

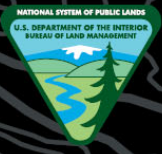


28th Annual Storage Holders' Meeting (Virtual)

Tuesday August 8, 2023 - 9:00 am to Noon

Agenda – Storage Contract Holders' Meeting

9:00 to 9:10 AM	Welcome and Introductions	Dawn Jones
	Review Anti-Trust Guidelines	
9:10 to 9:40 AM	BLM Looking Forward	Sheila Hutcherson
	Program Review – Insights and Opportunities	Dawn Jones
9:40 to 10:00 AM	Plant Review and Look Forward	DJ Henderson
10:00 to 10:20 AM	Pipeline/Wellfield Review and Look Forward	Jonathan Elder
10:20 to 10:40 AM	Break	
10:40 to 11:00 AM	Budget Planning / Projects	Dawn Jones
		Jordan Fairfield
11:00 to 11:25 AM	Sale Q&A – Questions Solicited in Advance	Jordan Fairfield
11:25 to 11:50 AM	Open Discussion	Dawn Jones
11:50 to Noon	Conclude Session / Adjourn	Dawn Jones



U.S. Department of the Interior
Bureau of Land Management

28th ANNUAL STORAGE CONTRACT HOLDERS MEETING

August 8, 2023 – 9:00am to 12:00pm





Agenda

9:00 to 9:10 AM	Welcome and Introductions Review Anti-Trust Guidelines
9:10 to 9:40 AM	BLM Looking Forward Program Review – Insights and Opportunities
9:40 to 10:00 AM	Plant Review and Look Forward
10:00 to 10:20 AM	Pipeline/Wellfield Review and Look Forward
10:20 to 10:40 AM	Break
10:40 to 11:00 AM	Budget Planning / Projects
11:00 to 11:25 AM	Sale Q&A – Questions Solicited in Advance
11:25 to 11:50 AM	Open Discussion
11:50 to Noon	Conclude Session / Adjourn



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Welcome

- Welcome and Introductions





Review Anti-Trust Guidelines

Anti-Trust Guidelines Prohibit:

1. prices, discounts, terms or conditions of sale, or the process of setting them;
2. profits, profit margins, capacity, or cost data;
3. market shares, sales territories, or markets;
4. allocation of customers or territories;
5. selection, rejection, or termination of customers or suppliers;
6. restricting the territory or markets in which a company may resell products;



Review Anti-Trust Guidelines

Anti-Trust Guidelines Prohibit:

7. restricting the customers to whom a company may sell or products that will be sold;
8. bidding or refraining from bidding;
9. using the standards development process for the purpose of creating a competitive advantage or disadvantage for any member or non-member company; or
10. any matter which is inconsistent with the proposition that each member company must exercise its independent business judgment related to its pricing, customers and suppliers, and competitive markets.



Leadership Insights and Program Review

BLM Leadership Insights

- Sheila Hutcherson,
Associate State Director (A)
New Mexico State Office, BLM

Program Review – Insights and Opportunities

- Dawn M. Jones, Helium Program Manager
BLM



Leadership Insights

- Current State
- Our Commitment
- Looking Ahead





U.S. Department of the Interior
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Prog Review – Insights and Opportunities

One thing we're very certain of is the
uncertainty ahead.



Prog Review – Insights and Opportunities



- Unprecedented
 - Disposal of FHS / Sale
 - Lengthy Shutdowns
 - OSHA / Safety
 - Staffing / Personnel
 - Contracted O&M
 - Plant / Pipeline



Prog Review – Insights and Opportunities

Successes

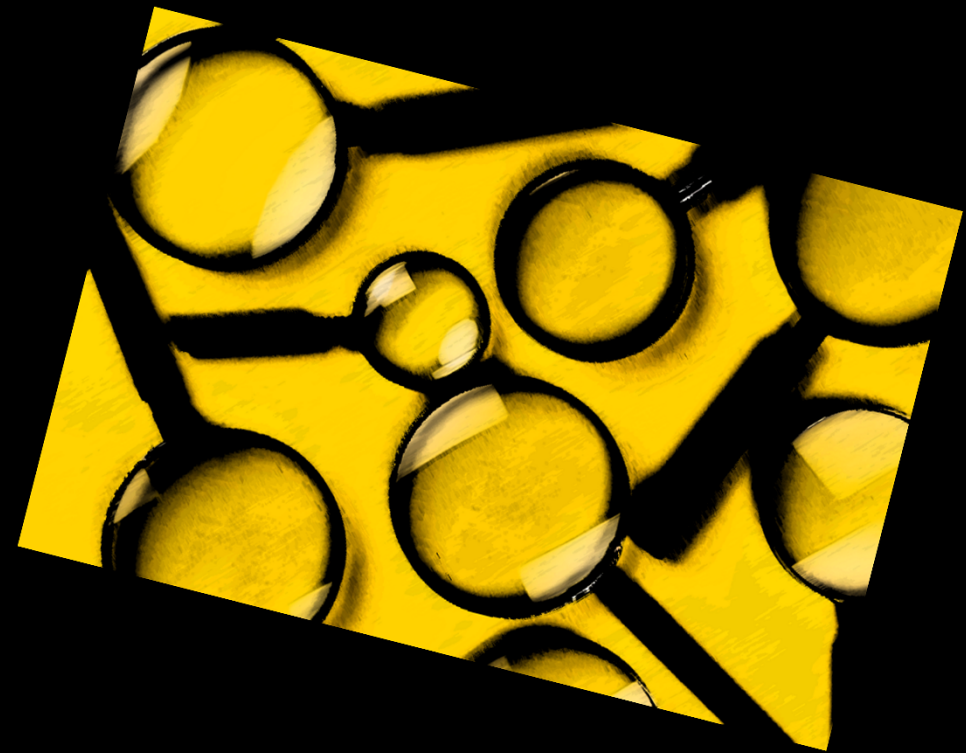
- Abated OSHA
- Contracted O&M
- Strengthened PSM
- Compl. Critical MX
- 98.7% Reliability
- Compl. Wellfield Assessment
- Compl. MLV Assessment
- ECDA Initiated



Prog Review – Insights and Opportunities

Insights

- Longevity-minded
- Do the right thing
- Invite accountability
- Raise the flag early
- Redundancy

