

300°C DDS + 300°C MWD

Project Officer: Bill Vandermeer

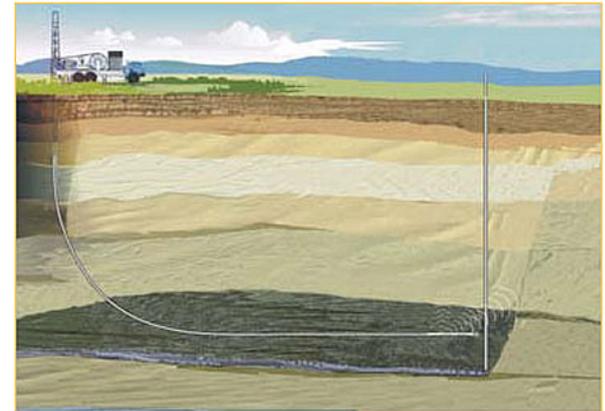
Total Projects Funding: \$6.25 MLN + \$6.25MLN

April 24, 2013

Principal Investigator (always include)
Aaron Dick and Jochen Schnitger
Baker Hughes

Track Name: EE0002782 + EE0005505

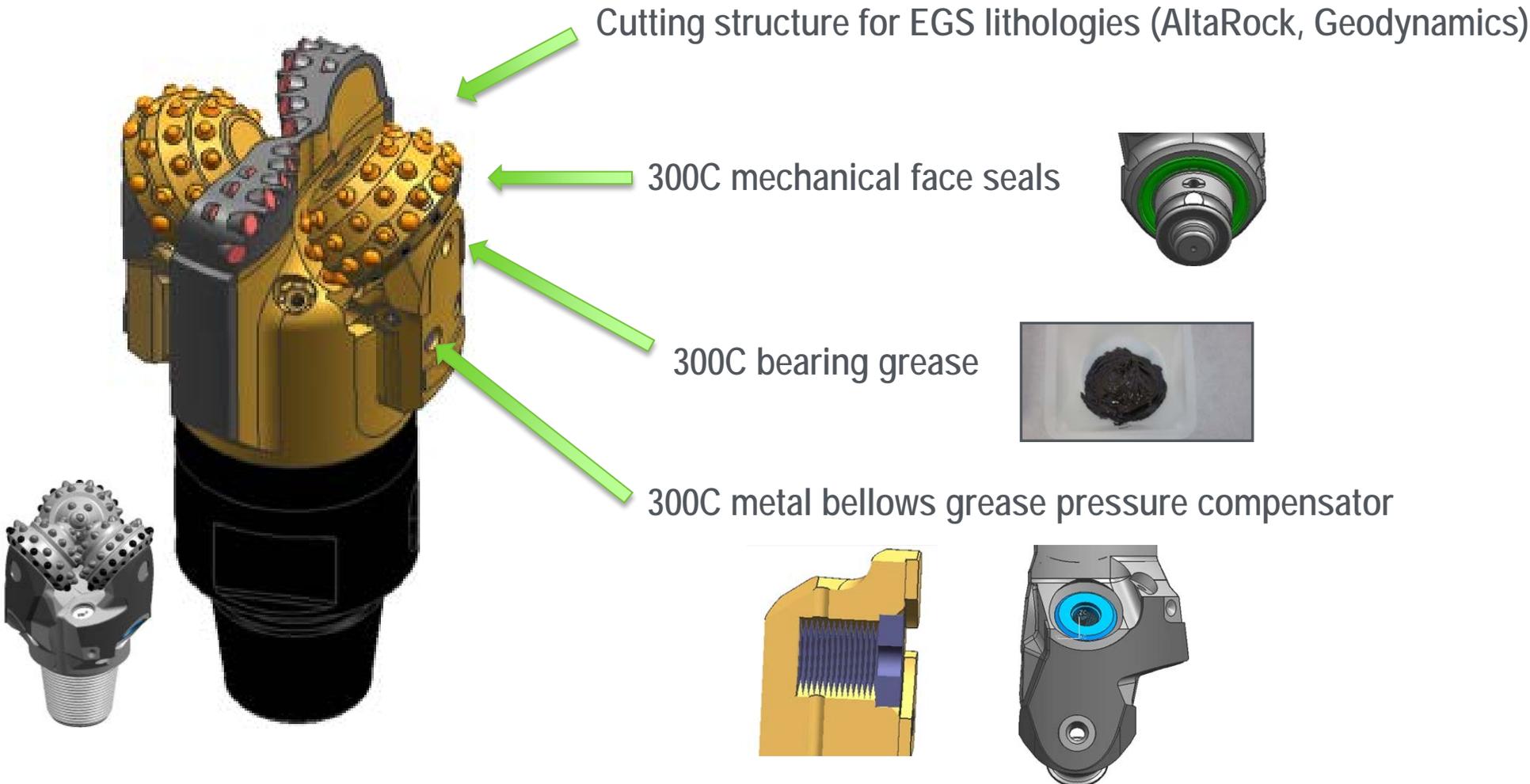
- A directional drilling system (DDS; EE0002782) and directional measurement-while-drilling system (MWD; EE0005505) for geothermal applications will operate in hard rock at depths as great as 10,000 meters and temperatures as high as 300°C.
- Enhancing productivity of EGS
 - Known
 - Geology
 - Local heat capacity
 - Design wellbore
 - Placement in the fractured system
 - Increase volume productive zones
 - Commercial DDS and MWD are functional up to 200°C
- Aligned with GTP R&D goals:
 - Drilling systems: 3x faster rate of drilling than conventional rotary drilling, depths up to 10,000 meters and temperature up to 300°C
 - Downhole tools: Depths of 10,000 meters and temperature up to 300°C



