

Enhanced Oil Recovery Commission



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MEETING MINUTES

Wednesday, June 1, 2022, 1:00 -5:00 PM MST

EORI Conference Room, 2435 King Blvd, Casper

Or via ZOOM: <https://uwyo.zoom.us/j/95543314437>

I. Call to Order – Chairman Hendricks

a. Roll Call/Quorum – Chairman Hendricks

EORI Conference Room: Chairman Ken Hendricks, Bob King, Dave True, Eli Bebout, Representative Don Burkhart, Eric Easton, Lon Whitman, Roger Hillibush, Gabe Tullis

ZOOM Attendees: EORC Commissioners: Chad Brister-Merit Energy, Erin Campbell – State Geologist, Holly Krutka—SER, Randall Luthi – Governor’s Office, Kellie Cairns Vlastos—EORI

b. Welcome Representative Burkhart – Chairman Hendricks

Eli Bebout emphasizes the importance of Representative Burkhart’s understanding and support of energy business. Chairman Hendricks recognized Representative Burkhart’s service alongside him on the Petroleum Association of Wyoming (PAW) board.

c. Lon Whitman is officially the Director of EORI – Chairman Hendricks

II. Minutes – Chairman Hendricks

a. March 21, 2022 EORC Meeting minutes were reviewed and approved.

III. Director’s Report – Director Lon Whitman

New Role as EORI Director

Director Whitman is honored to serve as Director and thanked the Commissioners for their time, investment and service to the commission. Director Whitman looks forward to growing collaboration with the EORC and continued focus on EORI’s mission and the value EORI brings to the State of Wyoming.

Current EORI Budget Cycle (ending June 30th, 2022) and the \$1.9MM Non-Reverted Funds

EORI currently faces a budget surplus in our state funded budget ending June 30, 2022. This is partly due to salaries being paid by the Department of Energy (DOE) for staff working on those projects.

Gabe Tullis initially estimated a state budget surplus of approximately \$450,000. However, UW develops and sends us an annual document with our state budget allocations for each quarter. That allocation schedule omitted a \$234,000 COVID Step III reduction for the FY21/22 budget cycle. The \$243,000 COVID reduction was pulled out of our 4th quarter budget dollars which reduced our quarterly allocation and reduced the estimated surplus to approximately \$234,000.

With the anticipated state budget surplus, Director Whitman discussed with Chairman Hendricks and received approval to proceed to spend down the surplus in areas approved for spending from the \$1.9MM non-reverted funds approved by the Legislature to be returned to the EORC. The expenditures from the state budget surplus corresponded to expenditures provided to the Joint Appropriations Committee (JAC) to secure the return of the \$1.9MM. Expenditures were focused in: data and technology needs, staff training and geologic consulting to help support the team on specific projects. (Scott Ellingson and Erik Kvale focusing on the Muddy and Minnelusa subsurface and outcrop work. Both consultants have started work and their contracts end June 30, 2022.)

With current pending transactions through June 30, 2022, we estimate our remaining balance for the current cycle at approximately \$37,488.

There are other spending options to reduce this \$37,488 estimated budget surplus including: Phase V data technology upgrade for \$35,000 (leaving ~ \$2,000). We can stop there or dip into the \$1.9MM which could pay back any excess spending out of our budget. The question arises - should we spend over our budget vs not spending the full allocation. Director Whitman asked if more discussion is needed on this topic.

At the EORC budget hearing with JAC on January 12, 2022, Director Whitman and Chairman Hendricks presented the \$1.9MM in non-reverted funds and explained how we intend to spend it. Those funds were approved to be returned to the EORC and the total of \$1,906,78 is now available to us. We are waiting to hear how to

access those funds within the accounting system. The return of the funds to the EORC has been confirmed by Alex Kean at UW.

Dr. Krutka asked if salary increases need to be separated. Director Whitman explained that initially Governor Gordon had not included EORC/EORI on his agency list for salary increases under his plan. EORI was asked by JAC to develop salary increases based on the parameters of the Governor's program to bring agency salaries to 3-5% of industry standards and include it as part of the \$1.9MM. That amount would then be added to the new FY23-24biennium budget.

