

# ***Stripper Well Consortium By-Laws***

## **PREAMBLE**

The National Energy Technology Laboratory and The Pennsylvania State University created the Stripper Well Consortium through Cooperative Agreement DE-FC26-00NT41025. The purpose of the Consortium is to improve the production performance of domestic petroleum and natural gas stripper wells. The activities of the Consortium shall be administrated and managed by The Pennsylvania State University.

## **ARTICLE I: Name and Mission**

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**Section 1.** The name of this organization shall be the Stripper Well Consortium (SWC).

**Section 2.** The mission of the Consortium is to assist in the development, demonstration, and commercialization of technologies to improve the production performance of the nation's natural gas and petroleum stripper wells. Its functions shall pertain to petroleum and natural gas science and engineering, and the dissemination of new information to the scientific community, industry and the general public. The organization shall serve its Members by guiding, stimulating, and aiding their efforts to:

- ❖ formulate research, development, and technology assessment goals;
- ❖ create a supporting infrastructure for conducting research and development that will increase knowledge of and expand the technological base for natural gas and petroleum; and
- ❖ promote and enhance the dissemination of research results and technology transfer to industry for the benefit of the nation.

**Section 3.** The Consortium members who are not participants in a project are not liable in any way for any activities under a given project.

## ARTICLE II: Membership and Membership Requirements

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**Section 1.** The basis of Membership is a Member's interest in the mission of the Consortium.

Membership shall be based on a calendar year from January 1 to December 31. Membership in the Consortium shall be at one of four levels:

- (i) **Full Members.** This membership level is a fee-based membership that is reserved for small business, corporations, and academic institutions that wish to receive the full benefits of the consortium. The membership fee is set by the Consortium Director and may be paid annually or at a discounted multi-year rate.

Full member benefits include:

- ❖ Attend SWC meetings;
- ❖ Waiver of meeting registration fees for up to four (4) attendees;
- ❖ Submit projects annually to the consortium for co-funding;
- ❖ Designate one (1) voting representative to the Technical Advisory Committee;
- ❖ Compete for a seat on the SWC Executive Council;
- ❖ Receive technical final reports for years commensurate with membership; and
- ❖ Receive periodic informational publications.

- (ii) **Affiliate Members.** This membership level is a fee-based membership that is reserved for industrial trade associations and professional societies institutions that wish to receive a limited set of benefits from the consortium. The membership fee is set by the Consortium Director and may be paid annually or at a discounted multi-year rate.

Affiliate member benefits include:

- ❖ Attend SWC meetings;
- ❖ Waiver of meeting registration fees for up to two (2) attendees;
- ❖ Designate one (1) voting representative to the Technical Advisory Committee;  
and
- ❖ Receive technical final reports on projects which they provide co-funding to.

- (iii) **Supporting Members.** This membership level is a non-fee based membership that is reserved for small business, corporations, and academic institutions that wish to receive only limited benefits from the consortium. Supporting members may send

representatives to Consortium meetings upon payment of a registration fee. The registration fee is set by the Consortium Director.

Supporting member benefits include:

- ❖ Attend SWC meetings;
- ❖ Submit projects annually to the consortium for co-funding; and
- ❖ Receive periodic informational publications.

- (iv) ***Endorsing Members.*** This membership level is a non-fee membership reserved for federal entities. Endorsing members may send representatives to meetings upon payment of a meeting registration fee.

Endorsing member benefits include:

- ❖ Attend SWC meetings; and
- ❖ Receive periodic informational publications.

**Section 1a.** A Member may resign their membership at any time and for any reason by sending a written letter to the Consortium Director stating its intention to resign. Any member, upon learning of and not wishing to be subject to an amendment of these Full, Affiliate, Support, and Endorsing Members may withdraw from the Consortium upon thirty (30) days written notice to the Consortium Director. Membership and registration fees are nonrefundable.

