

Arkansas Lithium

Shane E. Khoury



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OIL

- Originally discovered in 1920 in Stephens, AR
- Commercial production of oil begins with the Busey #1 well in January of 1921
- 3,879,593 barrels of oil produced in 2024

Photo courtesy of the Arkansas Natural Resources Museum, Smackover, Arkansas



NATURAL GAS

- Originally discovered in 1887 in Fort Smith, AR
- Commercial development began in 1902
- 357.900 bcf produced in 2024



Photo courtesy of Jay Hansen

BROMINE

- Arkansas began producing bromine in Union County in 1957
- Arkansas is the world's second largest producer of bromine
- Arkansas produced 198.528 million barrels of brine in 2023
- Bromine has several uses but is primarily used as a flame retardant.



Photo courtesy of the Arkansas Natural Resources Museum, Smackover, Arkansas

Smackover Brine - A Unique Resource

- Dead Sea in Israel is the world's largest surface bromine brine resource.
- Smackover in Columbia and Union Counties Arkansas is world's largest sub-surface bromine brine resource – 8,000 ft.
- Bromine is used in agricultural and water treatment chemicals, flame retardants, cleaning products, pharmaceuticals.
- Smackover Brine could also potentially be a world class “battery grade” lithium resource.

LITHIUM

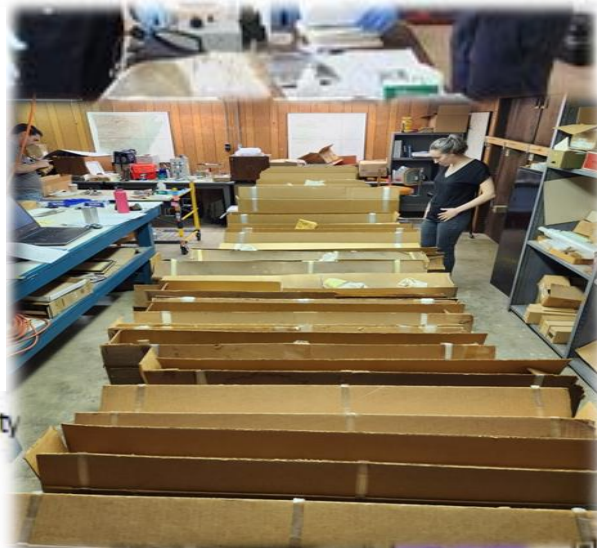


- Arkansas is in the beginning stages of setting a framework to produce lithium
- The Oil and Gas Commission already has authority to regulate through the Brine Act
- USGS conducted a study with the E&E's Office of State Geologist and concluded there was approximately 5-19 million tons of lithium in the Smackover Formation

OGC Office of State Geologist and USGS Joint Lithium Resource Project



- Sampling expertise for high salinity brines at oil wells
- Safety controls for H_2S
- Field parameters
- Major cations / anions
- Trace elements
- Isotopes of H, O, S, Sr, Li



USGS
BRInE
Lab

Collecting samples at the OSG
warehouse
in Little Rock, AR





NATIONAL NEWS RELEASE

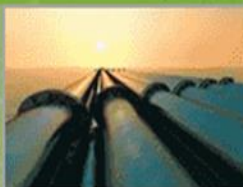
Unlocking Arkansas' Hidden Treasure: USGS Uses Machine Learning to Show Large Lithium Potential in the Smackover Formation





