

Enhanced Oil Recovery Commission



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MEETING MINUTES

June 19, 2024 – 1:00 PM

Kemmerer WY

Commission Members Present

Robert King, EORC Chairman
Erin Campbell, State Geologist
Eli Bebout, Commissioner
Dave True, University of Wyoming Trustee

Commission Members Via Zoom:

Chad Brister, EORC Vice Chairman
Nolan Rap, Natural Resources Advisor Governor's Office

Commission Staff Present:

Stephanie Sneesby, Assistant Attorney General

Guests Present Via Zoom:

Michael Johnson, Scout Energy Partners

Enhanced Oil Recovery Institute Staff Present:

Lon Whitman, Director
Roger Hillibush, Deputy Director
Kellie Vlastos
Steve Whitaker

Enhanced Oil Recovery Institute Staff Present via Zoom:

Shuiquan Li
Shane Singleton
Nick Jones
Gabe Tullis

I. Call to Order

****2:00 PM Chairman King called the meeting to order; roll was taken, and a quorum was established.**

II. Minutes

Motion: Commissioner King moved to approve the minutes from January 17, 2024, Enhanced Oil Recovery Commission (EORC) meeting as amended from Commissioner True. Commissioner True seconded. **Motion passed unanimously.**

****2:10 PM Minutes Approved.**

III. Directors Report

Director Whitman started with EORI's mission and focus to put Oil in the Tank. Director Whitman encourages open communication with the Commission and requests feedback to ensure EORI is following our mission and not straying from it.

Team unity and collaboration is a focus, and the 2023 performance evaluations are completed. The 2024 goals for the entire staff are being finalized and will be directed towards our mission of putting Oil in the Tank.

Staffing has had some changes. Eric Robertson has moved on from EORI May 1, 2024, due to an industry offer. Nick Jones joined EORI April 1, 2024, as a senior Geologist. Nick has assumed the RFP and DOE projects that Eric was managing. Paul Davis will join EORI August 1, 2024, as a Senior Geologist. Paul comes from Houston, TX and has been involved in private consulting. He is looking forward to the move to Wyoming and joining the EORI team. Roger Hillibush has been promoted to Deputy Director.

The search for a Petroleum Engineer will start July 1, 2024. The search is complicated by UW salary limits with a starting salary for the position at \$95,000. Through our work with Class Comp, HR, and SER, EORI is able to offer up to approximately \$155,000 for a Petroleum Engineer with industry experience. Quality of life and EORI team culture will be an asset during the hiring process. Commissioner Bebout asked about salary limits and the challenge of finding a qualified candidate with those limitations.

The search for an outreach manager has been delayed until a supplemental budget request can be made. Supplemental budget requests are due July 1, 2024. Director Whitman will be working on this request.

Brian Jeffries' contract has been renewed for another year. The EORC Chairman King and Vice Chairman Brister have approved continuing the insurance for his position for the Commercial Pipeline Advisor. Brian Jeffries has been active on the Joint Minerals interim meetings and has presented with Director Whitman on the Wyoming Pipeline Corridor Initiative to the Joint Minerals Committee. There will be a document out on the Wyoming Pipeline Corridor Initiative September 1, 2024.

There have been office updates such as furniture, computer hardware and software, outreach materials and a conference room system update.

Project work continues on the Wyoming CO₂ Initiative. Commissioner Bebout asked about pipeline work in the Big Horn Basin. There is no plan for a pipeline in the Big Horn Basin, but the WPCI project that Brian Jeffries has been working on addresses pipeline corridor options in the Powder River Basin for upcoming projects. Brian Jeffries has been drafting the WPCI report expected September 1, 2024.

The Cost Share Microbial project is slowly moving forward. The sale of the field had delayed the project, but things are progressing.