**Section 1b.** At the discretion of the Consortium Director, the Consortium may offer its Affiliate members the ability to purchase a block of Full Memberships at a discounted rate. The block offering will be limited to three (3) to ten (10) memberships. The discounted block membership fee is set by the Consortium Director with the approval of The Pennsylvania State University.

**Section 2.** An organization shall be admitted to Consortium Membership by:

- (i) Completing and submitting an application for Consortium Membership to the Consortium Director and acceptance by The Pennsylvania State University of its written application; and
- (ii) Payment of membership or other fees for such class of Membership.

A Member shall remain in good standing as a Member provided that the Member supports the mission of the Consortium and is current on all dues and other fees as established by the Consortium.

### **ARTICLE III: GOVERNANCE**

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The Consortium shall be governed and managed by an Executive Council and Consortium Director in conjunction with a Technical Advisory Committee.

**Section 1.** The Consortium Director shall be the chief representative of the Consortium and shall be responsible for the administration of its affairs. The Director shall represent the Consortium in situations where a single representative of the Consortium is appropriate. The Director shall interact with public and private funding sources to secure and maintain funding necessary to meet the long-term goals of the Consortium.

**Section 1a.** The Consortium Director serves at the pleasure of The Pennsylvania State University. The office of the Director shall be located on the University Park campus of The Pennsylvania State University, whose responsibility it shall be to provide an office, staff and facilities for the conduct the Director's duties and responsibilities.

**Section 1b.** The administrative costs of the Director's office shall be borne by the budget of the Consortium.

**Section 1c.** The Director is responsible for the overall reporting, marketing, and membership recruitment of the Consortium.

**Section 2.** The Technical Advisory committee shall provide research ideas and aid the Executive Council in developing and implementing technology transfer plans for the Consortium. The Technical Advisory Committee shall advise both the Executive Council and the Director regarding the relevance and the scientific merit of the Consortium research and development programs.

**Section 2a.** The Technical Advisory Committee shall be composed of one (1) voting representative from each Full or Affiliate Consortium Member.

**Section 2b.** The Technical Advisory Committee shall have an annual election process which fills staggered Executive Council positions. The Technical Advisory Committee shall elect three (3) Executive Council members followed by the election of four (4) new Executive Council members the following year. This process will ensure that at least three (3) Executive Council positions are rotated annually.

**Section 2c.** The Consortium Director will seek nominations for vacant Executive Council seats from the Technical Advisory Committee. Nominees will be selected from the Consortium Full Membership. The nomination period will be a minimum of fourteen (14) days.

**Section 2d.** After the Executive Council nomination process is closed, the Consortium Director will compile the nominations and send a voting ballot to the Full and Affiliate Membership. The voting period will be a minimum of fourteen (14) days. The Consortium Director will tally the membership votes and fill the vacated Executive Council positions by the nominees which received the most votes until all vacated positions have been filled. In the event of a tie, the Consortium Director break the tie by randomly drawing the last remaining position.

**Section 2e.** With the consent of the Technical Advisory Committee, the Executive Council may be expanded to a nine (9) representatives pending a 50% simple majority vote.

**Section 2f.** With the consent of the Technical Advisory Committee pending a 50% simple majority vote and unanimous approval of the National Energy Technology Laboratory (NETL) sponsors, the Executive Council may be expanded to include federal or state agencies which provide co-funding to the Consortium. These agencies shall be a non-voting member of the Executive Council. Terms of such agencies serving on Executive Council will be determined on a case-by-case basis by the Consortium Director and NETL sponsors,

**Section 3.** The Executive Council shall be composed of:

- (i) Seven (7) Full Members elected by the Technical Advisory Committee;
- (ii) The Consortium Director, who shall be a non-voting member presiding over the Council;
- (iii) A representative from NETL's Strategic Center for Natural Gas (SCNG), who shall be a non-voting member of the Council;
- (v) A representative from NETL's National Petroleum Technology Office (NPTO), who shall be a non-voting member of the Council;
- (vi) A representative from the New York State Energy Development Authority (NYSERDA), who shall be a non-voting member of the Council;
- (vii) A minimum of one natural gas producer;
- (viii) A minimum of one petroleum producer;
- (ix) A maximum of two universities;
- (x) Council representation shall be such that a broad range of industrial interests is represented.

