



***Generating
Renewable Energy
from Co-Produced
Water at Oil & Gas
Wells – A Case Study***

John Fox, CEO, ElectraTherm

ElectraTherm's Heat to Power Generator

Based on the Organic Rankine Cycle



Exploits low grade waste heat:

- Produces 480V, 3phase, 50 or 60Hz power
- Modular and Commercially Mobile:

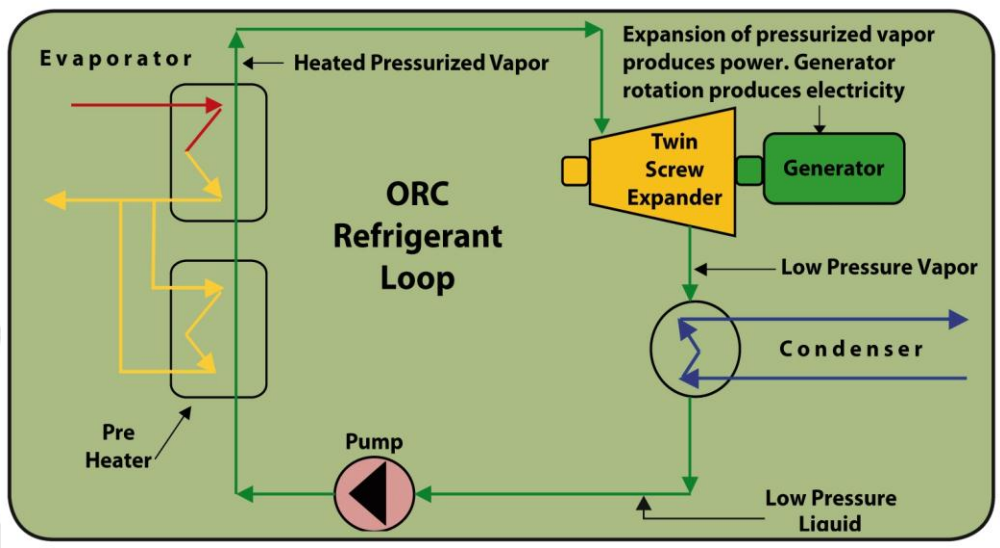
Weight: ~7,000 lbs.

Dimensions: 78 x 96 x 89 inches

Patented technologies enable:

- Low maintenance
- No oil pump, no oil changes, no gearbox
- Off the shelf components & simple but robust design

How It Works



*Captures Btu content from hot water to drive the hot side. Employs condensing water or direct-dry-cooler to create the delta-T that results in **fuel-free, emission free electricity.***



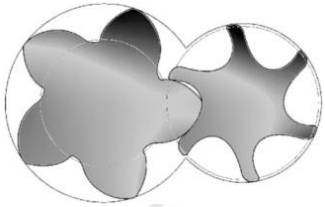
Commercialized Product Ready to Ship

Building on five years of comprehensive product development

- 13 installed units
- Achieved 10,000+ hrs runtime in the field; 14,000 hrs including test cell
- Monitoring fleet performance + R&D testing
- Optimized design turn complete
- Building a backlog through dealer network



IP, Advantages and Working Parameters



Patented ORC Technology

2 core patents issued and licensed



Robust, Proven Hardware

Patented Expander Rotor Profile:

- Allows “wet” operation
- Rotates at 4,200rpm
- Variable output range

Accepts a range of input parameters...