Through legislative action, the Governor did put the EORC back on his agency list for the Governor's raise program and EORC was allocated \$218,000 for salary increases. Director Whitman suggests the column for \$206,000 shown on the proposed expenditures of the \$1.9MM prepared for JAC be removed from the planned spending.

Commissioner Bebout asked what the \$1.9MM will be spent on. Director Whitman outlined the areas of spending as prepared for the JAC to secure the return of the \$1.9MM to the EORC. Our proposal to the JAC largely put the money toward cost-share pilot projects, outreach, IT updates and staff training and development. A portion of the proposed expenditures from the \$1.9MM has been covered through the state budget surplus. So we will start the new biennium with the full \$1.9MM and because of paying some of the expenditures from the budget surplus, a larger portion of the \$1.9MM can be shifted into the cost-share projects or where it is needed. Funding for salary increases can be completely removed from the proposed spending of the \$1.9MM due to funding from the Legislature via the Governor's raise program for raises at EORI.

We are working diligently to forecast staff work hours that will be paid by DOE projects to more accurately forecast the balance in our state funded budget.

We have four years (through June 30, 2026) to spend the \$1.9MM non-reverted funds.

Governor Gordon's Agency Staff Salary Adjustments

The Governor's program requested \$55MM for agency salary increases with the goal of bringing agency salaries to within 3-5% of industry standards. The Legislature increased the amount for raises in the Governor's program to \$65MM. The EORC/EORI allocation is \$218,000. This is the first of three phases under the

Governor's plan, Phase II and III will be implemented if funding is available. Phase I is effective July 1, 2022.

Using the correct fringe rate to include in the raise amounts for each EORI staff member is a challenge. Working with UW, numbers for suggested fringe rate ranged from 25% to over 45%. We made the decision to go with EORI's average calculated monthly rate of 38% to be used for fringe. The raises will be effective July 1, 2022.

Commissioner Bebout inquired about the three Phases of the Governor's raise program. Director Whitman explained that as outlined by the Governor, his raise program for stage agency employees will involve 3 annual phases of raises beginning with the first raises scheduled for July 1, 2022. The allocation of \$218,000 to the EORC/EORI is for Phase I. Phases II and III have not been defined at this point by the Governor. Commissioner Burkhardt commented that he had suggested to Governor Gordon that he put all 3 phases into one raise funded amount but that wasn't done. Commissioner Burkhardt added that continuation of the Governor's raise program with Phases II and III will of course depend on the fiscal health of the State in the coming years.

CO₂ EOR Developing Significance

With the growing development of CO₂ Storage, CO₂ - EOR is developing heightened significance in Wyoming. There are concerns about the massive push towards permanent storage and the loss of CO₂ available for EOR in Wyoming. EORI providing a voice and support for CO₂ - EOR in Wyoming is important. Denbury, who currently operates 3 CO₂ floods in Wyoming, is clearly announcing their focus on CO₂ - EOR as their preferred storage process. Denbury uses the term "blue oil" to describe the carbon neutral oil produced from their CO₂-EOR floods. Director Whitman has met with Denbury to engage in conversations to see how EORI can support Denbury to increase CO₂ - EOR operations in Wyoming, specifically at Hartzog Draw which is believed appropriate for CO₂ - EOR.

Denbury is also open to assisting with EORI's WY CO₂ - EOR Update report and provide updated data with EORI and include work they've done in their fields: Beaver Creek, Big Sand Draw, Greive and Hartzog Draw as well as work that has been done to return Lost Cabin into operation to supply additional CO₂ for Denbury's CO₂-EOR projects.

Exxon Mobil is a critical piece of the story of CO₂ - EOR in Wyoming as the only sizeable supply of CO₂ for EOR, currently about 340MMCF/day. However, Exxon is

adding an additional disposal well at Shute Creek, has a 45Q plan approved and appears to be watching legislation on 45Q tax credits/direct pay. If Federal legislation moves forward and provides \$85/ton for permanent storage and Exxon makes the business decision to permanently store the CO2 produced at Shute Creek, it will drastically affect the price and availability of CO2 from Shute Creek. EORI will keep Shute Creek and the decisions by Exxon on our radar and see how it unfolds.

