Indian Oil Valuation Negotiated Rulemaking Committee

Meeting 1, May 1-2nd, 2012
Building 85 Auditorium, Denver Federal Center, Lakewood Colorado

Meeting Summary (As of 5/14/12)

Meeting Participants

Committee Members and Alternates
Bruce, Loudermilk, Bureau of Indian Affairs
Steve Graham, Bureau of Indian Affairs (Alternate)
John Barder, Office of Natural Resources Revenue (ONRR)
Deborah Gibbs Tschudy, Office of Natural Resources Revenue (Designated Federal Officer)
Donald Sant, Office of Natural Resources Revenue
Daniel Riemer, American Petroleum Institute
Morris Miller, American Petroleum Institute (Alternate)
Dee Ross, Chesapeake Energy
Kevin Barnes, Council of Petroleum Accountants Societies
Jack Vaughn, Peak Energy Resources
Patrick Flynn, Resolute Energy Corporation
Robert Thompson, III, Western Energy Alliance
Kathleen Sgamma, Western Energy Alliance (Alternate)
Jeanne Whiteing, Blackfeet Nation
Roger Birdbear, Land Owners Association
Darrel Paiz, Jicarilla Apache Nation (Alternate)
Claire Ware, Joint Business Council of Shoshone and Arapaho Tribes
Marcella Giles, Oklahoma Indian Land/Mineral Owners of Associated Nations (OILMAN)
Perry Shirley, The Navajo Nation
Akhtar Zaman, The Navajo Nation (Alternate)
Manuel Myore, Sr., Ute Indian Tribe

Facilitators
Chris Moore, CDR Associates
Laura Sneeringer, CDR Associates

Observers
Note: Only names of observers who were in the room during introductions are included.
Karl Wunderlich, Office of Natural Resources Revenue
Steve Simpson, DOI Office of the Solicitor, Washington, DC
John Kunz, DOI Office of the Solicitor, Denver
Richard Ortiz, DOI Office of the Special Trustee
Bridget Radcliff, U.S. Institute for Environmental Conflict Resolution
Tim McLaughlin, Nordhaus Law Firm, LLP

Agenda Topics

Tuesday, May 1st, 2012, 8:30 AM – 5:00 PM

- Welcome and Overview of the Mandate for the Indian Oil Valuation Negotiated Rulemaking Committee and Committee Members *Deborah Gibbs Tschudy, ONRR*
- Introductions
- Agenda Review for Meeting 1and Projected Topics for Subsequent Meetings (Presentation and questions/answers)
- Meeting Guidelines Review, Revisions and Approval (Presentation, discussion and decision)
- Overview of Indian Oil Production (Presentation, questions/answers and discussion) *John Barder, ONRR and Dan Riemer, American Petroleum Institute*
- Discussion and Approval of Committee's Operating Protocol (Discussion and decision)
- Overview of the Current Indian Oil Rule (Presentation, questions/answers and discussion) *John Barder, ONRR*

Wednesday, May 2nd, 2012, 8:30 AM – 3:00 PM

- Agenda Review for Day 2
- Topics for Future Meetings (Review and discussion)
- Overview of Indian Oil Royalty Administrative Process (Presentation, questions/answers and discussion) *Bob Prael, ONRR; Morris Miller, American Petroleum Institute; Bruce Loudermilk, BIA; and Perry Shirley, Navajo Nation*
- Key Interests Related to Indian Oil Valuation (Discussion in Interest Groups and Report Out)
- Planning for Future Meetings (Discussion)
- How the Committee will Work Together: Approaches, Procedures and Strategies for Collaborative Problem Solving and Decision Making (Presentation, discussion and simulation)
- Meeting Wrap-up (Discussion)

Action Items

- John Barder, Dan Riemer and Perry Shirley will serve as the Executive Committee for the June meeting, and work with CDR to build the agenda for this session. This will include developing specific topics and identifying presenters (e.g., Bentek and Argus) for a more detailed oil market overview presentation.
- Jeanne Whiteing, Alan Taradash and Steve Simpson (ONRR), with support from Tim McLaughlin, will propose expanded Trust responsibility language to be added to Section 2 of the Operating Protocol. Steve Simpson of DOI's Office of the Solicitor will review and share input before CDR forwards the updated Operating Protocol to the entire Committee. The group will also develop a brief overview presentation on Trust responsibilities for the June meeting.
- John Barder will conduct a sample traditional major portion analysis in a few different regions, for one year, initially without considering API gravity and crude type. He will then conduct an analysis to determine if and how to get to the the same dollar difference using the index formula and gross proceeds plus bump major portion ideas. The goal is to determine how much variation there is in arms-length prices and whether it is possible to get to a similar outcome with other major portion calculation ideas.
- All Committee Members and Alternates will respond with their availability for meetings through the end of 2012.

