

# Enhanced Oil Recovery Commission



## Enhanced Oil Recovery Commission

### MINUTES

Tuesday, January 23, 2018 – 1:00 PM

Big Horn Conference Room, Wyoming Technology Business Center  
Casper, Wyoming

#### **Commission Members Present:**

Aaron Otteman, Vice Chairman (via telephone)  
Ken Hendricks, Wyoming Oil & Gas Conservation Commission, Chairman Elect  
Senator Eli Bebout (via telephone)  
Dave True, University of Wyoming Trustee  
Jimmy Goolsby  
Ron Baugh (via telephone)  
Matthew Fry, Representing Governor Matthew Mead (via telephone)  
Erin Campbell, Wyoming State Geologist

#### **Commission Staff Present:**

Michael Armstrong, Attorney General's Office

#### **Enhanced Oil Recovery Institute Staff Present:**

Steve Carpenter, Director  
Rob Hurless, Deputy Director  
Charity Owens, Accounting Associate, Senior  
Chana Conley, Office Assistant, Senior  
Colleen Rippeth, Research Scientist, Assistant

#### **Guests Present:**

Lon Whitman, Technical Outreach Manager

## **I. Call to Order**

Vice Chairman Otteman called the meeting to order at 1:01 PM. Roll call was taken and a quorum was established.

The Commission introduces and welcomes Ken Hendricks, replacing Tom Fitzsimmons.

## **II. Approval of Minutes**

- a) **Motion:** Senator Bebout moved to approve the minutes from September 11, 2017 Enhanced Oil Recovery Commission (EORC) meeting as published. Commissioner Baugh seconded. **Motion passed unanimously.**

- b) **Motion:** Commissioner Goolsby moved to approve the minutes from the October 11, 2017 Enhanced Oil Recovery Commission (EORC) special meeting as published. Commissioner Baugh seconded. **Motion passed unanimously.**

### III. Financial Report

- a) Deputy Director Hurless presented the EORI spending report through December 31, 2017. Mr. Hurless noted there is approximately \$130,000 in one time expenditures; Senator Bebout asked why the consultant costs were greater than expected. Director Carpenter reported these expenditures were related to the asset relocation from Laramie to Casper and included consultants, one time SQL and server set-up costs, and moving expenses. Additionally, the current Outreach Manager position is a contracted consultant, and a search has been launched to hire an Outreach Manager, which will reduce consulting costs. Commissioner True asked about other non-recurring expenses in the second half of the year. Mr. Hurless reported the Cost Share RFP Program which is a dollar for dollar match with industry, as an additional non-recurring expenditure, with the dollars coming from FY2017 funds.
- b) Deputy Director Hurless presented the revised EORI budget for the 2019-20 biennium. Mr. Hurless reported the Wyoming State Legislature reduced the EORI budget by \$250,000; in addition, a \$43,000 cut was taken as the EORI share of a Legislative directed cut. Mr. Hurless reported that discussion of further reductions would likely reduce expenses to consulting, outreach programs and projects. Mr. Hurless stated the tentatively approved 2019-20 budget number is \$5,067,832, and that the approved budget numbers would be available for the next meeting of the EORC.

### IV. Reports and Updates

- a) Director Carpenter presented the EORI staff update. The Petroleum Engineer position has been filled. Sean Terchek was extended an offer and accepted; Sean is in the official hiring process and will relocate to Casper in the next 30-45 days. Nick Jones is splitting his workload between Casper and Laramie; at the end of the current school year Vandy (and their family) will complete relocation to Casper. The final Laramie position currently filled by Matt Johnson will expire at the end of June, as he has chosen not to relocate.
- b) Deputy Director Hurless reported SQL server is advancing.

Director Carpenter reports on new projects consisting of the 1:1 RFP Cost Share program (which has 4 Request for Proposals/RFP), and the Outcrop Core project. Senator Bebout asked about the evaluation process for determination of awarding the RFP's; a summarization of the internal process was provided by Director Carpenter.

Lon Whitman (Technical Outreach) presented plans for EORI sponsored workshops, seminars, and luncheons on topics such as tracer tests, electricity costs, or operator suggested topics. State Geologist Erin Campbell stated concerns that these programs would reach only the Casper area. Mr. Whitman clarified the intent is to present throughout the State of Wyoming, and some could also be available in an online format.

Ms. Campbell asked for a rundown of 2017 accomplishments. Director Carpenter reports the Kitty Model is complete and Dr. Ben Cook is advancing his statewide benchmarking study on electricity costs. Mr. Whitman stated the Minnelusa Consortium is finalizing a revised or improving water-flooding project in Timber Creek, a 3D seismic in Little Mitchell Creek, as well as other geologic models. Chairman Otteman asked if a written report on the aforementioned projects will be available. Director Carpenter stated the exact intent is to reprocess, publish and share these studies upon completion.

Ms. Campbell asked about the availability of the EORI studies on the website. Director Carpenter introduced the new EORI website in development, which will be a source of EORI completed works and accomplishments.

Director Carpenter addressed Commissioner Baugh's request for an update on the Department of Energy (DOE) Grants; one grant was not funded and the other was not awarded. Discussion continues with operator/s whether to continue with project without DOE funding.