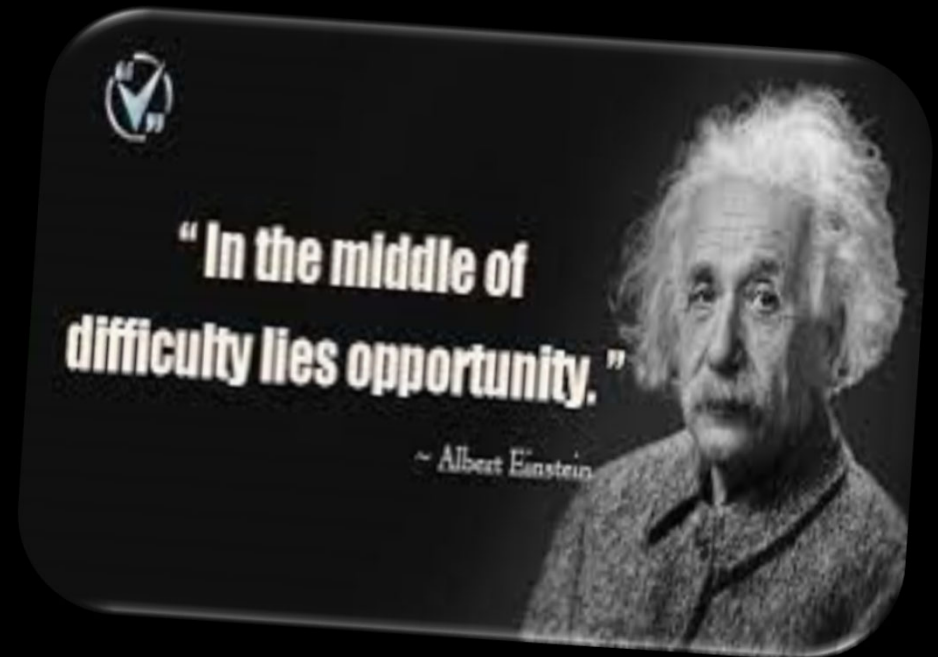




Prog Review – Insights and Opportunities

Opportunities

- Communication
- Documentation
- Corrective Actions
- Lifecycle Replacement
- Maintenance Program

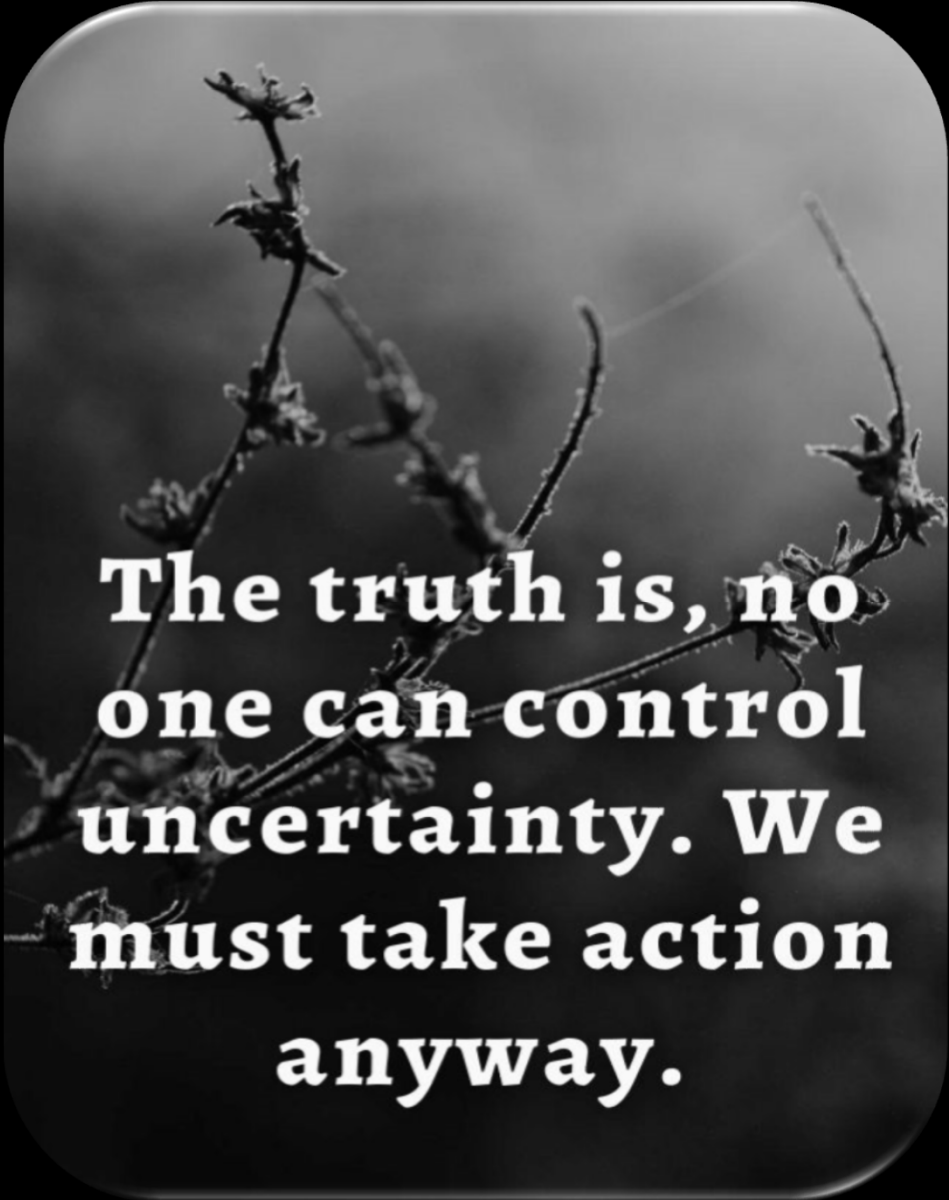




Prog Review – Insights and Opportunities

Priorities

- Lifecycle Replacement and Refurbishment
 - Plant
 - Wellfield and Pipeline
- Wellfield Cathodics and Corrective Maintenance
- Staffing Redundancies

A black and white photograph of a plant branch with small, dried flowers or seed heads, set against a blurred background. The image is framed within a rounded rectangle.

**The truth is, no
one can control
uncertainty. We
must take action
anyway.**



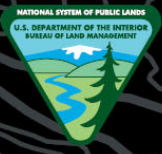
Plant / Pipeline Review and Look Forward

Plant

- DJ Henderson, Helium Zone Production Mgr.
Messer

Pipeline

- Jonathan Elder, Sr. Project Manager
S&B Services



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Bureau of Land Management

BREAK

Next Session
Begins at 10:20am (CDT)





“Whatever you do,
always give 100%.
Unless you're
donating blood.”

