

**RPC Fair Return and Value (Valuation) Subcommittee**  
**Wednesday, January 10, 2018**  
**3:00 pm – 4:00 pm**  
**Meeting Summary**

**Meeting Agenda**

- 1) DFO Updates**
- 2) Co-Director Updates**
- 3) Workgroup Updates**
- 4) Wrap up/Walk-ons**

**DFO Updates**

- Yesterday, RPC members should have received an email from James outlining some important information.
- The deadline for the subcommittees to provide an outline of their recommendations to bring to the full RPC is January 22nd. Details of the recommendations can still be determined at the meeting on the 24<sup>th</sup>.
- For the February RPC meeting, people should arrive on the morning of Feb 27<sup>th</sup> or before. Subcommittees and sectors will have an opportunity to hold breakout sessions on the afternoon of the 27<sup>th</sup>. The full, public RPC meeting will be held on February 28<sup>th</sup>. That meeting will include presentations from the subcommittees, public comment, and debate.

**Co-Director Updates**

- On the January 24<sup>th</sup>, the Valuation Subcommittee will discuss what information each working group wants to bring forward to the RPC on February 28<sup>th</sup>. Each group needs to provide details on specific requests for the full committee.

**Workgroup Highlights**

- The Co-Director asked representatives from each workgroup to provide updates on their activities.
  - The Index Pricing Workgroup has made substantial progress and has identified their goals, including reporting simplicity and economic factors. They also will look at the Indian index pricing structure as a potential foundation in developing a concept for federal lands.
  - The Coal Benchmark Workgroup has been meeting bi-weekly. They have had strong participation from the various sectors. On Jan 24<sup>th</sup>, they will give an update and answer questions on the concepts they bring forward.
  - The Oil and Gas Payor Handbook Workgroup is moving along nicely, and the ONRR team has been a lot of help. ONRR provided the group with an outline of proposed revisions to the handbook. The workgroup reviewed the outline and made suggestions. The group will meet in early February and sit down in person to start working through some of the edits. The group will send an email to members to get ideas on the agenda for the February workgroup meeting. They are envisioning the meeting will include baseline information from ONRR and producer/reporter perspectives on how they use the handbook, the value of it, and real world difficulties of understanding regulations. ONRR mentioned that they will be providing Indian and Federal handbooks going forward.

- The Marketable Condition and Unbundling Workgroup had further discussion on boosting regulations and possible recommendations on those regulations. They have also been exploring disallowed costs and possible regulation changes. They will follow up by holding a meeting with ONRR on Feb 8th in Denver.
- The Audit Workgroup received a presentation from ONRR on the Operations Management Tool (OMT). OMT helps ONRR better manage audits and should reduce the amount of time it takes to conduct an audit. ONRR will also be including asset valuation guidance as a resource within OMT to improve the consistency of interpretations of valuation regulations throughout ONRR. Some issues that the workgroup had identified have been addressed by OMT. Some questions remain and will be further explored at future meetings.

**Wrap up/Walk-ons**

- The next Sub-committee meeting will be Jan 24<sup>th</sup>.
- The next full RPC meeting will be February 27-28, 2018 in Houston, TX.

**List of Attendees:**

Adam Red (Co-Director), Southern Ute  
 Amy Lunt, DOI, ONRR  
 Bonnie Robson, DOI, ONRR  
 Brian Bex, Navajo Nation  
 Chris Stolte, DOI  
 Daniel Rusz, Wood Mackenzie  
 Estella Alvarado, Anadarko  
 Gabrielle Gerholt, Concho  
 Greg Morby, Chevron  
 James Schindler (RPC Executive Director), DOI, BOEM  
 Jason Modglin, State of Texas  
 Jennifer Malcolm, DOI, ONRR  
 John Barder, DOI, ONRR  
 John Mehlhoff, DOI, ONRR  
 Karl Wunderlich, ONRR  
 Kwame Awuah-Offei, Missouri University of Science and Technology  
 Matthew Adams (Co-director), Cloud Peak  
 Peter Christnacht, ONRR  
 Rowena Cheromiah, Navajo Nation  
 Rod Eggert, CO School of Mines