Drilling Rig Electrification – Barnett and Beyond AADE Technical Symposium, 2012

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Electric Drilling Project

- Project Overview
- Rig Fleet / Equipment
- Current Progress
- Economic Summary





• Originated at DFW Airport in 2007, expanded into entire Barnett district in 2009

- Use of mobile transformer skids to run diesel-electric rigs on grid power
- 7 transformer skids available in the Barnett (owned by Great Plains, Chesapeake Subsidiary)
- Contracting electrical engineering/consulting through Rapid Power Management; Dallas, TX
- 12 rigs in the Barnett fully capable of utilizing transformer skids
 - Nomac 20 series, Nomac 140 series (Formerly Mountain), Trinidad 110,111, 129 and 130.
- Ideal for pad drilling or an area with power grid in place and nearby
 - Each pad incurs a cost for engineering, layout design, equipment installation, Right of Way, and electrical hookup.



Benefits of Electricity for Drilling Rigs



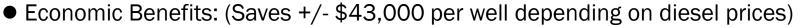
<u>CO2 Emissions</u> (4.2 Tons per Rig per Day) reduced to +/- 0

Nox (Nitrogen Oxides) 55 TPY (4.6 Tons per Well) reduced to +/- 0 TPY (Tons per year)

<u>VOC (Volatile Organic Compounds)</u> 2.5 TPY (0.2 Tons per Well) reduced to +/- 0 TPY

Eliminates Drilling Rig Noise

75 dB reduced to +/- 0 dB





Electric Drilling Fleet



Nomac Drilling National 610 Drilling Rigs Derrick Height: 170' 750 HP Fuel Usage: 1500 GPD Electric Power: 1500 kilowatts Voltage: 600 Volts

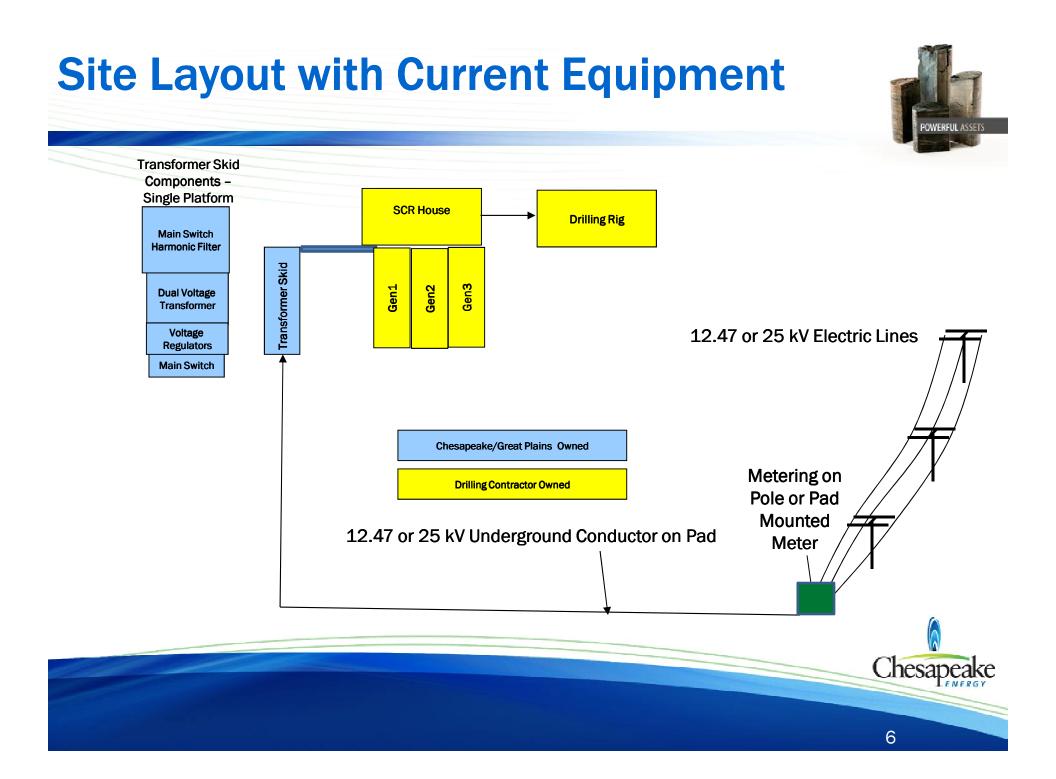
Trinidad Drilling Victory 1500 AC Drilling Rigs Derrick Height: 142' 1,500 HP Fuel Usage: 1800 - 2200 GPD Electric Power: 1500 kilowatts Voltage: 600 Volts





Nomac 140 Series Drillmec HH-220 Drilling Rigs Derrick Height: 100' 1500 HP Fuel Usage: 2015 GPD Electric Power: 2200 kilowatts Voltage: 600 Volts