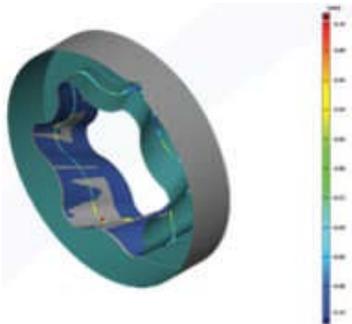
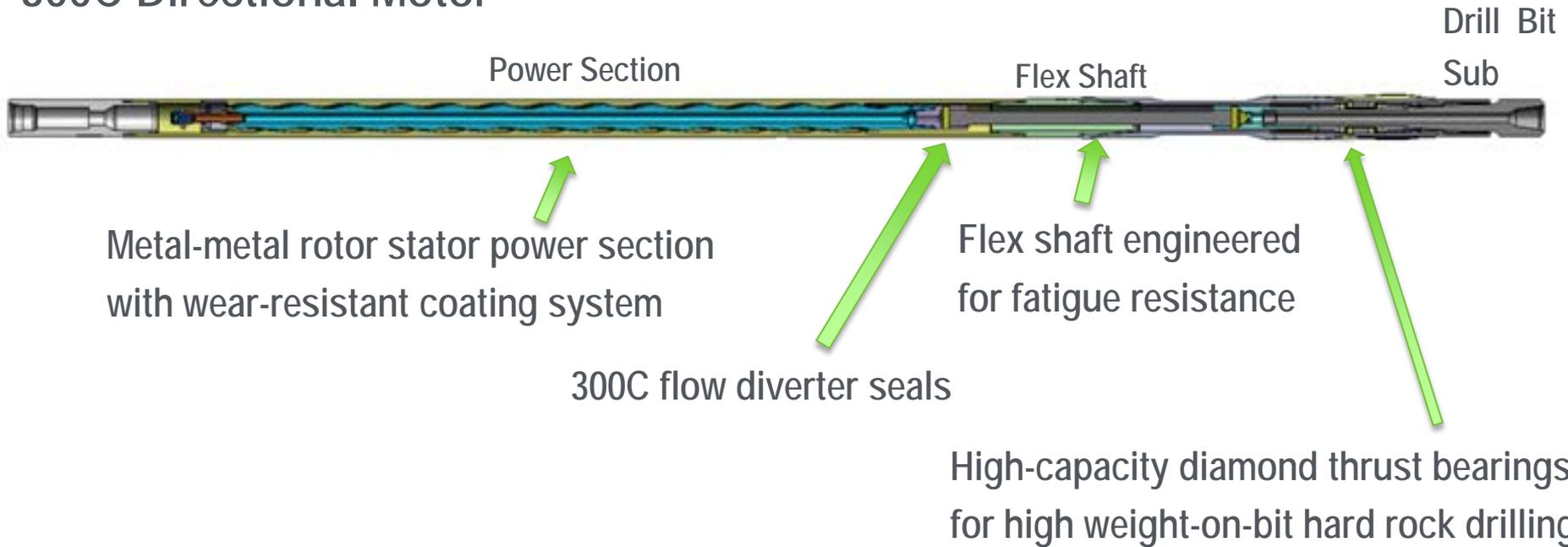
From www.netl.doe.gov

