

Message

From: Miner, Robert [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/REDACTED]
Sent: 14/03/2017 14:22:15
To: Stout, Robert [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/REDACTED]
Subject: FW: Weekly report: RM, Wind, Petrochem, Shipping, L48

Most recent

Robert Miner
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From: Miner, Robert
Sent: Saturday, March 11, 2017 4:55 PM
To: Ellis, Joe; Genovese, Robert (BP) REDACTED@bp.com; Folse, Laura; Sierra, Luis M; Johnson, Jeff (Shipping); Harvey, John; Nowobilski, Peter J; Cochrane, Phil; Cross, Iris M; Kidd, Bill; Thomas, Larry; Stultz, Mark; Chen, Matthew; Constantin, Dawn M; Degiusti, Stephen
Cc: Poulton, Teri (Consoldane); Viso, Maria Antonieta; Lanier, Hope; Rybarczyk, Ronald D; Bujano, Gil; Thompson, Mike; Killen, Patrick; Knaizer, Sam; Nazminia, Cameron; Clanton, Brett; Abendhoff, Michael R; Griest, Allison; Barnett, Paula G; Beach, Holly; Clark, Lena; Stutz, Rachel; Nolan, James; Brien, Michael P; Matthews, Jason; Walker, Ryan; Swink, Suzanne REDACTED@bp.com; Hyland, Karen; van Hoogstraten, David Jan; Williams, Lance; Franceschi, Alexandra; Magruder, Kathleen (REDACTED@bp.com); Haubein, Jennifer; Gannon, Paul; Herrera, Roxana; Sitomer, Gabrielle; Smith, Chris D; Laney, Margaret D; Stalter, George; Akrawi, May; Stidman, Eric B.; Garifalos, Erin; Schubert, Eric; Myer, Bob C; Pirtle, Lisa; Hanson, Eric; Onadiji, Folasade; Williams, Erin
Subject: RE: Weekly report: RM, Wind, Petrochem, Shipping, L48

Remediation Management

Objective: Defer Superfund listing of Yerington site and put NDEP in the lead there

- Maria Viso and Brian Johnson are traveling to Yerington next week for meetings with a target list of community stakeholders, including city officials, to update them on the Superfund deferral issue and ask them to speak out in support of deferral.
- Governor Brian Sandoval sent a letter to the Yerington Paiute Tribe chairman acknowledging the Tribe's concern for the site's cleanup and shared their commitment to address the site and protect the adjacent community. The Governor indicated that NDEP, EPA and BLM plan to complete a Record of Decision (ROD) for the orphan share this summer. The letter indicates that although the site is on track for NPL listing, there are other options are under consideration to fund remediation of OU-8. The Governor indicated that EPA is postponing the final NPL listing to this summer, when a final request from the State of Nevada regarding NPL deferral or listing is anticipated.

Objective: Change remediation strategies from ineffective groundwater pumping to more effective technologies while obtaining more technically achievable end points

C&EA has reached out to State Rep. Dan Beiser and State Sen. Bill Haine to schedule a meeting to update them on new remediation strategies being pilot tested in Wood River and our objectives of more technically achievable end points.

Objective: Manage site and reputation risks and community activism while implementing agreed final remedy

Montana Attorney General Tim Fox joined the chorus of elected officials citing Berkeley Pit as an example of a Superfund site where more robust action is needed. He invited EPA Secretary Pruitt to come to Butte, tour the site, meet with legislators and discuss more robust environmental enforcement. C&EA is developing opportunities to engage with Fox, Senator Steve Daines and Secretary Scott Pruitt to offer a better understanding of Berkeley Pit and where it is in the Superfund process.

Other:

NJ remediation standards: Ron Rybarczyk spoke with API staff in New Jersey to discuss possible industry efforts to seek a more accessible regulatory path toward achieving closure at remediation sites. BP's RM team in New Jersey has worked to outline the issues and suggests possible paths forward. With some of that information, API is now checking with other member companies to gauge their interest in the matter. API may also check with the Chemistry Council of New Jersey on its members' interests.

