

**Sam B.** – This call is being held for the refiners that are working to inject gas into the pipeline and into the reservoir. We wanted to have this call to discuss the product being injected into the pipeline and back into the reservoir. As you know BLM has in the past permitted volumes of pure helium to be injected under carefully controlled and monitored conditions. These are usually very small volumes, and these were blended with larger flow products from the BLM reservoir and with high helium demands. The gas is usually very well mixed. Those smaller volumes have not caused problems with the BLM or managing the pipeline. In response to the current market conditions, and the effects of the Corona Virus, the BLM has turned down our plant and product from the field is being allowed to be injected into the reservoir. However, the pipeline system analytical equipment is not really designed to handle the amounts of high purity helium that we are receiving. The BLM is finding difficulty in accurately determining injection volumes on our ROCLINK™ 809 data acquisition system (ROC) and this is not prudent operation of the pipeline. In trying to control the gas in accurately managing volumes that we are receiving and allowing for proper operation of the equipment across the board for refiners alike, this problem needs to be resolved. A proposed solution is to allow the blending of 20% nitrogen with the pure helium that is being injected this will allow for accurate measurements and within the calibration limits that our equipment would be able to handle. It would allow for normal operations on the ROC and it would allow for normal operations for other companies on the pipeline. In the interest of trying to manage the pipeline and keep it functional and operational for all, the BLM is in the process of preparing and will issue cease and desist letters for those injecting 100% or very high purity helium until such time as they can blend in 20% nitrogen and be able to accurately measure the volumes that are being injected back into the pipeline. I do want to open it up and take comments.

**Bobby S.** – I was just wondering where the inaccuracy on the metering is?

**Sam B.** – We are seeing some real fluctuations in the numbers as we try to calculate the volumes and it is very hard to do that with the higher purity gases coming in so we are not getting good numbers on the calculation. It is very hard to calibrate equipment for 100% helium because you are right at the top end and some of this equipment isn't really designed to do pure helium so we are trying to address that by blending it back down.

**Tom H.** – I called a little late and missed the first part of what you said. Separate from the metering and what Bobby said, on the nitrogen level issue and the causing issues for other refiners, what has changed? In 2017, someone was injecting liquid nitrogen directly into the pipeline and we had the same problem. We had to go buy trailers of liquid nitrogen for the same issues that we are talking about here. Nobody cared back then, we had that expense and now it is happening again, and it is an issue so I'm asking again has something changed?

**Sam B.** – I am sorry Tom, in the beginning I was saying that BLM did except volumes under controlled conditions and there was large demand, so the gas was being blended with gas coming from the Bureau of Mines. It was higher flow, higher volume so those smaller volumes of higher

helium were not causing issues with the volume calculations for the analytical equipment. It was very closely monitored. Now, with the larger volumes of gas coming back toward the reservoir, there is not very much mixing going on. With no nitrogen in the system it is changing how the analyzers are working and how equipment is functioning. Of course, no one predicted that we would be putting pure helium back into the line. The contract did not address specifically the 100% coming back. This is trying to manage the analytical accuracies of the equipment and being able to credit your volumes correctly when we credit you back into the reservoir. Plus, it is also causing issues with how the equipment is running. It is not prudent management if we do not do something about it. So, Tom the change is that earlier we had a lot more demand, so everything was blending and now with everyone coming back toward the reservoir there is really nothing blending down the gas or making it less of an impact. I hope that answers your question.

**Brad B.** – So, you mentioned 20% nitrogen, shouldn't it be 30% so that you are closer to the current calibration gas?

**Sam B.** – We must look at it, it could be higher nitrogen. I am trying to work toward whatever works for the system. As a minimum I think 20% gets us to an 80/20 split we may need to do more Brad that is a good point. I am just trying to see where we need to get for the analyzers to work properly again.

**Refiner** – Sam you addressed the injection of pure helium. What about the other impurities that have been injected into the pipeline such as methane?

**Sam B.** – We are monitoring that very closely. I have asked our folks to go onto the pipeline to take samples, we are trying to determine where that is coming from. With the analytical issues that we are having we are not able to see where this extra methane is coming from. This is why it is very important that we work together to make sure that the pipeline is managed, and the analytical equipment is functional. Thank you very much for raising that question.

If there are no other questions, we are diligently working with people to allow gas into the reservoir. As I said earlier, we are preparing this cease and desist letter so as soon as we can get those out to those who are putting the high purity gas in, we want it to be effective as soon as possible to try to address this.

**Mandy W.** – if we can get these out today can we put today's date on it?

**Mandy W.** – Yeah, I think if we get them done today, we can put today's date on it.

**Sam B.** – Ok so just want to let folks know that this is coming, and we are trying to get control over this high purity issue. You should be seeing the cease and desist letter later today as soon as we can get it to you.

**Bobby S.** – What is your magic number going to be for purity?

**Sam B.** – We are recommending in the cease and desist letter 80/20

**Bobby S.** – Are you going to have a plus or minus any in there?

**Sam B.** – That is a good point. Helium percentages from the BLM have been 78 to 81, 82, I think that is the highest I have seen. Mark Welch do you have any feedback on that.

**Mark W.** – Depending on which meter I have seen anywhere from 70 to 80.

**Sam B.** – So, we are trying to target that value of about 75 to 80%, which would be the range of nitrogen from 20 to 25%. Bobby is that doable you think?

**Bobby S.** – Oh yeah anything is doable we will manage it.

**Sam B.** – I do understand that it is hard to keep an exact number and there would be some flexibility. Mandy we might put that in the letter too, have some range of helium and nitrogen.

**Mandy W.** – We can work on the letter a little more after the call.

**David R.** – The storage contract gives a guideline. Do not go below 65% or you get charged a low purity fee. It gives the minimum as well.

**Sam B.** – I just wanted to let everyone know what the issue is and hopefully we can all work together to keep pipeline operations manageable. Any other questions?

NONE.

Thank you very much for your time and watch your email, we will be sending out these letters quickly.