There are several developing CO₂ - EOR projects. The Minnelusa three-field cluster includes Halverson, Raven Creek and Dillinger Ranch. TR Operating is working on a Letter of Intent (LOI) with Exxon for a supply of CO₂ with start up for injection happening in two years. This will be the first CO₂ - EOR flood in Wyoming in 12 years. South Glenrock field, owned and operated by Glenrock Energy's Terry Manning, has advanced work to flood the Dakota reservoir in that field. Commissioner Bebout asked about State legislation on utility providers looking at utilization for carbon capture and tertiary use for CO₂ - EOR. Director Whitman stated that EORI has completed a report for 8 Rivers, a capture company partnered under an MOU with Rocky Mountain Power. The report covered CO₂ - EOR upside and potential near WyoDak and Dave Johnston power plants. The Hartzog Draw six well pilot is on hold or under review with Exxon Denbury. The Kitty Field Sequence Stratigraphy and Regional Muddy study is underway with a core flood with Piri Tech. Completion of the flood work is expected in September.

Developing CO₂ - EOR and associated storage in Residual Oil Zones DOE project with Contango is now under the guidance of Nick Jones. The DOE projects have stalled in budget period one and has not advanced to budget period two. Across the board, DOE projects have stalled. There has been assurance that after July 1, 2024, there should be movement on these projects as far as budget periods are concerned.

The NGL EOR pilot project is advancing. A waterflood in the northeast part of the field followed by a move to a trucked NGL pilot will be starting soon. Steve Whitaker and Shuiquan Li have been working on this project.

WY Trails Carbon Hub, a DOE funded pipeline feed study is slowly advancing.

North York field has been looking at 3D seismic work. The seismic results are being reevaluated with the reprocessing of the 3D work expected to give more compatible results with existing geology in the area. Steve Whitaker presented a more in-depth look at this project.

Unlocking Tight Oil Reservoirs of the Powder River Basin is moving forward to budget period four. We are awaiting final lab work then moving on to the final report.

RFP Work is progressing with several projects in the planning stages: A polymer cost-share to look at water control issues in the Phosphoria and Tensleep in the Big Horn Basin a cost-share Microbial EOR pilot project and two to three more projects starting July 1, 2024. A new RFP will be launched July 1, 2024 to spur new projects. There has been industry interest in this process. Commissioner True asked about the account that the money was coming from for this project. Director Whitman explained that there is \$1.8 million in the account and that approximately \$200,000 has been obligated so far. This leaves \$1.6 million remaining to spend by end of budget year 2026. Commissioner True approved of the approach EORI is taking to spend the available funds. The projects are local, within reach monetarily for Wyoming operators, and wide reaching in application.

There was a discussion about a partnership with Piri Labs. EORI's relationship with Piri Labs has always been good. Work offered at Piri Labs often exceeds the needs of EORI and the operators that EORI partners with. Through discussions and focused work requests, the expense of Piri Labs can be more reasonable for EORI to work with.

IV. IT Data Technology Highlights

Deputy Director Roger Hillibush presented that the contract for Brain Jeffries has been signed for the one-year renewal. The EORI website has moved to improve the library resources and the search capabilities for those resources. WyRIT has been refining well symbology and this process is almost complete. The Internal well database is an ongoing process. The data and tools to access this data are continually being updated and refined. EORI log Library work continues and a new Neuralog scanner was purchased to help streamline the process. There has been data analysis work for EOR upside around the WyoDak and Dave Johnson power plants.

There have also been IT infrastructure upgrades. The largest one will be the EORI Conference room overhaul to include installation of large format screens and a new Audio-visual system. This will provide better functionality for in-person meetings and virtual meeting going forward.

Commissioner Bebout and Commissioner True both questioned where the budget for the upgrade came from. Deputy Director Hillibush stated that the upgrade was planned as an end of year project when a surplus in the budget will be available. The total cost of the upgrade should be \$85,000.

Commissioner Campbell commented that she appreciates EORI's willingness to collaborate with the Wyoming State Geological Survey on well data so that duplication efforts can be minimized.

