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**San Juan Generating Station Carbon Capture Project will benefit from
\$22 Million DOE Funding Agreement with New Mexico Tech
*Agreement One of Five Executed by DOE for Carbon Related Projects***

Farmington, New Mexico, April 27, 2020 – The carbon capture project at San Juan Generating Station will benefit from a \$22 million Department of Energy (DOE) cooperative funding agreement awarded to the New Mexico Institute of Mining and Technology (New Mexico Tech). The award includes \$17.5 million from the DOE and \$4.5 million in cost sharing from the other parties to the agreement.

The DOE announced this project along with four other projects on April 22, 2020, Earth Day. The funding will pay for comprehensive analysis of a site in northwest New Mexico to accelerate deployment of carbon capture, utilization and storage technology at San Juan Generating Station. The data and analyses produced under the agreement will be used to prepare, submit and attain a permit from the Environmental Protection Agency to potentially construct a Class VI well (CO₂ injection well), that would allow for geologic sequestration of 50 million metric tons of CO₂ at a site near the power plant.

“The success of this application was largely dependent on past work and analyses performed at New Mexico Tech said,” Dr. Robert Balch of the Petroleum Recovery Research Center at New Mexico Tech. “This background allowed the project to start at Phase III, due to existing knowledge about the potential storage site. New Mexico Tech is proud to have formed a New Mexico centric team including the University, the Petroleum Recovery Research Center, the

New Mexico Bureau of Geology, and both of our state's National Labs. The work project builds on 17 years of previous carbon storage research performed by New Mexico Tech under numerous Department of Energy cooperative agreements.”

“The development of an injection well for the San Juan Generating Station carbon capture project will provide an additional location for CO₂ storage that will qualify for the IRS Section 45Q tax credits that are key to the project,” said Peter Mandelstam, Enchant Energy COO. “We are very gratified that the DOE awarded this project to scientific experts with the knowledge and skills to perform the analyses necessary to permit a carbon dioxide injection well in a site near the plant.”

“This San Juan Generating Station carbon project continues to make tremendous progress even in the face of challenges caused by COVID-19,” said Farmington Mayor, Nate Duckett. “This project has always been important to the City of Farmington and the entire northwest New Mexico region, but maintaining the 1,500 jobs and tax revenues along with adding significant construction jobs the project will bring is now critical. This DOE project and the progress it represents are very welcome news.”

The grant was awarded under the Department of Energy Funding Opportunity Announcement, DE-FOA-0001999. The title of the grant application is *"San Juan Basin CarbonSAFE Phase III: Ensuring Safe Subsurface Storage of CO₂ in Saline Reservoirs."* The Project Director is Dr. Robert Balch, Director of the Petroleum Recovery Research Center at New Mexico Tech and Dr. William Ampomah of New Mexico Tech's Petroleum Recovery Research Center is the project's lead investigator. Co-principal investigators on the project are Prof. Brian McPherson - University of Utah, Mr. Jason Selch CEO - Enchant Energy LLC, Dr. Nelia Dunbar – Director of the New Mexico Bureau of Geology and Mineral Resources, and Mr. George El-kaseeh of New Mexico Tech's Petroleum Recovery Research Center. Additional collaborating organizations for the project include the University of New Mexico, the University of Wyoming, Los Alamos National Laboratory (LANL), Sandia National Laboratories (SNL), Hilcorp Energy, Schlumberger, and Robert L. Bayless, Producer LLC.

Details of the five DOE agreements is available at:
<https://www.energy.gov/fe/foa-1999-project-selections>

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About City of Farmington:

Farmington is a city located in the northwest corner of New Mexico. It is a subset of the overall MSA: Aztec, Kirtland, Bloomfield, Shiprock, unincorporated areas of San Juan County and parts of the Navajo Nation. The MSA is named after Farmington as it has the largest population of the MSA territory - nearly 46,000 people. Farmington is structured under the council-manager form of government consisting of a city manager, mayor and four city councilors who represent each district in the city. The City of Farmington has been a minority owner of San Juan Generating Station for over 37 years. Learn more at <http://www.fmtn.org/>

About Enchant Energy:

Enchant Energy is a New Mexico company that seeks to capture CO₂ for sequestration purposes and de-carbonize electricity production by investing in state-of-the-art environmental technology at San Juan Generating Station. These activities are intentionally designed to further New Mexico's dual goals of substantially reducing its statewide CO₂ output, and supporting New Mexico's economy by employing hundreds of people in San Juan County and on the Navajo Nation by providing reliable, low-cost wholesale electricity. Learn more at: <https://www.enchantenergy.com/>