BP Wind and Alternative Energy

Objective: Support optimization efforts, scout opportunities and identify potential partners and off-takers

- Laura Folse participated in several CERAWeek events, including a panel discussing the global trends in renewable energy. Her participation facilitated a number of promising contacts and meetings that could help finance future ventures and address some of her most pressing needs for optimization such as supply chain innovation and benchmark performance data to advance her business performance analysis.
- Poulton met with a contact from BP's M&T (Modernization & Transformation) team (specifically, the Digital Innovation Organization) to learn more about ongoing projects supported by the company to leverage (and accelerate) emerging technology toward more profitable and optimized operations. BPWE (Annette Andersen) will meet with M&T later this month after the move to Helios. M&T funds university research, pilots new technology and leverages the supercomputer to push the edge of capabilities and create a competitive edge for BP broadly.

Objective: Re-engage with the larger Wind industry and increase significance of BPWE within it

Folse's CERAWeek panel had her discussing business trends and strategic objectives with three of the world's largest developers/operators of wind energy. It was a valuable opportunity to sell the expertise that a well-established integrated oil company can bring to the nascent renewables industries.

Objective: Maximize reputational benefit of BPWE to BP America

Folse was personally selected by the CERAWeek co-chair to participate in a roundtable discussion with Canadian Prime Minister Trudeau. His goal was to gather a diverse group of energy leaders to discuss the state of the renewable energy transition and ways to accelerate that transition.

From her readout to BP Candada's CEO:

- the transition will be enabled by thoughtful use of what you already have in place and further development of hydrocarbon resources, particularly natural gas. Solar and wind are intermittent and must be supported by a strong base load of predictable generation from a low carbon fuel, such as natural gas.
- investors need thoughtful, clear, stable, and reasonable pace in a regulatory framework and decision-making. The framework should set clear standards for safety as well as the protection of natural and cultural

resources. Based on our experience in the US, mandates and incentives attract a large number of investors, but few of them have stayed around for the long-term.

- investment in the development of the workforce is essential to supporting the future. Our experience with the rapid growth in renewables in the US is creating challenges with having a sufficient number of qualified personnel to manage the Renewables facilities.

Folse/BPWE featured in digital media as part of CERAWeek coverage:

BP.com recap story

BP Plc Instagram – introductory panel remarks shared on BP's story (this will expire midday Friday)

Twitter: https://twitter.com/BP_America/status/839943913553055744

https://twitter.com/BP_America/status/839936345220882432

https://twitter.com/BP_America/status/839928806945116160

https://twitter.com/BP_America/status/839894315342053376

Shared BP tweets with AWEA and NAM and encouraged reposting.

Objective: Support development of global AE strategy

Miner and Poulton participated in a phone conference with James Primrose, the Head of Portfolio for Alternative Energy, David van Hoogstraten and Mark Finley to get an update on AE's review of offshore wind options. Miner offered ideas on potential off-shore opportunities in New Jersey, South Carolina and Washington State raised by his team. At Primrose's request, Miner asked Valerie Corr Hanserd to develop some further intelligence from BP contract lobbyists in New York and New Jersey.

Other activities:

The C&EA teams for Wind and NAGP reached out to Mike Thompson to discuss legislation in Oklahoma that would terminate state tax credits for wind rather than allow them to phase out as under current law, as well as discussion of proposals for new taxes on wind energy production. Thompson will express opposition to both early termination and new taxes, but said that House and Senate leaders appear united at least on termination of credits. NAGP requested that, at a minimum, he advocate for extending the termination to the end of the year to support currently planned projects that were premised on the credits.

Petrochemicals

Cooper River

OBJECTIVE: Mitigate the impact of development adjacent to the Cooper River Plant, including passage of manufacturing liability protection legislation.