- Components
 - Drill bit
 - Steerable motor
 - Drilling fluid / equipment
 - Telemetry device
 - Power module
 - Downhole electronics
 - Navigation instrument
- Impact
 - Combining tools of both projects will deliver a complete directional drilling system with MWD navigation, that is capable of 300°C operating temperatures

300C Drill Bits



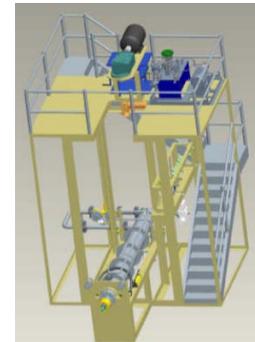
300C Directional Motor



New manufacturing methods



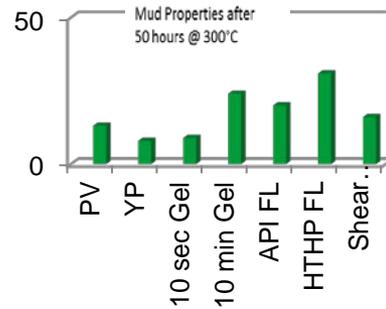
4³/₄-in. metal-metal motor flow loop test



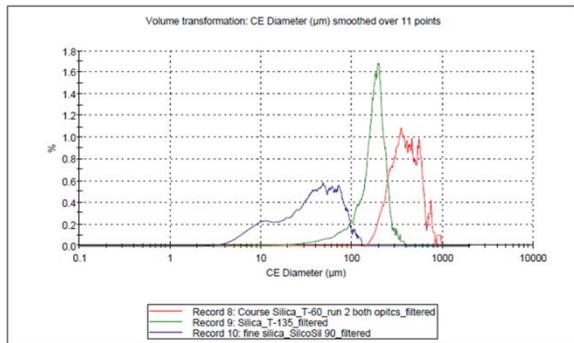
4³/₄-in. 300C test stand

300C Drilling Fluid

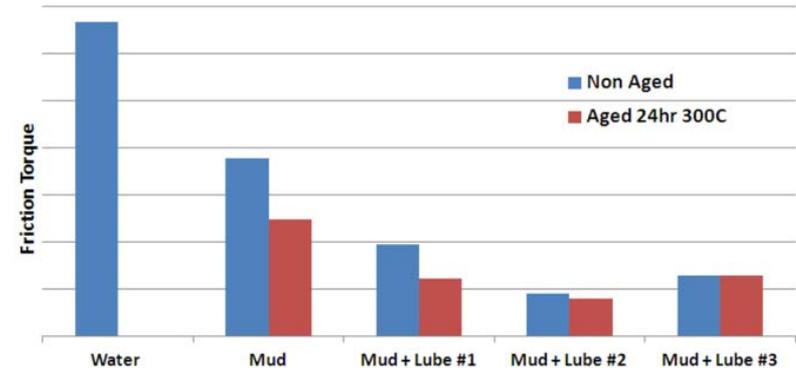
- Thermally stable drilling fluid aging @ 300°C