BILL MURRAY



Budget and Projects

Budget and Projects

- Dawn Jones, Helium Program Manager
BLM
- Jordan Fairfield, Transition Project Manager
BLM



Budget and Projects

Budget

- BLM recognizes the less than desirable increases in storage and refining fees
 - Contracting expenses ~\$3.5 million
- Foreshadowing for next Fiscal Year expenses and priorities

Fiscal Year True Up

- Working toward reconciling all accounts prior to the end of the fiscal year
 - Credits remain on some balances



Budget and Projects

Projects

- Wellfield
 - Wellfield Cathodics
 - Drip Station Repair / Refurb.
 - Valving Repair / Refurb.
- Lifecycle Replacement / Refurb.
 - MLVs
 - TSAs / Mole Sieve
 - Lifecycle Management Plan
- Productivity / Cost Savings
 - Options to increase wellfield production
 - Methane Injection / Helium Recovery



Sale and Conveyance Q&A

Sale

- Jordan Fairfield, Transition Project Manager
BLM



Open Discussion / Conclusion

- Follow-up's
 - Questions or concerns
 - Insights or recommendations
-
- Conclude Session



Thank you.





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Bureau of Land Management

Next Scheduled Meeting

August 22, 2023

11:00am CDT



August 8th, 2023

BLM Helium Stakeholders

Pipeline & Wellfield
Operations Review



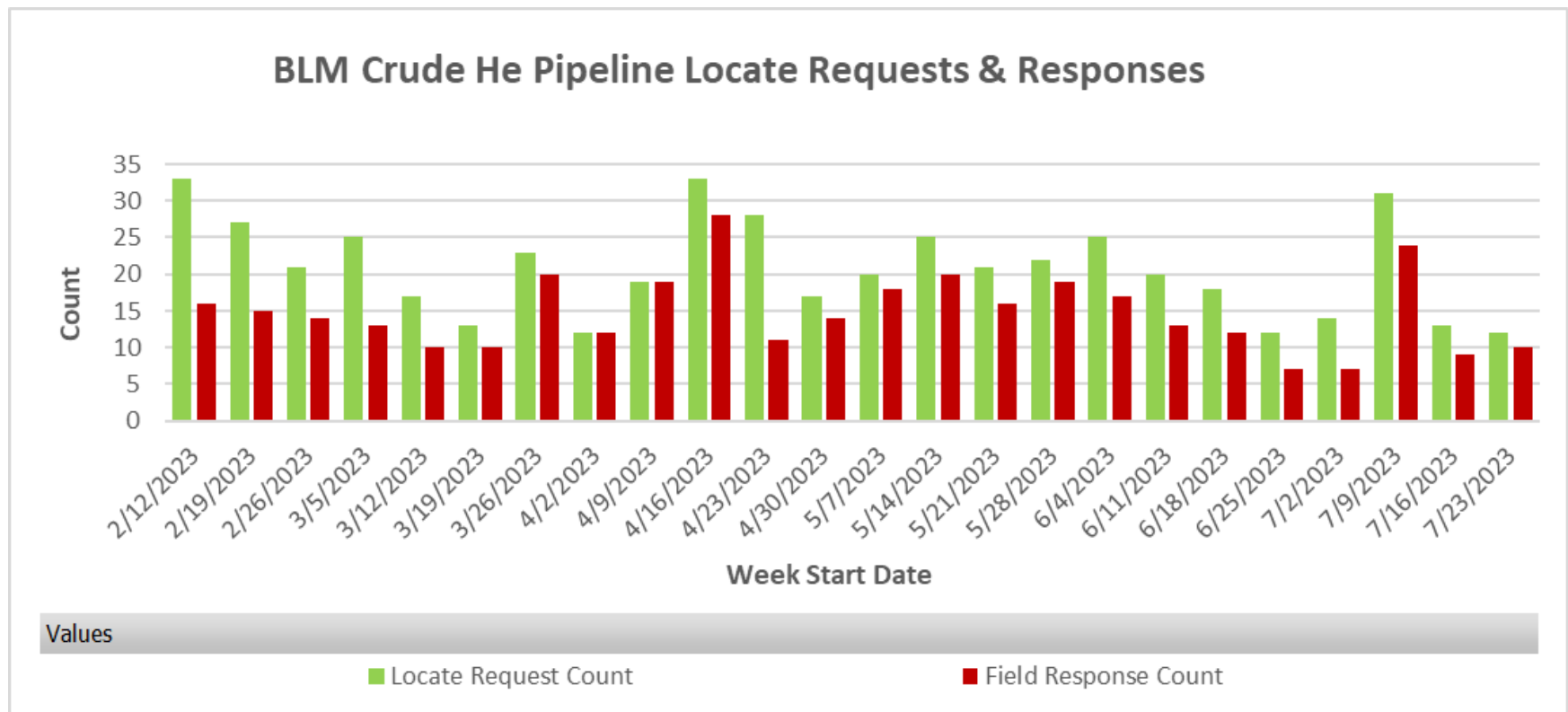
Contents

1. Underground Locate Request Service
2. Pipeline Integrity Assessment
3. Wellfield Maintenance
4. Main Line Valve Servicing
5. Roadway Construction Utility Conflicts
6. Questions & Discussion



1. Underground Locate Request Service

- Locate requests per week, average: 20.9
- Locate field responses per week, average: 14.8