EORI will also keep Governor Gordon abreast of any news on ExxonMobil plans at Shute Creek as well as CO2-EOR development plans with Denbury.

Randall Luthi would like to discuss Exxon with Senator Barrasso's office. Randall Luthi and the Governor's office support EOR as storage. EORI will continue to monitor and keep in contact.

COIFPM – Center of Innovation for Flow Through Porous Media

COIFPM has agreed to collaborate with EORI and develop a project to look at the Muddy reservoir for improved/enhanced recovery. Costs for a project with Dr. Piri will require \$1MM for his lab work. EORI could potentially secure 50% or more from industry participation. EORI could also possibly fund part of the project out of the \$1.9MM. This is a critical study for an important but complicated reservoir with significant IOR and EOR upside. The study would focus initially on the Kitty Field with plans to expand the Muddy study to other fields through a consortium of interested operators.

Another significant project for Dr. Piri at COIFPM is the \$50MM (with 50% Cost Share) Wyoming Gas Injection EOR project. With the COIFPM funding from the WY Legislature, the JAC requires EORI to be involved to which Dr. Piri was very receptive and agreed to bring in EORI as a team member. The kickoff meeting will include EORI, DOW, Dr. Piri and his team. The project will be a slimmed-down version of the originally proposed 6 pilots to 3 pilots. Companies will be to be brought in and cost share is \$25MM.

Chairman Hendricks cautions \$7-8MM for core analysis seems extremely expensive. The kickoff meeting will explain how Dr. Piri will move this project forward. JAC has stipulated that Dr. Piri must do work that benefits Wyoming directly. Commissioner Burkhart would like to be included in future meetings with Dr. Piri.

Commissioner True asks what funding DOW would bring. Director Whitman explains that DOW would be contributing their gel product to the project.

Chairman Hendricks asks if EORI can get a study for less money than COIFPM. Director Whitman suggested that it is likely possible to find less costly labs for similar work. COIFPM is a unique and very sophisticated lab that needs to support projects in Wyoming. EORI would like to try and partner with Dr. Piri on a project if costs are not prohibitive.

The Muddy project is an important one but will only move forward with industry/operator contributions to cover a majority of the \$1MM in costs with COIFPM.

Commissioner Bebout says optics would look better to utilize COIFPM because legislature has already funded this world class laboratory but suggests a more reasonable cost is warranted. Dr. Piri is willing to discuss the projects in mind. Commissioners request the lead off project must benefit Wyoming. EORI is not committed yet and no contract has been signed.

Commissioner Bebout suggests Director Whitman contact Don Richards to get insight and to provide documentation of all the money that's been budgeted to COIFPM and where it has flowed. Money came from the Saudis and with so many different pots it's hard to keep track of the money.

Commissioner Burkhart mentioned he sent an email on June 1, 2022, to Dr. Piri regarding money Dr. Piri said he never received and can't account for. Commissioner Burkhart would like to know where it went. The money is from a state appropriation and Dr. Piri can't find half of it. Commissioner Burkhart wants accounting of where that half is - did it revert or was used on a worthwhile project specifically to benefit Wyoming. Commissioner Burkhart wants the accounting as record of receiving state money.

Outreach

Director Whitman meetings with Contango:

- 1) Contango Salt Creek DOE project – running final economics and approvals

Contango management is extremely supportive of the ROZ at Salt Creek project as a storage option for CO₂. Director Whitman is optimistic it will move forward and Contango has until June 30, 2022, to decide.

- 2) Director Whitman also met with Contango in Fort Worth regarding both Salt Creek and Kitty fields.

Director Whitman attended the Anchorage PCOR Partnership meeting and noted it was one of the best meetings he has attended. The focus was largely on storage issues. Attendance included power industry people as well as DOE staff.