- c) Technical Advisory Board (TAB) update was given by Director Carpenter who congratulated Ken Hendricks on his appointment to EORC; with Mr. Hendricks appointment to EORC, his position will be replaced on the TAB. TAB members are being tasked with participating in finding an appropriate replacement. A future TAB Meeting will be coordinated with the September Annual EORI Conference.
- d) Vice Chairman Otteman moves on to the outstanding Action Items; only remaining open item is Kitty Field project. Mr. Hurless explained Devon Energy has decided to take the historical project and complete an engineering feasibility study; EORI has communicated availability to participate, as necessary.

Vice Chairman Otteman states the remaining Action Items were already discussed or presented in Sept and/or Oct 2017 meetings, that anticipating the impact of budget cuts will be ongoing, and lastly asks for a recap of the draft Event Sponsorship Policy.

Director Carpenter replied the draft was approved by the Commission; the policy says any sponsor funds left after event expenses are covered, will remain on account for the next event or general outreach.

Vice Chairman Otteman asked if the Line Item Budget Example was removed from the Action Items list because of former Commissioner Dreaan's retirement. Director Carpenter stated it was removed for that reason and because the example was never provided.

## V. New Business

### a) CO<sub>2</sub> Pipeline Cooperative

Matt Frye (Representative for Governor Mead), asked if the Commission still wants to advance or continue the effort for a potential statewide CO<sub>2</sub> pipeline, and suggested EORI provide data and knowledge. Senator Bebout suggested there be talks about options and benefits of a privately run pipeline. Director asked the Commission as to whether or not EORI is to continue to interact. Vice Chairman Otteman suggested fulfilling the role of facilitating awareness and opportunity, and providing information sharing, possible GIS mapping.

Commissioner Dave True asked about Department of Energy (DOE) grant funding and how it might be intertwined with the infrastructure and management, to refocus on transportation and move forward. Director Carpenter replied that while the DOE focused on capture and storage, they left out transportation.

**Action Item:** Director Carpenter will create a draft to identify the role, position and responsibility accepted by EORI in the CO<sub>2</sub> Pipeline Cooperative effort.

**\*\*Vice Chairman Otteman requested to swap Agenda items b) and c); none opposed\*\***

b) Regarding the Extension of Term for three (3) Commissioners, Ken Hendricks agreed to finish the balance of Tom Fitzsimmons term (ending 03/01/2018), Ron Baugh has agreed to continue with his third term (effective 03/01/2018), Vice Chairman Otteman will resign and end his term effective 03/01/2018.

c) Regarding the selection of New Chairman and Vice Chairman, Senator Bebout nominated Commissioner Goolsby for Chairman and Ken Hendricks for Vice Chairman. Ron Baugh seconded the nomination.

Ken Hendricks asked about filling Vice Chairman Otteman's position.

Prior to accepting, Ken Hendricks asked how his appointment might affect his representation of the Wyoming Oil & Gas Conservation Commission (WOGCC). Michael Armstrong (Attorney General's Office) states if Mr. Hendricks were to resign from the WOGCC, he would de facto resign from the EORC.

Both Commissioner Goolsby and Mr. Hendricks accept their nominations; motion unanimous.

**\*\*3:17 PM Commissioner True exits the meeting\*\***

d) Amended MOU with UW; Director Carpenter updates that Mark Northam, Director - School of Energy Resources (SER) is actioning within UW regarding the MOU and specifically procurement, human resources, and grant dollars.

**\*\*3:22 PM Senator Bebout signs off from the meeting, quorum still present\*\***

## **VI. Executive Session**

No Executive Session Required

## **VII. Commission Open Discussion**

Open discussion regarding Federal Lands, Land Use and Permitting

## **VIII. New Action Items**

**Action Item:** Identify reservoirs in the five (5) locations included in the Outcrop Study and ensure that for every project or study a tie back to the relevant value to the taxpayer, with regard to recovery and generating revenue to the State of Wyoming.

**Action Item:** Director Carpenter to create a draft to identify the role, position and responsibility accepted by EORI in the Western Governors' Association Working Group, Wyo-NOVA, CO<sub>2</sub> Pipeline Cooperative effort.

**Action Item:** Director Carpenter to provide a copy of the 2018 JAC presentation to the Commission.

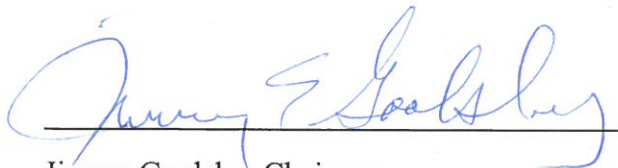
**Action Item:** Director Carpenter to initiate the land use ad hoc committee.

## **IX. Future Meeting Dates**

The Commission agreed that the next meeting would occur on Monday, April 9<sup>th</sup>, 2018 from 1-4PM at Enhanced Oil Recovery Institute offices.

## **X. Adjourn**

**\*\* Meeting Adjourned at 3:58 PM\*\***



Jimmy Goolsby, Chairman