

Enhanced Oil Recovery Commission



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MINUTES

Monday, April 9, 2018 – 1:00 PM

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

Commission Members Present:

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

Commission Staff Present:

Michael Armstrong, Attorney General's Office
Mark Northam, SER (via telephone)

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; Commission Support
Stephen Whitaker, Sr. Geologist, EORI

Guests Present:

Lon Whitman, Technical Outreach Manager

I. Call to Order

****1:01 p.m. Chairman Goolsby called the meeting to order; quorum present**

- a. Recognizes Bob King as new EORC Member and turned the meeting over to Vice Chair Hendricks; Vice Chair Hendricks recognizes Bob King
- b. Director Carpenter introduces Colleen Rippeth as new EORC Support; additionally requests a change to the agenda for discussion of Agenda Items 5a: MOU, Financial Report 1600-13011, and Overhead Issue to allow participation of Mark Northam.

Vice Chair Hendricks is agreeable; proceed with meeting.

II. Minutes

- a. Vice Chair Hendricks seeks motion for approval to the previous minutes.
Motion: Jimmy Goolsby moved to approve the minutes from the January 23, 2018 Enhanced Oil Recovery Commission (EORC) meeting as published. Commissioner True seconded. Bob King abstains. **Motion passed.**

**** 1:06 p.m. Ron Baugh joins the meeting via telephone**

III. Financial Report

- a. Deputy Director Hurless reviews spending to date: biennial funds balance remaining to cover expenses April, May, June 2018 at \$41,700; includes pre-approved contract expense for 2018/19 conferences; conservative look at projected spending.
- b. Hurless continues with the projected budget for 2019/20: projects and outreach funds less than previous years; awaiting last hire for foreseeable future. Commissioner King comments the budget is down \$200,000; Hurless explains cuts from 2017/18 continuing through 2019/20 budgets. Commissioner True questions the amount of difference stated in the legislative cut of \$250,000 vs. the \$200,000 shown. Hurless states the difference is due to a credit for insurance/pension overpayment.
Hurless states that the University of Wyoming swept several accounts, including the account used for EORI conference spending, which was not funded with State or University money. The account 1600-13011 was found to have a negative balance (-\$115,000) by EORI internal accounting; no notice was given by UW.
Commissioner True comments that he has “no doubt” this issue will be corrected.

Director Carpenter moves to discussion of **Item V. New Business a. Amended MOU with UW** (overhead costs issue). As of July 1, 2017, UW changed platforms from actuals to a federally-approved flat fee, increasing costs, causing an \$87,000 discrepancy. Carpenter expresses frustration for lack of communication from UW as knowing about the increase would have been “exceptionally valuable” for EORI in preparing the budget. Additionally, collected funds are commingled with UW’s reserve account. Chairman Goolsby comments “no” to commingling funds.

Mark Northam states UW needs to “honor the differences” of agencies not in the block grant, by collecting overhead rates appropriate to individual circumstances.

Commissioner Campbell comments that EORI is at an “intersection” of the State and the University, the lines aren’t clear with both advantages and disadvantages; cautions being careful not to lose the benefits of both. Hurless agrees; the relationship with UW needs clarification. Director Carpenter asks the EORC to advise what steps to take; Hurless will visit Laramie to gather more information and options, then present to the EORC for decision-making.

Commissioner True asked Mark Northam if the ERC/SER had the same experiences regarding swept accounts and the overhead burden issue, not being notified and finding

errors through recordkeeping. Northam stated yes, many errors occurred when WyoCloud was initiated.

Hendricks asked if there is a level of detail covering issues in the current MOU. Hurless says no and explains the history of the current MOU, and that Former Chairman Fitzsimmons recommendation the draft of an updated MOU. Northam stated the three major components of the MOU being employees, grants, and contracts. Commissioner King asked when the new MOU might be done. Northam stated it could be reviewed by UW Board of Trustees by June, then reviewed by the EORC. Commissioner True suggests both the overhead issues and the MOU be interwoven; Northam agrees to action the idea.