Governor Gordon mentioned at the EORC/EORI Governor's Budget hearing last November that he would like EORI to support development of a conference in Wyoming with North Dakota Governor Burgum to address energy questions and collaborative work between the two states to move projects forward. North Dakota is very focused on and supports EOR as a CO2 storage solution. Governor Gordon mentioned in a recent cabinet meeting that Governor Burgum had called him to share his excitement that North Dakota now has its first CO2 Storage project with Denbury starting CO2-EOR in the Cedar Creek Anticline. Director Whitman will try to move this conference idea forward.

Bebout interjects that Governor Gordon will chair the IOGCC and believes the position can benefit Wyoming's agenda. Randall Luthi explains the term is one year with option to extend it to a two-year term for a total of two years. Randall Luthi would like the Commission's suggestions on what Governor Gordon should lead in the coming year.

IOGCC meeting was discussed with Governor Gordon at his cabinet meeting and Director Whitman endured the Governor that Director Whitman and EORI will support him however needed with the chairmanship.

Outreach is not back up to original levels but has had an increase in activity in the past couple months.

IV. Financial Report—Gabe Tullis

Gabe Tullis presents April's financial report (the last month that has closed in the UW accounting system). May 2022 won't close until the second week of June.

EORI received \$2.1MM, as of April 30 we've only spent \$1.7MM.

Reduction from COVID Step III

Commissioner True asks if EORI really didn't know the reduction was coming. Director Whitman explains it was part of the scheduled biennium budget for FY21-22. The cause of confusion was the actual detail from the University with the

quarterly allocation amounts the in which the University hadn't incorporated the COVID reduction into our allocations.

EORI's surplus situation is fortunate for EORI and EORI did not expend rapidly to bring it down. Director Whitman stated that he was at fault for not closely reviewing FY21/22 biennium budget and the COVID reduction. Director Whitman stated that we will not have the issue again. How the University takes out the moneys could be discussed with Alex Kean. They took \$233,000 out of fourth quarter of the final year of the biennium budget. The University allocation chart doesn't incorporate the \$233,000 removed from the fourth quarter budget allocations. The COVID Step III was part of the FY21/22 State biennium budget.

As of end of April 2022 we have a 1% surplus with the reduction already taken into effect. All expenses from July 1, 2022 through March 2022 have been itemized.

April expense details are review by Gabe Tullis.

Mr. Erik Kvale has completed one trip and invoiced EORI for his work. He has potential additional trips planned.

Data and technology is in Phase I and includes a hardware refresh.

Standard Operating Expenses

Office rent has been pre-paid through end of the fiscal year, and we will not see any more rent charges.

No changes in the non-state appropriated accounts for our share of indirect costs for the grant projects.

EORI has contracted one consulting geologist, paid employee's training costs, all of which has posted. One consideration under review is to pay the entire fiscal year of office space rent in July. The 4th quarter shows a 10% reduction total and Gabe Tullis noticed this wasn't normal. As of end of April we have a 1% surplus.

Gabe Tullis' forecast shows a 10% surplus forecast as of the end of fiscal year based on numbers up through end of April 2022. The forecast is for May and June that we have in excess.

Director Whitman explains we are no longer paying Steve Carpenter's salary, EORI is also paying a smaller Director's salary and not paying the outreach salary – two substantial salaries are no longer being paid which bolsters up May and June 2022 surplus. DOE funded salaries for people working on those projects and a reduction in work hours for DOE funded projects is anticipated going forward.

Commissioner True stated that knowing our revenue on a quarterly basis, inadvertently hampers our first quarter cash flow where we may want to back off or in-step cash flow, inflow and pay the rent quarterly rather than take the \$108K/year.

Because we are on a quarterly receipt pattern, we don't want to be in a cash bind in the first quarter. It is important to make sure first quarter cash flow is not restrained. It was asked if there are any incentives to do so and that EORI may want to take a closer look at it to see if it is prudent.

Staff Additions

Chairman Hendricks wants to add staff positions including an administrative assistant and outreach professional and would like to discuss it more in the future. Salary forecast is accurate and shows that EORI is well understaffed.