Topics for Future Meetings

The following discussion topics were identified at the meeting and during pre-meeting interviews. The topics that are expected to be discussed at the June meeting are indicated with an asterisk (*).

Trust Responsibility*

- Clear overview of what ONRR's Trust responsibility includes

Oil Market Party Transactions

- What lease contracts generally include
- Overview of typical transaction between operator and purchaser – where purchases are made (e.g., well head or gathering facility)

Miscellaneous Oil Market Topics*

- Increased understanding of how hedging works, why energy companies hedge and how it impacts the royalty price that tribes receive

How Oil Price is Determined

- What impacts the price producers can receive*
- How value and price can be different*
- How refineries value crude – factors that make oil more/less expensive than Index prices*
- How quality banks work (primarily gravity banks since little to no Indian oil participates in sulfur banks)*
- How limited refinery competition in the area affects prices*
- More detail on how realized price is determined
    - When/how transportation allowances are included in the price, including overview of statutory language related to transportation allowances
    - What tax credits do producers receive for production operations (e.g., Sect 199 on manufacturing is for the cost of drilling a well)
    - Overview of premiums, bonuses, tax benefits, marketing discounts and environmental credits companies receive (note that many of these issues apply to leasing)
- How production supply and refining demand influence marketing and transportation, which ultimately impacts royalty valuation*

Index Prices

- High level overview of how index prices are determined*
- High-level overview of challenges with using index prices (e.g., determining differentials, determining which is the best index to use, the fact that there is not a physical mechanical link between NYMEX and Indian oil leases)*
- What impacts differentials – transportation infrastructure and distance, refinery configuration (e.g., type of oil can refine) and location differential (ability to make increased amount if you sell in a different location)*

Regional Specifics

- More detail on different regions– typical transportation costs, where are refineries, types of oil*

Data Needs

- Overview of what data resources are out there (e.g., from Platts)*
- More info on non-arms-length transactions – have they increased as described on John Barder's non-arms-length data graph *[John Barder can provide in next few months]*
- Sample traditional major portion analysis in a few different regions, for one year, initially without considering API gravity and crude type. Then, analysis to determine if and how to get to the same dollar difference using the index formula and gross plus bump major portion ideas. The goal is to determine how much variation there is in arms-length prices and whether it is possible to get to a similar outcome with other major portion calculation ideas. *

Overview of Relevant Models (Federal Oil Rule, Indian Gas Rule, Navajo In-Kind etc.)

<u>Summary of the Meeting Discussion</u>

Welcome and Overview of the Mandate for the Indian Oil Valuation Negotiated Rulemaking Committee and Committee Members

Deborah Gibbs Tschudy, the Designated Federal Officer from ONRR, provided an overview of the Indian Oil Rule history prior to initiating a Negotiated Rulemaking Committee. She described the mandate of the Committee to advice the Secretary of Interior on how to meet major portion requirements, highlighting goals for an approach that has certainty, clarity and consistency. She then provided an overview of who the Federal government, industry and tribal representatives are. For more detailed information, refer to the presentation, which will be available on the Committee website and will be sent to the Committee via e-mail.

The group discussed the following questions:

Q. Why do we have to consider major portion? Can't we just use the market? A. The current Indian Oil Rule and the majority of lease agreements require the Federal government to conduct a major portion analysis. There is flexibility on how this can be done and the Committee's mandate is to work together to identify an appropriate methodology.

Q. Why was Royalty Policy Committee's Indian Oil Valuation Subcommittee unsuccessful in outlining a major portion methodology? A. Both Dan Reimer and Perry Shirley were part of the Indian Oil Valuation Subcommittee. Their perspective is that it was too challenging for the Subcommittee to consider the entire Rule in a short time frame. They are hopeful that this forum will be more successful, since its mandate is more narrow, focusing only on major portion.