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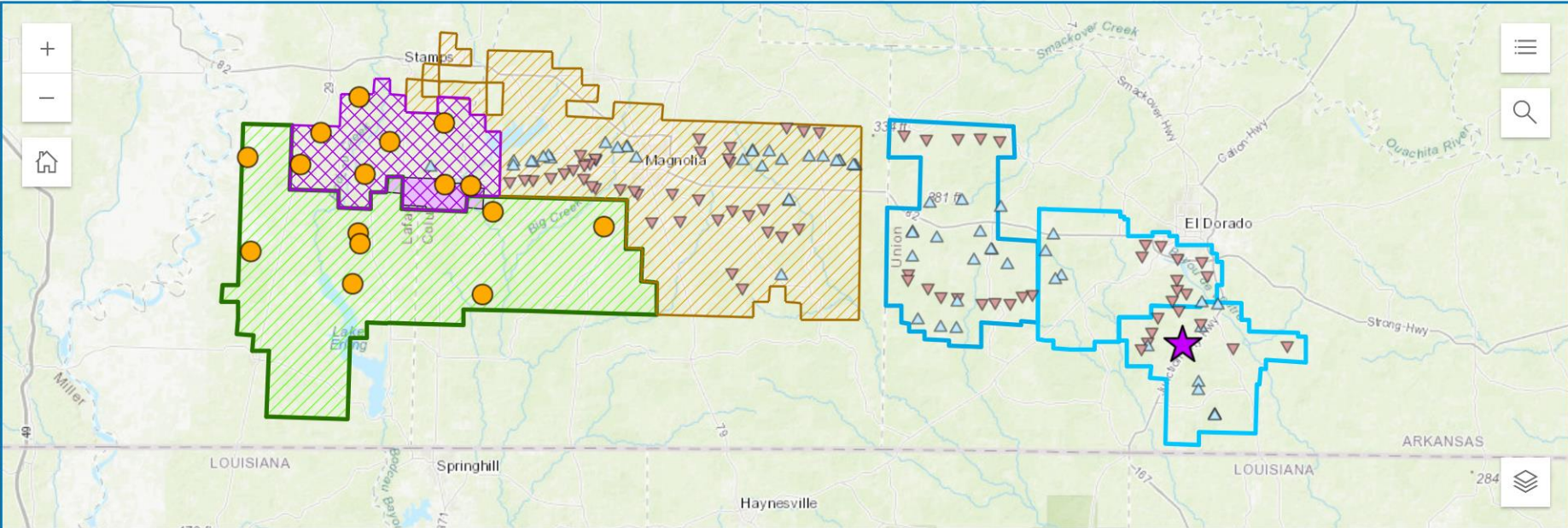
[Lithium Development Map](#)



Lithium from Brine

The brine production industry is well established in Arkansas and has been continuously producing brine for the extraction of specific elements Smackover Formation from brine, such as Bromine and other elements since the 1950's. Lithium extraction will be an additional element extracted from the brine and will be regulated under the Arkansas Brine Production Act and in accordance with the [Arkansas Brine Production Regulatory Program](#). Leasing for Lithium extraction and test well activity to define the Lithium potential from the Smackover Formation is currently occurring, however no commercial Lithium production has been initiated. To date, the Commission has issued well permits and several Orders dealing with a specific Lithium "pilot project" and the creation of a Brine Unit, and anticipates future Commission proceedings dealing with additional Brine Units and Lithium royalty determination.

Lithium Bromine Area Map



Esri, HERE, Garmin, USGS, NGA, EPA, USDA, NPS

Powered by Esri



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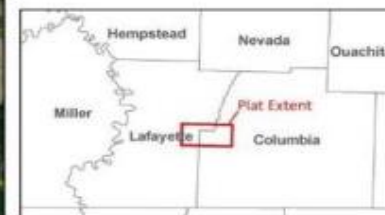
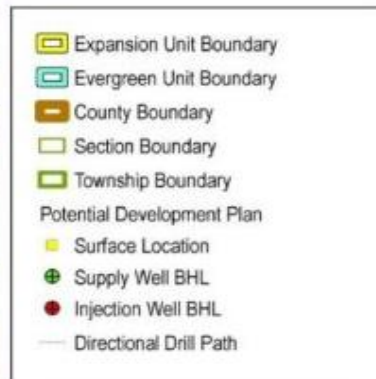
**DLE METHOD, ADVANTAGES
& CURRENT UNITS**



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TETRA (Evergreen – 6183 and Expansion 815 acres)

