

# Enhanced Oil Recovery Commission



## Enhanced Oil Recovery Commission

4<sup>th</sup> Quarter Meeting

May 15, 2013

Casper Petroleum Club (1301 Wilkins Circle), Board Room

Casper, Wyoming

### Commission Members Present

Tom Fitzsimmons (Vice Chair)  
Tom Drean  
Senator Eli Bebout  
John MacPherson  
Eric Easton – Sr. Assistant Attorney General

### Commission Members Excused:

Bruce Williams (Chair)  
Jimmy Goolsby  
Aaron Otteman  
Governor Mead (Rob Hurless)

### Enhanced Oil Recovery Institute Staff Present:

David Mohrbacher  
Glen Murrell  
Pepper McClenahan  
Allen Tanner  
Sheena Xie  
Hannah Peterson

### Other Participants:

Karl S. Osvald – Bureau of Land Management

#### I. Call to Order

Vice Chairman Fitzsimmons called the meeting to order at 7:57am. A quorum was established.

#### II. Introduction of New Commission Member

Vice Chairman Fitzsimmons introduced new commission member, John MacPherson. Meeting participants introduced themselves and gave a brief history of themselves to the new commission member.

Vice Chairman Fitzsimmons noted Executive Session attendees will include only the Commission members and Enhanced Oil Recovery Institute (EORI) Director Mohrbacher.

#### III. Acknowledgement of Service – Betty Fear

The commission took a moment to acknowledge former commission member Betty Fear, and the service she provided for the commission for two years. The

commission expressed appreciation for how she participated by calling, asking questions, her very pragmatic approach to issues, and the long distances she traveled to attend meetings.

#### **IV. Approval of Minutes**

Minutes from the January 11, 2013 meeting, were reviewed. Senator Bebout asked the following questions:

- In Section 4, page 2 Senator Bebout inquired as to how Enhanced Oil Recovery Institute (EORI) is working to support conceptual design of a CO2 pipeline infrastructure for the state, and how EORI is supporting the Wyoming Pipeline Authority. Associate Director Glenn Murrell replied that EORI is screening information, identifying the best candidate reservoirs for CO2 EOR, and providing consultation. After further discussion regard bonding CO2 pipelines, Vice Chairman Fitzsimmons proposed the Commission leave room for further discussion under new business.
- Under Section 6, page 3, Senator Bebout inquired about the status of EPA policy on a national level. The Commissioners would like to have the Enhanced Oil Recovery Institute provide technical support for evaluation of new and proposed EPA regulations.
- Senator Bebout also informed the Commission that Senate file 55 did pass and it is now law.

Vice Chair Fitzsimmons moved to approve the minutes from January 11, 2013, seconded by Senator Bebout. No further discussion. All in favor, none opposed.

**Motion Passed.**

#### **V. Commission Open Discussion**

Vice Chairman Fitzsimmons inquired if there was any open discussion from the commission; none was raised.

#### **VI. Director's Overview**

Director Mohrbacher presented a PowerPoint updating the Commission on Enhanced Oil Recovery Institute (EORI) activities since the last meeting.

- EORI is seeing more functionality with the new building. The building spaces are well over 50% functional and everyone was encouraged to visit the remarkable location and tour the new offices and new laboratory.

Shenna Xie, Senior Research Scientist and Lab Manager, was present to answer any questions about the laboratory. Director Mohrbacher mentioned the new high pressure and high temperature equipment EORI is acquiring will facilitate work in settings more representative of Wyoming's reservoirs. The data collected can aid in the development

and application of advanced oil recovery technologies. Ms. Xie will present a quarterly update on the new laboratory at each Commission meeting. Commissioner Drean asked Director Mohrbacher to discuss a business plan for the lab to get maximum utilization out of the new resources. Director Mohrbacher said that this will be covered under the update of projects including commissioning of new lab equipment.

