

Constraints And Best Use Practice:

The Importance Of Texas Geothermal Electrical Energy Production

“Like A Phoenix Rising From Its Ashes”

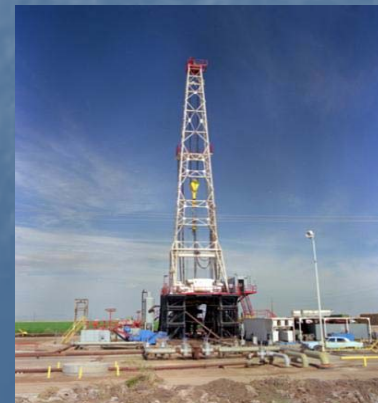
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The University of Texas of the Permian Basin
Center for Energy & Economic Diversification



* Which well is for natural gas? *

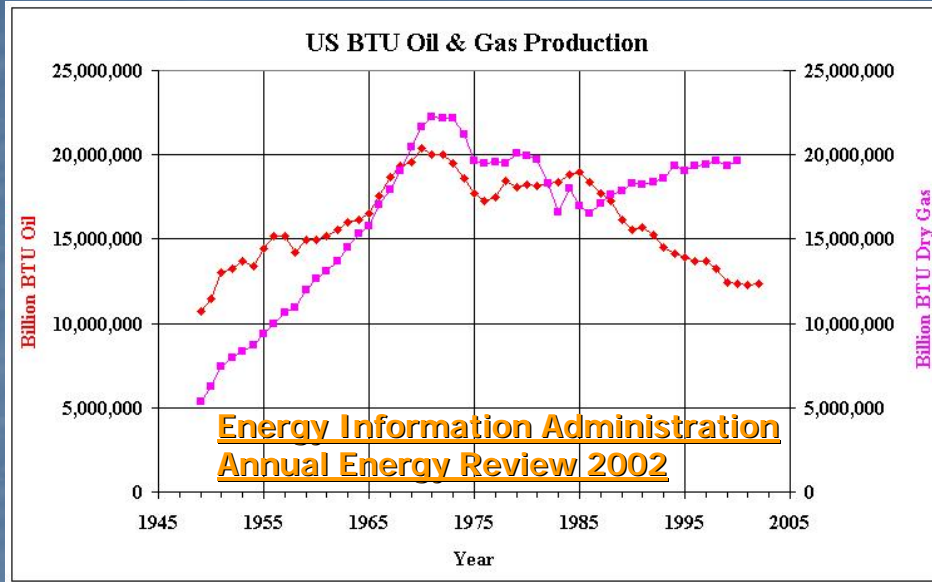
* Which well is for geothermal? *



Research Funded By:

- * DOE grant of \$194,458 to study deep Permian Basin geothermal energy (part of an anticipated 3-year Congressional appropriation) (# **DE-FG36-05GO 85023**).
- * State Energy Conservation Office grant of \$40,000 to help study deep Permian Basin geothermal energy and to develop a state-wide geothermal program (# **CM540**).

A Reality Check!

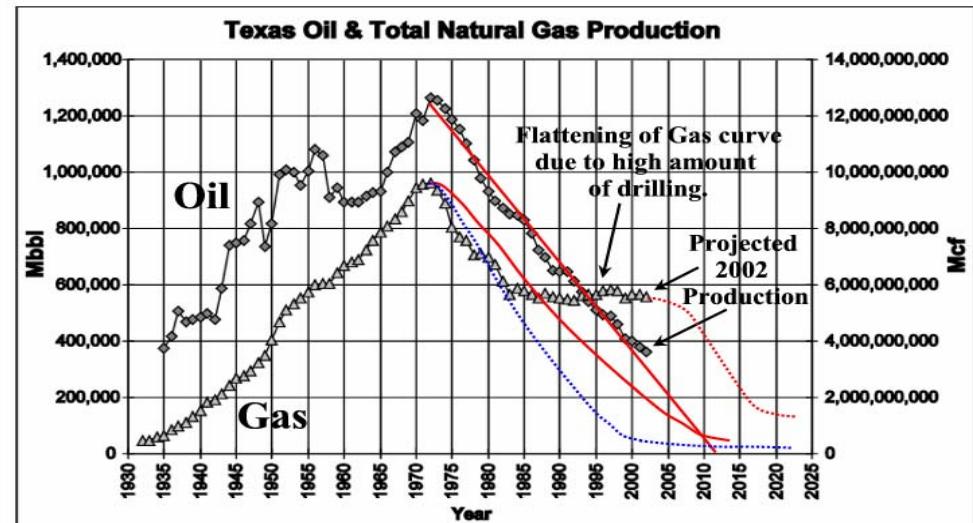


In 1956, M. King Hubbert predicted that lower-48, U.S. production would begin declining in 1969. The U.S. peak hit in 1970, with variations by state.