POTENTIAL LOCATIONS FOR FUTURE SUPPLY WELLS



Pine Brine Production Unit



SALTWERX LLC Pine Brine Unit — 56,245.58 Acres, more or less

56,245.58 acres of land, more or less, being all of Sections 29, 30, 31 and 32, Township 17 South, Range 23 West; and all of Sections 5, 7, 18, 19, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 and 36, Township 17 South, Range 24 West; and all of Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35 and 36, Township 17 South, Range 25 West; and all of Sections 5, 6, 7, 8, 17 and 18, Township 18 South, Range 23 West; and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18, Township 18 South, Range 24 West; and all of Sections 1, 2, 3, 4, 9, 10, 11, 12, 13 and 14, Township 18 South, Range 25 West; and all of Sections 30 and 31, Township 16 South, Range 24 West; and all of Sections 25, 26, 27, 28, 33, 34, 35 and 36, Township 16 South, Range 25 West, situated in Miller and Lafayette Counties, Arkansas.



LEGEND:

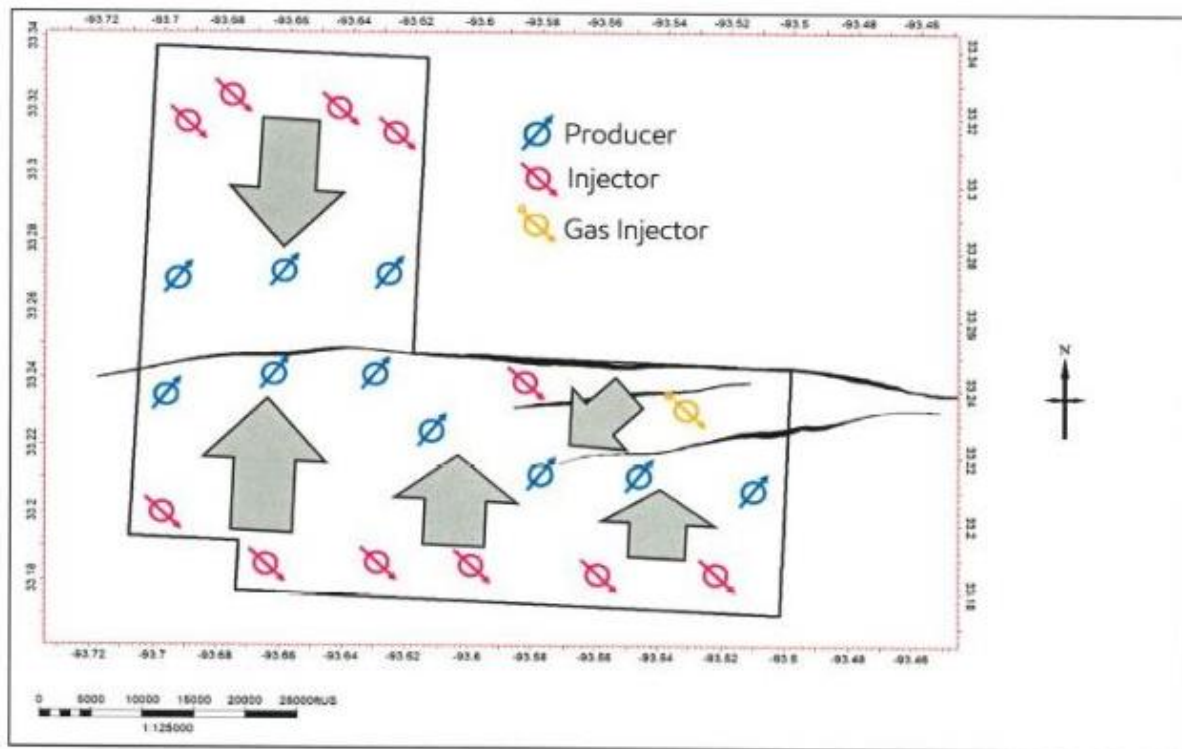
- Unit Boundary
- Section Boundary
- Township Boundary
- County Line
- Producer Well
- Injector Well
- Injector Well (Gas)