It is suggested we develop a game plan on what to do with \$224,000 surplus – the spreadsheet includes how we've gone forward with IT, staff training, all categories we've put in for the \$1.9MM. Commissioner True cautions EORI to not be in a situation that created the \$1.9MM reversion and Director Whitman assures we will not repeat that scenario.

Federal Grants

Federal grants show Fleur de Luis is in an official contract with an operator change to Contango occurring on or before June 30, 2022. EORI has a budget of \$750,000 in the Salt Creek DOE project (our share of the \$2.8MM budget). EORI has spent \$298,472 of its budget - all in salaries.

Money surplus of \$58,136.97 appears as unspent money in our budget because salaries for staff working on the project being paid by DOE. This is an example of where the surpluses are coming from.

Tight Oil and Oxy

Eric Robertson's project Tight Oil with Oxy shows \$7.8MM for the project and \$1.1MM is EORI's to use. We've spent \$318,00 in salaries over the four budget periods. The budget originally put together with the University of Wyoming's special programs and has been refined significantly with \$1MM underspent. Another proposed project is with Dr. Piri and consists of taking core and looking at storage options in the Turner formation. Oxy is doing a lot of work on Bakken storage, CO₂ - EOR, and perhaps a complimentary reservoir in Wyoming being the Turner. Oxy is interested to use this additional money to look at storage options in the Turner. This project could expand out of the DOE funding.

Between two DOE projects, almost \$200,000 in salaries is being paid by DOE. Having a surplus encourages great opportunities with projects and pilots that would otherwise not be available. We expect the numbers to decrease moving forward because hours will be reduced according to Eric Robertson's latest forecast.

Southern States Energy Board (SSEB)

EORI's involvement in the SSEB project has not advanced. EORI agreed to provide outreach when the project gets to the appropriate point. EORI is also partnering with Advanced Resources International (ARI) on geology work and reservoir modeling. ARI will provide geologic and reservoir modeling with EORI providing professional consulting to the work done by ARI. The project has not advanced to the point where EORI (Lon Whitman) needed to contribute time/work to the project. ARI has a larger role in the project and EORI efforts will be coordinated with ARI's work. The project ends in August 2023.

Tallgrass Hydrogen Blue Bison

Tallgrass Hydrogen Blue Bison project is a School of Energy Resources (SER) project that includes EORI's Jeff Brown (Techno-Economic Report) and Eric Robertson to provide a professional review of Jeff's work.

SER, OSP and ORED have been extremely helpful in reworking the DOE budgets and clarifying any accounting issues.

Commissioner Brister wants to know if we have additional insight to this project. Looking for EOR options for CO₂ involved in this project and impact on the change in use of the Platte pipeline. Planning to reverse the pipeline from Nebraska and bring CO₂ to store in WY, moving forward very effectively. Tallgrass is impressed with EORI's work. Commissioner Brister would like to understand opportunities for potential future volumes out of the Blue Hydrogen facility.

EORI would like to make sure stored CO₂ could potentially be made available for EOR in Wyoming. CO₂ - EOR is promising as a part of their advancing project.

Director Krutka explained that the pipeline to be changed is Tallgrasses' REX pipeline.

Current State-Funded Projects

The WY CO₂-EOR report is being reviewed at an advanced level by Ken Hendricks, Steve Melzer, Robby Rocky and is also being reviewed by Denbury, Contango and ExxonMobil. EORI is looking forward to their comments.

Wyoming oil and gas update by basin is progressing. We are looking for production anomalies by basin and selecting fields for EOR to help with operator development for a rapid production increase and an increase in state revenues through severance taxes. Mission is to take advantage of \$100/ barrel of oil prices and we need to do all we can to help operators produce from fields that have been neglected. The goal is to look for trends by basin, increases and decreases not due to shale development but more from conventional fields, and where we can make the biggest impact quickly. The goal is to present at the PAW meeting in August 2022. If this update is not ready, we will present the CO₂ in Wyoming report.

Alpha Field 3D Seismic/ATR

Alpha Field 3D seismic project will be partially funded through surplus funds or \$1.9MM as a cost share pilot project. The goal is to use seismic data to evaluate water flood performance and to improve field development. This type of study has been useful in the past. A second potential project with ATR not yet on the progress sheet is ATR involves direct air capture and injection in a field in the Powder River Basin. ATR has done this type of work successfully with results in California and EORI would like to continue their involvement and partnership on this project.

