

Enhanced Oil Recovery Commission



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MINUTES

January 11, 2016 - 1:00 PM

Big Horn Room, Wyoming Technology Business Center
Casper, Wyoming

Commission Members Present:

Tom Fitzsimmons, Chairman
John MacPherson, University of Wyoming Trustee (Via Teleconference)
Ron Baugh (Via Teleconference)
Senator Eli Bebout (Via Teleconference)

Commission Members Excused:

Aaron Otteman, Vice Chair
Jimmy Goolsby
Tom Drean, State Geologist

Enhanced Oil Recovery Institute Staff Present:

Steven Carpenter, Director
Pepper McClenahan, Business Manager
Chana Conley, Office Assistant, Sr.
Nick Jones, Technical Lead (Via Teleconference)
Allen Tanner, Information Technology Support (Via Teleconference)

Guests Present:

Eric Easton, Senior Assistant Attorney General

I. Call to Order

Chairman Fitzsimmons called the meeting to order at 1:00 PM. A quorum was established.

II. Approval of Minutes

Motion: Senator Bebout moved to approve the minutes as published. Commissioner MacPherson seconded. **Motion passed unanimously.**

III. Situation Report

Director Carpenter presented a strategic organization chart to outline the proposed new structure of the Enhanced Oil Recovery Institute (EORI). Proposed changes to EORI would include a Manager of Applied Research located at the Casper, Wyoming office to oversee staff at the Casper location and to coordinate with members of industry. The Laramie, Wyoming location would have a Manager of Academic Research to oversee staff located in Laramie and to

coordinate with members of academia. These positions would be technical staff with some administrative duties. There would not be any positions that were pure managers and not functional team members. Director Carpenter hoped to promote from within existing staff, but was willing to open the positions to new hires if necessary. Chairman Fitzsimmons noted that EORI had a new direction more focused on industry and staff in management positions would have to understand that focus. Also included in the proposed organizational chart was a position of webmaster. This position would be responsible for redesigning the EORI web page, and establishing a presence for EORI on social media.

Director Carpenter informed the Commission that rebuilding the Casper offices has been halted. When EORI first moved to Casper, initial estimates of the project estimated a cost of \$40,000 and the timeframe for completion would be the end of summer 2015. Since then, the cost estimates have increased to \$120,000 and construction was not estimated to start until at least summer 2016. Instead, EORI staff will move to existing offices in the Wyoming Technology Business Center (WTBC). The new EORI offices will include five offices on the first floor of the WTBC and a dedicated conference room, with an additional three offices on the second floor. There was also room for expansion should EORI require. Commissioner MacPherson suggested that Director Carpenter write a letter to the University of Wyoming (UW) Board of Trustees expressing the frustrations in dealing with the University regarding the office build.

Action Item: A letter would be drafted to the University of Wyoming (UW) Board of Trustees expressing the frustrations in dealing with the University regarding the office build.

The 2016 CO2/EOR conference will mark the 10th anniversary of the annual event. Deputy Director Hurless and Business Manager McClenahan were placed in charge of planning the conference. It is scheduled July 12-14, 2016 at the Casper Events Center in Casper, Wyoming.

IV. Financial Report

Business Manager McClenahan stated Governor Mead approved the proposed EORI budget for the 2017-2018 biennium. Funds for the director and business manager salaries was transferred from the School of Energy Resources proposed budget.

**** Senior Assistant Attorney General Eric Easton entered the meeting at 1:16 PM. ****

Director Carpenter stated the Joint Appropriations Committee and the Governor's staff appreciated EORI's willingness to reduce the proposed budget by 3%. EORI was the only state department that presented a budget with a reduction in place. Senator Bebout asked how far the EORI budget could be reduced before there would be substantial impact on the ability to complete projects. Ms. McClenahan responded that any reductions exceeding 8% would have detrimental effects on EORI's ability to function.