160gpm @ 190-240°F on the hot side

200gpm @ 40-100°F for condensing

...to produce a range of output

30-65kW



Commissioned Units & Target Markets



Co-Produced Water –
Oil & Gas



Biomass



Solar Thermal



Biomass in United Kingdom

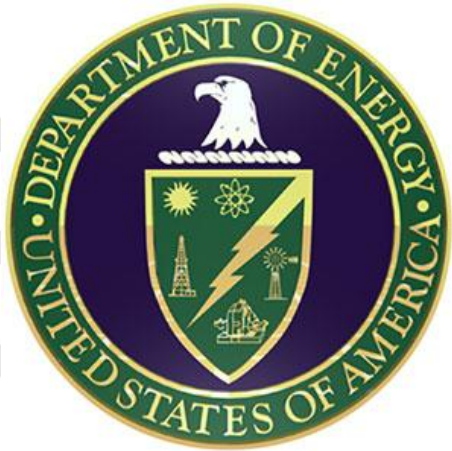


IC Engine in Texas



Industrial Boiler in
Michigan

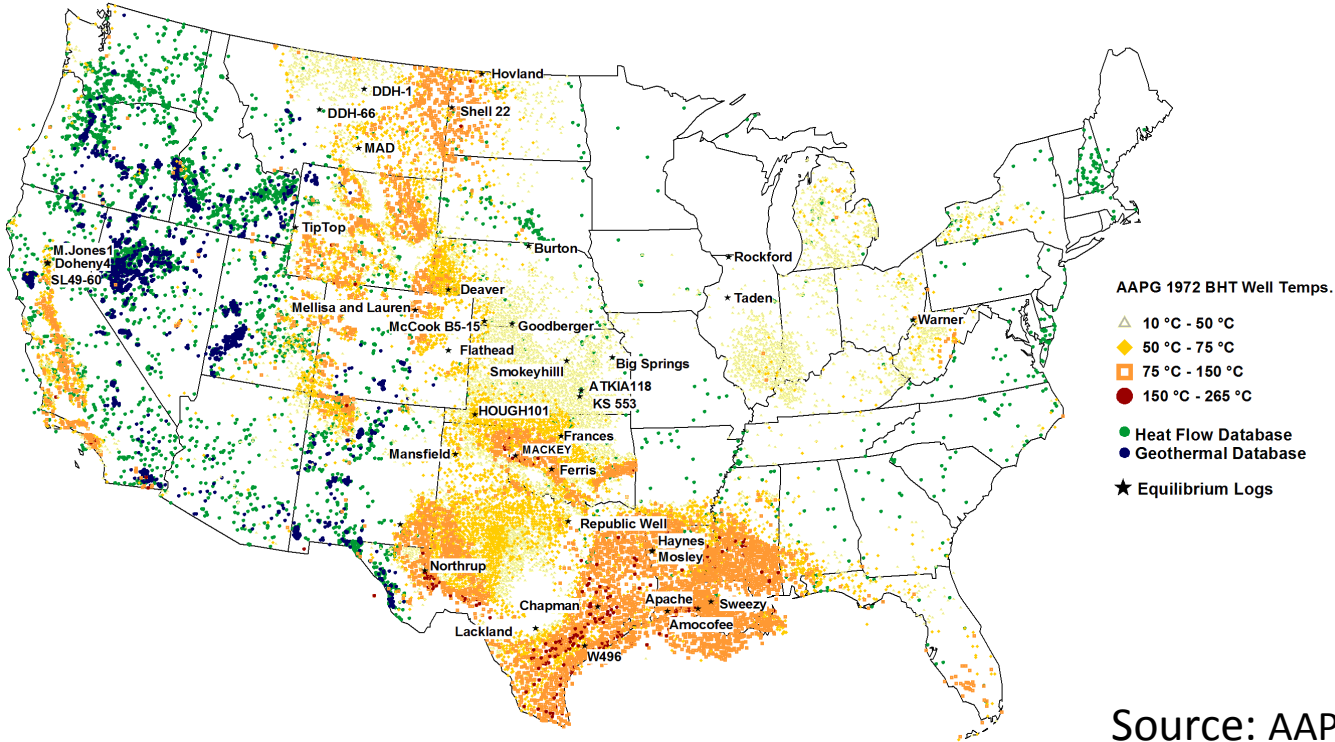
ElectraTherm awarded \$982,000 from the U.S. Department of Energy (DOE).



Small-scale power generation from co-produced geothermal fluids

The Opportunity

Co-Produced Water from Existing Wells



Source: AAPG database

823,000 oil & gas wells in the U.S.
3 million GPM of hot water in top 8 states
3GW power at 212°F
Sources: The Future of Geothermal Energy – 2006 MIT Report
U.S. Energy Information Administration - 2008

2,000 – 4,000 BPD = 30 - 65 kW Green Machine

ET's Green Machine is the right size

The Challenges

- Small producing wells – low hot water flows
- “Hot” wells – not so hot
- Not Applicable to large scale power production
 - Need for aggregation of wells for larger plants
- Difficulties/expense of onsite construction in remote locations
- Operating Personnel
- Service support
- Not primary task of O&G producers
- Economics

Co-Produced Water – A Case Study

“Electrical Power Generation from Produced Water: Field Demonstration of Ways to Reduce Operating Costs of Small Producers”

Denbury site (Summerland #22 Soso, Mississippi) was identified in 2008 as a suitable candidate for a Green Machine. Funding was secured from the Research Partnership to Secure Energy for America (RPSEA) under the Small Producer Program.