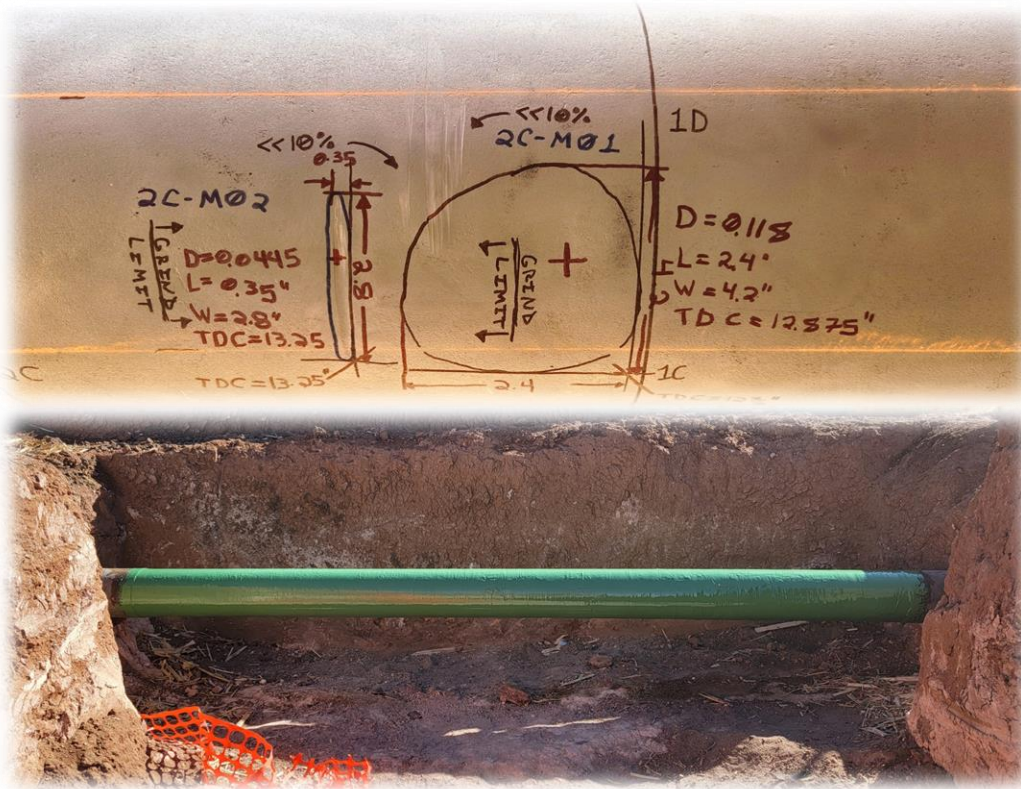
1. Underground Locate Request Service

- Four active utility conflicts



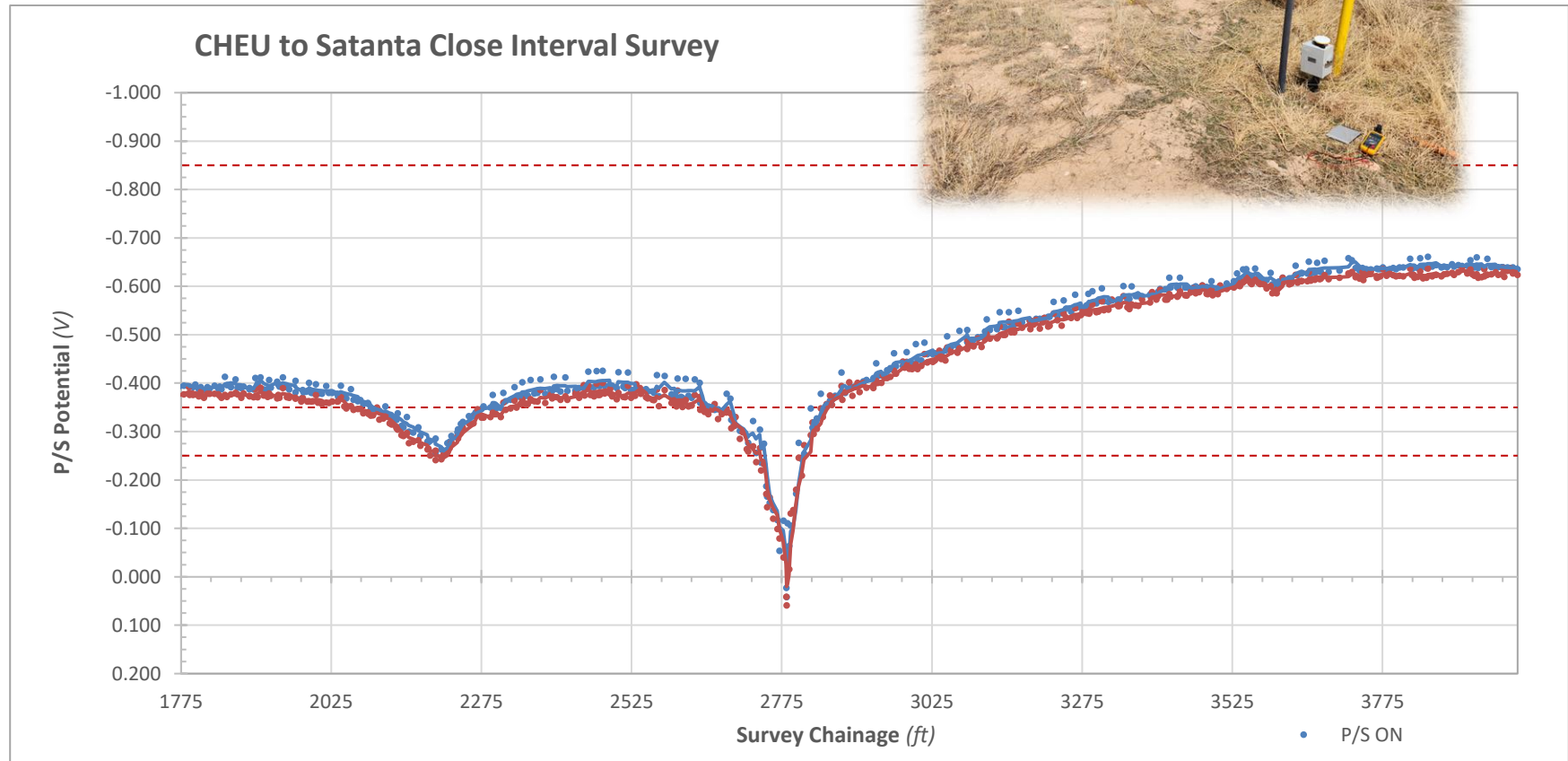
2. Pipeline Integrity Assessment

- External Corrosion Direct Assessment
 - Indirect inspections (34.9%)
 - Direct Examinations (TBD)



2. Pipeline Integrity Assessment

- Kinder Morgan crossing interference



3. Wellfield Maintenance

- Initial vault, valve, and remote bunker inspections complete.
- 20.7-mi of pipeline
- 19 well cellars
- 45 drip stations
- 176 valves inspected
- Valves deficiencies identified
- Draft report submitted

