

Enhanced Oil Recovery Commission



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2nd Quarter Meeting
September 12th, 2012
Hotel Terra- Teton Village
Jackson, Wyoming

Commission Members Present:

Bruce Williams, Chairman
Eli Bebout
Tom Drean
Betty Fear
Jimmy Goolsby
Aaron Otteman
Rob Hurless
Tom Fitzsimmons

Commission Staff:

Barb Jesse, EOR Staff Accountant

Enhanced Oil Recovery Institute Staff:

David Mohrbacher, Director
Allen Tanner
Glen Murrell

I. Call To Order

Chairman Williams called the meeting to order at 7:30 am.

II. Approval of Minutes

Minutes from the July 27, 2012 meeting are not yet ready for submission for approval. Director Mohrbacher commented that the meeting minutes are being transcribed and prepared.

III. Commission Open Discussion

Chairman Remarks

Chairman Williams began open discussion by expressing approval of the IOR Conference held in the last few days. He was especially interested by Larry Lake's presentation on using simple models as opposed to more complex models, Jimmy Goolsby's presentation on drilling in the Powder River Basin, and the summary of low-salinity water-flooding.

Conference Fees

Glen Murrell stated that there were approximately 85 attendees at the conference, and that he will work on quantitatively determining motivating factors behind the conference attendance. Commissioner Fitzsimmons indicated several attendees expressed a willingness to be charged for the conference, which may help off-set facilities costs. Commissioner Bebout supported this idea, as well as the issue of making sure to tailor future conference agendas towards Commission objectives.

Mission of EORI

Director Mohrbacher indicated the EORI decision to focus on conventional fields, as opposed to unconventional fields, is in line with direction provided by the EORC during 2011. At that time the EORC determined that unconventional reservoirs were primarily exploratory plays. EORI will continue to focus on development of conventional, legacy reservoirs. IOR conference will continue to focus on improved flooding techniques including use of gels, polymers, and other improved operational techniques. Commissioner Bebout expressed concern about adjusting the original mission of EORI, and how any changes would affect staffing and skill-set requirements for staffing. Such staffing changes would require a cost-benefit analysis. Commissioner Fitzsimmons suggested that EORI's mission is not just to help develop technology and techniques, but also to get the technology and techniques out into field.

Director Mohrbacher outlined EORI's current activities, which include implementing Tensleep and Minnelusa workshops, as well as possible additional workshops focusing on the Minnelusa in the Powder River Basin. EORI has recently completed several projects for small Wyoming operators. The EORI Outreach Program is now focusing on identifying several new prospects with small Wyoming operators'. EORI continues to support efforts that include small and large Wyoming operators.

IV. Director's Overview

Director Mohrbacher discussed current staffing progress, a University-requested 3% raise for current staff, and little change in the EORI projects and prospects list.

V. Review of Outstanding Action Items

- a.) Director Mohrbacher will update the Commission on any EPA policy development on regulations for classes of injection wells.

Commissioner Fitzsimmons offered the help of an industry-personnel staff-member who would be able to help with the project. Commissioner Fitzsimmons also commented on the increased urgency on the matter due to the stipulation requiring disposal of effluent or load used on simple acid jobs, and the lack of commercial disposal wells in the state.

Chairman Williams discussed the completion of the project by the January meeting, with an interim progress report.

b.) Director Mohrbacher and Eric Easton will complete a draft of recommended legislative statute changes.

Chairman Williams discussed whether changes to legislation would be necessary, or whether a letter should be prepared to the Minerals Committee, advising of changes from the legislation. Commissioner Fitzsimmons motioned to draft a letter, provide a copy to the Commission for approval, and have the Commission send the letter and copy SER. The motion was seconded by Commissioner Bebout. The motion passed.

c.) Inventory resources available for simple descriptions of how CO2 EOR works and evaluate adapting that information into a Wyoming-specific CO2 EOR brochure

Commissioner Drean reported that some progress has been made on this action-item, with examples of brochures having been submitted.

d.) Hiring of EORI Business Manager

Director Mohrbacher discussed this issue in his staffing report.

e.) The fiscal year EORI budget

Barb Jesse reported on the 2011-12 fiscal year budget. Just under \$10,000 had been reverted back to the state. The current budget report includes salary and fringe benefit information.

f.) Director Mohrbacher and Sheena Xie will look at software needs and the total cost pertaining to the lab equipment and provide a summary.

g.) EORI's integration with the University's conflict-of-interest policy

Director Mohrbacher reported that the action-item has so far been applied on a case-by-case basis, and reported that he will be able to make further progress on this action-item.

VI. New Business

University-requested 3% employee raise

Chairman Williams discussed concern over the University-requested 3% raise. He had signed approval of the University-requested raise, but commented on the alternative of reallocating budget items for the raise instead. EORI has the option of either approving the document as submitted by the University, or rescinding the document. Commissioners were informed of the University request and expressed reservations about the 3% raise request.

EORI work space

Director Mohrbacher reported that EORI plans to move offices during November and the laboratory being moved in stages beginning in January 2013. Director Mohrbacher also reported on retaining basement space in the Geology building, and that the outcome of pursuing the space with the University is uncertain.

Staffing

Director Mohrbacher reported good progress on staffing. The Business Manager position received 17 applicants, with 5 short-listed applicants. He predicted a completion of telephone interviews within the next week, in-person interviews towards the end of September, and a new hire by the end of October or the first week of November.

Glen Murrell reported on the search for the Outreach Coordinator position, which currently has close to a dozen applicants. Mr. Murrell expects the application to close next week, and the hiring process to being very soon.

Director Mohrbacher also reported on the third position currently being filled, which is for a modeler. Director Mohrbacher reported that there are currently 7 candidates, and will update the Commission on further progress.

Conference results

Glen Murrell discussed recent results from the IOR/EOR conference. The conference was a success, with the strongest agenda to-date. There was a record level of sponsorship, but the demographic has been changing with a decrease in operator attendance. Mr. Murrell reported that he will take a look at attendee incentivizes.

Mr. Murrell also reported on the success of the CO₂ workshop; the progress with hosting the next meeting for the Society of Core Analysts; the progress of the Tensleep workshops, of which future dates are planned for in October and April. Commissioner Drean suggested that EORI may be underestimating the level of effort required to assist SCA with planning their annual conference. It was suggested that EORI develop a detailed plan for planning and execution of the proposed conference. Key decision dates will be defined, so that EORI can focus efforts and manage the conference planning and execution efficiently.

Updates on projects and prospects

Glen Murrell reported that in regard to the appropriateness of seismic work in the Consortium program, there is concern whether the seismic work is used as an exploratory tool or an IOR/EOR tool. The Consortium perspective is that the seismic work is useful for field characterization, as opposed to exploration. Mr. Murrell indicated that EORI will continue support of Minnelusa exploitation efforts using new applications of seismic technology.

VII. Review EORI Calendar

Chairman Williams advised that the next meeting in Denver will be held in conjunction with the Technical Advisory Board. He encouraged those who have not yet attended a TAB meeting to do so. The TAB meeting will be held on January 10th, with the Commission meeting on January 11th.

Director Mohrbacher proposed checking into the appropriateness of the suggested meeting dates, and advising members as soon as possible.

VIII. Adjournment

Chairman Williams motioned to adjourn. Commissioner Bebout seconded. The Enhanced Oil Recovery Commission meeting adjourned at 9:30 AM.