- **SCMA Legislation:** S. 323 passed out of both a Senate Subcommittee and the full Senate Labor Commerce and Industry Committee this week with unanimous support less one abstention. Attorney Randy

Lowell testified on behalf of the SC Manufacturers Alliance and debunked testimony from the League of Women Voters and members of the Conservation Community. The Trial Lawyers are working with Lowell to address concerns they have – seeking to clarify that the bill, which provides liability protection from nuisance claims for manufacturers, does not apply to landfills.

In the House, SC Conservation Voters have drafted an amendment for introduction by Rep. Gary Clary that would effectively gut the bill. SCMA and other supporters are working to shore up support to defeat the amendment when the full House of Representatives takes up the bill the week of March 20th.

- **SC Statehouse Visit:** BP Cooper River employees will take a “Road Trip” to the SC Statehouse on Wednesday, March 22nd to meet with members of the House and Senate, be recognized in the House and Senate Galleries, visit and have a photo made with Attorney General Wilson and Lt. Governor Bryant, and enjoy lunch with representatives of some of the strong third party organizations of which BP is a member. Employees will share the Cooper River story and will advocate for the SCMA legislation, as well as transportation infrastructure funding solutions for the state.
- **CAP Legislative Education** – Freeman and Miner worked with Karen Hyland and Rachel Stutz to distribute a site-wide CAP email updating employees on the SCMA Manufacturing Liability Protection Bill that BP supports in the SC General Assembly. This was the second in a series of employee updates to ensure they are aware of issues impacting BP and their families and on which BP is engaged.

Other activities:

SC Governors School for Science and Mathematics: James Shively and his wife Jill will represent BP Cooper River at the Governor’s Schools’ annual “Townes with a Twist” fundraising event and board meeting next week in Columbia. Shively is on the Board of the GSSM Foundation and BP Cooper River is engaged with the school through STEM and Engineering Camps and site visits. We are also coordinating with school leaders to have Cindy Yielding speak to students at the school about careers for women (and men) in STEM in conjunction with their fall celebration in Q3 2017.

Texas City:

Texas Chemical Council Day at the Capitol: Paula Barnett and Maria Viso attended a BP-sponsored legislative reception and dinner and Chemicals Day at the Capitol organized by the Texas Chemical Council. Also representing BP were members of the BP Property Tax Team, led by Bernard Hajny, who works closely with Paula on tax policy advocacy. Key messages to lawmakers included support for legislation to create Port Transportation Corridors; legislation authorizing the continuation and full funding of the Texas Emissions Reductions Program (TERP); joint resolution supporting the development and construction of the Texas Coastal Barrier (Coastal Spine); legislation supporting workforce development; opposition to legislation that would eliminate the Texas Economic Development Act and Chapter 313 Agreements; and opposition to legislation that makes substantive changes to the franchise tax, putting one set of taxpayers at a disadvantage to others or splits the property tax rolls. The BP delegation engaged Reps. Wayne Faircloth, Angie Chen Button, Jim Murphy, Dennis Paul, Tony Dale, John Frullo, Drew Springer, Charles “Doc” Anderson, Leighton Schubert, Sen. Larry Taylor, Comptroller Glenn Hegar and Oklahoma State Treasurer Ken Miller

Lower 48

Redacted - First Amendment

Texas

Gil Bujano was in Austin with Paula Barnett and TIPRO representatives meeting with a representative for the State Comptroller to discuss the fiscal note being drafted for HB3201 that would offer a tax incentive for oil and gas production. Bujano suggested the bill and is working with Barnett and TIPRO on its passage.

New Mexico

KEY ENGAGEMENTS FROM REPORT PERIOD

- **February 27-28:** West BU Development & New Mexico/Colorado GPA Planning Meetings at L48 HQ (Houston)
- **March 1:** NMOGA Northwest Public Lands Committee (Farmington)
- **March 4:** Senate Conservation Committee Hearing on Royalty Rate Increases on State Trust Lands and Venting & Flaring (Santa Fe)
- **March 4:** Farmington/Bloomfield/Aztec Mayor's Charity Ball to Support Sexual Assault Services (Farmington)
- **March 6:** NMOGA Communications Committee (Santa Fe)
- **March 7:** NMOGA Legislative Affairs Committee (Santa Fe)
- **March 8:** Senate Rules Committee Hearing and Floor Vote on Confirmation of Ken McQueen, Governor Martinez's Energy Secretary (Santa Fe)
- **March 8:** San Juan South Contribution Committee Planning Meetings (Farmington)
- **March 9:** Oil and Gas Reception for Legislators/Hosted by House Republican Leader Nate Gentry (Santa Fe)