- Test fluids with abrasive particles for metal-metal motor coating tests



- Lubricant / Wear reduction – Increase motor run time

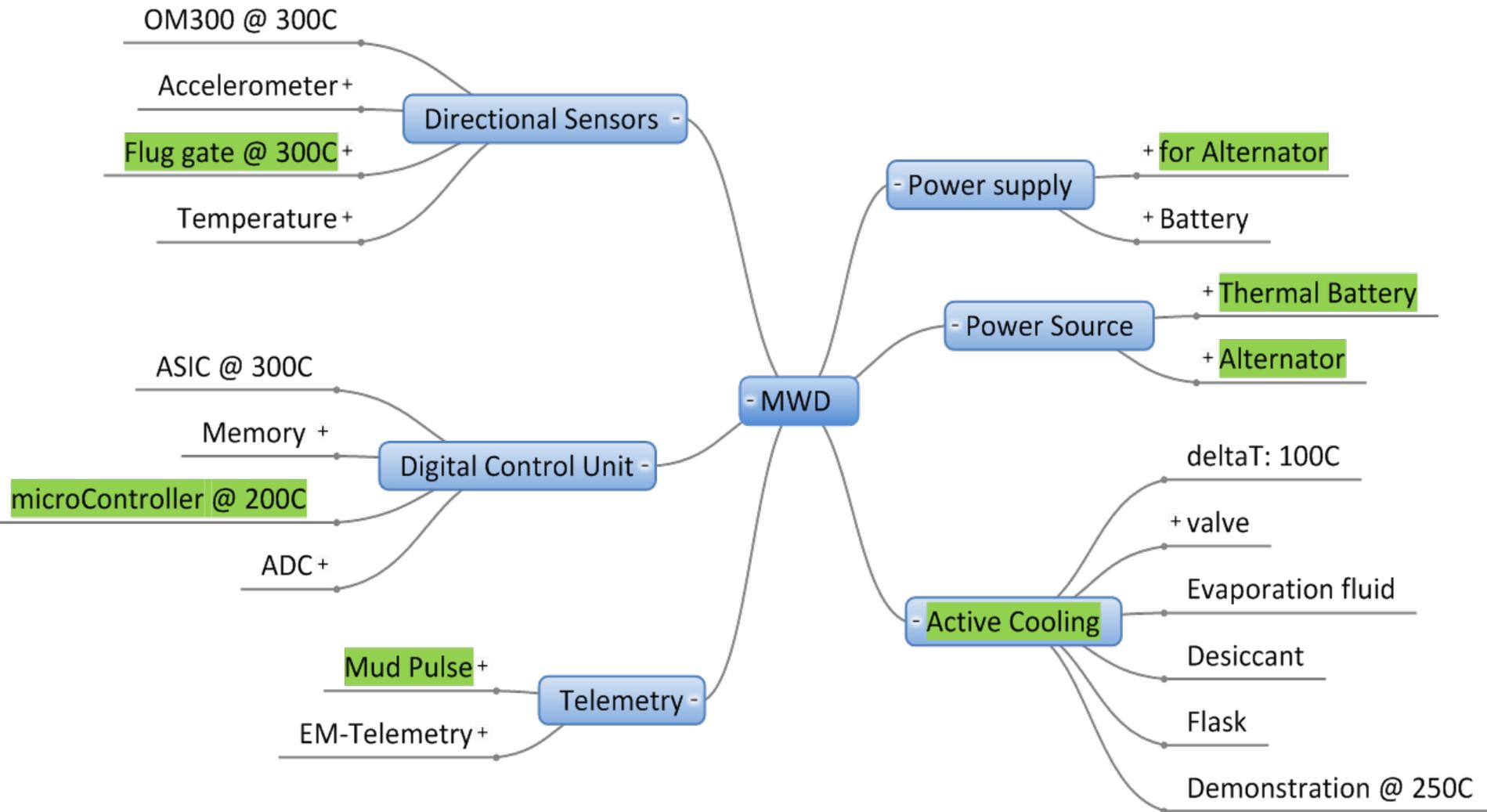


- Block on ring wear test

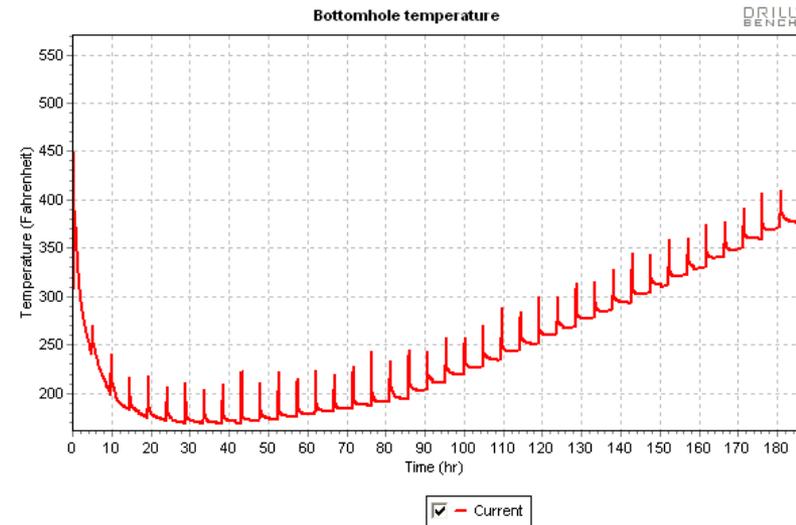
Mud No Lube

Mud With Lube

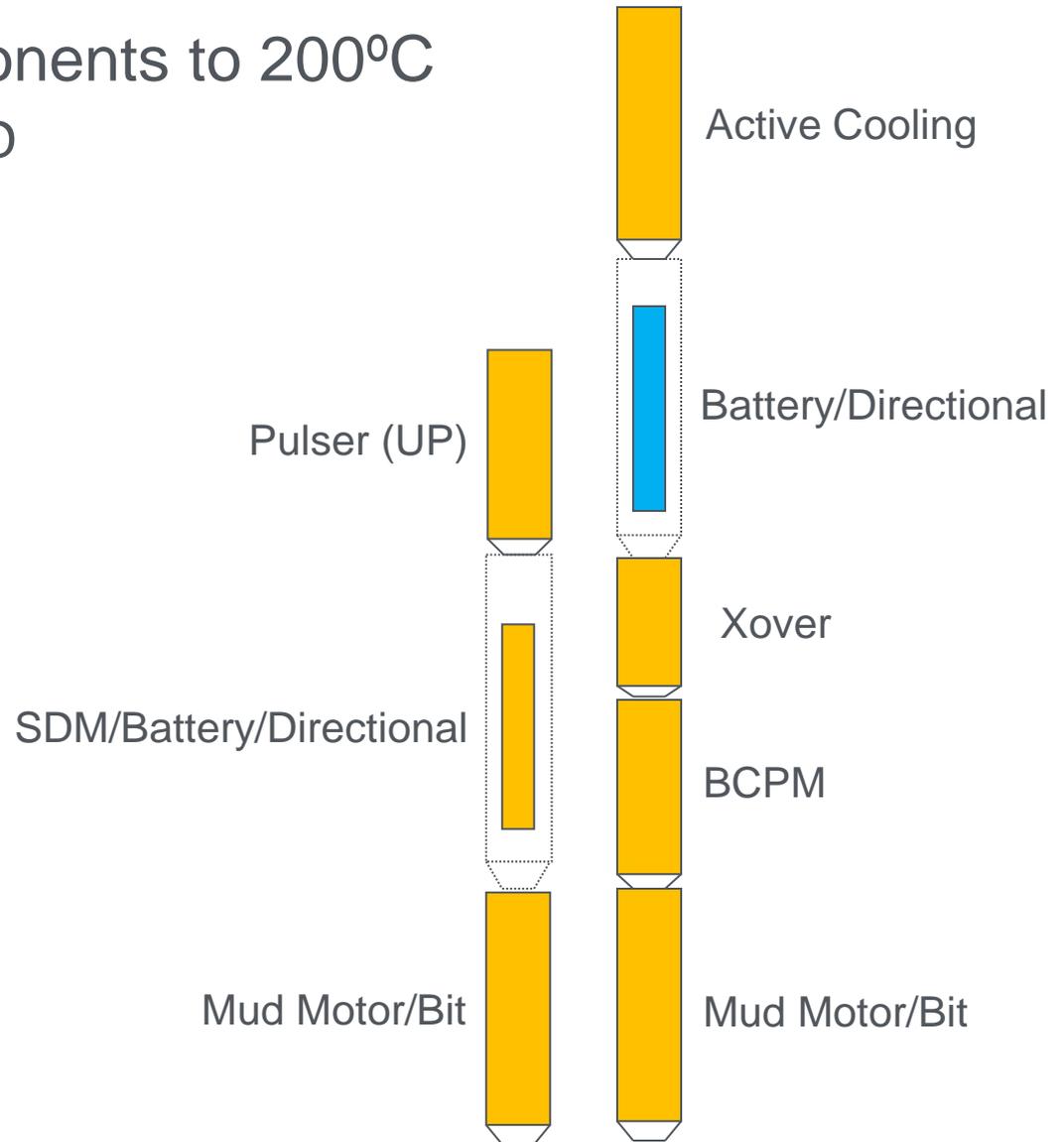




- Description of EGS environment
 - Lithology
 - Hard fractured rock strengthened by hydrostatic pressure
 - Temperature
 - Static formation temperatures to 325°C (Newberry)
 - PresMod simulation of circulation temperature
 - Temperature at BHA
 - Temperature variation at BHA
- Evaluation of components
 - Data sheets
 - Independent tests
 - Development of demonstrators



- Cooled modules/components to 200°C
 - Directional sensors, RTD
 - Digital control unit
 - (control valve)
- 300°C modules
 - Telemetry
 - Power source
 - Power supply
 - Active cooling