DOE projects have been discussed during the Financials report. The only noteworthy thing here is Contango taking over the field and staying with our project – all indications point to yes.

Carbon SAFE III

Director Whitman and Eric Robertson are part of the team with SER. EORI's role is EOR options with CO₂ coming off the power plant near Gillette. ARI completed an initial report with a "30,000 ft" overview looking at the fields around the power plant and the ITC with the Denbury pipeline as an important component of that search. Denbury is now on the EOR team with EORI, ARI and Oxy and looking at the fields collectively for CO₂-EOR potential. The big question is what volume will be available for EOR because there is a significant part of the CO₂ stream coming from the project that is dedicated to permanent storage and then a segment for EOR. Approaching Phase IV, the commercialization of CO₂ - EOR option will be more highlighted.

Director Krutka mentions Phase IV for CarbonSAFE must go through the application process. Phase IV is the deployment phase and Notice of Intent is complete and available and SER will pursue. Complications include that DOE is not funding any EOR and we would like to figure out a way to work it in. DOE has also stated that CO₂-EOR is not a funded component for the Salt Creek project. Lon explained that

it's about investigating a ROZ at Salt Creek for potential CO2 storage. DOE is fine with the ROZ storage focus on the project. DOE currently will not fund "oil" projects.

IT Data Technology Report – Roger Hillibush

Roger Hillibush presented the IT progress reports and mentions two items that have increased in activity:

- 1) Organizational Technology Hardware Refresh which consists of replacing all employee desktop workstations and peripherals and laptops for the entire staff. Phase I is complete and was focused on the hardware for the EORI Director, Phase II and III consists of all desktop workstations for staff. All equipment has been procured, getting ready for prestaging and pre-deployment of those systems.

Commissioner King asked what Mr. Hillibush considers the age of EORI's IT network and asks when it ages out. Mr. Hillibush suggests a 5–6-year hardware refresh cycle and explains it's a mixed bag of EORI's hardware, but estimates show the average age of the hardware systems is 7-9 years old. Roger has established a hardware refresh policy to stay on top of 5–6-year refresh cycle.

Getting ready for Phase II and III which includes pre-deployment with plans of having our local IT services partner handle the basic prestaging and pre-deployment. Roger will handle the more advanced migration, setup and configuration of geological and engineering software.

Phase IV is waiting for final approval to procure replacement laptops for the entire staff.

- 2) Website update project is about halfway done and being worked on in the background with migrating the existing data and currently publicly facing website into the new design. We expect to have pre-launch in July or August followed by further activity for the rest of the year that consists of the documents stored within that system. We have asked our web developer to create an EORI branding kit with standardized EORI logos, fonts or anything to use for consistently throughout our digital and print publications for the next 2-3 months.

Commissioner King asks what we do with our obsolete equipment. Roger explains we must go through a disposition process with UW, fill out forms and send most of the equipment back, mostly capitalized asset equipment. University of Wyoming (UW) decides if it gets resold or disposed of. Some of the lower end equipment EORI can dispose of ourselves; hard drives will be destroyed and hardware recycled.

Wyoming Pipeline Authority

Director Whitman mentions the Wyoming Pipeline Authority (WPA) and EORI. Director Whitman gives background about why the WIA and WPA merger and move into the WEA never happened. When the WPA was dissolved there was a strong desire not to lose the pipeline data and it came to EORI with Kellie Vlastos and Roger Hillibush. EORI is getting more requests on a midstream level for technical pipeline work, including pipeline locations and availability, but EORI does not have staff trained to handle technical pipeline questions. Technical questions are expected to increase because of the WPCI project and the increasing interest in CCUS and CCS development in Wyoming. Director Whitman would like to decide with the EORC how EORI should handle the pipelines and data. Previously WPA had the expertise to handle these types of questions. EORI's intention was to protect the data, but EORI does not have pipeline experts.