BUSINESS INTELLIGENCE / KEY HIGHLIGHTS FROM REPORT PERIOD

- **Increased L48 Activity in the San Juan Basin Attracting National and International Attention:** An increase in the number of drilling rigs in the San Juan Basin of Colorado and New Mexico is garnering attention from the Associated Press in the U.S. and the Financial Times in the U.K. Two of the four active rigs running in the San Juan belong to L48, which is currently drilling its first Mancos shale well in the region. The Mancos could hold the second largest gas reserve in the United States, behind only the Marcellus shale. As quoted in the *Financial Times* article of March 7, Dave Lawler stated: "This is very significant for the U.S. There is a lot that can be done in parts of the country that are not big shale regions. The technology is out there."
- **Governor Martinez's Nominee for Energy Secretary is Finally Confirmed by the State Senate:** On March 8, the New Mexico State Senate confirmed Ken McQueen as Secretary of the Energy, Minerals & Natural Resources Department (EMNRD) on a vote of 32-4. Governor Martinez selected McQueen to lead the department in December 2016. An oil and gas executive with more than 37 years of domestic and international energy experience, McQueen most recently served as the Vice President of WPX Energy for the San Juan Basin. McQueen has also served as an adjunct professor at the University of Tulsa's School of Petroleum Engineering. He is a former Farmington resident and holds a Bachelor of Science in Petroleum Engineering from the University of Tulsa.
- **Environmental Groups in New Mexico Making Full Court Press in Support of Methane Rule:** A group led by Camilla Feibelman, director of the Rio Grande Chapter of the Sierra Club, delivered a 1,000-page petition to Governor Martinez's office on March 6 asking her to reconsider her opposition to the federal methane rule. The delivery was accompanied by a news conference featuring several Democratic state legislators in support of the rule. State Sen. Benny Shendo Jr., D-Jemez Pueblo, urged support during the news conference for his Senate Memorial 102, which asks the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to produce a report on how much natural gas is vented and flared in New Mexico, as well as what oil and gas operators plan to do to capture gas. The memorial would also "call out" the top 25 "venters" and the top 25 "flarers" in the state. The measure currently has the support of 16 other state

senators. Separately, New Mexico's Democratic congressional delegation, Santa Fe Mayor Javier Gonzales, state Attorney General Hector Balderas and state Auditor Tim Keller are among 40 elected officials in New Mexico who have been vocal in their support for the federal methane rule.

- **Tribes Opposed to Oil and Gas Increasing Pressure on Lawmakers and Regulators in New Mexico:** The Navajo Nation has sent a letter to the Bureau of Land Management seeking a moratorium on drilling and lease sales across a wide swath of land surrounding Chaco Culture National Historic Park. In addition, the All Pueblo Council of Governors – which represents Governors from 19 Pueblos across New Mexico – is also raising concerns, and Democratic legislators in Santa Fe have introduced symbolic memorials in response calling for more consultation among tribes and the federal government.

Oklahoma

KEY ENGAGEMENTS FROM REPORT PERIOD

February 27: PAC Check Request Training

February 28: OCC for Chapter 10 Rules Hearing; Lobby at Capitol

March 1: Mid-Con Town Hall; Mike Harris meeting OK Geological Society; Lobby at Capitol

March 2: OKOGA; Lobby at Capitol

Redacted - First Amendment

March 7: Legislative Lunch to lobby for multi-unit legislation; State Capitol

Redacted - First Amendment

EARTHQUAKES

See attached updated volume levels for injection to Arbuckle formation for the OCC's Area of Interest (AOI). The AOI map and individual company list does not have our assets so we should not be impacted.