**Section 3a.** The seven (7) full members review all incoming proposals seeking co-funding and recommends projects for funding to the Consortium Director and Consortium sponsors.

**Section 3b.** Representatives of the Executive Council who will be unable to attend the Consortium meetings shall notify the Director as far in advance as possible.

**Section 3c.** An Executive Council member term is two years. Council members may be re-nominated for a seat on the Executive Council after a one (1) year hiatus.

**Section 3d.** An Executive Council member may resign from the Executive Council at any time upon written notice. The vacated seat will be filled through the annual election process for the remaining time left on the vacated seat.

**Section 4.** Ad Hoc committees may be formed at the request of the Consortium Membership. Each ad hoc committee shall be composed of three (3) to seven (7) members from the Consortium Full and Affiliate Membership.

## **ARTICLE IV: CONSORTIUM MEETINGS**

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**Section 1.** Membership meetings will be organized by the Consortium Director. A minimum of two (2) membership meetings will be held per year. The Consortium Director will seek input from the Consortium membership and sponsors for the meeting location and date. One of these meetings will be dedicated to reviewing incoming projects seeking co-funding and the other meeting will focus on the review of previously funded Consortia projects. The Consortium Director may schedule additional Membership meetings on an as-needed basis.

**Section 1a.** Written notification for each membership meeting will be provided to the Consortium membership at least 60 days before they are held. The meetings will be posted to the Consortium website.

**Section 1b.** Meeting attendees are required to register for the membership meeting in advance.

**Section 1c.** Full and Affiliate members may share their allotted complimentary meeting registrations.

**Section 1d.** Non-members may attend Consortium meetings upon the approval of the Consortium Director if meeting space is available. Non-members are required to register and pay a meeting registration fee.

**Section 2.** The Director will convene an annual meeting of the Executive Council at a place and time set by the Director with the approval of the Executive Council representatives. The Director shall prepare the agenda for Executive Council meetings from items submitted by the representatives of the Executive Council and the Technical Advisory Committee. The Director shall preside over the annual Executive Council meeting and arrange for meeting minutes to be recorded and distributed to all Full and Affiliate Members. The Director shall make conference call facilities available to those Executive Council Members which can not attend in person. The attendance of a simply majority of the Executive Council members shall constitute a quorum for the conduct of business. The Director will give a minimum of thirty (30) days notice to the Executive Council before finalizing the meeting location, date, and time. Special meetings can be called by the Executive Council when a simply majority of the Council requests such meeting in writing.

## **ARTICLE V: PROGRAM FUNDING**

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**Section 1.** The Consortium Director will develop a Request-for-Proposal (RFP) and solicit proposals for co-funding on an annual basis. The RFP will be mailed to the Consortium Membership no less than 60 days before the stated deadline and will be posted to the Consortium web site. The RFP will be provided to the industry as a whole by working with federal and state organizations, industry trade associations, and individual producer to assure that the industry is aware of the funding opportunity.

**Section 2.** A fully executed Consortium Membership must be in place and current prior upon the submittal of the proposal.

**Section 3.** The RFP will have a clearly stated deadline and mailing address. Proposals will be date stamped and reported to the Consortium sponsors.

**Section 4.** Proposals received after the stated deadline will be returned to the applicant without review. A letter indicating that the proposal was received after the deadline will be attached.

**Section 5.** The Director shall receive proposals from Full and Supporting Members and distribute the proposals to the Executive Council a minimum of fourteen (14) days before the Consortium meeting.

**Section 6.** The period of performance of Consortium funding is one (1) year. The Pennsylvania State University may grant a no-cost extension upon written request of the grantee with the approval of the Consortium sponsor.

**Section 7.** The Consortium shall have no obligation or responsibility to consider any proposal requesting funding for third parties who remain outside of the Consortium. The Consortium encourages collaboration among the SWC Members.

