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Literature Review

Lithium in Arkansas – A Quick Overview

Introduction

Columbia County and surrounding counties have been identified as contributing to the discovery of large lithium reserves in southern Arkansas. As a result, plans have been made to build lithium processing plants and extract lithium from the brine of these counties.

Joint venture partners working to produce lithium south of Lewisville will ask the state to set royalty rates for their projects. Moreover, other potential lithium producers, property owners, and the Arkansas Oil and Gas Commission are under other negotiations regarding the production of lithium south of Lewisville. This was discussed in a public meeting on Jan. 29, 2025, at the Lafayette County High School. The meeting also featured local Standard Lithium Equinor officials involved with a \$1.5 billion project to extract brine from beneath Columbia and Lafayette counties. In this project, they will strip lithium from the participating counties and then return the brine into the massive Smackover Formation.

The Smackover Formation is a southern U.S. conventional energy economy partner (The Smackover Formation, n.d.). They have been pumping and distributing brines for the recovery of bromine in Arkansas since the 1950s. The production timeline has been set for mid-2028 through the company's joint rebranding venture (McNeil, 2025).

How We Got Here

The idea of the production of lithium south of Lewisville came about after the operation of a commercial-scale lithium production facility near El Dorado named Standard Lithium. Although Standard Lithium wants to eventually sell the lithium it produces in El Dorado, the Oil and Gas Commission has put a hold on all production companies until the commission sets the royalty producers will have to pay landowners for the right to extract lithium. Just last year interest companies jointly proposed a rate of 1.82%, but the proposal was rejected for being too low. The South Arkansas Minerals Association, which is a group of property owners, has proposed they pay a 12.5% royalty. Also proposed by the Columbia-Lafayette project was that brine be drawn from a separate production unit other than the El Dorado area plant (McNeil, 2025).

A representative of Standard Lithium said that they plan to move forward with their royalty rate application within the next six months. Jesse Edmondson, the representative from Standard Lithium said, “this is, front and center, something that has to be done. It has to get resolved before the project can move forward.”

This statement concerns the royalty rates that are being put on hold. Edmonson assured those at the January public meeting that his production team is in close contact with the AOGC, commissioners, and other peers in the industry but that the application would not be a joint application (McNeil, 2025). The investment that the organization has already put in within the last five years is over a billion dollars just on reservoir studies, types of equipment, and other miscellaneous technologies. With risk being a major factor, Edmondson and his team believe

that since certainty is not apparent in any other aspect of the project the royalty should hold certainty.

There is a \$225 million grant that is specifically for the South West Arkansas project. The project is estimated to be a \$1.5 billion project. The grant will be used toward the central processing facility. This is where the production team removes the lithium from the brine and converts it into a battery-quality material. Despite the executive orders presented by the president of the United States, Edmonson is confident that the program will start on January 1 with the help of the grant. He said Lafayette County should take pride in the fact that the first lithium production in the nation will take place there (McNeil, 2025).

In addition to production, companies have agreed to train the workforce in partnership through two-and-four-year educational institutions. Hiring may take place starting in 2027. Edmonson shared while some jobs will require a college degree many other job opportunities will be for high school education and GED. They will provide training that will allow opportunities to be captured by the local community.

Conclusion

To further enumerate, the article explains the identification of large Lithium reserves in South Arkansas. Many production companies have made offers and have intended to implement production opportunities but one that has seemingly begun to stick is the one through the Smackover Lithium production company. This company has harped on their job opportunities and fair royalty rates for those who will have to agree to the drilling at their homes and businesses. There are many things to still be discussed but a representative has laid out the ins and outs of the ongoing operation at the January 2025 public meeting.

References

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