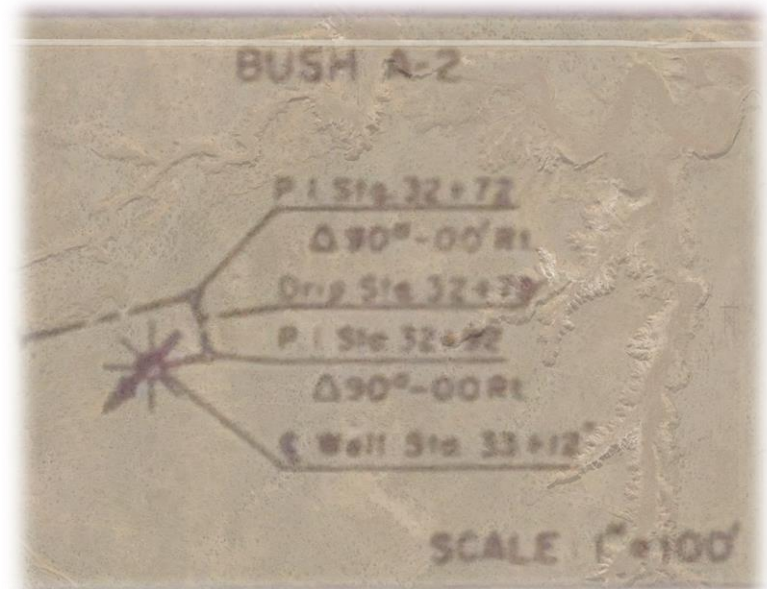


3. Wellfield Maintenance



3. Wellfield Maintenance

- Performance Modeling
- Dewatering
- Stimulation & Rehabilitation
- Bush A-2 Intervention
 - August 9th and 10th
 - Surfactant and agitators
 - Depressurized evacuation
 - Monitor pre/post treatment
 - Establish routine MX threshold



3. Wellfield Maintenance

- Bivins A-7 Drip #2 leak repair
 - Excavated and replaced leaky riser
 - Permanent repair pending



3. Wellfield Maintenance

- Bivins A-7 Drip #2 leak repair
 - Excavated and replaced leaky riser
 - Permanent repair pending



3. Wellfield Maintenance

- Bivins A-4 leak repair
 - Replaced ~90-ft of 6-5/8-in pipe with 4.5-in pipe
 - Root cause: external corrosion due to inadequate CP



4. Main Line Valve Servicing

- Maintenance run completed during the week of 24 Jul. '23
- Each of the 38 valves were successfully accessed and inspected

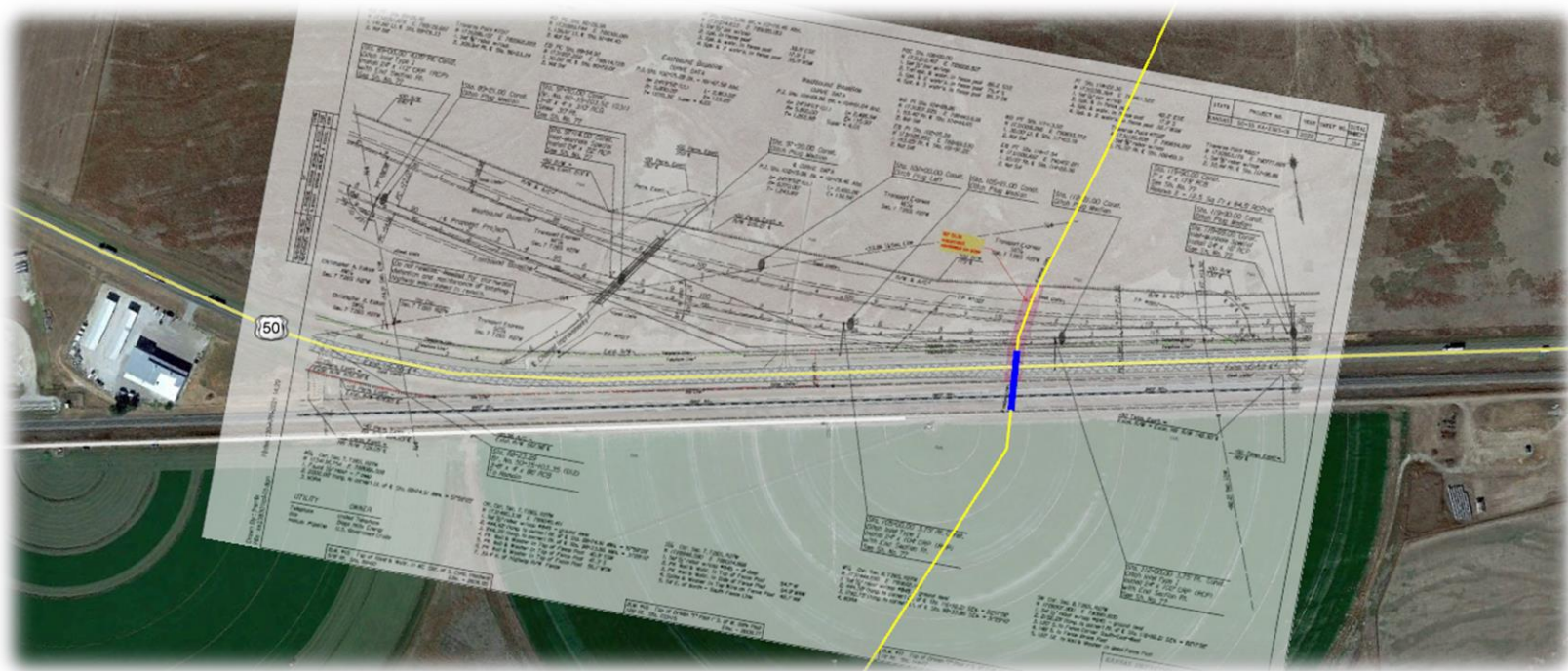


5. Roadway Construction Utility Conflicts



5. Roadway Construction Utility Conflicts

- US-50, Cimarron, KS
 - Phase 1 casing extension complete
 - Roadway construction underway
 - Phase 2 casing replacement TBD