- Director Mohrbacher continued his update with a summary of EORI staffing levels noting that EORI has doubled its technical staff during that past three years. Director Mohrbacher also discussed how EORI now has achieved its budgeted staffing level. Alternative staffing has been used to fill critical functions such as the Commission Coordinator and several specialized research scientist positions with a combination of student interns and technical consultants. Director Mohrbacher introduced Hannah Peterson, an accounting intern who joined EORI in May. Hannah will assist with the design, rollout and implementation of a new accounting system that will mirror the system used by the School of Energy Resources. Senator Bebout pointed out that EORI is increasing staffing, while the state government is looking to decrease staffing levels. He advised that EORI is able to make its case as to why EORI is increasing staff when all others are decreasing. Director Mohrbacher emphasized that EORI has filled key technical positions and that staff levels at EORI will be maintained at current levels. Senator Bebout congratulated Director Mohrbacher on the fact that technical turnover has been zero for the past 12 months (an extremely positive sign).
- Director Mohrbacher introduced new research scientists Rituraj Borgohain and Tashi Herzmark. Both new staff members are chemists and extremely important assets to the new laboratory. The new staff members are scheduled to start on May 31<sup>st</sup>. Both will be present at the next Commission meeting in July.
- Director Mohrbacher briefly discussed EORI's current working relationships with consultants, and reviewed a list of potential consultants who have the expertise and the potential to fill critical technical needs without adding additional full-time staff. Commissioner Drean cautioned that EORI should be sure to build and maintain internal expertise as opposed to relying on consultants. Commissioner Fitzsimmons agreed and informed that purpose of using consultants is to be more nimble. The concern with diluting the EORI brand was also discussed.
- Director Mohrbacher outlined organizational changes recently implemented including separating outreach and office management, hiring technical staff with a broad range of experience, and eliminating the use of post-docs.

## **VII. Old Business**

Chairman Fitzsimmons reviewed action items from previous meetings and brought the status of unfinished items up-to-date.

- The EPA policy development for regulations will be moved to new business for the July meeting.
- The Governor's office has been contacted regarding the Commission's authority to approve and implement raises for staff. Director Mohrbacher was informed the Commission has the authority to manage salaries. It was recommended that EORI mirror the practices of the University and to maintain its current good working relationship with UW. Cooperation with the University is viewed critical.
- The UW Economic Model for evaluation of CO2 EOR is moving toward public release. A beta version will be downloaded in July and the final release scheduled for the end of August. The previous action item to secure a letter of support from the Governor's Office will remain on the action item list until clarified with Chairman Williams. The letter may not be needed now that public release is moving forward.
- Senior Research Scientist Sheena Xie gave a PowerPoint presentation to the Commission detailing laboratory equipment acquisitions and the critical functions performed by the equipment in accomplishing the Institute's mission, projects and programs.
- Discussion was held concerning developing a working relationship with the Wyoming Oil and Gas Conservation to consolidate data sources. The concurrence of the Commission was that operators would receive great value if data was consolidated and accessible.
- Business Manager Pepper McClenahan gave a brief report of updated budgets and spending through February 28, 2013. Expenditures in February remained minimal while the move into the new building was finalized. Some of the categories have been separated on the budget, a directive from the previous Commission meeting. One notable issue was identified; the Commission Support budget for payroll. There were unanticipated events that occurred including an under projection of fringe costs, compensation for accrued vacation time from a previous employee, and overtime pay for staff during the move and replacement of the business manager position. Senator Bebout asked if Enhanced Oil Recovery Institute is going to be on budget by June 30<sup>th</sup> and Ms. McClenahan responded saying EORI will be very close to on track for the fiscal year.

\*\*\* A motion to go into executive session by Vice Chairman Fitzsimmons, 11:15am\*\*\*

\*\*\* A motion to come out of executive session by Vice Chairman Fitzsimmons, 11:35am\*\*\*

## **VIII. New Business**

### **2013 EORI Outreach Plans**

Associate Director Glenn Murrell presented a PowerPoint on the status of the outreach program. Conferences and workshops have been extremely well received.



- Minnelusa Workshop Series was May 6 and 7
  - It came in well under budget and was extremely well received
- Tensleep, July 8-9 in Casper, Wyoming
  - The agenda is complete
  - This may be the last in the Tensleep series. A decision will be made whether to repeat the series or re-design the series.
- CO2 Conference
  - Agenda is complete and online
  - Date is July 10-11, 2013
  - 300 attendees are anticipated. The current registrations rates are slightly lower than last years but are expected to pick up.
- IOR/EORI Conference, September 9-10 in Sheridan, Wyoming
  - Moved to the Best Western Sheridan Center from Jackson
  - The agenda is still under development
  - Registration is set at \$250.
- Forums
  - This is a new initiative for the fall
  - These forums will define the work EORI does; and the value and benefits it provides to the state of Wyoming
- Speaker Series
  - There are many ideas for speakers and a lot of interest shown. Sally Greenburg will be coming to speak July 1 or 2.
- Commission Networking Opportunities (2)
  - EORC Fall Retreat
  - Wold Ranch Retreat

### **Review Updated Strategic Objectives**

Director reviewed new Strategic Objectives and discussed how they are a critical aspect of the organization. Newly added Objectives are as follows:

- Evaluate EORI processes and implement a continuous improvement program to update SOPs, identify areas requiring improvement, implementing corrective action, and measuring performance improvement.
- Support design and construction of the new Energy Resource Center. Note the building will house EORI staff and will include approximately 6,000 sq. ft. of lab space for EORI use. COMPLETE.
- Identify and acquire laboratory equipment necessary to achieve EORI strategic objectives. Plan equipment acquisition for new building. COMPLETE. Maintain a long-term plan for continued acquisition of lab equipment with costs exceeding \$10K.
- Develop and maintain a long-term plan for replacement and upgrade of computer hardware and software in the university environment to achieve EORI's mission.

