

Enhanced Oil Recovery Commission



Enhanced Oil Recovery Commission

October 4, 2013 - 8:00 AM
Special Meeting via Telephone

Commission Members Present:

Bruce Williams (Chairman)
Tom Drean
Aaron Otteman
Jimmy Goolsby
Senator Eli Bebout
Tom Fitzsimmons

Enhanced Oil Recovery Institute Staff Present:

David Mohrbacher, Director
Glen Murrell, Deputy Director
Pepper McClenahan, Business Manager
Jeffrey Fife
Nick Jones

I. Call to Order

Chairman Williams called the meeting to order at 8:05 AM. Roll call was taken and a quorum was established. EORC attorney Eric Easton was not in attendance, but contact information for the Attorney General's office was provided in the event it was needed.

II. Old Business

Review EORI Evaluation of Supplement to Draft Bighorn RMP

Director Mohrbacher provided a review of the letter sent from EORI to EORC and of the draft comments prepared to be submitted to BLM on behalf of EORC.

Director Mohrbacher briefed the Commission about a meeting with Jerimiah Rieman and Aaron Clark from the Governor's office to develop new draft comments on the Supplement to the Bighorn basin RMP. The new comments build off of previous comments submitted by the EORC for the 2011 draft RMP. These comments would help to outline the availability and importance of enhanced oil recovery potential in the basin.

A rough order-of-magnitude, donut map that estimated areas of development potential for both "brown field" and "green field" development was produced by EORI, and presented to the EORC. The map covered roughly 3.5 million acres.

**** Commissioner Goolsby joined the meeting at 8:10 AM****

Based on guidance from the Governor's staff and the EORC, a new letter was drafted to the BLM. Building off previous evaluations of the draft RMP, the new letter will provide a technical analysis of Alternatives C, E and F. EORI's donut map was overlain on each of the BLM alternative maps. It was noted that Alternative E eliminates about 60% of development potential for enhanced oil recovery.

Director Mohrbacher noted BLM's previous practice has been to define an upper limit on incremental wells that can be drilled in areas, but that that policy has changed and no longer affects the RMP.

Senator Bebout noted that the EORC prefers Alternative C, and that the Governor's office and Select Federal Natural Resource Management Committee oppose Alternative F. Additionally, because Alternatives C and F vary by the amount of open moderate constraints available for development, their economic impact looks similar in the table provided. It was noted that because the differences were in the moderate constraints categories, it would be hard to quantify the effects they would have on production and revenue.

Senator Bebout suggested that on page two of the memo, the section that states "The Bighorn Basin has great potential for discovery and development of new oil and gas reservoirs using new technology during the next 10 to 20 years," should be amended to note that development can begin in five to seven years and continue for up to 20 years. This amendment was suggested to ensure it conveyed that development of reservoirs would be starting during the time covered by the RMP.

Commissioner Fitzsimmons asked if consultation with industry took place during the drafting of the letter. Director Mohrbacher stated that there was a review of industry provided materials, and that a section was included in the letter which addressed unconventional development. However, he noted that the majority of the RMP regarded wildlife issues, which is not a specialty of EORI or EORC. The letter was drafted to be as objective as possible, and to focus on the impacts of the RMP on oil production. He further stated that the Governor's office would be responsible for talking a stance on the wildlife issues, while EORC would focus on the impacts of the alternatives on oil production. Jeremiah from the Governor's office had noted that EORI is an objective, third party, and should try to maintain that status.

Commissioner Drean noted that the comments are constrained by present knowledge and technology, and suggested the comments note that while it is hard to guess how technology would develop, decreases in development generally lead to decreases in technological innovation.

Commissioner Otteman suggested it may be prudent to mention that pipeline construction is necessary for any CO2 development to happen in the basin, and revenue projections are dependent on the RMP not hindering pipeline construction.

Senator Bebout suggested the copies of the letter also be forwarded to the Select Federal Natural Resource Management Committee and the Commissioner for the three affected counties who are part of the RMP— Park, Washakie, and Hot Springs.

Senator Bebout also suggested that when discussing the negative implications of Alternative E, it should also be noted that EORC does not support alternative F either.

Motion: Senator Bebout moved that Chairman Williams execute the letter to the Bureau of Land Management with the minor changes discussed. Commissioner Drean seconded. A roll call vote was taken with Chairman Williams, Senator Bebout, Commissioner Otteman, Commissioner Fitzsimmons, Commissioner Drean and Commissioner Goolsby voting in favor, and no one voting in opposition. **Motion Passed.**

III. New Business

Review recommendation for reallocation of EORI budget.

Discussion was held about a proposal to reallocate \$29,000 from the EORI labor budget for FY 2103 to the EORI training budget. In 2011 an action item was established to have two off-site staff development trainings annually. Since that time, two trainings were held, which were geological field trips. Additionally, several EORI staff members have attended project management trainings. Recommendations from employees attending these trainings have been to target two specific areas for staff development: encouraging communication among staff, and conflict resolution. Outreach Coordinator Laura Dalles and Deputy Director Glen Murrell created a recommend program for development trainings for the next three years, which included two trainings per year. Suggested topics to be addressed are on the memo provided to the Commission before this meeting and are attached to these minutes.