• Research
• Partnership to
• Secure Energy
• for America



Co-Produced Water – A Case Study

- Well produces at 9,500 ft. under geo-pressure.
- The well produces 100 BOPD and 4000 BWPD (98% water).
- Surface flowing temperature at 200°F.
- Displacing \$.098 power vs. selling at \$.044
- The well is not part of a CO2 flood.
- Six month field trial demonstration



Step by Step through the Process



ElectraTherm mounted a Green Machine to a trailer in our manufacturing facility, with the dry cooler, hot water bypass and electrical controls installed. The goal was to have a plug and play installation upon site arrival.

Step by Step through the Process



Truck arrives on site in Mississippi at 9 a.m. on Tuesday May 24th.



Mechanical installation begins.



ElectraTherm's Dealer, Gulf Coast Green Energy led the installation efforts onsite. Denbury very supportive.

Tuesday, May 24



Knockout tank plumbing (supply) being installed

Tuesday, May 24



Mechanical installation completed at 3 p.m. Tuesday.

9 a.m. – Electrician arrives onsite to wire up the Green Machine.

2 p.m. – The machine is wired up and running with fans in manual mode.





9 a.m. – Fan controls are finalized and set up to run in automatic mode.

11 a.m. – **Installation complete.** The machine is running in complete auto mode.

Results

Gross Power Output: up to 18kW
Total Installation Time: 50 hrs
Total Run Hours: ~100
Thermal Heat Input: 500kWt
Hot Water Input Range: 200°F
Hot Water Flow: 120 GPM
Ambient Temp Range: 60-105°F



“This Green Machine was designed on a truck bed for a simple plug-and-play upon arrival at the site. The truck arrived at 9 a.m. on Tuesday and the machine was running in auto mode by Thursday at 11 a.m.”

