORI needs to accomplish is building a communication conduit along the spectrum.

Acting Director Hurless explained to the staff, regardless of an individual's position within EORI, everyone should be creating relationships, discovering sources of data, and then bringing that data back to communicate internally. The culture of open communication and sharing needs to be encouraged. By developing open communication EORI can avoid restrictive one-on-one relationships with companies.

Acting Director Hurless discussed the risk and friction experienced in industry and the ability to decrease risk and friction by knowing all stages of the recovery spectrum and the people involved with each stage. He gave an example of how EORI can help to mitigate risk by

collecting information on seismic data being stored at the Wyoming Oil and Gas Commission. That seismic data could become available in an easy to search format on the EORI webpage, identifying when it was collected and who owned the data. This would save operators time and expenses of having seismic data reshot or having to research where existing data was being stored.

Acting Director Hurless stated EORI needs to be strategic by covering the things not done by industry, universities, or associations. Not only would this approach add value to the state, it would lessen the possibility of direct competition with the private sector.

Skill sets that will become important for EORI will include; 1) data curator judgement, particularly with exploration and production, which will require geologists and petroleum engineers; 2) dissemination skills; 3) database architecture and database execution skills; 4) communication skills staff wide; 5) a better understanding of economics at all stages of the spectrum; 6) the ability to perform decision tree analysis; 7) and some skill sets in engaging people and having the public understand that EORI is a service, not consultants.

Acting Director Hurless explained that to accomplish the new goals and new strategy of EORI, it would become important to move EORI closer to industry. EORI's location would become important for building relationships with members of industry, and to help facilitate communication between different entities involved in the recovery spectrum outside of primary research.

Commissioner Drean cautioned the Commission that many public databases run by private companies already exist. EORI would need to proceed cautiously to avoid duplication. The data should also be prioritized by information that is useful to the greatest number of people.

SER Director Northam responded while the data was out there, often it was hard to find and not easy to access. EORI would be providing a large service by developing tools for making the information easier to access.

Acting Director Hurless stated the concept was still in the initial stages and would need development. Mr. Hurless also pointed out the Technical Advisory Board (TAB) was chosen at a time when EORI was more academic based. TAB could be more productive if advisors closer to industry were included.

Commissioner Drean stated that WyGisc might not be the best platform for the EORI database. Not all data is equal and there would have to be prioritization of data included. Some of the data collecting that is not currently being done by industry is because companies cannot cost justify doing the research themselves. Good leadership will help to focus the database creators on what information is important.

SER Director Northam responded that WyGisc was a data purist. The EORI database would differ in that the data would be minable. Acting Director Hurless agreed, stating people instantly create wish lists when viewing the project. There needs to be discipline and understanding.

Commissioner Drean stated the question regarding choosing between creating a new database and buying one commercially should be asked before the project continues.

Commissioner Otteman noted there was a place for this service and being selective with the data was highly necessary. Commissioner Otteman noted the concept of a paradigm shift between what EORI has historically completed and what was anticipated for the future. If data curation was becoming the entirety of EORI, then it would be moving more into the facilitation side of things instead of the goal of more applied field work. Questions that would require answers include: does the data curation provide a metric to arrive at dollars or barrels of oil benefiting the state, and if data curation was the only work being done at EORI, how could it show demonstrable revenue being generated?

Acting Director Hurless explained that the data base development was only one project that EORI was currently working to complete. The main focus of EORI was still applied research to the goal of generating more oil recovered.

Technical Lead Jones noted what in working with the data, he noted how easily the amount of information could become overwhelming. Data in context has more far more relevance. Part of the curation would be to put the information into context for operators. Putting the database together would help facilitate operators with decisions and development.

Commissioner Goolsby noted consolidated data was appreciated. What EORI was doing was not just data collecting, it was taking the data to the next step. A searchable database means finding information take minutes instead of hours or days. Consultants could become far more efficient. Commissioner Goolsby stated the most important part of meeting with Mr. Jones to view the database was that Mr. Jones came to them. EORI needs to continue to communicate and reach out to consultants and operators with information. Chairman Fitzsimmons agreed that communication and listening to the stakeholders was extremely important.

Commissioner Drean noted that there is a difference between facilitators and doers. If EORI becomes a facilitating organization that connects people to each other and information, then there was no need for a large staff.

Commissioner Otteman followed up on his previous comment, noting there was tremendous value in data centralization. Much of the value comes from putting the information into a form that is not currently available to the public. EORI should not focus entirely on becoming a data collector and facilitator. Instead, EORI should contemplate its historical role as friend to the local operator.

Senator Bebout reminded the Commission that amendments to the enabling legislation specifically noted a responsibility of EORI for effective and efficient transfer of relevant technology, information, and knowledge to entities, regardless of size, who are producing Wyoming reserves.

