



High Temperature 300° C Directional Drilling System

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DE-EE0002782

– Timeline

- Project Start Date: 12/29/2009 (6/15/2010 est.)
- Project End Date: 12/28/2012 (6/14/2013 est.)
- Percent Complete: 0%

– Budget

- Total project funding: \$6,363,900
- DOE share: \$5,000,000
- Baker Hughes Share: \$1,363,900
- Funding 2009: \$0
- Funding 2010: \$690,000 (est.)

– Barriers

- EGS Well Construction Capability:
 - The inability to drill and complete wells meeting EGS requirements (high temperature, high flow rate, low cost) results in a greater risk of impairing production or even losing wells when drilling

- Objective:
 - provide a directional drilling system that can be used at environmental temperatures of up to 300° C, and at depths of 10,000 meters.
- Drilling System Components:
 - Drill Bit:
 - Will investigate PDC, Roller Cone and Impreg Diamond bits, matched to motor and fluid
 - Steerable Motor
 - Will investigate PDM (positive displacement motors), technical fallback is turbine but issue matching with drill bit.
 - Drilling Fluid / Equipment
 - Will develop a drilling fluid & lubricant for 300C
- Impact
 - Capability (directional wells) and efficiency (goal is 50 hours plus on-bottom).

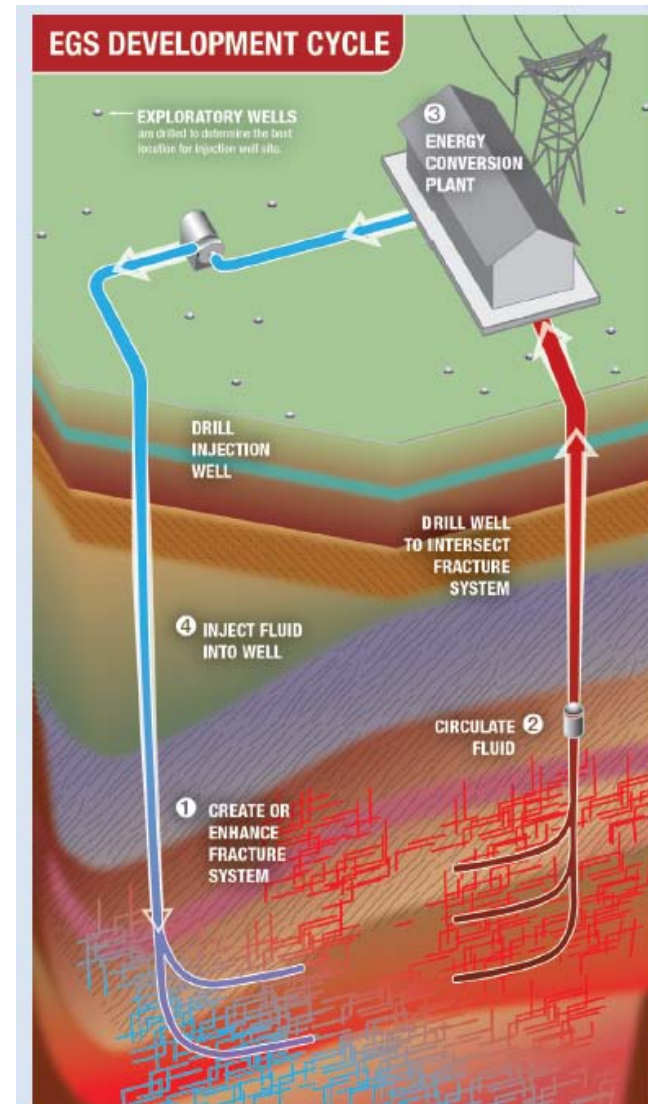


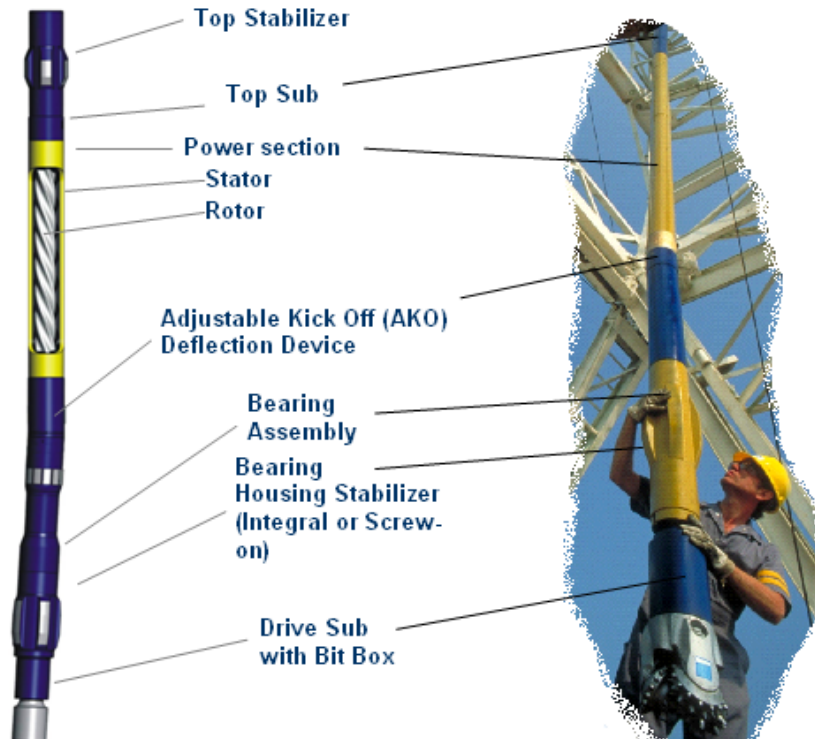
Figure 1.2. Enhanced Geothermal Systems

- Project divided into 3 phases for each component:
 - Concept: with go/no-go decision point after 1 year
 - Design, manufacture, assemble and laboratory system test
 - Testing: controlled, commercial
- Bit Concepts:
 - Roller Cone
 - Challenges: seal technology
 - PDC Bit
 - Challenge: Compact thermal stability
 - Impreg bits
 - Challenge: Drilling efficiency

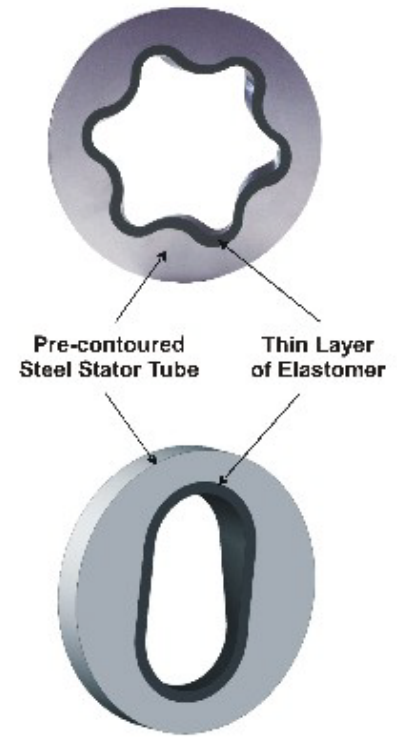


- Positive Displacement Motor
 - Challenge: Elastomer, bearings, material corrosion

Components of a Mud Motor



190 C



- Drilling Fluid Challenges:
 - Thermal stability of products and drilling fluid system
 - Stability of rheological properties / mud gellation
 - Stability of filtration control products / poor filter cake quality & high fluid loss
 - Loss of lubricity
