

Enhanced Oil Recovery Commission



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MEETING MINUTES

September 9, 2019 – 1:00 PM

Wyoming Technology Business Center, Casper, Wyoming

Commission Members Present

Ken Hendricks, Chairman

Erin Campbell, State Geologist

Ron Baugh

Chad Brister

Robert King

Renny MacKay, Representing Governor Mark Gordon (via Telephone)

Senator Drew Perkins

Dave True, University of Wyoming Trustee

Commission Staff Present:

Eric Easton, Senior Assistant Attorney General

Micah Christensen, Attorney General's Office

Enhanced Oil Recovery Institute Staff Present:

Steven Carpenter, Director

Rob Hurless, Deputy Director

Steven Whitaker, Technical Manager

Chana Conley, Commission Support

Lon Whitman, Technical Outreach Manager

I. Call to Order

****1:09 PM Chairman Hendricks called the meeting to order; quorum present**

II. Minutes

Motion: Commissioner King moved to approve the minutes from May 31, 2019 Enhanced Oil Recovery Commission (EORC) meeting as published. Wyoming State Geologist Campbell seconded. **Motion passed unanimously.**

Motion: Senator Perkins moved to approve the minutes from June 26, 2019 Enhanced Oil Recovery Commission (EORC) meeting as published. Commissioner Brister seconded.

Motion passed unanimously.

III. Financial Report

Deputy Director Hurless stated federal grants that had been awarded but were still being processed by the University of Wyoming Accounting Department did not appear on the spending report. Once those grants had been finalized in the system, some of the labor costs from payroll would be moved to those grant funds. Funding for payroll would initially come from the State Budget, but would be reimbursed by the Federal Government for hours worked on those specific projects.

Action Item: An additional tab will be added to the spending report which will report Federal Grant Spending.

Action Item: A report will be given as part of the spending report which will detail labor associated with the Federal Grant projects by headcount.

Commissioner King asked if the Enhanced Oil Recovery Institute (EORI) was fully staffed at the level budgeted in the grant awards. Director Carpenter responded that one petroleum engineer had left EORI recently, however he believed current staffing was adequate to cover existing projects and the grant projects and a new engineer was not going to be recruited at this time.

Deputy Director Hurless informed the commission that no requests for additional funds were requested for the 2021/2022 biennium (e.g. Supplemental Request). The only update to the budget from the previous EORC meeting was the Governor had signed the budget as being recommended for the requested standard amount.

****1:19 PM Governor Representative Renny MacKay enters the meeting.**

Deputy Director Hurless stated the new Memorandum of Understanding (MOU) between the EORC and the University of Wyoming (UW) took effect on July 1st, 2019. Part of that MOU was a further separation of EORI from academia by assigning unique job titles and classifications to EORI Staff.

Director Carpenter informed the Commission that on December 18, 2019 he would be attending the Joint Appropriations Committee to present the budget for the 2021/2022 biennium. Chairman Hendricks and Deputy Director Hurless would be joining in the budget presentation.

IV. Reports and Updates

Director Carpenter informed the EORC again that one petroleum engineer had left the EORI staff, and at this time there was not a plan to recruit to fill the position. No other recent staff changes were noted.

The major projects update focused on the two projects that would be receiving federal grant money for completion. The Department of Energy (DOE) had advanced 10% of the awarded

money for one grant and work was already started on that project. The second grant was still being processed paperwork wise within UW and work on that project would be started soon.

Commissioner King asked if the time line for reimbursement from grant monies was processed in a timely manner. Director Carpenter responded the DOE was always very prompt to respond once invoiced, and there was not significant time between invoice and payment. UW would be in charge of all invoicing to the Federal Grants. The initial money to cover costs would come from UW, who would then invoice the DOE to recover those costs. EORI itself would experience no time lapses in receiving salary or payment regarding these projects.

V. New Business

Chairman Hendricks updated the commission and staff on the merger between the Wyoming Pipeline Authority (WPA) and the Wyoming Infrastructure Authority (WIA). Meetings between the separate groups coming together had gone well, but there was still discussion on the scope and mission of the newly formed group. A new Governor taking office would have an effect on the group and those discussions. Commissioner Baugh inquired where the ex-officio members sitting on the new Energy Authority Board would originate. Chairman Hendricks responded the members would include the Director of EORI, the director of the School of Energy Resources (SER) at UW, the CEO of the Wyoming Business Council, a representative of the Governor's office, and the Supervisor of the Oil and Gas Conservation Commission.