Introductions

Each Committee Member and Alternate had an opportunity to introduce themselves, describe who they are representing and share one aspect of Indian oil valuation that fascinates them and enticed them to be on the Committee. Many members described their primary interest in ensuring tribes and allottees receive the maximum revenue to which they are entitled by the U.S. Government's Tribal Trust responsibilities. In addition to this goal, some people shared a desire for consistency and administrative ease in the process and an approach that considers market factors. Many people also shared an interest in learning more about Indian Oil valuation, sharing their expertise and working together collaboratively to reach a solution.

Agenda Review for Meeting 1and Projected Topics for Subsequent Meetings
CDR provided an overview of the agenda. The main goals for the first meeting were to: 1) set the process up for success by outlining how the Committee will work together; 2) have cross-education to ensure everyone is starting with a common, baseline understanding of key issues and 3) provide training on collaborative decision making to help members be as effective in their participation as possible. The topics in this agenda and initial educational topics for the next meeting are based on information collected from the interviews. Throughout the meeting participants were asked to describe additional topics or information needed, which are included in the list above.

Meeting Guidelines Review, Revisions and Approval
The group provided additional meeting guidelines to ensure the dialogue is as productive as possible. The updated Operating Protocol includes these additions.

Overview of Indian Oil Production
John Barder provided an overview of where Indian Oil is produced and changes over the last few years (e.g., increase at Ft. Berthold due to Bakken), the amount of arms-length versus non-armed length transactions, and information on royalty in-kind (which is primarily done on the Navajo Nation). Dan Riemer provided an overview on where the oil markets are currently located and how they can change (e.g., oil is being transported further in some cases and Canadian oil is penetrating further into the US), and a high-level overview of how oil prices are determined. For more detailed information, refer to their presentations, which was included in the meeting materials and will be available on the Committee website.

The group discussed the following questions. They also identified additional topics for future discussion, which are included in the list at the beginning of this meeting summary.

Q. What is the increase in the Ute Indian Tribe (Uintah and Ouray (U & 0)) due to? A. This is due to overall increases and new completions. About one-half of tribes increased overall. Some may also be due to horizontal wells.

Q. What is the statutory language related to transportation allowances? A. The Act of June 30, 1834 (25 U.S.C. § 9); the Act of March 3, 1909 (25 U.S.C. § 396); the Indian Mineral Leasing Act of 1938 (25 U.S.C. §§ 396a-g); the Indian Mineral Development Act of 1982 (25 U.S.C. §§ 2101, et seq.); and the Federal Oil and Gas Royalty Management Act of 1982 (Pub. L. 97-451; 30 U.S.C. §§ 1701 et seq.) authorize the Secretary to promulgate whatever regulations are necessary to implement those statutes.

Q. Why has the percentage of non-arms-length transactions increased so much? A. John Barder was surprised by this data. He is concerned that some of this may be due to how information is being reported. He will have a better understanding after some upcoming audits are completed and will share an update with the Committee.

Q. How will the fact that some refineries may be shut down this summer affect the market? A. Dan Reimer did not feel that the refinery shut downs would affect the market. Overall, refinery capacity has increased. While the last refinery was built 1976, refineries continue to increase capacity. This is partially because refineries already have a footprint; it is easier to increase capacity than to build a new refinery.

Q. Do you expect new refineries to be built in the Bakken area? A. Dan Reimer would be surprised if new refineries are going to be built in North Dakota because the decision is generally based on whether there is infrastructure, distribution and demand, and North Dakota does not have strong demand. Discussions about building a refinery in Phoenix, AZ have been occurring for years and little progress has been made. There are some refineries in the Bakken, but they have very low capacity.

Q. Why does industry use hedging without involving tribes? A. Companies want to ensure they protect their cash flow. When producers hedge, they often end up losing money. It would, therefore, likely not be a good idea for tribes to be involved.

Q. When are transportation deductions allowed? A. The Federal government only allows transportation deductions if producers are moving oil from the lease to an area outside of the lease for sale.

Discussion and Approval of Committee's Operating Protocol

The group discussed modifications to the Operating Protocol. The document will be updated with changes highlighted and distributed to the Committee for review before the June meeting, when it will be reviewed again and ideally be approved.