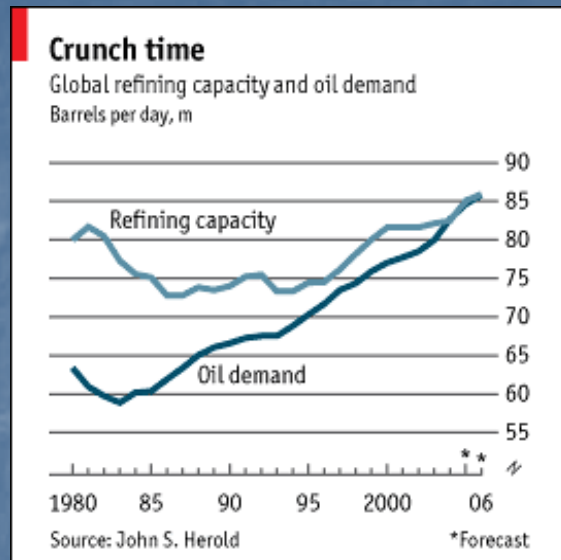
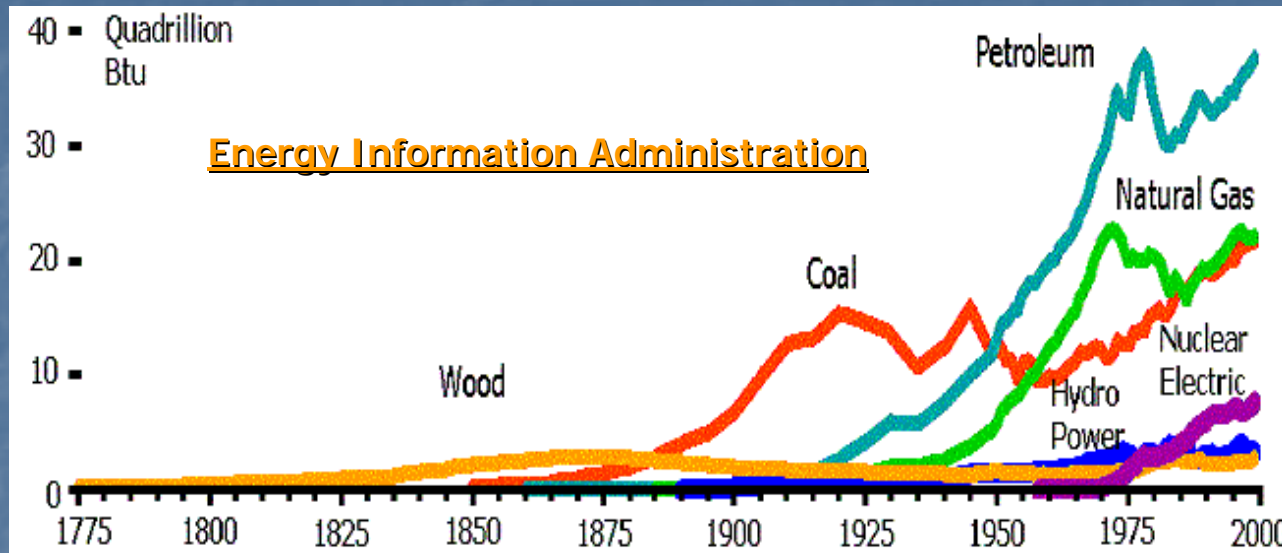
"Your system is perfectly designed to give you the results you're getting".

W. Edwards Deming

In Texas, peak oil and gas hit in 1972.



U.S. Energy Usage – Up...and UP!

