UNIVERSITY LANDS

Environmental Stewardship Incentives Program (ESIP): Emissions Reductions

Purpose: A primary responsibility of University Lands (UL) is stewardship and protection of all environmental resources across the Permanent University Fund Lands (PUF Lands), including the land, groundwater and air. Both public concern and efforts by the oil and gas industry have recently brought the issue of greenhouse gas (GHG) emissions, specifically methane, to the forefront. As one of the state's larger land and mineral owners, UL is committed to encouraging operators to implement best practices and demonstrate measurable reductions in emissions.

In summer 2018, UL launched the Environmental Stewardship Incentives Program (ESIP) to provide cost-share opportunities to oil and gas operators that are interested in implementing proven best practices, technology upgrades or research efforts on their UL leasehold that will demonstrably reduce or, as it relates to research, measure or test technology related to emission reductions. Some potential examples include the use of and/or implementation of leak detection and repair services or programs; the installation of vapor recovery units and towers; and the replacement of high-bleed pneumatic devices. UL is also open to helping offset costs related to research efforts if conducted on UL acreage. We encourage operators to consider programs outlined by The Environmental Partnership (https://theenvironmentalpartnership.org/).

ESIP is funded through UL's budget. The amount of funding available may vary annually, and availability for funding may vary throughout the year. Applications for the program will be accepted on an ongoing basis. There is no deadline, and operators are encouraged to submit project proposals at any point.

Process & Criteria:

- Eligible applicants must be active oil and gas operators on PUF Lands and be in compliance with all UL, state, and federal laws, statutes, rules and regulations;
- A copy of at least one third-party bid must be accompanied with the application;
- Projects must involve implementation of related services, technology or research;
- University Lands may review and assess operators' procurement processes, project plans, and expected environmental impact and may provide input;
- Projects selected for funding will receive an award not to exceed 50% of the project costs up to a maximum award from UL of $125,000. (UL will help fund projects that cost up to $250,000. Any amount beyond this is the full responsibility of the operator.);
- University Lands will require a progress report on the first anniversary of funding and will have the right to request updates throughout the expected useful life of the project;
- University Lands will have the right to request any environmental reports submitted to state and federal agencies related to the project;
- Operators are required to perform standard routine maintenance on any funded project.

Program Contact: Richard Brantley, Senior VP, Operations: rbrantley@utsystem.edu / 432-686-4747

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Environmental Stewardship Incentives Program (ESIP) Application

Program Contact: Richard Brantley, Senior VP, Operations - rbrantley@utsystem.edu / 432-686-4747

OPERATOR NAME: _____

UT LEASE NUMBER(S): _____

OPERATOR CONTACT NAME/TITLE: _____

PROJECT/PROPOSAL DESCRIPTION: _____

_____

_____

_____

_____

_____

(attach detailed supporting documentation, including technical specifications and ongoing maintenance plan, if applicable)

REASON FOR PROJECT (BENEFITS/EXPECTED RESULTS): _____

_____

_____

LOCATION OF PROJECT: _____

(attach map or plat and expected project layout, if applicable)

TOTAL ESTIMATED COST: $ _____

(attach detailed breakdown & bids; a minimum of one third-party bid is required)

DOLLAR AMOUNT REQUESTED TO BE MATCHED: $ _____

OPERATOR CONTACT SIGNATURE: _____ Date: _____

(primary contact or other person with signatory authority)

(This bottom portion to be completed by University Lands)

_____ APPROVED NOT

_____ APPROVED

Approved Amount:

$ _____

_____

Senior VP - Operations, University Lands

_____

Date