

Storage Contract Holders Meeting

March 27, 2020

The BLM held two meetings with Storage Contract Holders (SCH) on Thursday morning (11:00 AM), and Friday morning (11:00 AM). The meeting on Friday 11:00 AM was held as a follow up for those that might not have been able to attend the Thursday meeting. Tele-conference meetings were held to inform the SCH of the increasing pipeline pressure and the plans the BLM is implementing to turn down plant operations and also address concerns about helium delivery during the current COVID-19 national emergency. The BLM discussed a three-tiered approach.

Our first tier is to 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 slow supply into the pipeline. The pipeline pressure exceeded 1350 psi and we have released allocations (as per our allocation policy) and now 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 after reaching pressure limits (1500 psi) on the pipeline. This helium production at maximum turn down of the CHEU would be injected back into the field. This is undesirable due to helium losses but preferable to venting to atmosphere and keeps the plant operational and ready to increase production as needed.

BLM staff are prepared to handle any questions.

Feedback from the storage holders and report out.