Chairman Fitzsimmons responded EORI should not become solely facilitators, but facilitation would play a part in mission of EORI. Some components of facilitation needed to be addressed. One component was location. Chairman Fitzsimmons stated that a presence in Casper, Wyoming was critical. The component that has yet to be fully appreciated, although work is being done in reservoir modeling. Being able to have face to face meetings with industry to examine history matches and models of reservoirs would be much more effective than conversations over the phone or through email.

SER Director Northam explained many changes were happening at the University of Wyoming's (UW) College of Engineering. Dr. Northam and Dean Pishko were working to hire professors in practice. Professors in practice are people with years of field experience in industry, not just pure academics. Relationships between EORI and faculty will change with the hiring. There would also be a rebirth of EORI when a new director steps into the position. The new director would most likely come from industry instead of academics. The mission of EORI would stay the same. At the time, a focus on the data curation project can be accomplished without having to wait for a new director. As the new director comes on, and relationships with Petroleum Engineering, School of Energy Resources, and the Department of Geology and Geophysics develop, some of these data curation areas will move away from facilitation and more to doing. For example, in the previous years EORI has done field studies on behalf of small operators. The operators have been included in projects but impact has been limited. What EORI could become is a place where small operators send employees to learn how to conduct these types of field studies.

Dr. Northam saw the data platform as only stage one. More stages would follow as relationships with industry build. During the following stages, EORI can identify where the most value can be added and hire talent to figure out how to operate in this new environment of lower oil prices. What EORI would look like in the future would evolve over time.

Commissioner Drean stated vision and leadership were required. Dr. Northam acknowledged the vision had been discussed, but much of the direction would depend on the new director of EORI. Commissioner Drean stated that the vision would help decide which person should become director.

Senator Bebout brought the Commissioners' attention to the statute regarding EORI and that it was clear EORI should maintain research at the University of Wyoming, School of Energy Resources. The Outreach component of EORI could be easily located in Casper, Wyoming, but the research arm should stay in Laramie, Wyoming at UW. Senior Assistant Attorney General

Eric Easton advised the statute only required that EORI have a research component at the direction of UW, and there was some flexibility to the physical location of that component. Senator Bebout disagreed and insisted the research component stay at the School of Energy Resources physically.

Senator Bebout stated some items that need considered in moving part of EORI to Casper were; the staff, whom Chairman Fitzsimmons already spoken with; the costs, which can be researched as the plan is more complete; the transparency in making the move; and looking at how the move can help small operators. Wyoming has many fields with a large water to oil cut. Some of the fields in the State that have been producing for a long time, have only produced approximately 20-30% of the oil. Making even small increases in percentages could add great value.

Motion: Senator Bebout moved to relocate the Enhanced Oil Recovery Institute's outreach component to Casper, Wyoming, but keep research in tact at the School of Energy Resources. Commissioner Baugh Seconded the motion. Commissioner Dreaan called for the vote to be postponed and more discussion completed.

Chairman Fitzsimmons clarified that when discussing moving outreach to Casper that he was referring to networking and interfacing with industry, not the specific Outreach program at EORI. Chairman Fitzsimmons asked Dr. Northam, and the Commission, where the new director would be placed once hired.

SER Director Northam stated that the director should be located in Casper, Wyoming. The type of director EORI was looking to hire must be engaged with the industry to understand the needs of industry. Traditionally research done by EORI had not benefitted in any way from having the director located in Laramie, Wyoming. EORI is funding around \$400,000 worth of research projects while the School of Energy Resources and its private partners were funding over \$20 million. What Dr. Northam would like to see with the new director is for EORI to consider the greater body of work being completed at the University, not just research funded by EORI, and transfer that information to operators. Currently that knowledge is transferred through conferences and workshops, but Dr. Northam believed it would be far more effective with a team located in Casper. There needs to be an understanding that researchers will travel from UW to Casper semi-regularly or the group will travel to UW to share research results.

Commissioner Dreaan noted perception is very important. If moving portions of EORI to Casper helps with the perception of being close to industry, then Commissioner Dreaan supported the move. The reality is most of the technical work that is done and most of the industry that is involved in significant resource base, is not located in Casper, Wyoming. They are located in Oklahoma City, Houston, Denver, and elsewhere. If outreach and interaction with industry is paramount importance, and it is, then EORI must look beyond Casper, Wyoming. It will be imperative that time is being spent in other cities and locations where the technical work is being

done. What is left in Wyoming are the operations piece and the field personnel. Commissioner Drean expressed that there just are not that many companies with significant resources in Wyoming. He further stated is also imperative EORI work with the right level of staff within the organizations. EORI needs to deal with the decision makers. If it helps with the perception of EORI from those entities located out of state, then it is a good move. There has to be an effort to engage with those people. Being in Casper will not be enough to bring those people to EORI.