- Dave Mendershausen, Field Engineer,
ElectraTherm

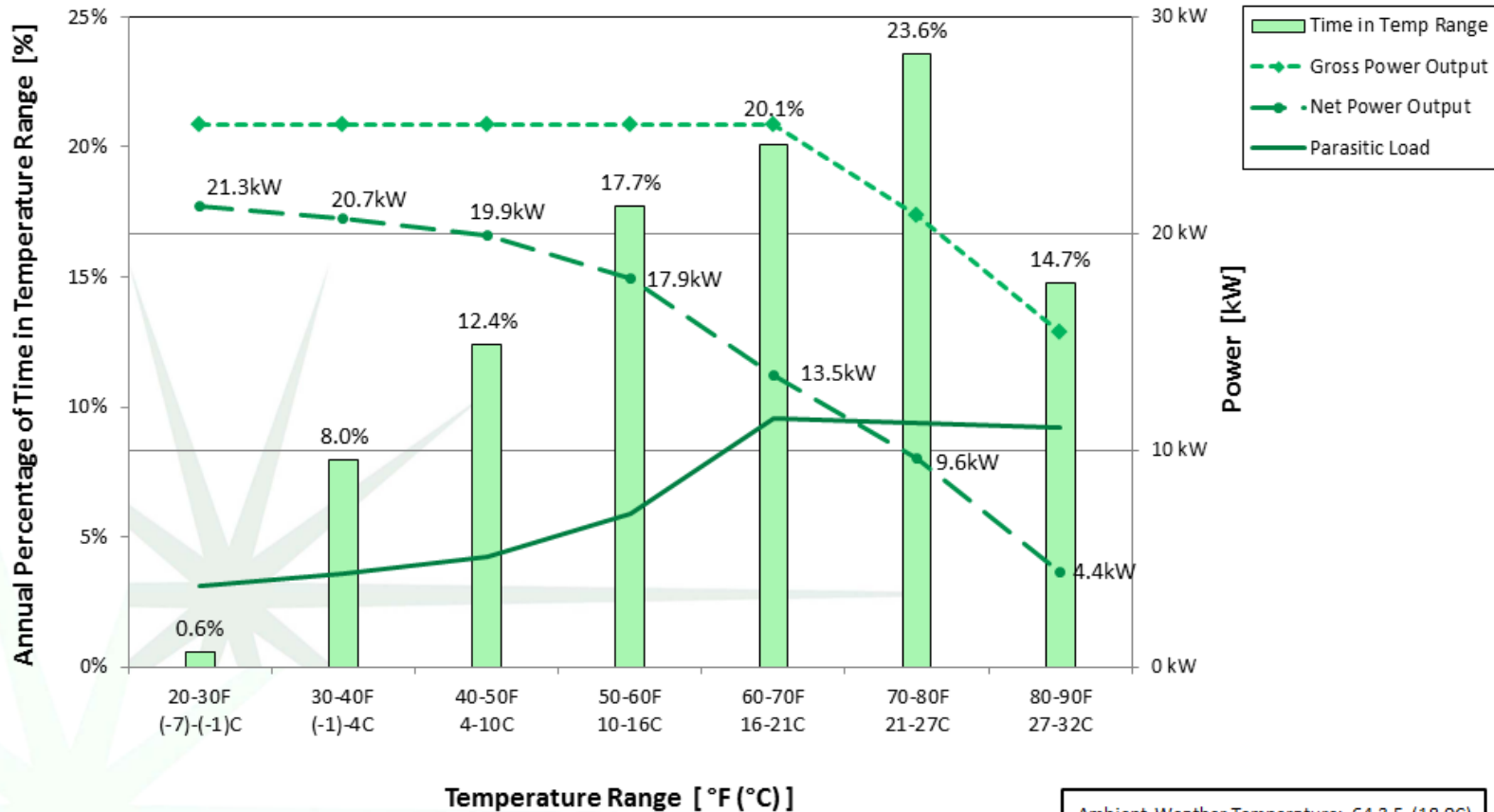


Reality of Denbury Site Conditions



Estimated Air Cooled Annual Output for Denbury Project

Total Annual Net Power Output: 102,775 kWh Average Net Power Output: 13.0 kW Average Gross Power Output: 21.9 kW



*Please note: This chart is only an *estimate* based on customer supplied information and past average weather data

Ambient Weather Temperature: 64.3 F (18.0C)
 Hot Water Temperature: 200F (93C)
 Available Heat: 500 kW
 90% Annual Runtime