Key Metrics:

- 56,245.58 acres
- 165,000 barrels per day (avg)
- 10 producer wells
- 12 injector wells

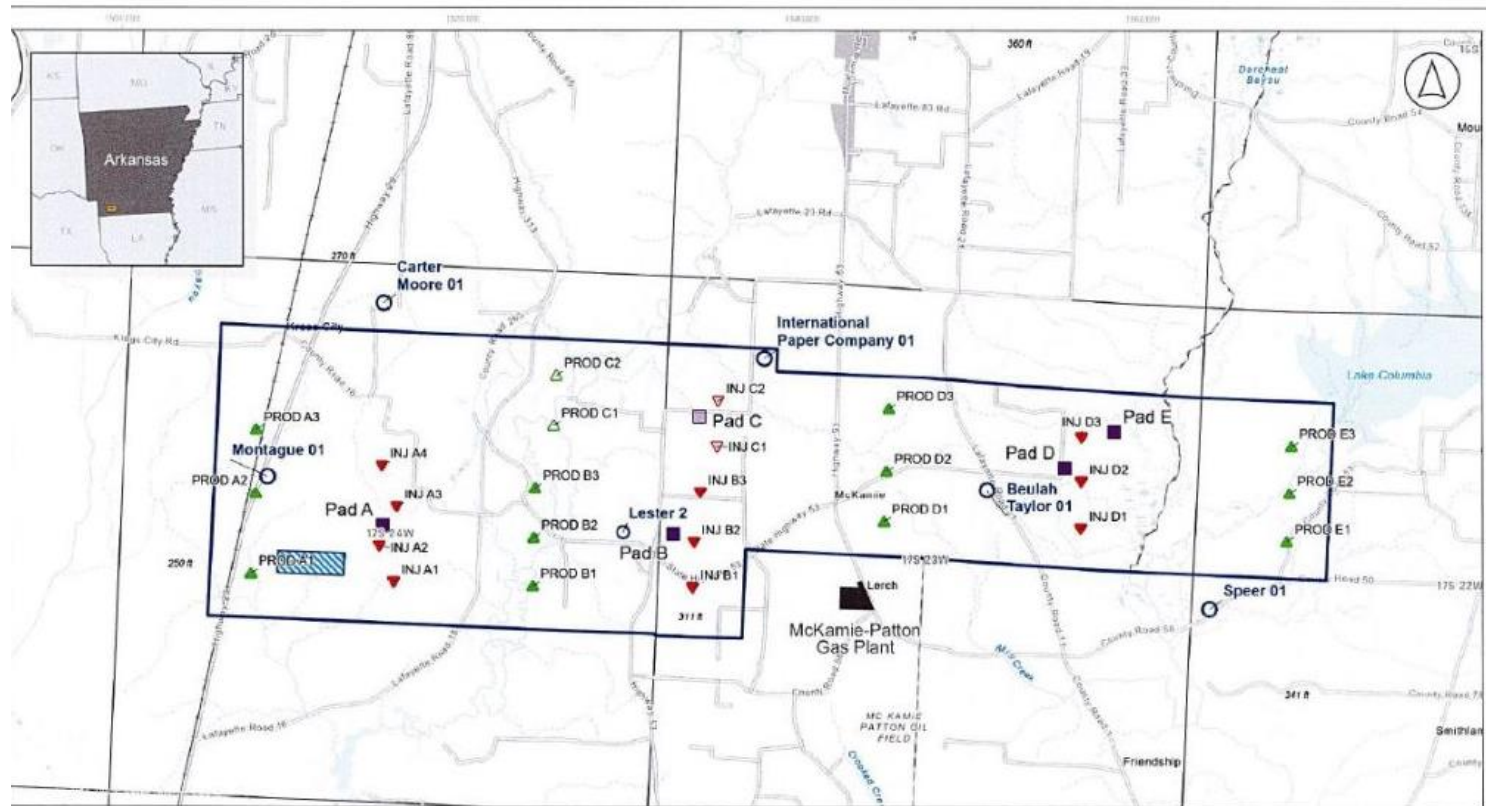
Pine Brine Unit Development Plan

Intentional well placement to efficiently drain the Pine Brine Unit and protect correlative rights of each owner therein



