

Storage Holders Meeting

March 27, 2020

Attendees: Sam Burton, Emress Bevers, Rodney Cryer, Mark Musick, Tom Harrison Linde, Wally Nelson Air Products, Thomas Luncz Uniper, Phillip Meyer Uniper, Martin Morris, Christian Schabbel Uniper, Ed Hazboun Uniper, Fred Ciccone Air Gas, Nick DeMai CRLP

Sam B.-Thank you for having this follow up meeting and we knew that it was short notice, but we wanted to have the opportunity to talk to everyone. This line will be the line we use to go forward for Storage Holders. The purpose of this meeting is to let Storage Holders know that pressure is building on the pipeline because there is less draw on the line. As of right now, the allocations are off because we need people who can take gas to, please, take gas. Please let the BLM know what your volumes are that your intending to take or project for April that certainly helps us in managing the pipeline pressure. In this current COVID-19 national emergency we are a critical infrastructure and we will be open. We are using a three-tier approach for the pipeline pressure, so I wanted to take this opportunity to let you know what the BLM is doing to manage the pipeline.

Sam B.-Our tiered approach will be to first turn down the plant production slowly and monitor pipeline pressure. Using company forecasting estimates we will be matching demand and production as closely as possible. The intent is to slowly build pressure. If/when pipeline pressure exceeds 1350 psi, we will release allocations (as per our allocation policy) and allow those companies that can take additional helium delivery to do so.

Second tier will be to increase recycle in the plant and manage low purity wells to decrease helium content in the feed gas to the CHEU. We will continue to operate the CHEU in turn down mode. BLM will monitor pipeline pressure closely.

Third tier would be to start injecting extra helium production back into the field when the pipeline is at maximum pressure (1500 psig). This is undesirable due to helium loses but keeps the plant operational and ready to increase production as needed. It is preferable to venting to the atmosphere and it will also keep the plant in operational mode.

Basically, that is the three-tier approach that we plan to go through, I have my staff ready to answer questions if there are any. I want to open it up for any questions.

Tom H.-Can you make any projections as to whether the demand will match the turn down?

Sam B.-I have my folks looking at injecting extra helium into the ground. Do we have a number for when we might have to inject?

Rodney C.-This morning at 6:00 we were at 1456, right at 11:00 at 1467. I would think we might at 1500 by the end of the day.

Sam B.-To answer your question we will probably be injecting back into the ground later today or this weekend.

Tom H.-Yesterday's production map shows you made 2.183 million feet of helium are you still at that rate now or have you turned down further?

Mark M.-We made more progress overnight we are significantly below that now.

Sam B.-It will depend on the information we get from the companies if people aren't taking the gas we will have to inject and turn down the plant as much as we can to conserve resource.

Tom H.-As you stand here today you have not started to bring more volume from the low purity wells and turn down the high purity? Is that correct?

Sam B.-No from what I understand we have.

Mark M.-We have been gradually turning down for a few days.

Sam B.-We have already been doing the first tiers to keep the plant going and address the problem. We are in the second tier now. We are looking to do the third tier now but we haven't yet.

Sam B.-Rodney, Mark anything else to add?

Mark M.-We have the main high helium turned down about 1/3 of the way and we will continue that.

Rodney C.-Not really anything else to mention.

Sam B.-Unless there are any other questions, we plan to publish this three-tier message on our website. I am trying to stress as much information as you can give us please send questions into me and Mark Welch and we will try to address them as soon as we can.

Plan to have another conference next Tuesday. A notice will be sent out for the call next Tuesday.