The key suggested changes included:

- Expanding the Tribal Trust background information, and being clear that all information on the mandate of the group falls within the context of the Secretary's Trust responsibility.
- Deleting the Executive Committee's authority to designate Subcommittee Members, as they should be appointed by the entire Committee
- Referring to Subcommittees as "Ad Hoc Subcommittees"
- Adding additional meeting guidelines from the earlier discussion
- Deleting information that that is redundant of the Charter and instead referencing it

The group discussed the following questions:

Q. Will the mediators be used to help develop a final offer? A. CDR may shuttle back and forth at the end of the process to help the Committee come to an agreement, but they will not make any substantive decisions on valuing Indian Oil or major portion.

Q. What is point of minority report when there will likely be more than one minority perspective in any decision? A. In consensus decision-making, participants only block consensus for significant issues or matters of principle. Also, when there are different perspectives the group will spend time trying to understand them and come to an agreement. Therefore, it is unlikely that there will be several minority reports. If there are, however, this will be acceptable to the Committee.

Q. Why does the Committee still exist after their recommendation is made to the Secretary of the Interior, and the Proposed Rule goes out to the public?

- The primary reason is that new issues may arise from the public and ONRR may want feedback from the Committee.
- There was a concern that after the draft is out and ONRR has its tribal consultations, tribal leaders could have a different response than representatives. The hope is that if Committee Members are consulting with and getting input from their constituents and tribal leaders throughout the negotiated rulemaking process, overall tribal views should be fairly consistent and will have been included in recommendations to ONRR. However, there is recognition that there is no guarantee that this will be the case, due to factors such as potentially changing tribal leadership.
- The Charter includes an option to dissolve the Committee at any time. This can therefore be discussed in more detail, if and when this issue arises.

Q. Why should we use consensus decision-making instead of voting?

- Concerns related to using a consensus approach seemed to be a fear of not having enough information to make a decision (i.e., others saying "you were on the committee – why didn't you say something?"). Also, while a Minority Report explains different viewpoints, its content might not be considered and forgotten in the long-term.
- Others did not think the supermajority voting clause is needed. There are plenty of opportunities and procedures in consensus to address disagreements if Committee Members want to use them. If the Committee is not able to come to consensus on a recommendation on a specific issue, it is unlikely that a complete Final Rule will be developed and recommended to ONRR. However, the Committee can make partial recommendations on issues on which there is a consensus.
- The Committee decided to try using consensus decision-making for the remainder of the May meeting, think about the consensus process more thoroughly and re-discuss it at the June meeting.

Overview of the Current Indian Oil Rule

John Barder provided an overview of what is included in the current Indian Oil Rule, assumptions that were considered in 2004 when proposed changes were being discussed (some of which have changed) and a description of how to do a traditional major portion analysis for arms-length transactions. He also suggested some initial ideas for meeting the major portion requirements, which include the following. For more detailed information, refer to John's presentation, which was included in the meeting binder and will be available on the Committee website.

- Traditional major portion analysis
- Formula price that involves using an index price, plus differentials
- A gross proceeds price with a percentage bump.

The group discussed the following questions:

Q. What is the scope of the Committee? Can it discuss major portion <u>and</u> transportation allowances? A. The mandate for this Committee is to provide recommendations on how to meet the major portion requirement. However, if the group wants to provide additional recommendations outside this scope, they should be able to do so. The Designated Federal Officer will advise and make decisions on the scope of the negotiations as issues arise.

The transportation allowance is still set at 1x BBB (triple bond rate). In 2006, ONRR wanted to increase it to 1.3 BBB and eliminate form filing requirements to be consistent with the Federal Oil Rule, but this change was not incorporated.

Q. How do Indian Development Act (IMDA) negotiations affect major portion? A. Tribal negotiations conducted under are IDMA are supreme to the Indian Oil Rule. Therefore, if an IMDA contract strips out the major portion provision, it is not required. Allottees do not have the ability to negotiate under IMDA on their own, though they can negotiate with a tribe. This is also the case for Exploration and Development Agreement s (EDA).

Q. Do you have deductions for beneficial uses on the lease? A. If a company is taking some of produced gas to run their equipment, they do not have to pay royalty payments on that gas. BLM does not have to approve this if gas is used to run equipment on the lease, but it does have to approve it if gas is used off the lease. Beneficial use is reported on the production report.

Q. What is the timing for doing calculations? A. For Indian Gas, traditional major portion calculations are reported by ONRR two years after a company has made initial payments. A company has 60 days to make an additional payment, if it is required to do so. If a company does not pay on time, it is penalized. This two-year delay is problematic for allottees because property for which a payment may be due may have changed hands between the time of the initial payment and final major portion calculation and potential additional payment. Note: For the Indian Gas Rule, this two-year process is only for areas not able to use formula pricing calculation based on index prices . In the areas that can use the formula calculation, a company knows immediately what it is expected to pay.