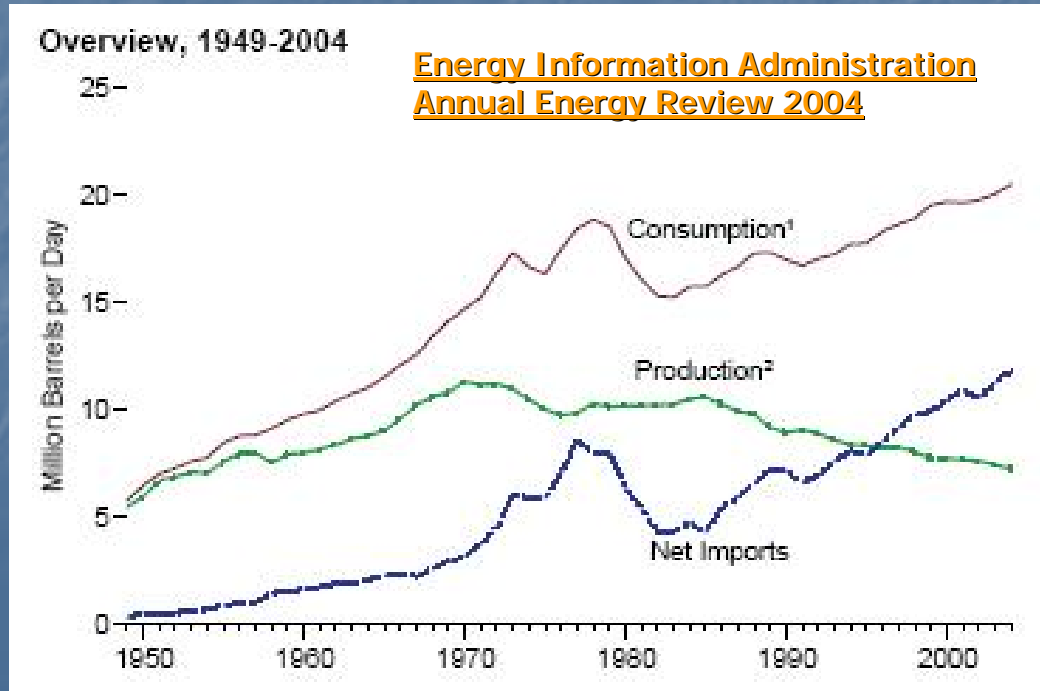


Automotives – 9 million Bbl/day

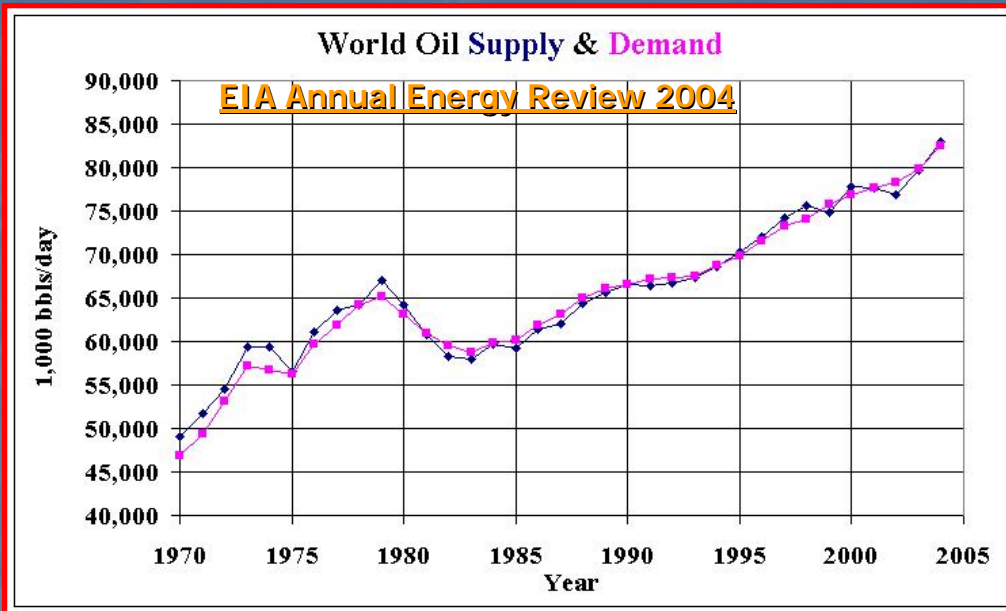
Trucks, Heavy Machinery, Power Plants – 11 million Bbl/day

¹ Petroleum products supplied is used as an approximation for consumption.

² Crude oil and natural gas plant liquids production

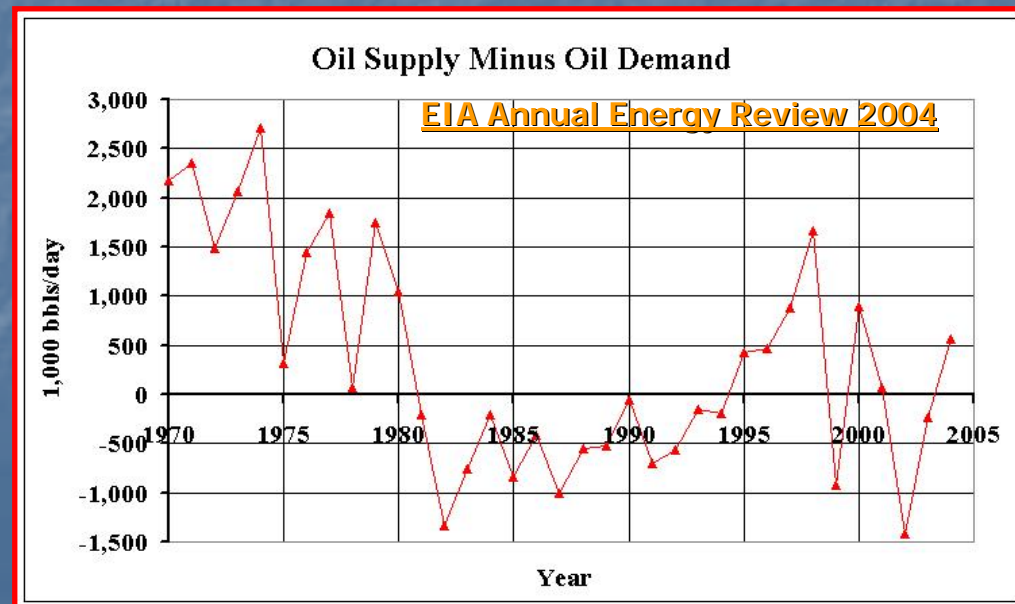


World Oil Supply & Demand Are Close



So what of the future...

... for the oil and gas industry?



"Yes, Virginia, there is a . . ."

. . . reason to produce hot water.

. . . new energy resource to be developed.



. . . new future for oil and gas producers.

. . . job market for young people.