****2:07 p.m. Mark Northam exits the meeting**

IV. Reports and Updates

- a. Director Carpenter updates the status of the new engineer, Sean Terchek; has been ill, is progressing and back to work. Also updates the final Laramie assets/staff (Vandy Jones) will be in Casper as of June; Matt Johnson has chosen to terminate his contract with EORI to remain in Laramie; Ben Cook's dual appointment is in final stages; search committee has identified new outreach coordinator (in effect by the end of the month).
- b. Deputy Director Hurless updates on the pilot project (cost share program); \$2 million was asked, only \$500,000 was available, program closed at \$425,000 expense due to budgetary constraints. Of the \$2.2 million in projects moving forward, EORI will gain data from all.
Director Carpenter states the intent was a 1:1 match, which netted out to 5.2:1; program is great success, great experience.

****2:27 p.m. Senator Bebout joins the meeting**

Vice Chairman Hendricks stated it's a great story to tell, leveraging \$500,000 spent within the State of Wyoming. Commissioner Campbell asked how the results from the studies are disseminated. Hurless/Carpenter state the projects are still in progress; once complete will seek quick dissemination after analysis, through publications/papers, workshops/outreach, EORI website/library.

Next project update Secondary Recovery: PPT presentation by Steve Whitaker; commentary regarding orphaned wells, possibly helping the WOGCC prioritize abandoned wells, dealing with conflicting objectives of plugging vs. keeping resources available.

Carpenter states EORI is cautious not to overstep the boundaries of its job/mission and not moving into political/regulatory issues; asked if the EORC has ideas.

Campbell suggests writing a short report to forward to the WOGCC as they may offer ideas/direction, and make the conversation available to the public.

Commissioner True asked if economics are applied. Carpenter states Ben Cook (with input from the WOGCC) could make a financial model; Hurless inputs there is further opportunity to pool resources through consortia.

Lon Whitman reviews the Minnelusa Consortium history, provides update on upcoming EORI events. Carpenter stated Lon will lead the land use committee.

- c. Director Carpenter suggests a May/June telephone conference with TAB members, and coordinating a TAB meeting in September to engage members in the 2018 Conference.

****3:05 p.m. 5 minute break; reconvene 3:10 p.m.**

V. New Business

- a. Amended MOU: As discussed within Item III.b.
- b. Director Carpenter stated EORI received a request from Joint Minerals Committee (JMC) to attend interim meetings in June/Dec regarding proposal to conduct a study to create an energy group, questioning what is wanted from this proposal and how does EORI respond. Senator Bebout, Chairman Goolsby, Commissioners Campbell, True, and Baugh not supportive of the idea. Carpenter suggests a decision be held until a formal request is made. Overall input from group is to craft a response in summary by the EORC Chairman and Vice Chairman, with review from Assistant Attorney General by April 19, 2018 for Senator Bebout, then to the EORC for comment.

****Action Item:** Carpenter to draft initial response for Sen, Bebout to share with JMC regarding “WY Energy Authority” proposal.

**** 3:27 p.m. Commissioner True leaves the meeting; quorum still present**

VI. Executive Session

No Executive Session Required

VII. Commission Open Discussion

- a. Commissioner Campbell requests reports and resource maps of current EORI projects. Carpenter states the library of information is still in working mode with over 260 documents/reports/PPT presentations to tag; will make available.

****Action Item:** Director Carpenter to provide Commissioner Campbell et al, 2017 and current project information as requested.

VIII. Action Items (New)

Action Item: Provide presentations/reports, maps and 2017 works produced to EORC

Action Item: Draft summary response to JMC for EORC review/comment

Action Item: Provide information of UW overhead options for 2019/20 budget

IX. Future Meeting Dates

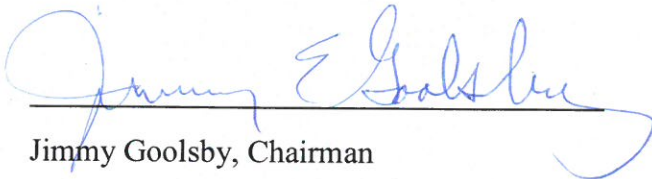
Discussion of future meeting dates: suggest available blocks of time during the Conference Schedule in September, provide suggestions to EORC for planning. Vice Chairman Hendricks agreed to leave future meeting date as TBD.

No further business

X. Adjourn

Motion to Adjourn by Chairman Goolsby, Motion seconded by Commissioner Campbell; all in Favor, Motion passed.

**** Meeting Adjourned at 3:46 p.m.**



Jimmy Goolsby, Chairman