Ms. McClenahan presented the spending report for EORI through the October, 2015 reconciliation. Computer equipment was still being purchased using fiscal year 2015 funds, but other budget subcategories were only utilizing fiscal year 2016 funds. Ms. McClenahan estimated that approximately 30% of EORI's fiscal year 2015 budget would be reverted to the

State. The large percentage of reversion was due to understaffing during the fiscal year. Ms. McClenahan also predicted that funds would revert from fiscal year 2016, but did not have exact numbers at that time.

V. Executive Session

No executive session was held.

VI. New Business

Rob Hurless has recently been hired as EORI's Deputy Director and is relinquishing his appointment to the Commission as the Governor's representative. Mr. Hurless' replacement will be decided by Governor Mead and the Commission will be notified when an appointment had been confirmed.

Two commission members' terms are expiring in 2016. Commissioner Goolsby accepted the invitation to serve another term and will remain on the EORC. Commissioner MacPherson will be stepping down as the representative for the UW Board of Trustees. Chairman Fitzsimmons stated the Commission appreciated the time Mr. MacPherson served on the EORC and thanked Commissioner MacPherson for his contributions.

Dave True will be the new representative for the UW Trustees serving on the EORC subject to approval by the Trustees and appointment by the Governor. Mr. True will bring knowledge of the oil and gas industry to his position as a trustee and as a Commissioner on the EORC. Senator Bebout inquired about possible conflicts of interest if EORI continued to work with True Oil on projects. Senior Assistant Attorney General Easton explained that Mr. True would have to recuse himself from any votes that involved True Oil.

VII. Consent Items

Faculty members with projects funded by EORI will make presentations to Director Carpenter and EORI staff at the January 20, 2016 staff meeting. Faculty will then be asked to make presentations to the EORC at the April quarterly business meeting, either in person or through video conference.

Action Item: Faculty receiving funding from EORI will make presentations to the EORC at the April 2016 quarterly meeting.

EORI is currently working on thirteen projects and has nine good prospects. Technical Lead Jones stated the web application for the data platform would launch soon after the meeting. The data platform, which has been in production for almost a year, will compile data from numerous sources regarding Wyoming oil and gas fields. The platform will be open to the public and an invaluable tool to operators and consultants.

Action Item: EORC members will receive access to the data platform prior to launch for review.

Requests for proposals for distribution of EORI lab equipment was completed. All requests were internal to the University of Wyoming and will be transferred between departments. Award letters notifying the awardees have been distributed, along with conditions of the distribution. No money will be exchanged for the equipment.

Senior Assistant Attorney General Easton stated EORI's policy regarding confidential disclosure agreements (CDAs) and non-disclosure agreements (NDAs) would follow existing policies held by UW. EORI will be able to maintain confidentiality on companies and data received, however any results of EORI projects will become public domain. Chairman Fitzsimmons agreed that any projects utilizing State funds must be to the benefit of all producers in the State.

Action Item: An itemized bullet list not exceeding one page will be developed stating the intent of language in NDAs and CDAs.

VIII. Commission Open Discussion

No open discussion was required.

IX. New Action Items

New action items from the meeting were addressed. In addition, two more action items were added.

Director Carpenter and Senior Assistant Attorney General will present to the Wyoming Oil and Gas Commission regarding flaring at the invitation of Chairman Fitzsimmons.

Senator Bebout requested an action item be added to discuss paraffin remediation at the April 2016 EORC quarterly business meeting.

X. Future Meeting Dates

There was discussion regarding moving the location of the April 2016 meeting to Laramie, Wyoming to accommodate presenting faculty. It was decided to retain the meeting in Casper, Wyoming with faculty either traveling to the meeting or utilizing video conferencing to present.

XI. Adjourn

Motion: Commissioner MacPherson moved to adjourn the meeting. Senator Bebout seconded. Motion passed unanimously.

**** Meeting adjourned at 2:15 PM ****



Tom Fitzsimmons, Chairman