V. Engagement

The next ERO Insights will be held July 17, 2024, 8 to 9am at the True River Cross Commons. Tom Kropatsch will present an "Update on Wyoming's Oil and Gas Activity". This talk was a staple of the annual PAW Conference. EORI's relationship with the Oil and Gas Commission is extremely good. Director Whitman and Brian Jefferies presented the Wyoming Pipeline Corridor Initiative to the Joint Minerals Interim Committee on May 10, 2024. Feedback from the legislators was very positive. The WPCI report is highly anticipated and coming in September.

Director Whitman presented an update of Wyoming CCS/CCUS at the National Association of State Energy Officials (NASEO). A variety of projects were discussed including Wyoming storage projects, EOR projects and processes in Wyoming and a brief overview of the Wyoming Pipeline Corridor Initiative. The Wyoming Pipeline Corridor Initiative was mentioned as an important process of interest to other states. Director Whitman is scheduled to attend the NASEO Annual meeting in October.

EORI was included in the Wyoming Energy Annual Publication for the first time.

Commissioner True raised the issue of Tallgrass and the CO₂ pipeline corridor work that is being done in Nebraska. Director Whitman stated that Brian Jeffries has reached out to Tallgrass to see how their work could integrate into what Wyoming is working on.

Commissioner Bebout mentioned the Regulatory Reform Task forces that will be meeting in Casper. This taskforce was initiated by the Legislative Management Council with Commissioner Bebout representing the oil and gas industry on this council. This topic falls under the CERPA (Center for Energy Regulatory and Policy Advisement) group at SER. Director Whitman was tasked with reaching out to Holly Krutka about getting involved with the Taskforce.

VI. Financial Report

Director Whitman mentions there are no issues with our financial report. There was a surplus of roughly \$900,000 as of January 1, 2024. We now estimate that we are at a \$18,500 surplus that will most likely be reverted to the state at the end of the budget period. Now that UW has to revert, the process of reversion for EORI will be smoother. The change in the surplus came from filling a number of missing positions. Commissioner Campbell commended us on the small amount we are on track to revert.

VII. Project Deep Dive

Stephen Whitaker presentation 3D Seismic in the Minnelusa.

VIII. Review of EORC/SER MOU

The MOU between SER and EORC Has been completed and covers a period from November 4, 2022, to June 30, 2028. The MOU clarifies the duties and responsibilities of the EORC and SER in regard to EORI. EORC provides the budget, mission, project direction and oversight for EORI.

Commissioner Bebout inquired about the selection of EORI Director candidates and who oversees the selection. It was determined that the process would follow UW processes with SER taking the lead to advertise for the position.

The contracting process for EORI with the University was clarified by the creation of a standard template that serves EORI's needs better than the UW standard contract. The approval process for contracts was also simplified to go through general council then to the SER director.

IX. Executive Session

An executive session was deemed not necessary at this meeting

X. Comments from Commissioners

Commissioner Bebout mentioned the topic of Wyoming's involvement on several lawsuits that affect oil and gas, and natural resource industries in Wyoming. The question was how involved EORI should be and how to make that involvement effective. The Governor's Advisor, Nolan Rap, responded that submitted letters providing clear information can be effective. Commissioner Bebout recommended EORI's attendance at a Townhall meeting in Campbell County covering mining and oil and gas issues would be beneficial. Director Whitman asked if EORI should be involved ourselves or if we should be working more closely with the SER CERPA center. Commissioner True cautioned against making the CERPA a political voice. Having CERPA provide research and information is fine, but EORI should resist getting too involved in the political arena. EORI should submit a letter regarding the issues based on information from CERPA.

XI. Future Meeting Dates

The commission was invited by Peter Wold to schedule the September 27, 2024, WY meeting at the Hole in the Wall Ranch (Arrival the afternoon of Sept. 26th and a morning departure on Sept. 28, 2024)

XII. Adjourn

Chairman King requested a motion for adjournment. Commissioner True moved for adjournment and Commissioner Bebout seconded. Chairman King called the meeting adjourned.

****Meeting adjourned at 3:40 PM****

Minutes Approved


Robert King, Chairman

9/27/2024
Date