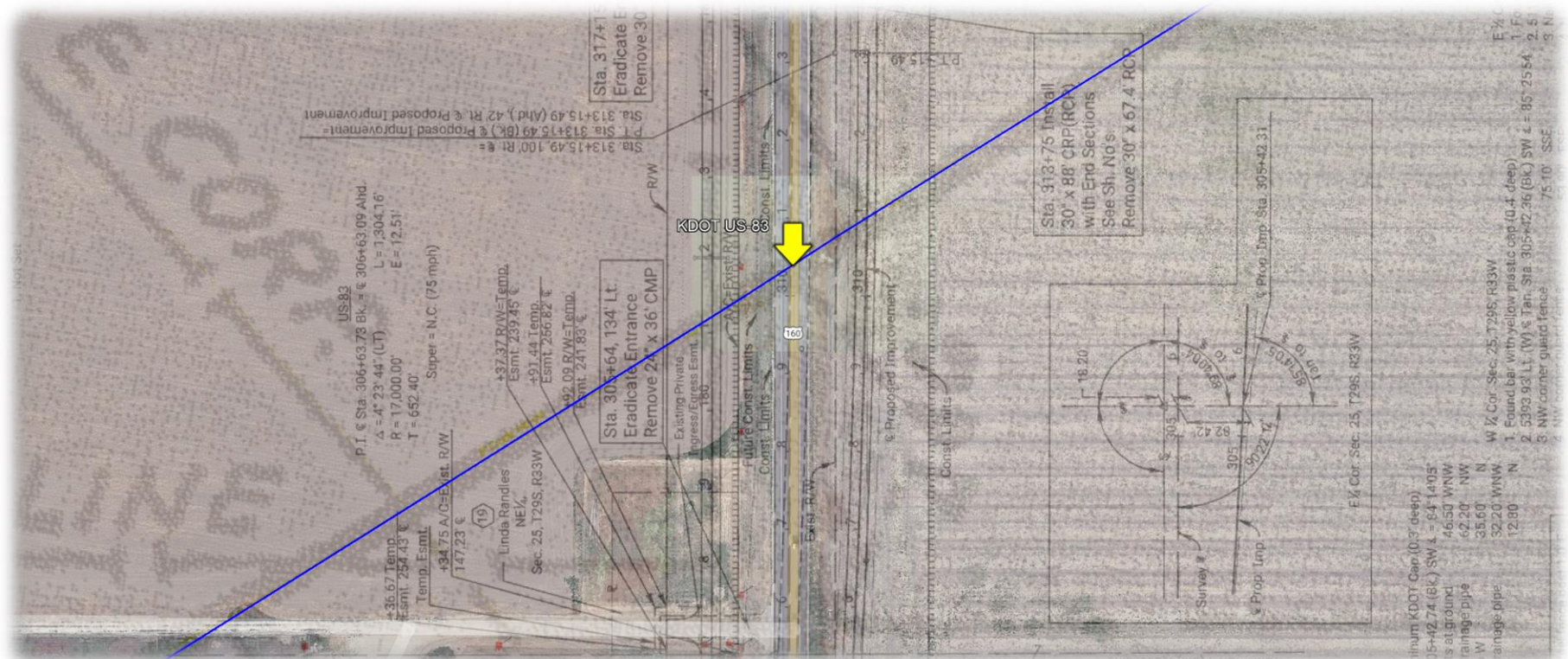
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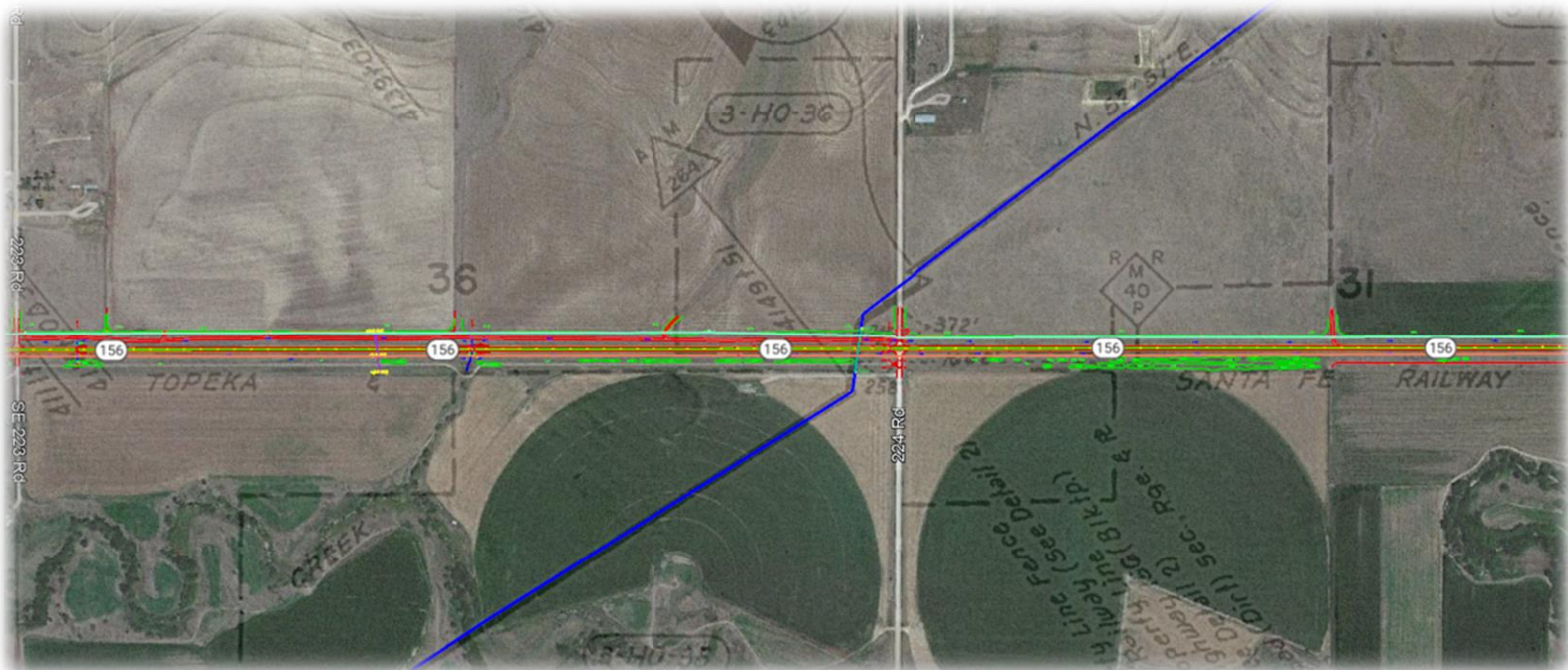
5. Roadway Construction Utility Conflicts