- ✓ To drain efficiently the area of the unit and to protect the correlative rights of each owner therein
 - Line drive, 2-4 mile spacing between injectors and producers
 - Pressure support from unit perimeter to centralized production wells
 - Wells spaced one-half (1/2) mile from Unit boundary

REYNOLDS UNIT (20,854 acres)



Legend

- Proposed Development Well Pad
- ▲ Production Well Hole Bottom
- ▼ Injection Well Hole Bottom
- SWA Project Exploration Well

- Reynolds Brine Unit Boundary
- ▨ SWA Processing Facility

Note: Well pad C and associated production and injection wells (shaded) will be added to support the 20-year design life.

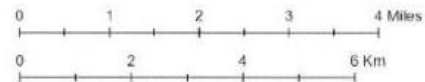
Smackover Lithium

Exhibit C-2

Map of Proposed Well Locations

South West Arkansas Project, U.S.A.

March 26, 2025

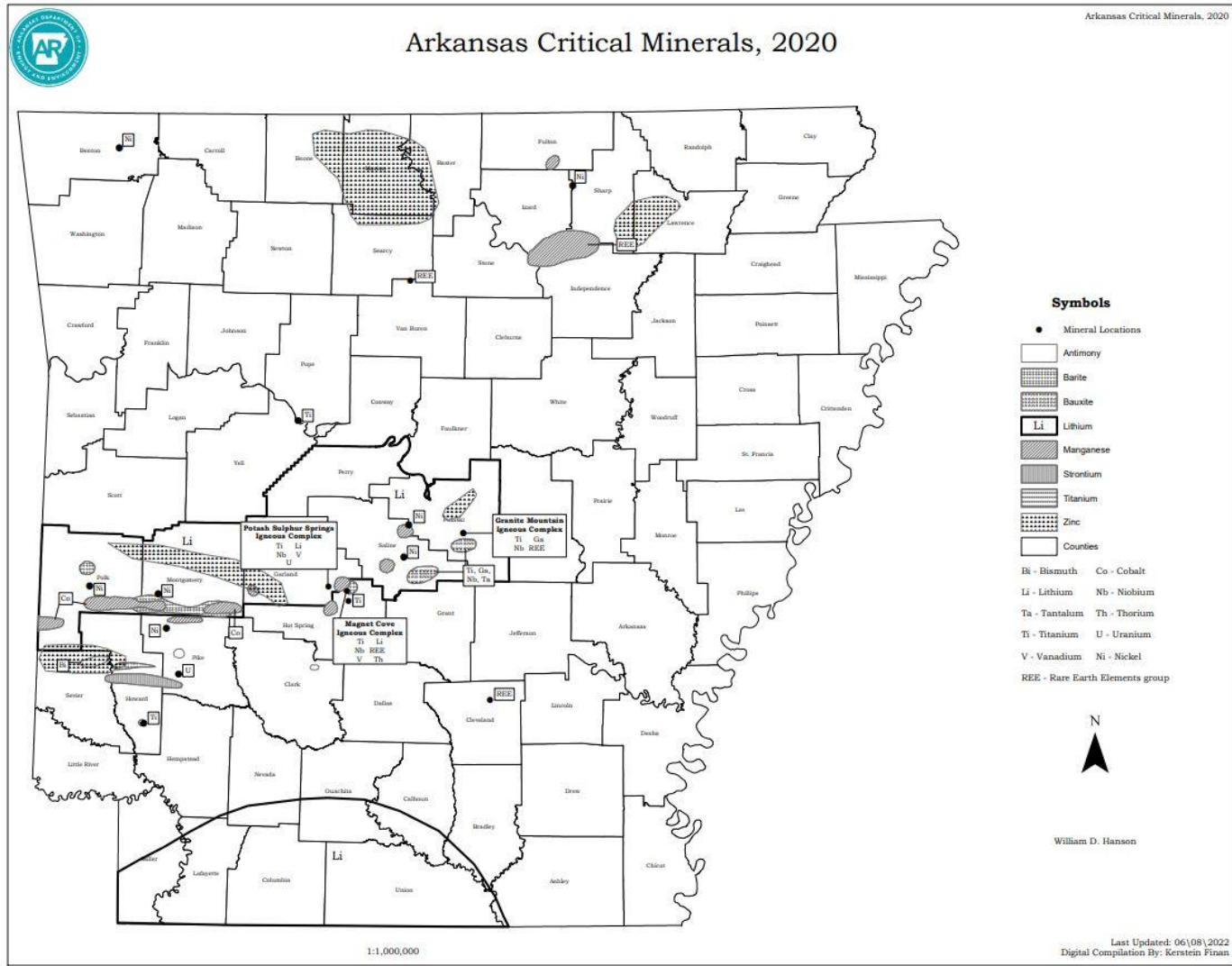


NAD 1927 StatePlane Arkansas South FIPS 0302

President Trump and Secretary of the Interior issued orders (Executive Office of the President, 2017; U.S. Department of the Interior, 2017) that directed the U.S. Geological Survey to develop a plan to improve the Nation's understanding