

Cliffside Refiners Limited Partnership Meeting

April 21, 2020 @ 9:00 AM

Attendees:

(Cliffside)	Rodney C.	Brad H.	Mark M.	
(Downtown)	Emress B.	Sam B.	Mark W.	
(NOC)	Emmett L.	David S.	Cindy G.	
(CRLP)	Nick D.	Bob L.	Bobby S.	Kaylyn S.
	Mike D.	Tony K.	Nick H.	Brad B.

Roll Call

➤ Noted

Nick D.-Any changes to company or BLM policies about COVID.

Sam B.-We have meetings to update, there has not been a significant change they are encouraging people to wear a cloth face mask. There has been a lot of talk about first responders and how they are supposed to react but nothing specific to our operations.

I did want to take the opportunity to make sure that everyone saw the announcement they have officially extended to 2023. It is on our main page if you have not seen the announcement.

Nick D.-Any other comments?

The way I read it as of the end of September the BLM would turn over operations to GSA.

Sam B.-It is supposed to be 2023 so I do not know what happened here. There was no end month given, it could be the overlap for the fiscal year.

Nick D.-The dates are a little unclear and I did have dialogue with what that means for CRLP. Whether it is BLM or GSA that operates there is no real change for the CRLP since our contract is with the government not the BLM.

David S.-Are you referring to the contract that Melissa has? That contract is with the BLM not GSA. Emmett and I will have to talk about it, and we can get back to you about transferability.

Nick H.-What it states is that In-kind will continue until September 2022 this will allow BLM to continue operations until such time as privately owned helium is produced from the field until about 2023. So, it is a little unclear. And the other statement is allowing the GSA additional time after September 2021 to dispose of helium will allow In-kind users the ability to continue for an additional year while GSA completes the disposal process. So, it does not really say

anything about the dates when you expect the process to be completed. Is there any way to get more clarity on that?

Sam B.-That is why it is so unclear; it is coming from GSA as to how they will go about the disposal. As you know in the Stewardship Act it says that we would turn over and dispose of by September 30, 2021. So, it will be a GSA property after September 30, 2021. They will allow us to continue to produce helium as they dispose of the assets so that is what that is intended to say.

Nick H.-Are you saying there is a chance they will not allow helium to be produced while they are doing the disposal?

Sam B.-That is not the intent but that is under the direction of the GSA. We will have a follow up on that from GSA as to what exactly that means. It is going to be a process that the GSA follows because that is what the Stewardship Act directs. We must follow the intent of Congress, so we are trying to do that.

Nick D.-My reading of that is that it provided some information that we have all been longing for and when you get new information it generates new questions.

Sam B.-The fortunate thing is that now I can officially speak about it. The intent is that the BLM will continue to provide helium as they do through the sales process. There was a concern that we would not be able to get all the process completed by September 30, 2021. So by doing this we follow the intent of the Stewardship Act which is we transfer all assets over for disposal to GSA then GSA will work with the BLM so that there is no disruption to the helium delivery system as it is transferred from government to public ownership. The intent is to continue down the path that has been set by Congress to fully privatize the helium system. The only difference is this time period where there could be additional In-kind helium available for agencies.

Nick D.-Typically we have a July meeting are you planning on teleconference for that. Have you given thought to July plans?

Sam B.-Yes, we have talked about that, we are still planning to have the meeting in July we are not sure how that will go whether face-to-face or teleconference.

Nick D.-Ok. Moving on down. Review of plant operations.

Mark M.-Past week has been much smoother. We retracted back to day two of the turndown model and it is much smoother. We reduced pressure by 16 pounds in 2 and a half days it has been noted by our operators that we can pull the pressure down faster than we can build it up. We do not want to go too far. Last night at 9PM we stopped pulling gas out of the pipeline and it came back up 4 pounds overnight. Yesterday we defrosted the methane pump took it up to almost ambient and now we are cooling it back down to 32-degree mark, I was over there about 15 minutes ago, and it was down to 36 degrees and cooling gradually. Everything else seems to be running fine. Running on Waukesha 2 and 3.

Nick D.-Any comments or questions?

The next thing I have is outage planning. I sent a note last week addressing how planning would go on the weekly call. We have several requirements coming up. We have some scheduled mechanical work and some project work some of it relative to TCEQ and reinjection of methane back into gas wells. I have received one scope listing from one partner company. So, if you have something send it to me so I can put it together so I can combine those into a general scope.

Back to the outage and need, Sam I know you have notice to your storage holders. If I were in your role, I would make them aware of that we will look for an optimal period but that they need to be flexible.

I have heard back from both partner companies about security badges so both want to get on with that.

The next item I have is again if there is anything that we know coming up in the near term. I do not have a comment about that.

Sam B.-The only comment I have is that the Texas State governor intends that Texas is an early opening state.

Nick D.-A state may take a position, at the end of the day the BLM is the one that will ultimately make the decision.

Sam are you having a storage meeting today?

Sam B.-Yes, it is 11AM central.

Nick D.-It is on this same number unless you changed that?

Sam B.-Yes, it is the same number.

Nick D.-Anything else?