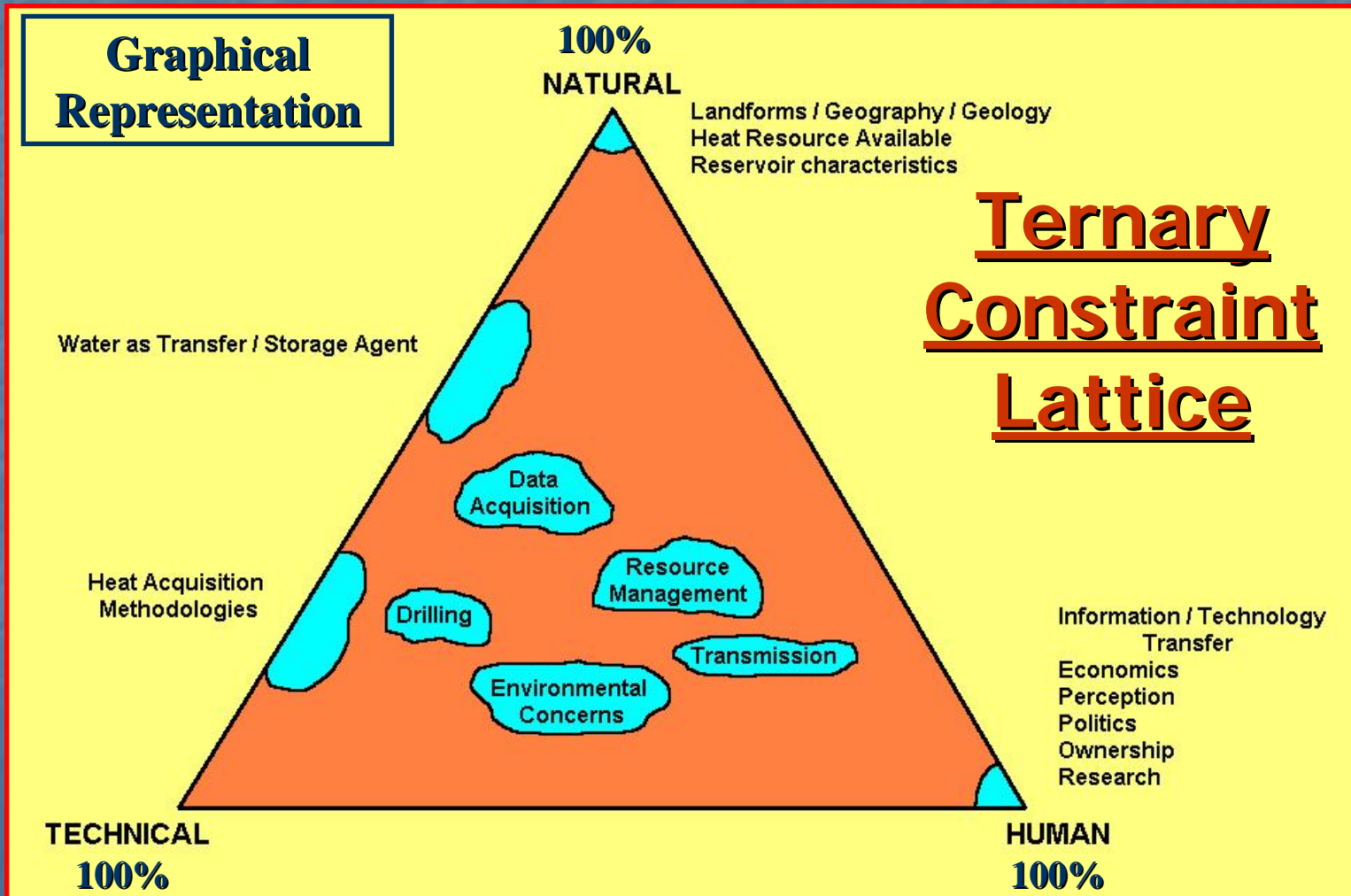
Geothermal Energy Industry Constraints

Only Three Variables Control All Constraints

CONSTRAINTS TO GEOTHERMAL DEVELOPMENT			
Natural (Geological / Geographical)		Technical	Human
Surface	Subsurface		
Landforms/Geography/ Geology	Heat Resource Available	Drilling (techniques- horizontal, radial patterns)	Economics (cost vs. profit; drilling costs)
	Reservoir Characteristics	Heat Acquisition Methodologies	Perception
	Water as Transfer/Storage Agent	Environmental Concerns (toxic & nontoxic minerals)	Transmission
		Data acquisition	Information/Technology Transfer
			Politics (gov., people [advocacy groups])
			Ownership
			Resource Management
			Research

Constraining The Constraints

Many of these constraints do not exist in the Texas oil and gas industry.



Natural Variable

✓ Surface – a non-issue; land very accessible.

Subsurface –

✓ Heat resource – known from O&G data.

✓ Reservoir characteristics – known from O&G data.