- US-83, Sublette, KS
- Project letting: early 2024



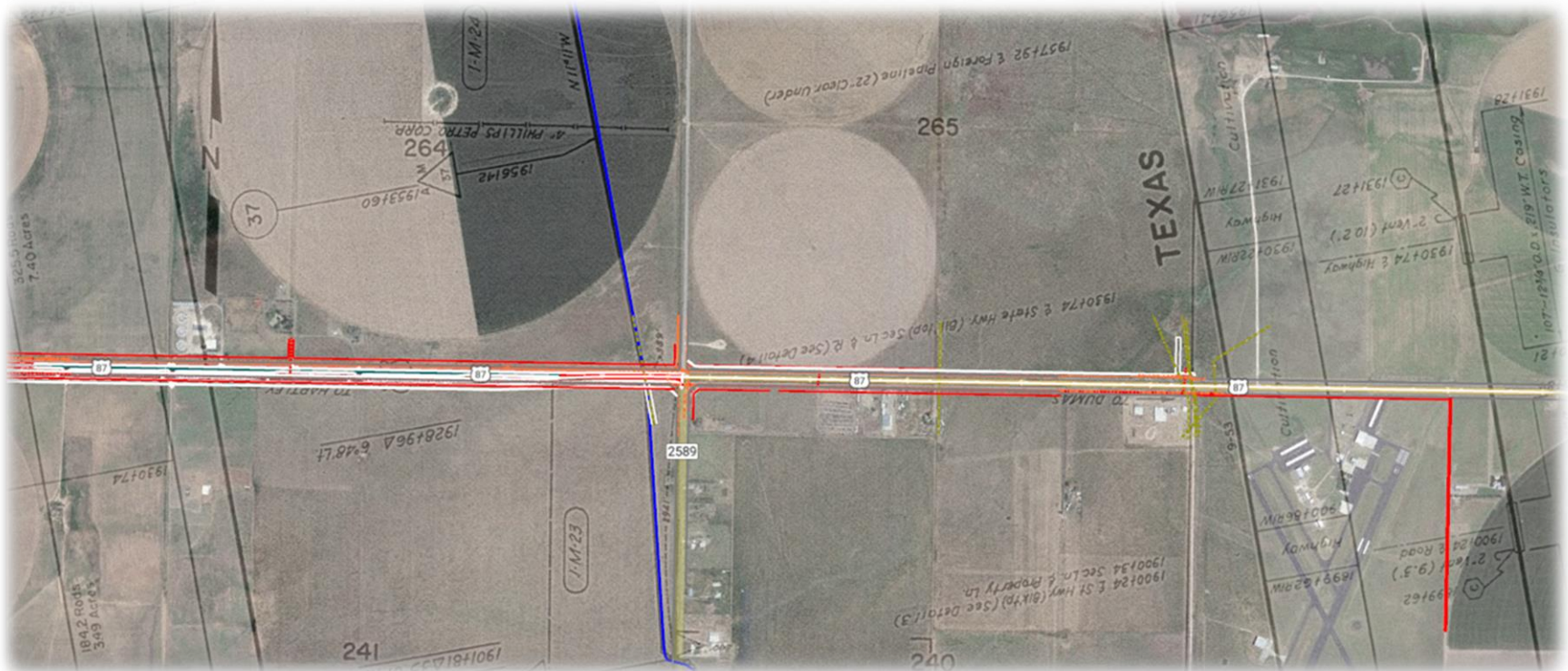
5. Roadway Construction Utility Conflicts

- K-156, Jetmore, KS
 - Project letting: early 2024



5. Roadway Construction Utility Conflicts

- US-87, Dumas, TX
 - Project letting: October 2024



6. Questions & Discussion





Helium plant - Year in review
Amarillo, TX August 2023

MESSER 
Gases for Life

CHEU – Amarillo, TX

Overview and Evacuation Point



CHEU – Amarillo, TX

Facility Fact Sheet



- **Address:** 13301 Brickplant Rd, Amarillo, TX 79124
- **Messer Arrived On-Site:** 4/4/22
- **BLM Contract Signed:** 4/22/22
- **BLM approval to restart CHEU:** 5/27/2022
- **Total number of Messer employees:** 13, Manned 24/7
- **Zone Manager II:** DJ Henderson
- **Production Supervisor:** Christopher Mannausa
- **Production Coordinator:** Rick Wait



Summary

Messer has been successfully fulfilling an operations and maintenance contract with the Bureau of Land Management to produce crude helium since 6/1/2022 (contract signed 4/22/2022).

Key highlights :

- Zero injuries, process safety and environmental incidents
- Successful resolution of OSHA “findings” which forced the plant to be shut down in Q1 2022, specifically around mechanical integrity, operator capability and safety management.
(OSHA has expressed satisfaction with the partnership between the BLM and Messer)
- Significant increase in helium produced to pipeline relative to pre-contract performance
- Completion of a plant turnaround with no safety incidents in April, 2023
- Smooth on-boarding of core plant operating responsibilities, maintenance activities and other tasks during this period
- Maintained Process Safety Management (PSM) compliance with surveillance audit in Q4 2022 (1 Priority 3 finding and 5 OFIs)

Significant continuity of operations and PSM improvements

- Consolidated repository of process safety info
- Comprehensive mechanical integrity program on-site
- Improved Accuracy of P&IDs, operating procedures
- Fully staffed operators to run the plant
- Overcame challenges with key contractors
- Addressed issues with Instrumentation/Controls (life safety and plant process) as well as loop tuning
- Improved reliability of key compressors
- Added substantial valve tags and pipe signage
- Procured spare parts for certain equipment beyond their shelf life

Risk-based inspection / Mechanical Integrity

- Performed required scope of RBI and MI testing for OSHA Abatement
 - K200,K440, K100 and DGA Skid
- Develop full RBI program for the plant
 - Working with 3rd party Engineering contractor specialized in RBI/MI
 - Full plant Circuitization of plant equipment and piping
 - 90% complete with RBI scope
 - Full 3D plant scanning and ISO drawing's for placement and accuracy
- MI work to begin in September with recommended inspections and frequency
 - Install test points inside the insulated equipment at engineered points

Likelihood	Negligible	Marginal	Significant	Critical	Catastrophic	
	L	H	VH	VH	VH	Happens several times inside the plant
	L	L	H	VH	VH	Happens several times during the year within the company
	N	L	H	H	VH	Happened before inside the company
	N	N	L	H	H	Happened before inside the industry
	N	N	N	L	L	Has never happened in the industry
	Consequence					

Helium plant - Year in review

Life Safety Systems

- Waukesha (pipeline compressors) Building

- All systems now in operation and on routine calibration and testing
- Adding CO analyzer in building in process
- Standardize lights to match balance of plant in future

- K100 Building and CHEU

- All systems now in operation and on routine calibration and testing
- Standardize lights to match balance of plant in future

- K200 Building

- All systems now in operation and on routine calibration and testing

- Well Building and Lab

- Install Oxygen and LEL analyzers. Install Lights and horns inside and outside each door

- Outdoor siren

- In operation and on routine testing
- In process of adding more alarm points to be heard in entire plant area