Lessons Learned to Date

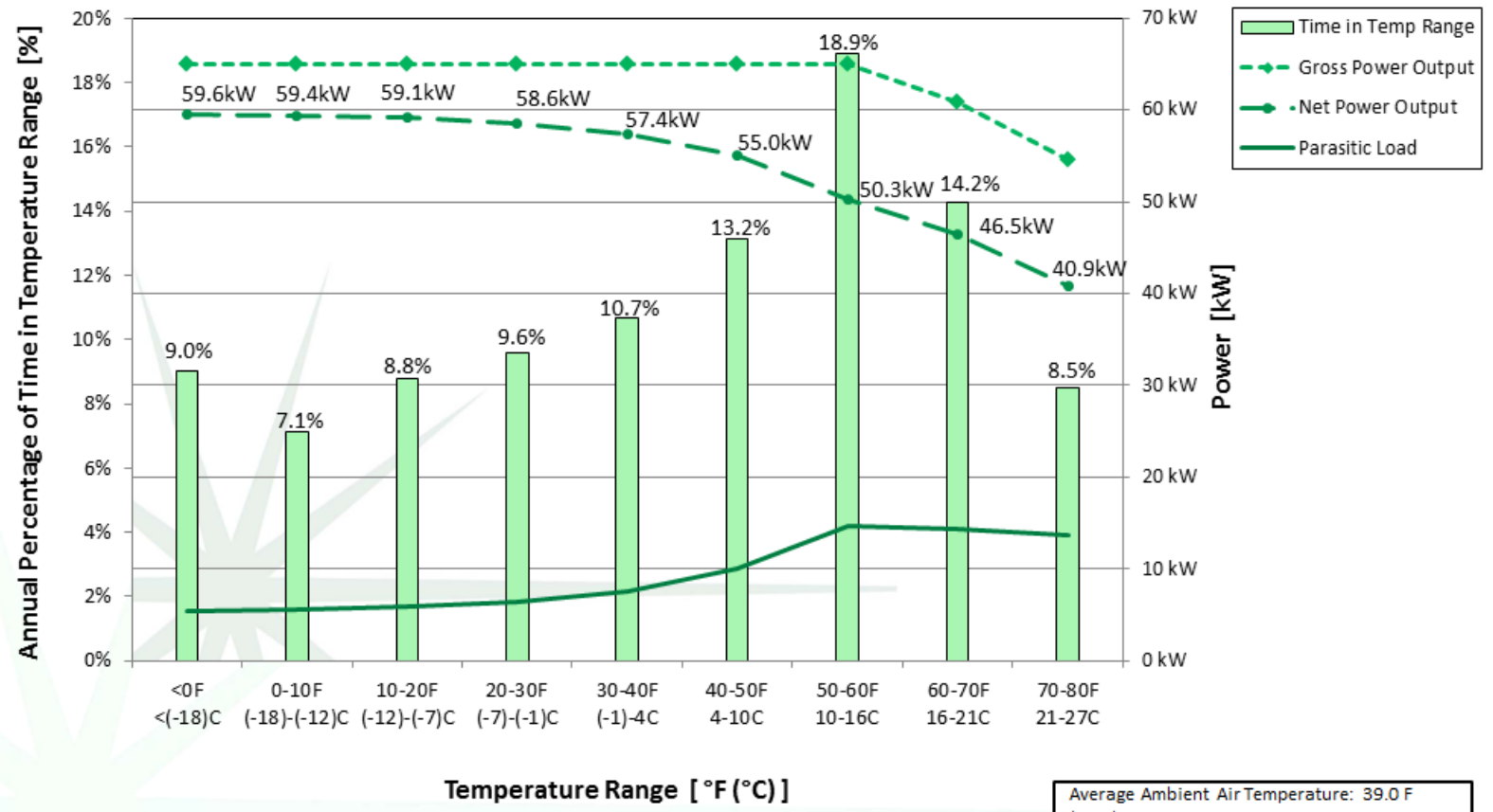
- 200F + high ambients = low delta T = derate
- Condenser is undersized (concurrent testing at ET shows ~40% derate)
- Flow is sub-optimal (25% below)
- Mobility and small scale adds value
- 50 hour install on #1 could be cut in half
- AT&T set-up vs. Verizon and easy corrective action
- New programming for ambient temp. limiting start ups above 85F – Auto shut down at 95F
 - New PLC and modem shipped and loaded by Denbury personnel

Example Site #1



Estimated Air Cooled Annual Output for Wolf Point, Montana

Total Annual Net Power Output: 421,027 kWh Average Net Power Output: 53.4 kW Average Gross Power Output: 63.5 kW



*Please note: This chart is only an *estimate* based on customer supplied information and past average weather data

