

**Fair Return and Value Subcommittee
Meeting Summary
Wednesday, October 31, 2018, 3:00pm**

Opening Remarks and Updates from DOI:

- Committee nomination period is open and public interest nominations are especially needed.
- Thursday, January 3, 2019 is the cutoff date for new recommendations for RPC Phoenix meeting.
- Several ONRR representatives spoke at and attended the recent Rocky Mountain Mineral Law Foundation “Federal and Indian Oil & Gas Royalty Valuation and Management” Course, including John Melhoff, John Barder, and Kim Jackson. Kim presented a recap of the meeting.
 - Marketable condition: general discussion, how cases after “Devon” are interpreted by ONRR and industry and how current litigation will influence this going forward
 - Boosting: discussed in terms of marketable condition and how ONRR and industry view differ
 - Index pricing: how would it look for federal oil (not gas) both domestically and exports.

Work Group Updates

Coal Benchmarks

- Coal Valuation is in a holding period while waiting for outside presentation materials.
- Other issues are also in holding relating to co-ops and valuation of NARMs.

O&G Payor Handbook

- Matthew Adams will set up a meeting with Gabrielle Gerholt for next month.

Index Pricing and Marketable Condition

- Stella Alvarado is traveling and Matthew Adams presented on her behalf.
- The working group met October 30. Working on data from payors to be used in economic analysis of boosting and gas index pricing and went through a history of previous recommendations to build model.

Audit:

- No updates to report at this time.

Wrap Up

- Matthew Adams would like ONRR presentations regarding ONRR processes, decision-making, tool and analysis to improve transparency. John Melhoff agreed to provide a presentation(s) at the January RPC meeting.

Attendees:

Amy Lunt, DOI/ONRR

Bonnie Robson, DOI/ONRR
Gregory Morby, Chevron
James Schindler, RPC Executive Director, DOI/BOEM
Karl Wunderlich, DOI/ONRR
John Barder, DOI/ONRR
John Mehlhoff, DOI/ONRR
Kwame Awuah-Offei, MO University of Science and Tech
Matthew Adams, Co-Director, Cloud Peak
Pat Noah, ConocoPhillips
Peter Christnacht, DOI/ONRR