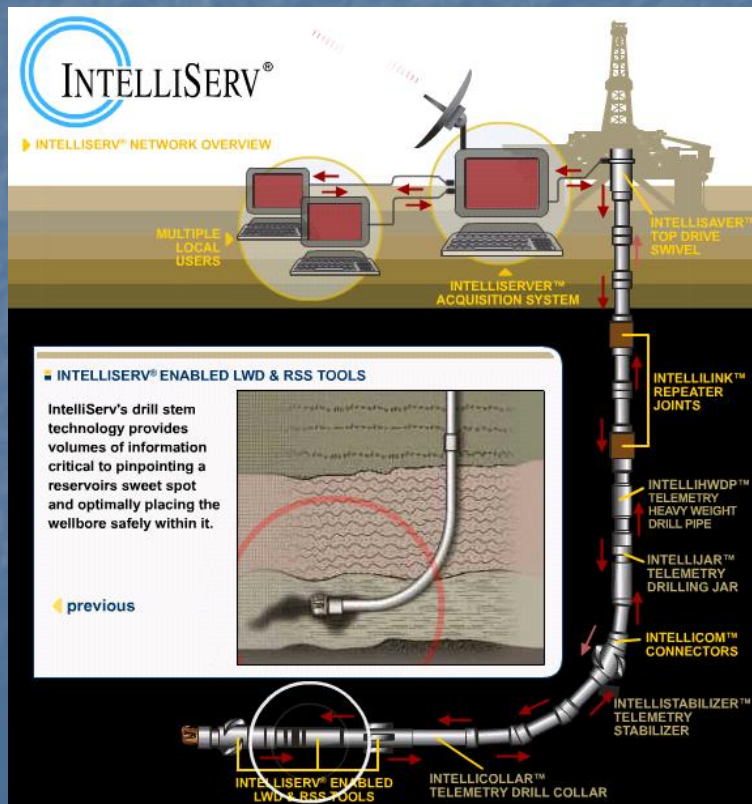
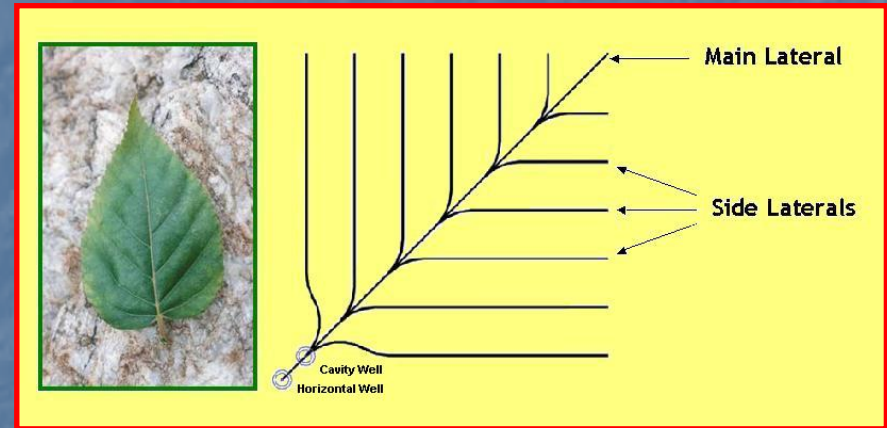
✓ Water availability – known from O&G data; total amount unknown as industry does not perforate wells for the purpose of producing water.

This knowledge greatly reduces risk for geothermal development as well as total cost.

Technical Variable

- ✓ Drilling – involved with pioneering oil/gas drilling techniques; nothing new needed for geothermal.

Pinnate drainage pattern horizontal drilling system pioneered by CDX Gas LLC for coal-bed methane extraction.

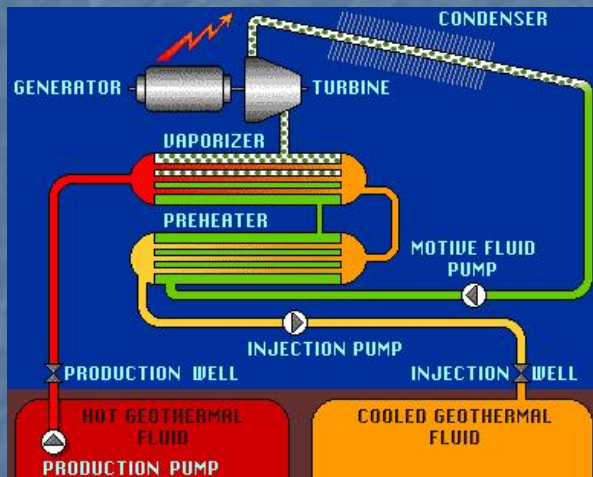


Joint venture between the DOE, NovaTek Engineering, and Grant Prideco. Decreases deep drilling time & cost through real time data transfer. Provide pipe and links. Twice cost of normal pipe. Size: 5", 5 7/8".

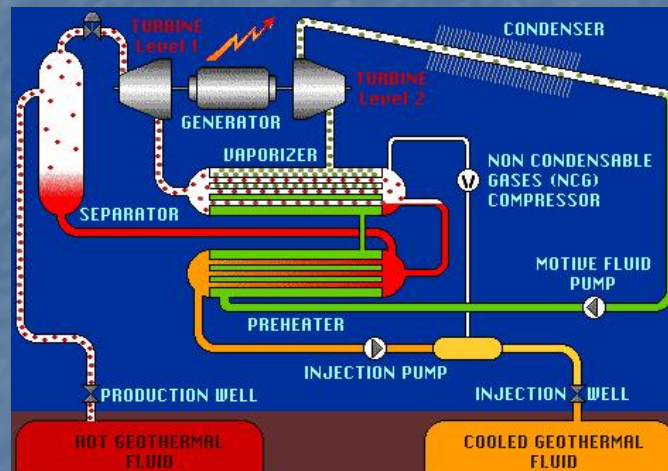
Technical Variable

Heat acquisition – O&G industry knows how to move water, but will need to learn to generate electricity

Ormat



Binary Cycle



Combined Cycle

And if Kinder Morgan can generate electricity at the Sac Rock field, so can other companies.