Chesapeake



Electrical Skid Design Improvement



June 2008

March 2009



- 4.16 kV to 600 Volt
- 2500 kVA Transformer
- 525 kVAr Harmonic Filter



- 12.5 or 25 kV to 600V
- 3750 kVA Transformer
- 1000 kVAr Harmonic Filter





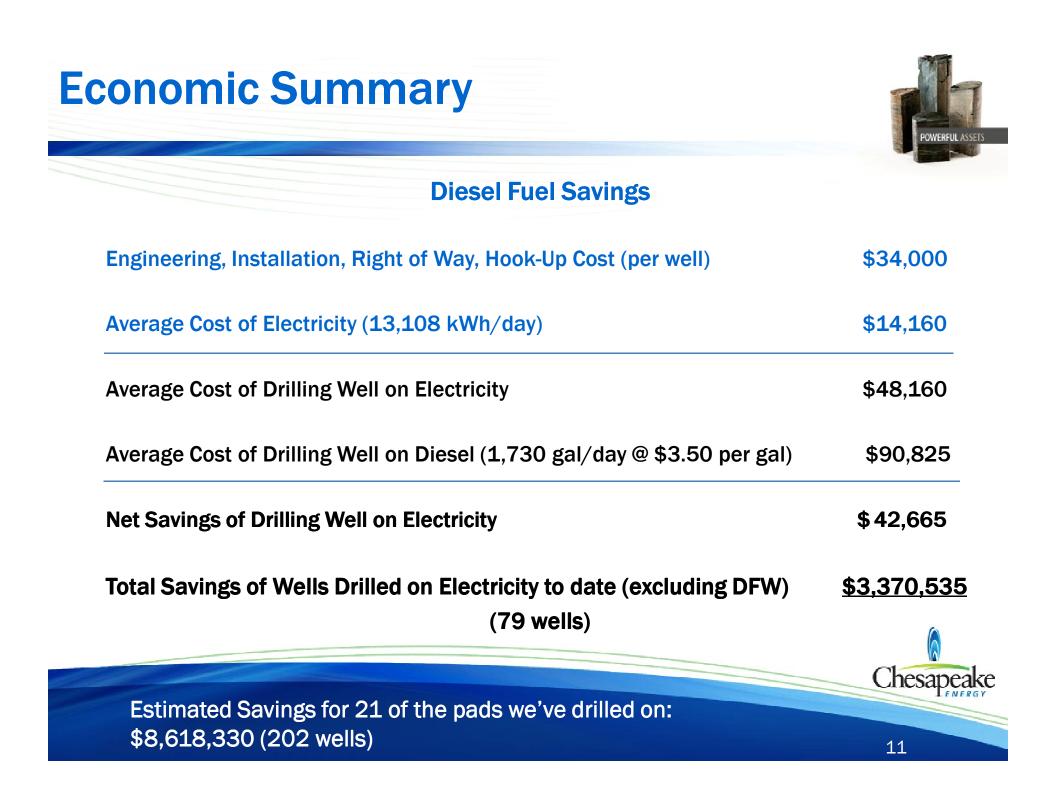
•Transforms 12.47 or 24.9 kV to 600V for Rig Power •Mitigates rig power distortion on utility network •Provides Main 600 V Disconnect for Rig. Main 600 V Electric Disconnect (behind panel) door **Main Electrical** Transformer Enclosure rpm Chesapeake 9

Transformer and Capacitor Bank / Harmonic Filter



- From 1 padsite outside DFW Airport in 2009 to 102 padsites as of December, 2011
- 56 padsites 100% ready; 46 padsites in progress
- 850 wells planned to be drilled on electricity
- 79 wells drilled on electricity to date (30 padsites) 1,396 drilling days





GM Pad Economics (Barnett)



ENERG

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Diesel Fuel Savings (Single Pad)

	Chesapeak
(15 wells)	6
Total Savings of Wells Drilled on GM Pad w/ Electricity	<u>\$642,825</u>
Net Savings of Drilling Well on Electricity	\$42,855
(Nomac 29 – 1,500 gal/day @ \$3.50 per gal)	
Average Cost of Drilling Well on Diesel	\$78,750
Average Cost of Drilling Well on Electricity (15 days)	\$35,895
Average Cost of Electricity (13,108 kWh/day)	\$12,765
Transformer skid rental - Great Plains (\$1000/day)	\$15,000
Construction, Hookup/Disconnect, Engr . (Per well)	\$8,130

Future Plans

• Continue to bring electricity to padsites that are ideal:

- High Impact
- >7 wells on the pad
- Grid Power readily available
- Economical installation
- Better optimize drilling schedule to keep all 7 skids running
- Complete installation on enough padsites to completely fill all rig lines that have electrical capability
- Possible expansion into other areas



Questions?