When the WEA was formed there was very little interest in taking on any of the pipeline responsibilities. WEA has contracted an expert to watch the Federal Energy Regulatory Commission (FERC) activity. Most of the functionality of the WPA has been lost. Mr. Hillibush explained the pipeline infrastructure database, which the WPA spent 12-14 years curating, is the most complete and extensive pipeline database for the state. Mr. Hillibush and Ms. Kellie Vlastos brought the WPA data and hardware because the database feeds other federal and state agency's applications that they built including: NREX, WSGS, EORI, Wy Geospatial hub, Outdoor resource council and SHPO. Live data feeds connected to our server pull in the data. Commissioner Bebout likes that they are supportive of the pipelines. Pipeline data is given to local governments including weed and pest and county governments.

No pipeline data guidance was given to EORI, and we took it on ourselves so that no data feeds were broken. EORI pays for related charges, not substantial but could be more substantial. Kellie Vlastos continuously updates the database to keep it current. The database is a complete picture rather than just a regional snapshot. WPCI pointed out how mismatched the energy corridors were statewide.

Commissioner True states that if EORI were to be the residual repository then EORI needs funding for an expert to answer technical questions. Commissioner True asks if EORI should be the appropriate place for the pipeline data and information. Chairman Hendricks feels that the intellectual property and all useful data would have been lost if it had been transferred to WEA, and it would have died. Chairman Hendricks fears that if it were to be moved to WEA it will be lost because WEA is minimally focused on oil and gas. EORI and SER are the only entities supportive of the data. Director Whitman feels it isn't a problem to keep it at EORI, but the agency doesn't have the expertise and

funding to continue the work. Commissioner True agrees with Director Whitman and feels the work needs an appropriation of money.

Commissioner Brister explains that the mission of the WEA was set in statute and reflects their responsibilities and feels that it is troublesome that it didn't happen. WEA is concentrating on a different set of issues such as hydrogen, however, their responsibility and bonding capability is still based on pipelines. Do we pass statute on the data and pipelines?

Commissioner True believes the state and the industry needs the information. If EORI is the best repository for the data, then he supports EORI taking on the pipelines to maintain and store the data. Pipeline requests and interest is increasing and will in the future. If it's going to go to WEA and will languish there, then something needs to be done. Once WEA was formed, gears shifted into other energy areas by request.

Commissioner Burkhart wants the discussion and legislative fix and the need to come up for minerals at the end of the month. Burkhart wants to resolve the issue now rather than later. A FERC expert at WEA and one for EORI isn't necessary. We would like to centralize it at one spot - keep or give it to WEA. Hendricks suggests EORI should keep it, however EORI needs money and people. Database is still maintained and managed by EORI, but EORI has no expert or FERC watchdog. Chairman Hendricks suggests only one person is needed to be the expert and asks if EORI can we hire a consultant instead of a staff member? Monitoring of the FERC has been lost with the pipelines. EORI has data curation under control with the two employees that manage it and the IT systems that serve the data.

Commissioner Brister wants to know what EORI needs to control and manage the pipeline data and would like legislation prepared and get it on the Joint Minerals agenda for late June.

Mr. Luthi adds that it was favorable for the pipeline data to follow the people. When Randall Luthi and Director Murrell started working together (a year after WEA began) they realized no one was monitoring the FERC with regards to pipelines. Director Murrell suggested WEA get a contractor to monitor FERC and believes it's working well the way it is and suggests adding more people and resources, possibly hire a contractor for 6 months to monitor FERC.

Commissioner Burkhart would like to get the required information to get the pipeline data and maintenance on the agenda for a presentation by Director Whitman at the Joint Minerals meeting at the end of June. The information needs to be posted on a public website. Any information and data should be gathered and given to Commissioner Burkhart.

VIII. Future Meeting Date – Director Whitman

Looking at August or September to schedule next meeting. Lon will send out dates to get commission to pick a date in September. Week of Labor Day may work best for next EORC meeting.

Public Session was adjourned at about 2:50 pm.

VIII. Executive Session—Chairman Hendricks



Ken Hendricks, Chairman