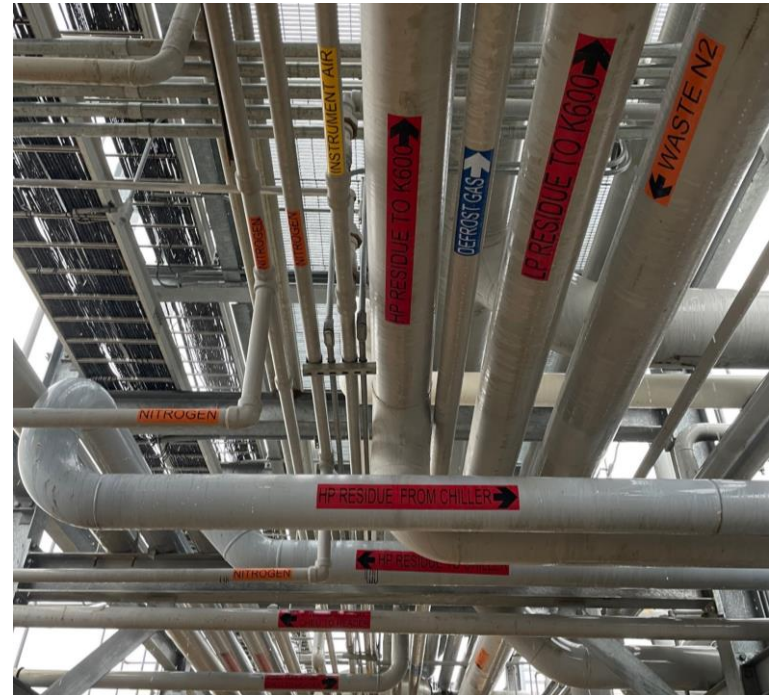


Valve tagging / Line labelling

- Valve Tags





- Pipe Labels



Helium plant - Year in review

Enhanced Lockout/Tagout Protocol

MESSER Energy Control Procedure (ECP)			
P&ID# Sheets 5-24		Plant # Amarillo, TX - Entire Plant	
Created: 4/14/2022		Lock Book	
Revised: 4/25/2022		Description	
76	Lockout Points	Note:	
YES	NO	Is this a Lone Worker Activity? *If yes, no verification required, but please reach out to Area Managers for support needed.	
YES	N/A	Have all affected personnel been notified that service or maintenance is required?	
YES	N/A	Have the appropriate P&IDs and Single Line Diagrams been reviewed?	
YES	N/A	Was the Isolation Selection Matrix Tool used to prepare ECP?	
YES	N/A	Do the personnel performing the Energy Isolation listed below have the proper training?	
Lockout Steps			
Energy Source	Isolate and Render Energy Source Safe	Picture	Return Energy Source to Operational
1 Pressure Pr-1 Pressure + Inert Gas	The V-2254 Manual Valve is located south of the coldbox. Turn valve to the SHUT position, lock, and tag. P&ID #24 Single Isolation needed due to pressure < 290 psi. Lock and Cable.		Remove Lock and Return to Normal Operating Position
2 Flammable F-1 Pressure + Gas	The V-2036 Manual Valve is located south of the coldbox. Turn valve to the SHUT position, lock, and tag P&ID #6 Double Double Isolation needed due to 145 psi < pressure < 290 psi, plant must be down. Lock and Cable		Remove Lock and Return to Normal Operating Position

Safety & Efficiency Improvements

- Easily locate isolation point using the picture column
- Documented review process
- Know lockout device needed
- Print LOTO tags for operator
- Reuse ECP's



DANGER	
DO NOT OPERATE DO NOT REMOVE THIS TAG	
Equipment:	Cold Vent to Flare
ID#:	Sheets 5-24
Location:	Pr-1
Energy Source:	7/11/2022 7:48 AM
Locked Out:	
This lock/tag may only be removed by: Claire Rahlfs	
Expected Completion:	
Remarks:	
Unauthorized removal may result in immediate discharge	

Q&A Discussion

Backup / Optional

US Bureau of Land Management Crude Helium Enrichment Unit at Cliffside Field and start of 425 mile Helium pipeline

Crude Helium Enrichment Unit at Cliffside

Cliffside Underground Well



Crude Helium 8" Pipeline at Cliffside



Bureau of Land Management Conveyance Process



All information provided here will be uploaded to the data room for public review by registered parties interested in the sale of the Federal Helium System

SALE PROCESS

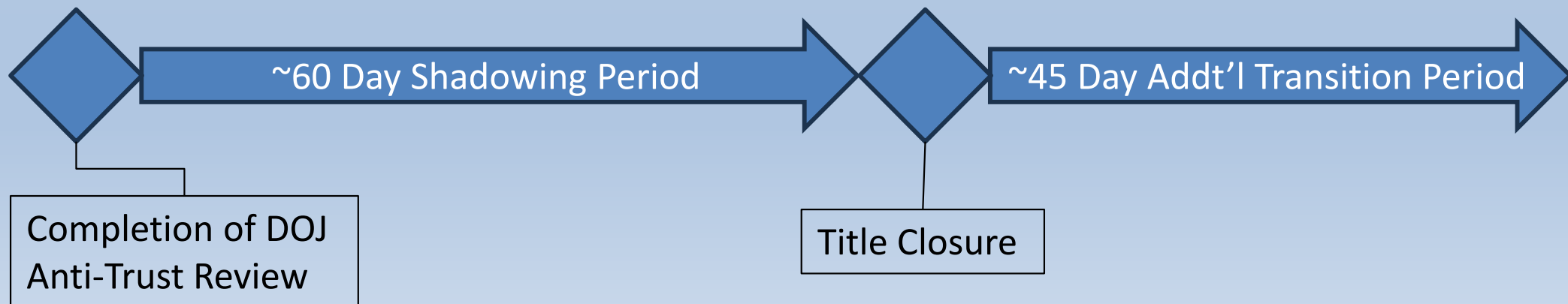
Timeline Overview-

- July 26th – General Services Administration(GSA) released the Invitation for Bid(IFB)/Bidder Certification & Registration for all interested parties (~112-day process)
- Sale is structured in 2 unique and separate lots
 - 1 bcf of Helium
 - 800 mmcf of Helium and Real Property Assets
- November 15th – Bid opening event (~1-day process)
- November 16th – Awarding of Contract (~7-day process)
- November 22nd – Sale Closing (~120-day process)
 - DOJ Review, Title Closure, etc.
- March 21st - Post Title Transition Period (~45-day process)

TRANSITION OF OPERATIONS

Anticipated Turnover Period –

- Shadowing Period- To take place AFTER Department of Justice Anti-Trust Buyer Review is completed and end at Title Closure
- Additional Transition Period – To begin AFTER title closure for the BLM to remove remaining government assets and provide any further recommendations or guidance as needed to new purchaser



PURCHASER OBLIGATIONS

GSA Requirements –

- “Bidder’s Financial Certification” must be shown
- “Bidder’s Post-Conveyance Operational Certification” must be shown
- Please see IFB for Lot #2, paragraphs 9 and 10 for more details
- Storage Contract Article XII requires that the purchaser assume all storage contracts (Amendment 2 clarifies who the purchaser is)

***For questions regarding the sale and
disposal process please contact***

U.S. General Services Administration

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Bureau of Land Management

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