UTC Power



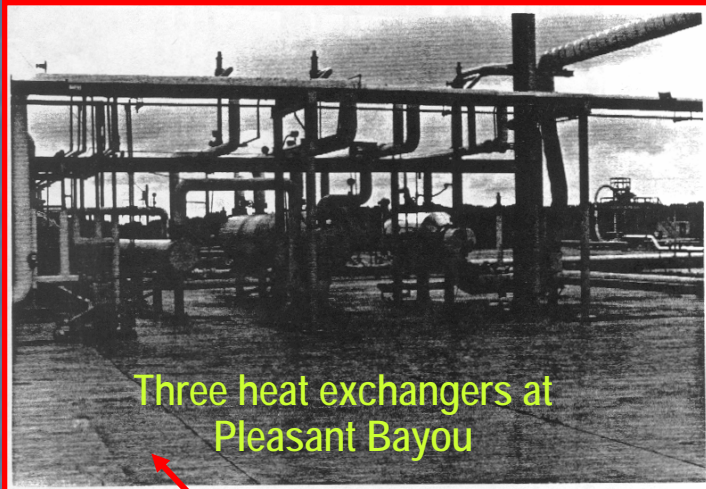
PureCycle™ 200
200 kW net range

AND.....

Technical Variable

It Has Already Been Proven Once!

Sept 1989- May 1990: Brazoria County, Texas

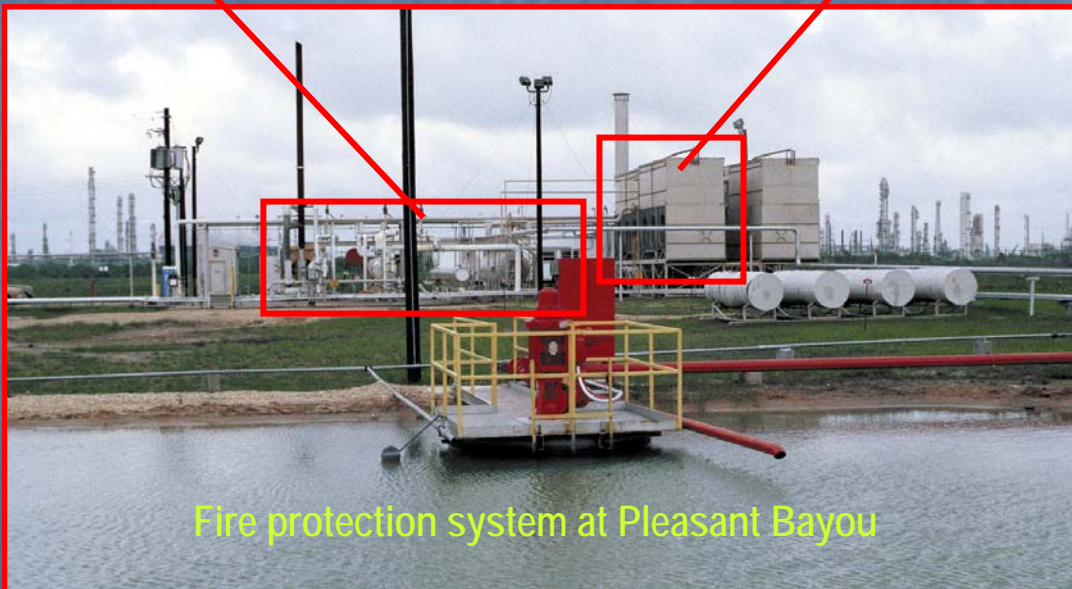


Three heat exchangers at Pleasant Bayou



Condensers at Pleasant Bayou

Minimum rating 1.191
Binary Cycle Turbine 541 kW
Gas Engine 650 kW
Parasitic Load -209 kW
Capacity factor 80.2%
(3-day plant outage & 4-wk turbine outage)
Plant availability 97.5%



