

CRLP/BLM Amarillo Field Office Meeting

February 28, 2017

Attendees:

Sam Burton	Brock Van Anden	Amy Lueders
Aden Seidlitz	Theresa (Terry) Copeland	Adrienne Brumley

Sam – Since our meeting with the CRLP I have met twice with the folks at the NOC we discussed management and operation(s). Such as firm fixed price and IDIQ and leasing equipment from the CRLP. We went through all the basic possibilities of how we could go to a far based mechanism with the CRLP. Through extensive discussions we were able to mentally separate the BLM contract(s) regarding both BLM owned equipment and BLM maintenance. Want two contracts; one is the overarching for the BLM and the mechanism for the CRLP, they are going to be separate. The CRLP will most likely be a JFOC or a soul source contract because of the equipment, such as the CHEU (cold box) the minor and major maintenance. The contractor (CRLP) will be responsible for all maintenance on their equipment. We are talking to CRLP on how maintenance repairs will be paid. We are removing the major capital improvement item. We have historical data upon which to base the approximate cost(s) for major and minor maintenance on the equipment. A solid estimate can be derived from the historical data of what we used under the former agreement. We take the capitalization out of it and then use the maintenance component payment which CRLP historically used as an income stream. Maintenance component was a fixed payment CRLP didn't want to use income to make repairs. All this information has been discussed with Melissa Hutchinson and Liz Finley.

Sam – The most recent conversation I have had with the NOC is they want to bring the team down to see the equipment. They want to conduct a site visit and help with the statement of work and the language for the CRLP “Bridge Contract” from 2018 through 2021. I am very supportive of Melissa and her team coming and working directly with our engineers to do the specifications. Discuss what the government estimates may total for CHEU use through 2021.

BLM Equipment – We know we have various contractors that the BLM has used over the years. We know the approximate cost(s) are to do maintenance. We are looking forward to working with NOC personnel with the BLM side of the contracts. The contract(s) will either be a management contract or an IDIQ contract. It would be beneficial to us to have an alternative Pressure Swing Plant. Steve Urbanczyk was looking into the benefits of Pressure Swing Plant. A Cryogenic Unit construction period will take too long. A PSA plant the equipment can be leased, the equipment is made in skid mounted units and it will allow us to meet the composition for helium. The question is with a PSA Plant “how quickly can a lease be put in place within the remaining 15 or 16 months” before the other agreements terminate.

Aden - “Sam explain a pressure swing Plant (PSA) to me”.

Sam – “Currently we use a cryogenic process. Basically we cool everything down; the gas is compressed and expanded through a Joule Thompson (JT) T valve. The process cools down and liquefies most gases until you have only helium left. The final cooling step liquefies helium after removing other components.

A Pressure swing adsorption plant; “is a membrane or a bed based process that adsorbs gas (technically a surface process where absorption is an internal process). The gas is forced through the material and depending on the size of the gas is separated out at different speeds during the process. The smaller gases come out the quickest. The PSA has multiple pressurized units. We have a plant processor on the line (IACX) which is using the pressure swing adsorption plant to get the high purity (90% or more) helium into the line. The PSA is proven technology and they have been around a long time”.

Aden – “What type of operation maintenance issues would we have with the PSA”? “If we went with the PSA Plant it would replace current system”.

Sam – PSA’s are typically automated. Very low maintenance type plants however; it could have an impact on plant personnel. “Yes the PSA would replace the current system”. Steve Urbanczyk felt there was enough room to place skid mounted PSA’s. I am concerned with the footprint however; we may be able to accommodate structures on existing property. There is the possibility more land may be needed and I am currently working with Debbie Lucero on using the correct surface lease document to lease the lands needed.

Amy – “Terry what in terms of when we talk to the CRLP how much do you think is appropriate talk about. Should we be laying out information to CRLP such as two separate contracts or soul source contract”?

Terry – “I think it’s appropriate to talk about the options that the BLM is exploring and explain we are in the process undertaking market research. The government is determining the best value that will be beneficial. We do not need to discuss the IDIQ equipment with CRLP but we need to discuss the CHEU with CRLP and what may happen”.

Options on the table are:

1. Install a Pressure Swing Plant which takes CRLP out completely
2. A contract with CRLP, essentially a status quo, lease equipment and BLM perform maintenance
3. Expanding the scope of the service that CRLP would provide. CRLP taking over operations at the directions of the BLM

Sam – “I have spoken with Melissa Hutchinson. Because of the sensitive nature of procurement, Melissa has offered to make the statements to the CRLP. Melissa will address the contracting issues during the meeting with CRLP on 03/01/2017”.

Amy – “Melissa is capable of addressing time line issues. She will be able to break down the process from solicitation to execution of a contract”.

Aden – “Who is working on the sole source”?

Sam – “We are currently working on the sole source with Melissa. She has given several examples with the JFOC. Brent, Alex and Sam will work with Melissa’s team on getting then language right”.

Terry – “doing a Sole Source will not be a tremendous burden”.

Aden – “Are we missing anything Adrienne”?

Adrienne – “I can’t think of anything”.

Terry – “Sam can I ask you a favor, can you add Paul Sax (Attorney Denver Office) to the meeting on 03/01/2017.

Aden – “The purpose to tomorrow’s meeting is to provide an update as to where we are on the matters”?

Sam – “That’s correct”

Next Meeting March 1, 2017

Meeting was then adjourned.