Comment: A participant suggested that the Committee should be careful when comparing options for valuing Indian oil to gas because the commodities and production processes are very different. There are more options for transporting oil (rail, truck, pipeline, etc.) than with gas (where the only option is a pipeline). Gas also typically has a longer lease to cover its infrastructure requirements.

The group had the following broader discussion:

Why Major Portion is Important and Challenges of Implementing It

A Committee Member highlighted that major portion is not just in the Rule, but is also included in the majority of lease terms. It is the lessee's job to figure out how to do it. Industry responded that companies are meeting this responsibility by going out to bid and trying to find the highest price in order to increase its profits. A significant factor in this conversation is some distrust of the Federal government's past actions related to meeting its Trust responsibilities. There are historical events in which decisions were made that were not in the tribes and allottees' best interests, and about which there have been numerous law suits and legal settlements.

A challenge in the current rule and lease terms is that major portion prices be calculated within a designated field. The price may not match what a lessee may receive based on initial bids. This is challenging for the Federal government to calculate because they need to know what prices producers are paying and be able to normalize values. The Navajo Nation has tried doing the calculation and it is quite rigorous. Producers cannot do the analysis without knowing what their competitors are paying. There are also administrative challenges. For example, due to information and analysis needs, a traditional major portion model is a retroactive process. As described above, this is currently a two-year process for some tribes/allottees in the Indian Gas Rule.

Initial Major Portion Calculation Ideas and Information Needs

The group discussed the initial options presented by John Barder, and identified additional information that would need to be considered in order to evaluate them. ONRR's presentation on potential options is meant to be a preliminary set of ideas to get the Committee thinking about how to address major portion issues. It is expected that additional ideas will be added at future meetings.

The group suggested that options A and C and B and C (see below) might be combined, but more discussion will be required to determine how this might work. The Committee also discussed the potential of using different methodologies in different regions of the country. Additional information needs are included in the list at the beginning of this meeting summary.

Initial Ideas:

A. Traditional major portion analysis
   - There will need to be a way to normalize prices producers receive to take into account crude type, gravity and sulfur content. If normalization is not included, there will likely be litigation.
   - Need to figure out how to incorporate non-arms-length transactions.
   - Need to determine what geographical area needs to be considered.
   - This would require a significant administrative effort in order to collect information and conduct analyzes. ONRR would need to hire more employees.
   - Payments would be retroactive, likely two years after production.

B. Formula price that involves using an index price, minus differentials (e.g., Indian Gas Rule takes highest price from publications minus 10% for royalties)
   - Need to determine whether NYMEX is the correct starting point, and how much you would discount. Other options could be Brent (world market) or Louisiana Sweet.
   - A positive of this approach is that the final price is immediately known by all concerned.

C. A gross proceeds price with a percentage bump
   - Need to explore how to determine and standardize what a bump would be.
   - This could be perceived as some industry members subsidizing others that are not paying enough. More analysis will need to be conducted to determine how much an individual company's payments might change – e.g., what are the consequences if on occasion a company is above the median and others below due to daily posted changes.

Considerations for All Ideas:

- What information does ONRR need to collect in order to implement any of the options?
  - How should they collect it?
  - How frequently?
- What are the administrative impacts – for ONRR and for industry – of the various options?
- Will Committee members be able to sell one or more of the options to their constituents?

Locational Differentials and Transportation Allowances
The group discussed the differences between locational differentials and transportation allowances. A locational differential is when a company transports oil a long distance in order to get a better price, even though it could be refined closer to the lease at a lower price. This affects how index prices are used.

Transportation allowances involve determining the actual cost to get oil to market (i.e., could be the closest refinery). It is difficult to gain a clear understanding of transportation impacts because each company has individual transportation contracts, though they do have to submit data on transportation costs.