SER Director Northam stated that there were some operations and industry located in Casper while there is none in Laramie. Currently EORI gets lost in the University and many assume it is an academic enterprise. Moving to Casper would be a step in the right direction. From Dr. Northam's experience, it is also much easier to get technical staff from industries to visit their own operation offices rather than travel to Laramie, Wyoming.

Chairman Fitzsimmons commented Vicki Stamp from True Oil, who also is part of the TAB, commented True Oil fully supports EORI having a Casper office. Commissioner Goolsby added since his own consulting group relocated to Casper, far more people have been willing to travel to them for meetings.

Commissioner Drean restated in order to be successful, EORI needed to engage the decision and deal makers within industry. Senator Bebout questioned Commissioner Drean on how he could facilitate that engagement. Commissioner Drean's response was the person hired to be director should have those types of networking relationships. It should be recognized a move to Casper could help facilitate relationships, but the move itself would not be an endgame.

Commissioner Baugh noted he has spoken to ultra-small operators, and in the past they have been reluctant to interface at the University level. The small operators feel that there is a large disconnect between what they are doing and the academic level. The location in Casper might provide a better connection with those ultra-small operators.

Representative Lockhart stated that while he was not a voting member of the EORC, he would encourage the Commissioners to vote yes on the motion to begin the process of developing a presence in Casper, Wyoming. Representative Lockhart also noted a news release explaining the move and the process of the move should be released to encourage the communication and transparency EORI is working toward.

Commissioner Otteman agreed with Commissioner Drean's concerns regarding the lack of operators in Casper. Another concern of Commissioner Otteman was how the motion to relocate part of EORI to Casper was going to be impacted by a subsequent screening of costs. Chairman Fitzsimmons responded that the Commission was only making a decision to establish a presence in Casper. The initial presence is likely to be the newly hired director. Then the new director will build a staffing model based on the vision shared by the director and the EORC.

Senator Bebout responded it sounded like the chicken and the egg dilemma. Ideally costs would be calculated and the director in place, but given the nature of how the market is today, it would not be wise to wait until that point. If the majority of the Commission is in agreement that the move needs to take place due to all the benefits discussed, and the University component mandated by statutes is respected, then it would be a good business decision to go forward with the move and have the other issues dealt with as they occur.

Chairman Fitzsimmons reminded everyone the motion on the floor, as stated, was to move outreach facility from Laramie, Wyoming to Casper, Wyoming. Before calling for a vote on the motion, Chairman Fitzsimmons asked if there were any amendments or rewording necessary based on discussion.

Commissioner Drean stated using the word outreach in the motion might limit what was possible in the move. The motion needed to be slightly broader in terms to allow for flexibility as the idea is being investigated further. It might be more appropriate to state that portions of EORI should move, or particular assets are moved. Chairman Fitzsimmons offered a suggestion to change the wording to EORI having a dominant presence in Casper, Wyoming.

Senator Bebout suggested the motion could be worded as the State Legislature would do; the motion is made with a statement that concerns are recognized and will be resolved within a specific time frame so the motion can continue. Chairman Fitzsimmons appreciated the flexibility of the suggested approach, but felt the public statement being projected must be the EORC recognizes the importance of the move and realizes it will not be a small move. Chairman Fitzsimmons was in favor of a more direct statement regarding the relocation.

Action Item: A report will be presented to the full EORC at the June 17, 2015 business meeting exploring the costs and consequences of the proposed partial relocation to Casper, Wyoming.

Commissioner Drean suggested the language should be EORI will be centered in Casper, Wyoming, with ties maintained to UW.

Commissioner Drean moved to amend the standing motion: to move outreach facility to Casper, Wyoming, but keep intact research at the School of Energy Resources, to instead state:

Motion as amended: The Enhanced Oil Recovery Institute will be centered in Casper, Wyoming with a research program maintained with the School of Energy Resources at the University of Wyoming in Laramie per Wyoming Statute 30-8-101 (b)(i). Senator Bebout seconded the motion as amended. **Motion as amended passed unanimously.**

Senator Bebout questioned if the EORI mission statement needed amending to reflect the changes. Chairman Fitzsimmons responded the new director will be responsible for making any changes to the mission statement. Senator Bebout questioned the location for work on the data platform being developed.

Acting Director Hurless commented that changing the motion would restrict flexibility and instead it should be stated and understood the data platform was a component of the research mission of EORI and should remain in Laramie, Wyoming.

Acting Director Hurless explained that historically the EORI Director salary was paid through the SER, as was fifty percent of the EORI Business Manager's salary. With the changes to the statute that established EORI, there is greater clarity to SER's control of EORI. Chairman Fitzsimmons stated the director salary and the entire business manager salary should be paid for with funds from EORI's budget.