Director Carpenter introduced a scope of work presented by SWCA Environmental Consultants to the Bureau of Land Management (BLM) regarding a Class I Inventory Report for the Wyoming Pipeline Corridor Initiative. A previous report had been conducted which was a Class III report, however the BLM modified the requirements and requires a Class I Inventory be conducted. Chairman Hendricks stated the Pipeline Authority did not have room in its budget to accommodate the change in report request. As the request was coming from the State of Wyoming and directly related to supplying CO₂ to Wyoming Fields, it was presented to the EORC for possible funding.

Assistant Attorney General Easton stated he felt comfortable that the project did fit into the statutory objectives of EORI. State Geologist Campbell stated some reservation regarding setting a new precedent for funding private consulting firms, but noted the request came from the Governor, not private industry. Commissioner True stated he would feel more comfortable if the EORC were to receive a letter of request directly from the Governor, not just the Governor's office.

Action Item: A request would be presented to the Governor requesting a letter that would clearly state the expectations for EORI and would define that this would be a onetime request for funding, not to exceed an established amount.

Chairman Hendricks asked who would oversee the project. Director Carpenter responded that Matt Fry would be the project manager. Chairman Hendricks stated that more than ten years of

work by various state agencies had gone into the Wyoming Pipeline Initiative and had the support of two prior Governors as well as the support of the current Governor. He also stated that other state agencies might be willing to offer support for completing the report, and the full financial burden might not fall on EORI.

Motion: State Geologist Campbell moved that the Enhanced Oil Recovery Institute would provide financial support up to \$85,400 for the SWCA cultural assessment of the pipeline project that is being advanced by the State of Wyoming, and we did this because of the recommendation of the Governor's Office. Commissioner King seconded the motion. Commissioner True requested an amendment to the motion asking for the letter from the Governor's Office signed by the Governor himself before funding would be provided.

Amended Motion: State Geologist Campbell moved that the Enhanced Oil Recovery Institute would provide financial support up to \$85,400 for the SWCA cultural assessment of the pipeline project that is being advanced by the State of Wyoming, and we did this because of the recommendation of the Governor's Office as long as the Governor was willing to send a letter directly from his desk that fulfilled the requirements of the request and expectations. Commissioner King again seconded the motion. **Motion passed unanimously.**

VI. Executive Session

Motion: Commissioner King moved to adjourn into executive session for the purpose of discussing employee issues regarding the staff of EORI. State Geologist Campbell seconded the motion. **Motion passed unanimously.**

****Meeting adjourned into Executive Session at 2:20 PM****

****Meeting reconvened into General Session at 2:57 PM****

VII. Open Discussion

Chairman Hendricks asked if there were any updates on the search for a new Director for the School of Energy Resources at UW. Deputy Director Hurlless stated the search was progressing on schedule and there was still hope that a candidate could be identified and hired with enough time to have some overlap with the current director for training purposes.

Governor's Representative MacKay announced there may be a possibility of a collaboration between the Department of Energy and state agencies to analyze carbon storage in Wyoming and discuss the potential for CO₂ market in Wyoming in utilizing CO₂ for Enhanced Oil Recovery. He stated he would keep the commission apprised of any changes to the status of that proposed project.

VIII. New Action Items

Action Item: An additional tab will be added to the spending report which will report Federal Grant Spending.

Action Item: A report will be given as part of the spending report which will detail labor associated with the Federal Grant projects by headcount.

Action Item: A request would be presented to the Governor requesting a letter that would clearly state the expectations for EORI and would define that this would be a onetime request for funding, not to exceed an established amount.

IX. Future Meeting Dates

The commission will meet again on March 9, 2020 in Casper, Wyoming. Meetings were also on schedule for June and October of 2020.

X. Adjourn

Motion: Commissioner King moved to adjourn the meeting. Commissioner True seconded.
Motion passed unanimously.

****Meeting adjourned at 3:30 PM****



Ken Hendricks, Chairman