

Energy Resource Council Special Meeting

Minutes

Items Regarding WY-CUSP

July 28, 2011

Teleconference and Site Location:

**Carbon Management Institute Office
2020 Grand Avenue, 5th Floor, Laramie WY
8:00 a.m. – 8:36 a.m.**

ERC Members Present - Telephone:

Ron Harper, Tom Lockhart, Paul Matheny, Rob Wallace, Kit Jennings, N. Maha Mahasenan, Carl Bauer, Jim Kleckner, Tom Buchanan, Dave Palmerlee

ERC Members Absent:

Paul Lang, Indy Burke

SER/CMI/UW Staff & Contract Associate in Attendance:

On Telephone:

Mark Northam, Diana Hulme, Bill Gern

In Person:

Ron Surdam, Shanna Dahl, Rob Hurless, Mary Byrnes, Don Richards, John Jiao, Susan Weidel, Lynne Boomgaarden

Summary of Meeting:

Chairman Ron Harper opened the meeting 8:00 a.m. Roll call and attendance were taken.

Chairman Harper requested Ron Surdam lead the discussion on two time sensitive topics regarding the Wyoming Underground Carbon Storage Project:(WY-CUSP)

- (i) Authorization to proceed with the Class I well permit filing; and
- (ii) Authorization to expend a portion of the \$45M AML appropriation to complete the well to an , injection well.

Ron Surdam, Director of the Carbon Management Institute (CMI), reviewed the possible options for the Council regarding expending a portion of the \$45 million provided in Wyoming Session Laws 2010 Budget Session, Chapter 39, Section 320, ii, to:

- 1) Complete the stratigraphic test well to an injection well (\$3,356,000), or
- 2) Complete the stratigraphic test well to an injection well and conduct a test by injecting 5,000 tons of CO₂, monitor and analyze the results (\$9,010,171), or
- 3) No Action

Additionally, Ron Surdam introduced and explained the second item for the Council to consider: authorizing CMI to submit an application for a Class I injection well permit to the Wyoming Department of Environmental Quality, due to the agency by 12:00 p.m. MDT July 28, 2011.

Discussion:

A. Complete the test well to an injection well:

The Council heard testimony and contributed to the discussion about how the immediate completing the well would save time and money by using the rig currently on-site rather than delaying and bringing in a work-over rig at a later date. Discussion of options revealed that the law allows for the ERC to authorize expenditure of the \$45 million only up to the point of completion of the test well to an injection well, but not to enter the next phase of the project, which consists of injection of CO₂ into the well for analysis.

B. Application for Class I injection well permit:

The Council heard testimony and contributed to the discussion on applying for a Class I – non-hazardous injection well permit. CMI staff explained the urgency to file the permit application with the Wyoming Department of Environmental Quality (DEQ) by noon on July 28, 2011 to allow time for the required 30 days public comment period prior to agency review for approval. On September 6, 2011 the federal Environmental Protection Agency’s (EPA) rules will take effect requiring CO₂ injection wells to be permitted as Class VI injection wells. The Class VI category of injection well permits is new and the Wyoming DEQ will not have primacy to permit this classification of wells for some time. Therefore, the EPA would review any Class VI CO₂ injection well permit applications submitted after September 6, 2011, which could result in a lengthier permitting process.

Action Taken:

Tom Lockhart moved to submit application to DEQ for a Class I permit and, contingent upon an Attorney General’s opinion, instruct staff to complete the test well to an injection well and provide 30 day notice to Legislative committees. Rob Wallace seconded the motion.

After discussion, Tom Lockhart amended his motion to the following: complete the test well to an injection well, contingent upon an Attorney General’s opinion. Rob Wallace seconded this motion. Motion passed unanimously.

Kit Jennings moved to instruct staff to file a permit with DEQ for a Class I injection well. Tom Lockhart seconded this motion. Motion passed unanimously.

Meeting adjourned at 8:36 a.m.

Respectfully Submitted:

Ron Harper
Chairman

Tom Lockhart
Vice Chairman