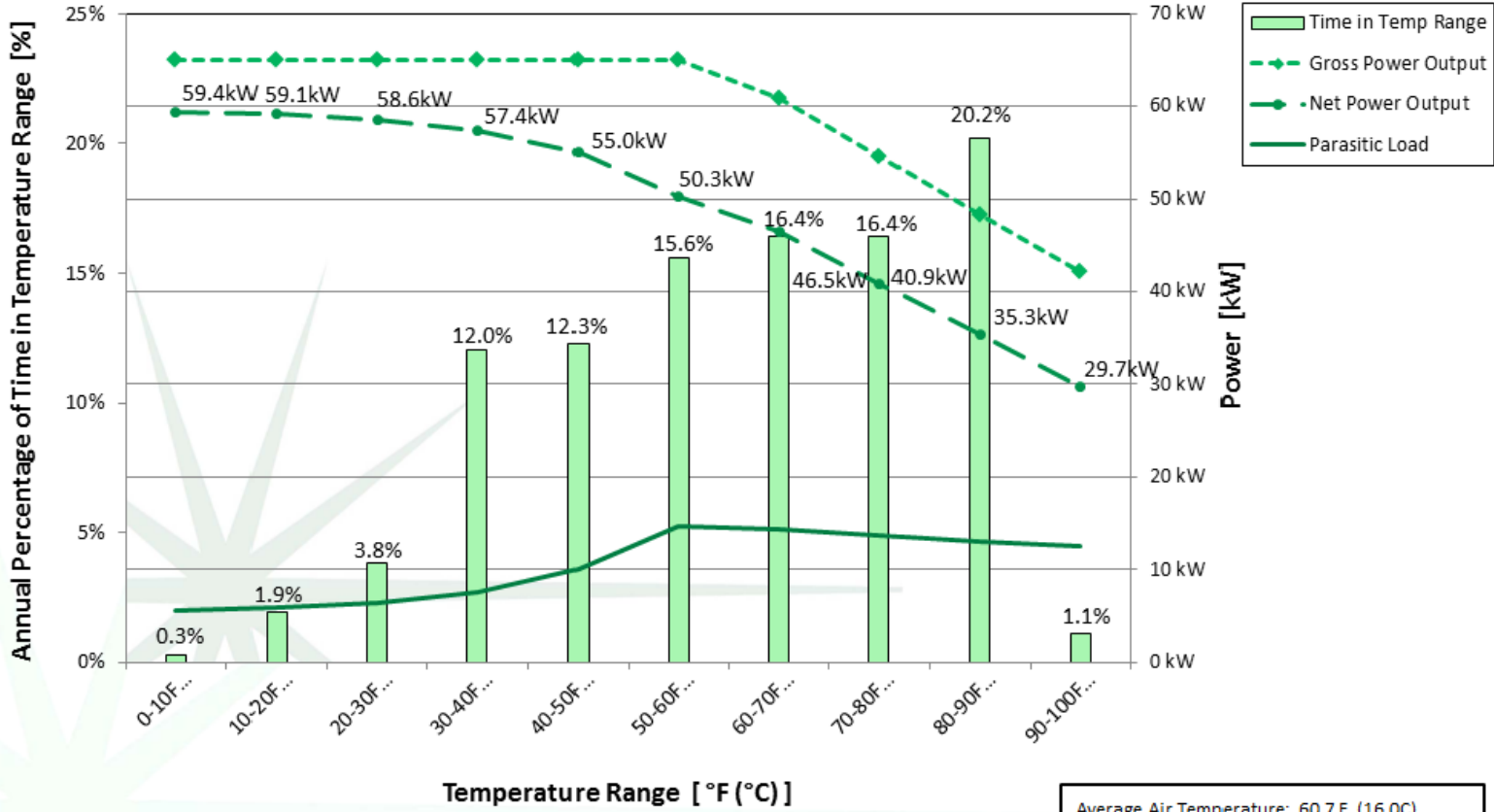
Average Ambient Air Temperature: 39.0 F (3.9C)
 Hot Water Temperature: 240 F (116C)
 Available Heat: 800 kW
 90% Annual Runtime

Example Site #2



Estimated Air Cooled Annual Output for Tulsa, Oklahoma

Total Annual Net Power Output: 369,198 kWh Average Net Power Output: 46.8 kW Average Gross Power Output: 59.0 kW