Overview of Indian Oil Royalty Administrative Process
A panel provided an overview of the oil administrative process from industry submitting production and royalty payment reports, to payments being sent to tribes and allottees and audit and compliance reviews. Bob Prael from ONRR began with a high-level overview of the process. Morris Miller then described the type of information that industry submits in the Oil and Gas Operations Report (OGOR) and Report of Sales and Royalty Remittance Report (2014 Report). Bob Prael described in more detail how ONRR reviews the information in these reports through up-front system checks and more detailed data mining to ensure tribes and allottees are receiving the correct payment. Payments to tribes are disbursed daily and payments to allottees are transmitted to BIA twice a month and are then disbursed to owners. Bruce Loudermilk described BIA's role in

the royalty process with a high-level overview of lease agreements. Finally, Perry Shirley provided an overview of how compliance checks and the auditing process works. For more detailed information, refer to the presentations, which were included in the meeting binder and are available on the Committee website.

Key Interests Related to Indian Oil Valuation

CDR provided a brief overview of themes heard during pre-meeting interviews with Committee Members related to their interests when recommending a major portion approach. These themes are listed in bold/italics below. The Committee then divided into their interest groups to provide more detail on what their related interests are. The purpose of this conversation was to begin to develop criteria for evaluating future proposals. Each group (Federal government, tribes/allottees and industry) shared their interests with the full group. This was a preliminary conversation and will be pursued more fully at a future meeting.

Fair Royalty Price within Legal Parameters: Overall, the group felt that this was a baseline for discussions as no proposal can be considered unless it meets the Federal government's Trust responsibilities and specific terms to "maximize revenue". Industry added that while it understands the need to meet Trust responsibilities and comply with lease terms, the cost to do this should be based on a fair market value.

Administrative Ease: The Federal government wants to be able to implement and enforce the major portion provision in a timely manner. Similarly, industry wants to be able to efficiently calculate royalty, tax and earnings information in a timely way. All parties want a process that minimizes manual effort for Indian, Federal, State and Fee Royalty calculations. Finally, tribes and allottees want to ensure administrative ease in their compliance and auditing process with the ability or easily obtain needed information and documents.

Clear and Transparent Process: The Federal government described how a clear and transparent process promotes good government, and makes major portion easier to implement, enforce and sustain. Tribes and allottees described their desire to have a clear process for audit purposes, sales contracts, consultation processes between the Federal government and tribes and allottees and for mineral owners. Industry wants to ensure the process is included in the Payor Handbook.

Timeliness: If possible, the Federal government would prefer that the final approach allows lessees to immediately comply, as opposed to a retroactive payment adjustment approach. This ensures proper revenues are distributed to tribes and allottees sooner. Similarly, industry's interest is to do the calculations one time. Tribes and allottees' interest is in receiving correct revenues, even if it takes more time.

Consistency: There is a desire for consistency in reporting as too much inconsistency increases the burden to the Federal government and leads to a risk of potential litigation. However, consistency across reservations is not necessary or likely possible as there may be different methodologies used to address major portion issue by different regions.

Certainty: The Federal government described how certainty reduces time, cost and administrative burden and ensures payments are distributed to recipients more rapidly. It also reduces litigation costs. While this is not a significant priority for tribes and allottees, they described how it is important to understand how the process works.

Predictability: The group did not feel that predictability was a meaningful "criteria". It is similar to consistency and certainty.

Planning for Future Meetings

The group agreed to have John Barder, Perry Shirley and Dan Riemer serve as the Executive Committee (EC) to plan for the June Meeting, since they had already volunteered to plan a more detailed market overview session. Since the EC can rotate at any time, the group will discuss future members of the EC at the June meeting.

Committee members confirmed that two-day meetings scheduled approximately every six weeks works for them. Some people preferred shorter meetings, but others liked two-day meetings since they are travelling anyway. The Committee decided to continually check in on the amount of time needed for each meeting. While the meeting will likely include two days it may begin later on the first day or end earlier on the second. CDR will send a doodle scheduling request to schedule meetings through the end of 2012.

The Committee prefers meetings in Denver since many Committee members are located nearby and it's an easier destination, compared to other potential destinations, for those who need to travel to sessions. It was also helpful to have the meeting in ONRR's building so that other ONRR staff can observe and listen in on the conversations. In the future, the Committee may want to have some meetings in different geographic locations to facilitate receiving public comments. However, they do not expect a significant amount of public comment. The first four meetings, through September 2012, will be held in Denver.

Committee Members were reminded to send in travel receipts to Karl Wunderlich ASAP, if they are requesting travel support. This includes hotel, rental car and mileage to/from home.

If Committee Members want to submit names for alternates, they should do so as soon as possible since the vetting process takes an extended period of time.