Fire protection system at Pleasant Bayou

Compare with Ormat heat exchangers, Imperial Valley Geothermal



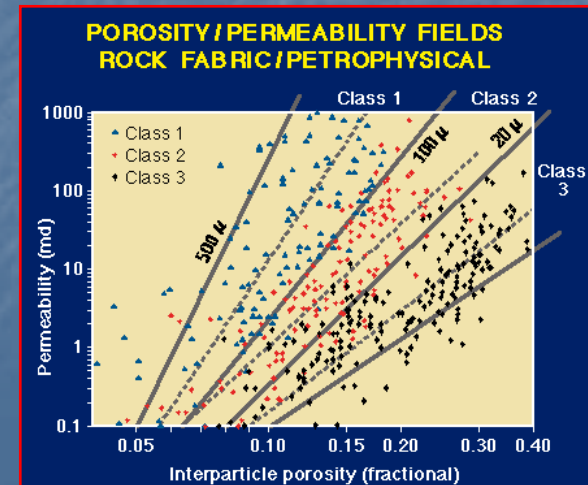
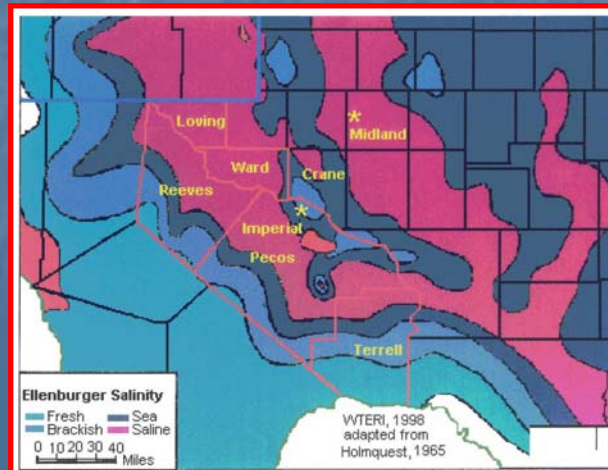
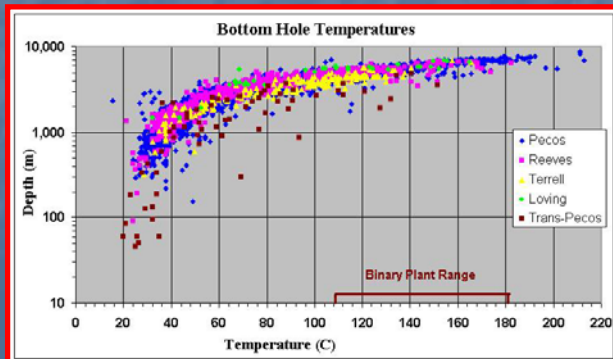
Technical Variable

- ✓ Environmental – O&G biggest problems have been solved through chemical inhibitors; highly toxic mineralization not of concern.
- ✓ Data – huge amounts of subsurface data regarding temperature, seismic, porosity, permeability, reservoir imaging, etc. are all important for heat extraction.

CaCO_3



Silica
Sulfides



Human Variable

Perception – O&G industry must think of hot water as an energy asset, not as a production liability; biggest hurdle to overcome.

Waste water storage.



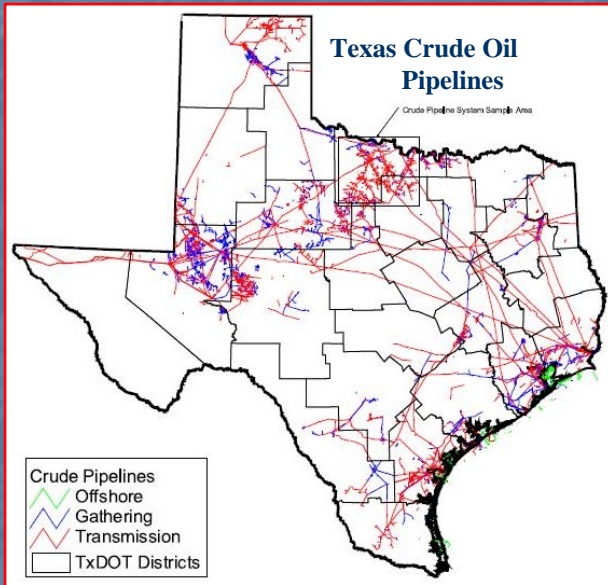
Pit liner for produced water.



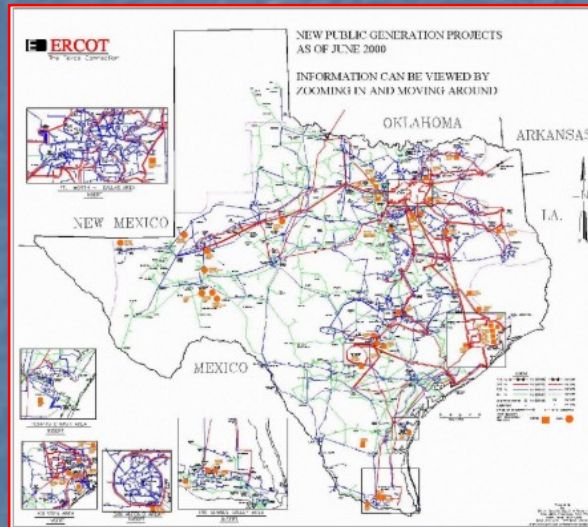
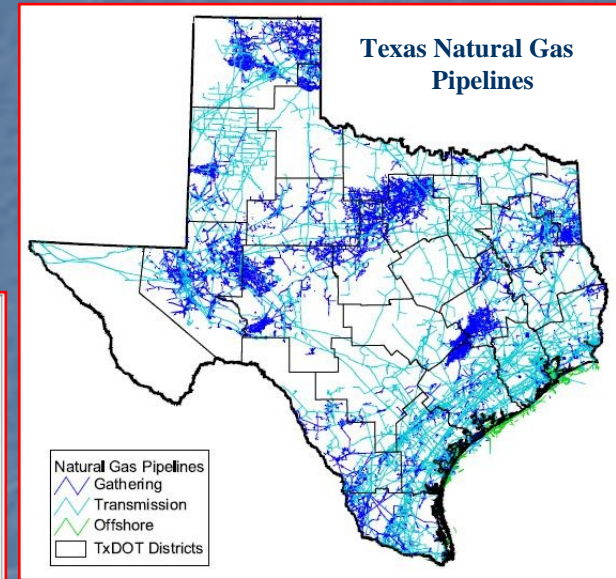
Oil field water hauling.