Commissioner Dreaan asked for a point of clarity. If the salary was moved to EORI, then it would be an increased burden to EORI, but it would result in additional funds being free for SER's utilization. Commissioner Dreaan inquired if the funds for the director and business manager salary could be transferred from SER to EORI, so EORI was not unduly punished and SER did not unduly benefit. Senator Bebout agreed stating that if the funds were allocated for the position on the EORI director, then they should be used for that position. SER Director Northam stated he would have no objections to transferring the funding into EORI accounts from the SER budget to pay for the salary and benefits of the EORI director. It was noted that in the next biennium budget, the movement of the director salary should be made clear to the Appropriations Committee.

Motion: Senator Bebout moved the Enhanced Oil Recovery Institute will fund one-hundred-percent of the salary for the Director and Business Manager, with the understanding that the School of Energy Resources will transfer funds to cover the salary and benefit costs at the time of hiring the Director. The 2017-2018 biennium budget will reflect the Enhanced Oil Recovery Institute inclusion of the Director and Business Manager Salary and Benefits. There is an understanding the School of Energy Resources will remove the funding for positions of the Enhanced Oil Recovery Institute Director and Business Manager from the proposed School of Energy Resources budget in the 2017-2018 biennium request. Commissioner Otteman seconded the motion. **Motion passed unanimously.**

Assistant Attorney General Eric Easton submitted an agenda for the Enhanced Oil Recovery: Legal Framework conference he would like to attend. Chairman Fitzsimmons inquired if the matter needed a motion and a vote from the EORC. Acting Director Hurless responded that no vote was needed, Mr. Easton was requesting funding for attending from the EORI training budget, which could be approved administratively. Coming before the Commission was more a courtesy and to share the information.

Chairman Fitzsimmons remarked that preparation for the fiscal year 2016 budget will have to be slightly delayed due to the large changes voted on in the April 2015 meeting. Mr. Fitzsimmons inquired if there were any hard deadlines that the Commission needed to be aware of in

presenting the budget for the next biennium. Business Manager McClenahan noted that the EORI budget traditionally was shown to the University in June as a courtesy and then was submitted to the State of Wyoming by August of the current year.

Senator Bebout pointed out that submitting the EORI budget to the University was only a courtesy. Because EORI had its own funding and was not part of the general budget of the University, EORI had to submit budget proposals directly to the State of Wyoming. Commissioner Dreaan advised as the new budget was being drafted, multiple budget drafts involving different levels of percentage cuts should be crafted in preparation for the specific budget requirements issued from the State.

Action Item: Fiscal Year Budget planning for the next biennium will include variations that would define implications of various budget cut percentages.

Representative Lockhart stated EORI and SER will appear before the Minerals Committee in August. Senator Bebout suggested Chairman Fitzsimmons notify the Minerals Committee, the Governor, the Joint Appropriations Committee and the Wyoming State Legislature regarding the decision to center EORI in Casper, Wyoming.

VI. Situation Report

Acting Director Hurless updated the Commission on the current status of EORI. The Wyoming State Senate confirmed all reappointments for EORC members who had terms ending. The Director search continues. Legislative changes to the enabling statute for EORI were passed successfully. The changes cleared up the verbiage and clarified EORI's relationship with SER. The votes on the new legislation were 29-0 with one excused in the Senate and 59-0 with one excused in the House of Representatives.

VII. Commission Open Discussion

Chairman Fitzsimmons opened the floor to open discussion. No further discussion was held.

VIII. New Action Items

Four new action items were generated at the meeting.

- Regular updates to the data platform and efforts to bring EORI to higher levels of public transparency will be added to future meetings
- A report investigating the costs of relocating EORI to Casper, Wyoming including both the immediate costs and the future on going costs. The report should be ready for presentation to the full Commission at the June 17, 2015 meeting.
- Budget planning for the next biennium would involve multiple drafts covering several scenarios of budget reduction.

- At the June 17, 2015 EORC meeting, faculty with projects funded by EORI will make short presentations to the EORC.

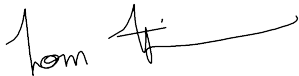
IX. Future Meeting dates

Commissioner Drean suggested delaying the TAB meeting scheduled for June, 2015 until the new director was on board and more material was available for presentation. Senator Bebout agreed with delaying TAB, but stated the faculty members with projects funded by EORI should still make presentations during the June meeting for the EORC.

X. Future Meeting dates

Motion: Commissioner Goolsby moved to adjourn the General Session portion of the meeting and reconvene into Executive Session. Senator Bebout seconded the motion. **Motion passed unanimously.**

**** Meeting Adjourned at 11:51 AM****



Tom Fitzsimmons, Chairman