Accomplishments, Results and Progress

Original Planned Milestone/ Technical Accomplishment	Actual Milestone/Technical Accomplishment	Date Completed
Directional Drilling System Phase 1 Concept (Bit, Fluid, Motor)	System concepts created for Newberry and S. Australia EGS	6/22/2011
Directional Drilling System Phase 2 Design (Bit, Fluid, Motor)	Designs created for Tricone and Kymera hybrid bits, metal-metal motor, drilling fluid with lubricant additive	Bits – 9/28/12 Motor – 12/14/12 Fluid - pending
Directional Drilling System Phase 3 Manufacture (Bit, Fluid, Motor)	Drill bits –fabrication started Motor – 4¾-in. fabricated and tested, 6¾-in. started Fluids – recipes created and priced out	Bits – started Motor – started Fluid - started
Directional Drilling System Phase 4 Test (Bit, Fluid, Motor)	BETA test site – well cased to granite basement rock for system test	

Original Planned Milestone/ Technical Accomplishment	Actual Milestone/Technical Accomplishment	Date Completed
MWD - Concepts for active cooling system	Concept with and without active cooling; cooling different sub-systems	
MWD - Evaluate and select directional sensors	300°C – OM300; 200°C to 230°C accelerometers and flux gates	
MWD - Evaluate and select electronics for active Cooling	200°C multi-chip modules; packaging; single components	
MWD - Concept and selection for active cooling system	In collaboration with GEBO and Lower Saxony program, critical components identified	
MWD - Identify power supply and Telemetry concept	Concept phase for EM and mud pulse; Test of thermal batteries; Alternator wiring	

No decision made. Overall system must have the lowest risk!

Directional Drilling System (Bit, Motor, Fluid)

- Jan 2013 – Aug 2013: Manufacture
 - Complete manufacture of 9 bits (April), 3 motors (August)
 - 300°C motor test stand installed at Houston facility in June
 - Procure materials for fluid batches
- April 2013 – March 2014: System Testing
 - Drilling simulator test of bit + fluid in granite in April
 - System testing - Baker Hughes Experimental Test Area (BETA)
 - Identify suitable field test opportunity to directionally drill hot hard rock and execute test
 - Forensic evaluation of tools
 - Project conclusions and commercialization.

Measure While Drilling (MWD) Tool

- Evaluation of concepts
 - Design and Manufacture experimental systems
 - Test and evaluate experimental systems
 - Analyze concept
 - Perform peer review
- System
 - Telemetry – Mud pulse – servo amplifier
 - Telemetry – EM – driver of a high current
 - Power source – alternator – testing of mechanical integrity of windings
 - Power source – thermal batteries – operational handling
 - Active cooling – test at 250°C – upgrade components to 300°C
- Go/No-Go gate in January 2014
 - Instead of May 2013
 - Delayed patent waiver
 - Joint development agreements

- MWD
 - Sub components evaluated
 - Several design concept are developed
- Directional Drilling Tools (Bit, Motor, Fluid)
 - Manufacture phase started
 - 9 ea. 8½-in. diameter bits, 3 ea. 6¾-in. motors and fluid recipe complete in August
 - BETA system test in September

Timeline:

Planned Start Date	Planned End Date	Actual Start Date	Current End Date
4/1/2010	4/30/2013	4/1/2010	9/30/2013

Budget:

Federal Share	Cost Share	Planned Expenses to Date	Actual Expenses to Date	Value of Work Completed to Date	Funding needed to Complete Work
\$5,000,000	\$1,273,000	\$3,543,000	\$3,663,000	\$3,849,750	\$2,567,000

DDS

Timeline:

Planned Start Date	Planned End Date	Actual Start Date	Current End Date
1/1/2012	12/31/2014	1/5/2012	4/30/2015

Budget:

Federal Share	Cost Share	Planned Expenses to Date	Actual Expenses to Date	Value of Work Completed to Date	Funding needed to Complete Work
\$5,000,000	\$1,250,000	\$854,000	\$354,474	\$377,475	\$5,993,000

MWD

- Keep/establish contact to EGS operators
- Collaboration with international funded programs
 - GEBO – Germany
 - Lower Saxony program – Germany
- Project delays
 - Receiving patent waiver in May 2012 / Kick off meeting in June 2012
 - Joint development agreements