

MEMORANDUM

FROM: Lee Gribovicz, WRAP Air Quality Project Manager
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SUBJECT: O&G GHG Technical Workgroup Call #2 Meeting Notes

Summary

On November 6, 2008 the Technical Workgroup (TWG) for the Exploration & Production and Natural Gas Gathering & Processing Greenhouse Gas (GHG) Accounting Protocol project held their second call, this to introduce the Technical and Facilitation Contractors hired for the project, and to set the work product and call/meeting schedule for the their work in the immediate future. Participants on this call included:

<u>Name</u>	<u>Organization</u>	<u>Name</u>	<u>Organization</u>
Tom Moore	WRAP	Lee Gribovicz	WRAP
Mike Schneider	New Mexico Env Dept	Brad Musick	New Mexico Env Dept
Mary Uhl	New Mexico Env Dept	Byard Mosher	Calif Air Resources Board
Stirling Bates	British Columbia	Tim O'Connor	Environmental Defense Fund
Chris Trumpy	British Columbia	Jim Meyer	Environmental Defense Fund
Sam Hitz	The Climate Registry	Karin Ritter	American Petroleum Institute
Mark Nordheim	Chevron Corporation	Jim Tangeman	Williams Production Co.
Jennifer Knowlton	Yates Petroleum	Reid Smith	British Petroleum Company
Mark Fesmire	New Mexico Oil Cnsrvtn	Craig Bock	El Paso Explr & Production
Roger Fernandez	EPA Natural Gas Star	Arun Naik	Shell Global Solutions
Terry Snyder	Santa Barbara Co. APCD	Jeremy Nichols	Wild Earth Guardians
Coleen West	Canadian Assc Ptrl Prdcrs	Rob Greenwood	Ross & Associates
Alison Pollack	Environ International	Steve Messner	SAIC
Laura Gehlin	SAIC	Sandra Miranda	SAIC
Vincent Agusiegbe	Calif Air Resources Board		

Prior to the call Tom Moore had E-Mailed all TWG participants a copy of an Agenda for today's call, as well as the SAIC/Environ Bid Proposal, and a copy of the overall project schedule. The call generally proceeded according to the Agenda.

To begin the call, Staff from the Technical Contractor team were introduced including Alison Pollack of Environ International; and Steve Messner, Laura Gehlin and Sandra Miranda of Science Applications International Corporation (SAIC). It was noted that the project would proceed under the "Expanded Scope" whereby in addition to conventional oil and gas (O&G) production the contractor would also include those operations/sources associated with oil sands and oil shale hydrocarbon production. In response to a question it was clarified that Coal Bed Methane production was addressed under the conventional O&G scenario, as are off-shore O&G operations.

Alison was asked to explain the contractors' plans for beginning work on the project, and she noted that the first two products were the initial drafts of the Background and Scoping Paper and of the Technical Review of High Tier Emissions Quantification Methods. Alison noted that the original project schedule showed work beginning in the 3rd week of October, thus we were already about 2 weeks behind in getting the contract issued. And since they wanted to produce a high quality product, they were asking for in the neighborhood of six weeks to get the first draft of the Scoping Paper out, or approximately the end of December. And they were asking to produce the High Tier review around the end of January '09.

Tom Moore noted that the original schedule called for these two products both about a month earlier, and wondered whether with the delayed start, if the Scoping Paper couldn't be produced around mid-December. However Karen Ritter noted that for API to get feedback from its members over the Christmas holiday was impractical, and several other TWG members agreed with her. It was concluded that the schedule should be adjusted to require the Scoping Paper as soon as reasonably possible, but no later than December 31st of this year. Likewise the High Tier review should be produced as soon as reasonably possible, but no later than January 31st, 2009.

Jim Meyer asked whether the protocol effort was inclusive of "Straddle Plants", and it was explained that the intent was to butt up against the existing TCR protocol for natural gas transportation and distribution. But no one seemed to know whether these Straddle Plants, which can remove Natural Gas Liquids (NGL's) from the stream after sale to the transmission companies depending on market pricing of the products, were to be included under this protocol's natural gas processing plants. Environ took note of the question to be addressed in the Scoping Paper.

That question led to some confusion over what exactly would be covered by the Scoping Paper, and Ms. Ritter suggested that it would be helpful to see an Outline of both the papers prior to extensive work on the drafts, so that TWG Members could be assured that they would adequately cover the issues mandated by the project. Alison said that the contractors would be preparing such an outline under their own internal procedures anyway, and she agreed to send that out to the TWG as soon as possible (approximately 2 weeks). Then TWG Members could comment and request any necessary changes early on. But Brad Musick was concerned that this additional comment didn't slow down the project.

It was discussed whether the next TWG call would be held after the draft Scoping Paper was produced, but it was concluded that a call should be held earlier to review the Outline. So the next call was therefore scheduled for early December, and the date settled upon was Wednesday, December 10, 2008 at 12 Noon Mountain Time.

Rob Greenwood of Ross & Associates was introduced as the Facilitator requested by the Steering Committee. He suggested that in addition to reviewing the Scoping Outline, this next call could also serve to allow the schedule to be firmed up and to promote the continuity of the group.

In response to concern about unnecessary delays, Tim O'Connor raised an issue regarding the relative timing of completing the conventional O&G protocol as opposed to the work on the Expanded Scope. He noted that really the only areas where the Expanded Scope was applicable were the Alberta tar sands, and the eastern Utah/western Colorado oil shale development area. And since no oil shale projects were currently under way, the Western Climate Initiative states really had none of this unconventional production to deal with in their Cap & Trade program which needed the High Tier emission quantification methods. Tim wondered whether we shouldn't separate the effort somehow, but it was eventually agreed that the Scoping Paper should be inclusive of all of the non-conventional production methods. It was acknowledged that such bifurcation may be advisable when we get to the High Tier review.

And Tim also raised the question of whether GHG Sinks, such as steam or CO₂ injection for the purposes of extended production, were to be included in this protocol analysis. That too is a question to be addressed in the Scoping Paper.