 - Contamination – Ability to tolerate a moderate amount of contamination (drilled solids, salt, hardness, cement, CO₂ and H₂S)
 - Increased mud weights for hole stability at greater wellbore depths and possible abnormal pressure
 - Suspension of weighting agents
 - Lost Circulation

- Progress:
 - Early days, signed patent waiver received, putting together team and resources.
 - Principal investigators / project managers
 - Aaron Dick: Principal investigator, technical lead drill bit and material science. Extensive experience in drill bit design, especially seal technology, materials.
 - Carsten Freyer: Project management, inter-divisional geothermal programs. Extensive project management experience in MWD systems.
 - Mike Otto: Technical lead, drilling fluids. Over 30 years experience, primary expertise with HTHP fluid applications including geothermal drilling fluids.
 - Kyle Taylor: Technical lead, steerable motors. Extensive MWD and wireline mechanical design experience, including both mud motors and turbines.

Major Project Deliverables & Milestones



- 2 Project launch during Q2 2010
- 3 End of prototype testing during Q2, 2013

- FY10:
 - Assemble teams, develop working concepts
 - Analysis of hard rock drillability data
 - Conceptual layout of bits
 - Laboratory Evaluation of Drilling Fluid
 - Evaluate Waste Management Equipment
 - Laboratory Verification of Drilling Performance
 - Evaluation of Alternative Downhole Drive and Steer Concepts
 - Match Motor Performance with Drill Bits
- FY 11:
 - Prioritize Motor/Steer Concept Opportunity
 - Provide 300C DDS Integral Concept
 - GO/NO-GO Decision in Q2 FY 11 (1 year into project)

- Objective:
 - provide a directional drilling system that can be used at environmental temperatures of up to 300° C, and at depths of 10,000 meters.
- Drilling System Components:
 - Drill Bit, Steerable Motor, Drilling Fluid / Equipment
 - Development of 3 prototype systems with field testing
- Impact
 - Capability (directional wells) and efficiency (goal is 50 hours plus on-bottom).
- Risk
 - Materials (elastomers, or absence thereof)
 - Complex system at 300C
- Currently starting teams, locating resources
- GO/NO-GO decision point after 1 year in a 3 year research project.