Director Mohrbacher noted that it is important to work on team building and the development of soft skills. He reviewed a presentation from the London Business School on collaborative team building. The presentation outlined eight elements to successfully building a collaborative team:

- Incorporating existing relationships.
- Senior managers provide a positive example.
- Managers support employees by mentoring daily.
- Staff members are trained to communicate and resolve conflicts.
- Sponsor group activities away from work.
- Technical leadership that is both task-oriented and relationship oriented.
- Developing trust within the team.
- Clarifying roles and provide flexibility regarding approaches for achieving goals.

Director Mohrbacher noted that it is important for the training to be off-site to encourage the team to focus on the training.

Commissioner Drean stated that training is important, but needs to be targeted at individuals and their needs for improvement. He said he doesn't support "retreats," and is concerned when taxpayer dollars are put towards trainings that include recreational activities. He stated other alternatives exist for training that should be investigated. Commissioner Drean stated a training session is not enough to solve communication issues and conflicts. Those issues should be

addressed in a timely and continuous fashion. He also suggested that there may be more cost effective ways to address soft skills development.

Director Mohrbacher noted that individualized and targeted training does already occur, and that training is meant to anticipate the needs of EORC and EORI. Employees are asked to prepare training requests and provide justification as part of the request, as well as present summaries upon returning from training. He noted that EORI sends employees to project management trainings both onsite and off-site, and employees participate in University-sponsored training.

There has been resistance to participating in soft skills training from some technical staff. There is benefit to having the training off-site and with including all EORI staff to help focus on soft skills development. He said that if the presence of recreational activities is problematic, they can be removed.

Commissioner Goolsby said that given the diversity of employees in EORI, there is definite potential for performance improvement from training opportunities. Commissioner Fitzsimmons noted that teambuilding is very important and that some groups have success with volunteer opportunities like highway cleanup. He also noted that employee retention is important, and that training and technical development opportunities can help create a more competitive compensation package.

Commissioner Drean noted that he objects to transferring money before the current budget has been expended. Senator Bebout noted that the current EORI training budget is for individual technical development and that the request being discussed is for an additional allocation to be used for group training.

Motion: Commissioner Fitzsimmons moved to approve the transfer of \$29,000 to support the two staff development training sessions in fiscal year 2014, and that further discussion take place during the January 2104 Commission meeting about future trainings. Commissioner Goolsby seconded. A roll call vote was held with Chairman Williams, Senator Bebout, Commissioner Otteman, Commissioner Fitzsimmons, and Commissioner Goolsby voting in favor, and Commissioner Drean voting in opposition. **Motion Passed.**

**** Meeting was adjourned at 9:28 AM****



Bruce Williams, Chairman



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October 1, 2013

MEMORANDUM

To: Enhanced Oil Recovery Commission

From: David Mohrbacher, Director, EORI

Re: Reallocation of Budget from Labor to Training

This memo requests reallocation of monies from the labor budget category to the training budget category to pay for costs related to Group Training of EORI staff. The Enhanced Oil Recovery Commission must approve reallocation of funds that are in excess of \$10K. This budget will pay for two, 2-day group training sessions for up to 20 EORI staff. The first 2-day session is scheduled for Wednesday, November 13th, and Thursday, November 14th. The second 2-day training session will be scheduled for a February/March time frame early next year.

For your information, the EORC directed EORI during late 2011 to complete two staff retreats each year to encourage team building and to reinforce effective use "soft skills" within EORI relationships. The EORC has requested that EORI change the name of these team building sessions to "Staff Training". The first staff training event was completed during the summer of 2012, and the second event was completed during the summer of 2013. Both events included a 1-day geology field trip. The staff learned about mapping outcrops during both events, but little was learned about how to develop and more effectively use inter-personnel skills.

Our new Outreach Coordinator was tasked with improving these group training sessions and developed a program description that will address topics including:

- Improving Communication
- Conflict Management
- Critical Thinking
- Decision Making
- Eliminating Silos/Building Collaboration
- Strategic Planning/Tactical Implementation
- Understanding Emotional Intelligence



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- Social Styles/Personality Styles
- Project Management

EORI developed the attached request for proposal (RFP) (**Attachment 1**) during the summer of 2013 for two 2-day training sessions to be completed during late 2013 and early 2014. The RFP outlines a training program that is proposed to include six, 2-day training sessions over a three year period, or approximately 2 group training sessions per year.

The RFP was provided to multiple training firms and two of the firms responded with proposals. The winning proposal (**Attachment 2**) provides a description of the first two, 2-day training sessions.

The cost for completing these two 2-day group training sessions totals \$29,500 (**Attachment 3**). This amount includes one night of lodging at an off-site location near Laramie. We could save a bit of money having meetings in the new Energy Innovation Center, but the planning group recommends completing the training in a neutral, off-site location where EORI staff will not be distracted by continuing work.

EORI originally included the cost of group training in the commission budget. Recent corrections to the commission budget and an underestimate of the cost to complete each session of team training will require EORI to find another source of funding. The Director requests that \$29,500 be moved from the labor budget to the training budget. If the EORC approves, a separate line item will be created in the training budget to track the costs of group training.