of domestic critical mineral resources. In response, a list of 50 critical minerals with a high risk for supply disruption were identified by the National Minerals Information Center.

Critical Minerals:

REE-bearing deposits, Al, C, Co, Li, Nb, PGE, Sn, Ta, Ti, W, As, BaSO₄, Be, Bi, CaF₂, Cr, Cs, Ga, Ge, He, Hf, In, KCl, Mg, Mn, Re, Rb, Sb, Sc, Sr, Te, U, V, Zn, and Zr)



LITHIUM

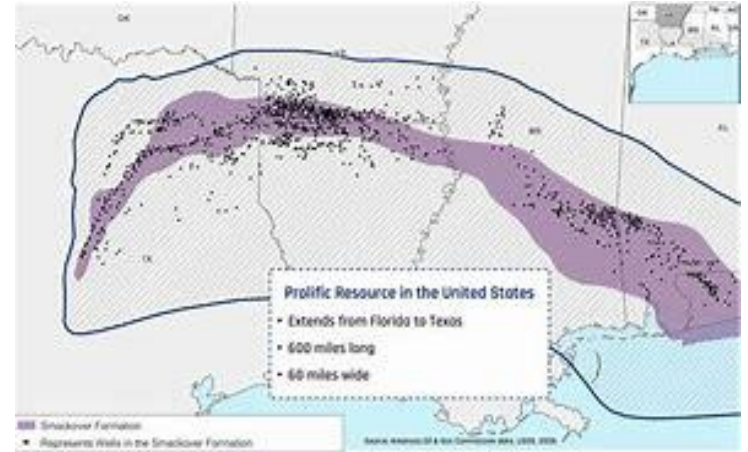
WHAT'S NEXT – MAY 28TH



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PORE SPACE

- The Smackover Formation (and possibly other formations in AR) have the potential to act as storage for carbon capture
- In 2025, E&E took the next step in establishing the framework for a carbon capture, utilization, and storage (CCUS) regulatory framework with the goal of seeking primacy from U.S. E.P.A.



KEEP IN TOUCH



ARKANSAS ENERGY & ENVIRONMENT

5301 Northshore Drive
North Little Rock, AR



PHONE

t: 501.682.0744



EMAIL

info@adeq.state.ar.us



WEBSITE

ee.arkansas.gov



[@AREnergyEnvironment](https://www.facebook.com/AREnergyEnvironment)



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