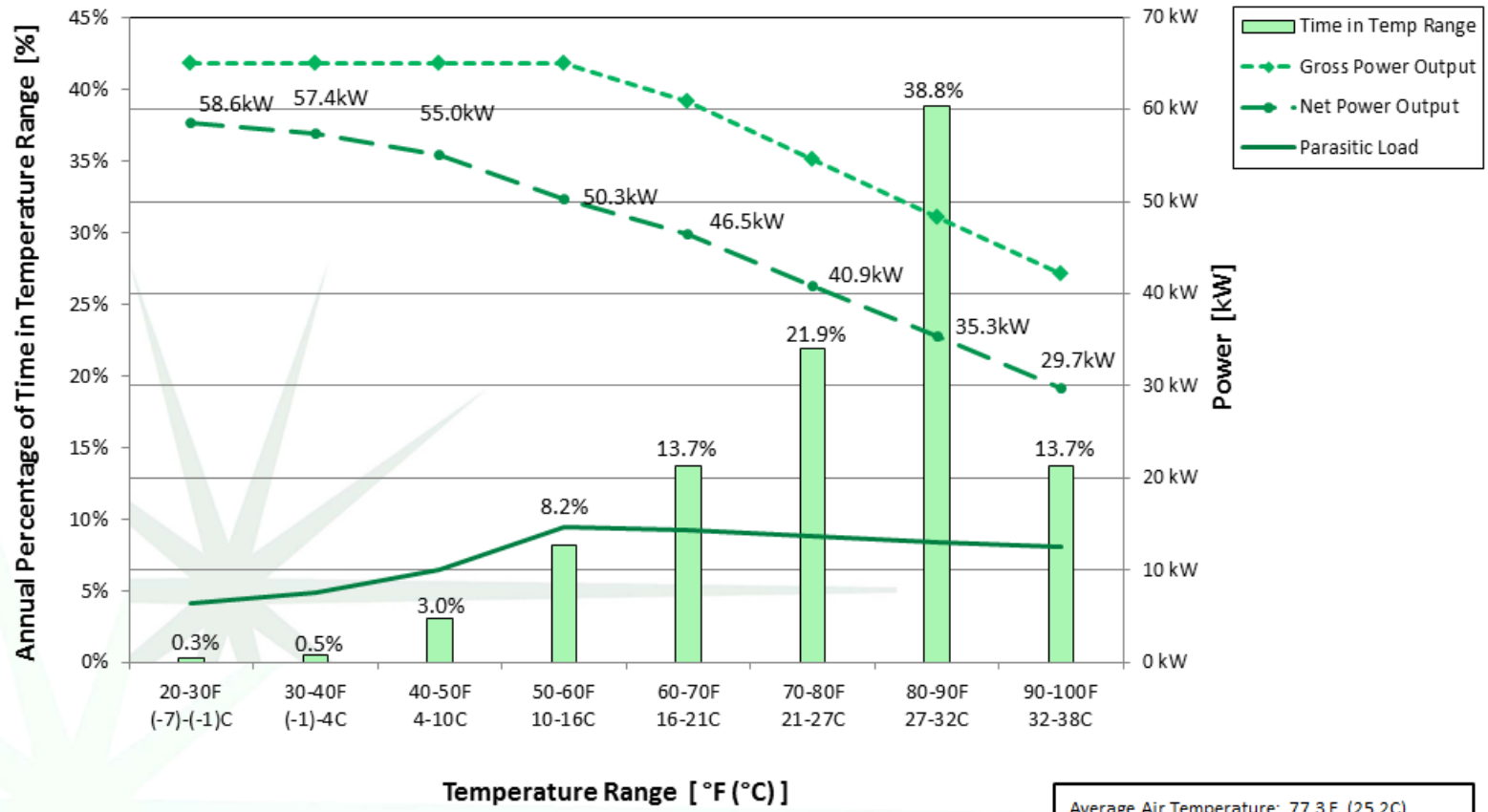
*Please note: This chart is only an estimate based on customer supplied information and past average weather data

Average Air Temperature: 60.7 F (16.0C)
 Hot Water Temperature: 240F (116C)
 Available Heat: 800 kW
 90% Annual Runtime



Estimated Air Cooled Annual Output for Laredo, Texas

Total Annual Net Power Output: 309,819 kWh Average Net Power Output: 39.3 kW Average Gross Power Output: 52.6 kW



*Please note: This chart is only an estimate based on customer supplied information and past average weather data

Average Air Temperature: 77.3 F (25.2C)
 Hot Water Temperature: 240F (116C)
 Available Heat: 800 kW
 90% Annual Runtime

The Challenges

- Low hot water flows (160gpm optimal) ●
- “Hot” wells – not so hot (200F good/220F better/240F best) ●
- Not Applicable to large scale power production ●
 - NO Need for aggregation of wells
- Difficulties/expense of onsite construction in remote locations ●
- Operating Personnel (not required - operation controlled from Reno) ●
- Service support ●
- Not primary task of O&G producers ●
- Economics (30% ITC + 10 cent+ power = 3-4 year payback) ●

In Summary

- ElectraTherm targets existing sources of waste heat to convert to electricity via an Organic Rankine Cycle (ORC).
- Our applicability to the Oil & Gas industry is existing – small-scale power generation from co-produced water/rejected heat from gas compression/amine processing plants/etc.
- First successful plug and play install in Mississippi, with more projects and field trial learning planned.
- 823,000 Oil & Gas wells equals waste heat resources available today. No drilling, no risks. Wells are characterized. There are up to 3 GW of potential power currently waiting to be tapped.
- Come and visit the GCGE booth to learn more.



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NCET | Nevada's Center for
Entrepreneurship
and Technology

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2009 Green Company
of the Year



THE WALL STREET JOURNAL
International Innovation Award
Energy 2009



Popular Science Best of 2008
Green Technology



Geothermal Energy Association Best of Show;
Best Scientific Paper 2007