Human Variable

- ✓ Transmission – a huge infrastructure for transmission already exists.



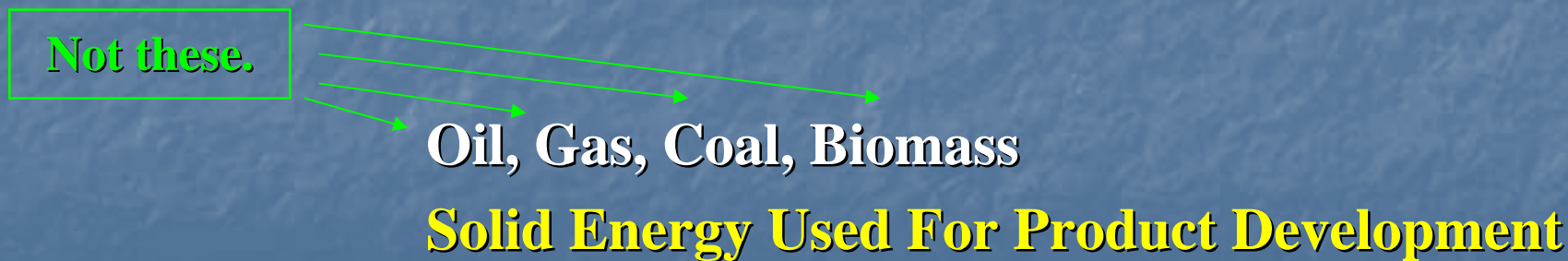
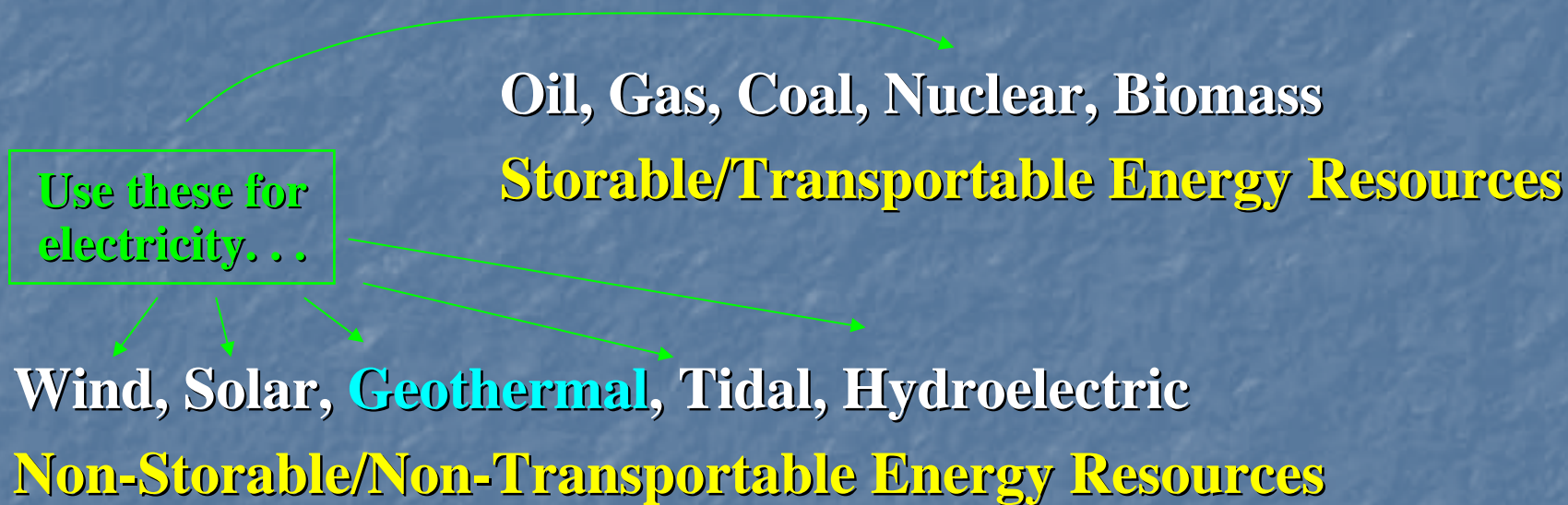
Transmission right of ways are important to maintain. Many existing right-of-ways may eventually double as electrical right-of-ways.



Electrical right-of-ways within existing oil fields can send electricity out.



It Is Time To Define Best Use Practice For Energy Resources



Embrace A New Energy Future!

It Is Time!

Oil and Gas was derived from Geothermal heat.

You don't find oil/gas unless you put the drill bit into the ground.



An oil – gas – geothermal triad gives added economic incentive to drill.

You can't just think outside box. . . You must do outside the box.

*"The future of the Texas oil and gas industry is tied to
The future of a Texas geothermal industry."*