Dutch court finds energy firm liable for emotional suffering (AP)

<http://abcnews.go.com/International/wireStory/dutch-court-finds-energy-firm-liable-emotional-suffering-45825859>

Continued collaboration key in Oklahoma quake efforts (NewsOK) <http://newsok.com/continued-collaboration-key-in-oklahoma-quake-efforts/article/5540173>

A new tool may help oil companies stop earthquakes before they start (Dallas News)

<http://www.dallasnews.com/business/energy/2017/03/06/new-toolmay-help-oil-companies-stop-earthquakes-start>

Disposal well operators shifting to shallower rock layers (JR) <http://journalrecord.com/2017/03/03/disposal-well-operators-shifting-to-shallower-rock-layers/>

BUSINESS INTELLIGENCE / KEY HIGHLIGHTS FROM REPORT PERIOD PER OKOGA

- On Tuesday, OKOGA held a press conference at the state capitol with executives from Devon, Newfield, FourPoint, and Marathon to call on the 56th Legislature to pass the Oklahoma Energy Jobs Act (SB 284/HB 1613). The event was attended by AP, Oklahoman (shared with the Tulsa World), KXII-TV, KOCO-TV, KFOR-TV, News 9 (shared with OKEnergyToday), Telemundo, eCapitol News, and more. Please see attached for links of press.
- Executives made a strong case that the proposed legislation that would allow oil companies to drill longer horizontal wells could lead to more drilling, increased production and boosted tax revenue. The press event was followed by meetings with leadership and key legislators.
- *The OKLAHOMAN ENDORSES THE OKLAHOMA ENERGY JOBS ACT*

The event's coverage was capped off with an editorial board endorsement from *The Oklahoman*. The editorial board addressed arguments from vertical producers, those looking to increase taxes on the industry, and those who think this legislation should be delayed until oil prices improve. They ended their endorsement with: "Put simply, part of Oklahoma's budget crisis is self-inflicted. The key to solving the budget shortfall in the long term is for government to get out of the way and allow the private sector to thrive. Approving long-lateral legislation this year would be a step in that direction."

- Environmental Protestors and ACLU are very upset over legislation they believe would hinder their ability to protest in OK. This legislation is a result of what occurred in ND. See attached as a warning from Grant Hayes, BP L48 Director of Security. It would not surprise me if they try to find something to focus their frustration.

Redacted - First Amendment

Calendar

March 13-14: NMOGA Communications and Legislative Committees (Santa Fe), Killen to participate
March 14: OK Youth Expo Legislative Event, Mike Thompson to attend
March 15: SC Governors School for Science and Math "Townes with a Twist" event (James Shively is on the Board of Directors, BP is a sponsor of the event and Freeman will support)
March 18: Final Day of New Mexico Regular Session
March 22: Texas Energy Day at the Capitol, Viso, Cross, Bujano, Barnett and Poulton to support and AWEA conference in Austin
March 22: BP Day at the South Carolina Statehouse, Lanier to support
March 23-24: SCMA Annual Meeting, Charleston, SC. BP is a sponsor and Freeman serves on the Board. Freeman and Cooper River LT members will attend.
March 30: SC Chamber of Commerce Safety Awards, Columbia, SC (Freeman to support)
April 4: SC Chamber of Commerce Washington fly-in and evening reception hosted by BP's DC office (Freeman to lead supported by DC office)
April 6-7: ECOS Spring Meeting, Miner to attend and participate on a panel discussion
April 18-19: PTSD River Challenge overnight at BP Cooper River (supported by the Cooper River Veterans BRG)
April 26: SC Legislative Women's Caucus – Jean Laney Harris luncheon (Freeman to support)
May 16 (tentative): BP Cooper River \$200 million infrastructure celebration with the media and external stakeholders (Freeman to lead with Abendhoff and Miner to support)
May 22-24: API Southeast Conference in Charleston, Ellis, Miner and Lanier to attend

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