**Section 8.** Full and Supporting Members are expected to provide a minimum of 30% in co-funding for each proposal submitted to the Consortium for review. All co-funding included must be supported by appropriate documentation and will be subject to review as part of the complete proposal package.

**Section 9.** Proposals from non-U.S. Full and Supporting members may be accepted and funded, provided that a minimum of 75% of the total actual costs is conducted within the U.S.

**Section 10.** An Executive Council member that is listed on a submitted proposal or has a vested financial interest in the submitted proposals will be recused from the Executive Council meeting during the discussion and voting on the subject proposal. In the event that the Consortium Director has submitted a proposal, the Consortium sponsor will conduct the Executive Council meeting during the Director recusal.

**Section 11.** The Consortium Director will provide applicants seeking co-funding written notice of their funding request within thirty (30) days of the Executive Council decision.

**Section 12.** The funding decision of the Executive Council is final and not subject to appeal.

**Section 12a.** Applicants which have been denied funding may request a one-time verbal debriefing from the Consortium Director by submitting their request in writing. Applicants have 30 days from the time of receiving their funding request notice to make the debriefing request. Debriefings will be scheduled within 30 days of receiving the applicants request.

**Section 13.** Executive Council meetings focused on project selection will be conducted by Robert's Rules of Order. Executive Council meeting minutes will be taken by a representative of The Pennsylvania State College of Earth and Mineral Science's Office of Graduation Education and Research or their designee. These minutes will be provided to the Consortium sponsors.

**Section 14.** The attendance of a simply majority of the Executive Council members shall constitute a quorum for the conduct of business.

## ARTICLE VI: AMENDING THE CONSORTIUM BYLAWS

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**Section 1.** The Consortium Bylaws can be amended only by the Executive Council. All changes to the Constitution must be approved by a two-thirds majority vote of the Council.

**Section 1a .** Any Executive Council member may propose a change to the Constitution or Bylaws by petition to the Director. The Director shall submit the proposed amendment or change to each representative of the Executive Council at least thirty (30) days prior to the next meeting.

**Section 2.** Unless indicated otherwise in the Constitution or Bylaws, all decisions for and on behalf of the Consortium shall be by consensus vote of those present in an Executive Council meeting. All votes shall be open ballot unless a majority of the Executive Council or Advisory committee prefers a closed ballot.

## ARTICLE VII: FISCAL AGENT

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**Section 1.** The Pennsylvania State University will serve as fiscal agent for the Consortium. As such, The Pennsylvania State University will represent the Consortium in fiscal matters and have the ultimate accounting and financial reporting duties and the sole legal authority to enter into contracts and to administer and expend funds on behalf of the Consortium. Periodically, a summary of the total value of the Consortium will be posted to the Consortium web site.

## **INTELLECTUAL PROPERTY RIGHTS POLICY FOR STRIPPER WELL CONSORTIUM**

(Note: DOE Cooperative Agreement DE-FC26-00NT41025 was accepted by Penn State contingent upon the following language being incorporated in a subsequent modification.)

Pursuant to Chapter 18 of Title 35 of the United States Code, commonly known as the Bayh-Dole Act, as enacted by the Department of Energy (DOE) in DEAR 952.227-11, any domestic small business firm or nonprofit organization conducting research under Consortium funding (Research Party) may elect to retain title to any invention conceived of or first actually reduced to practice by its employees in the course of or under the research conducted with Consortium funding. Title to these inventions will be subject to DOE patent policy, including retention by the Government of a license for Government use and march-in rights, and U.S. competitiveness and manufacture requirements. The Consortium will petition the DOE for a class waiver of ownership rights to any inventions conceived or first actually reduced to practice by employees of entities other than domestic small business firms and nonprofit organizations. Information that results from the research and development conducted with Consortium funding and that would be trade secret or commercial or financial information that is privileged or confidential if the information had been obtained without Federal support, may be protected from public disclosure for up to five years after development of the information, but shall be available to Consortium Members during the period of projection.