- Develop new industry consortiums leveraging off of success of the current Minnelusa Consortium. A project will be identified for further development of depleted Minnelusa reservoirs in the Powder River Basin and Tensleep reservoirs in the Big Horn and Wind River Basins. During 2012-13, the Tensleep Consortium was created and the Minnelusa Consortium was expanded.
- Identify opportunities to align EORI's strategy with that of the University of Wyoming's new energy development initiative. The School of Energy Resources will implement a new program that will develop an understanding of geomechanics, multiphase flow in porous media, and application of EOR in unconventional reservoirs.
- Cross-train staff to broaden skill sets and develop more flexibility for execution of key EORI functions, including both business and technical work.

#### **Requests for Reallocation of Funds**

- Director Mohrbacher asked the commission to approve a reallocation of \$29,000 from the labor budget to the office supply budget for additional office and laboratory furniture purchases. The School of Energy Resources is overspent on building construction costs in the amount of \$3,000,000. Costs covered under building construction include offices, labs, and furniture. Commissioner Drean motioned to approve the reallocation, Chairman Fitzsimmons seconded the motion. No further discussion. All in favor. None opposed. **Motion Passed.**
- Director Mohrbacher explained the request for a second reallocation of funds from the labor budget to the computer equipment budget for the purchase of additional RAM in research scientist computers. The additional RAM will increase computer speeds necessary for modeling functions. Commissioner MacPherson motioned to approve the reallocation. Senator Bebout seconded. No further discussion. All in favor. None opposed. **Motion Passed.**
- Commissioners asked that these reallocations be reflected in the budget using footnotes.

\*\*\* Senator Bebout left the meeting 11:45 a.m. \*\*\*

#### **Schedule—Prepare 2014/2015 Biennium Budget**

Business Manager Pepper McClenahan discussed the budget preparation schedule and deadlines that must be met for the FY2015-2016 biennium. Target date for draft preparation and circulation to the Commission is the week of June 16<sup>th</sup>, with a week review and comment time for the Commission. The final submission of the budget is due by July 31<sup>st</sup> and the annual report is due by August 30<sup>th</sup>. These dates are all

projected based on the best available information. Budget instructions have not yet been received from the University.

**IX. Review the EORI 2013 Calendar**

The next commission meeting was confirmed for July 25<sup>th</sup>. The Enhanced Oil Recovery Institutes Technical Advisory Board meeting is set for July 24<sup>th</sup>. Both meetings will take place in Laramie, Wyoming. A schedule of previously discussed meeting dates concerning the biennium budget will be sent to all commissioners.

**X. Review Action Items**

- Action items from previous meetings retained for further action are:
  - Clarification on whether a letter is still needed from the Governor supporting publication of the UW Economic Model. This clarity will not interfere with the progress in making the model available to the public.
  - It was decided that quarterly lab updates on equipment acquisition and use will be added to future agendas.
  - A letter will be forwarded to the Minerals Committee to participate in EORI TAB and Commission meetings.
- The following action items were developed through the course of the meeting:
  - Discuss relationship between Enhanced Oil Recovery Institute and the School of Energy Resources.
  - Glen Murrell to contact WOGCC staff and develop a method for sharing data and making it available to operators.
  - The Commission directed EORI to continue using surveys to evaluate individual presenter's performance and to gather other feedback on the sessions.

**NEW BUSINESS FOR JULY:**

- EPA Policy Liaison
- Further discussion concerning internships and consulting, with a goal to provide firmer direction on internship/staffing/consulting solutions when more commissioners are present.
- CO2 distribution system. Discuss the current status of the state's efforts lead by the Wyoming Pipeline Authority (WPA), and define additional assistance that may be provided by EORI for continued support. Invite Brian Jeffries, the Director of the WPA to participate in the EORC meeting during July.

**XI. Adjournment**

There being no further business to come before the Commission, the meeting was adjourned at 12:00 noon. The next Commission meeting is scheduled for July 25, 2013 in Laramie, Wyoming.

---

Name, Title

Date