Environmentally Friendly
Drilling Systems
Program

U.S. Energy Association

February 8, 2011

Rich Haut

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www.efdsystems.org







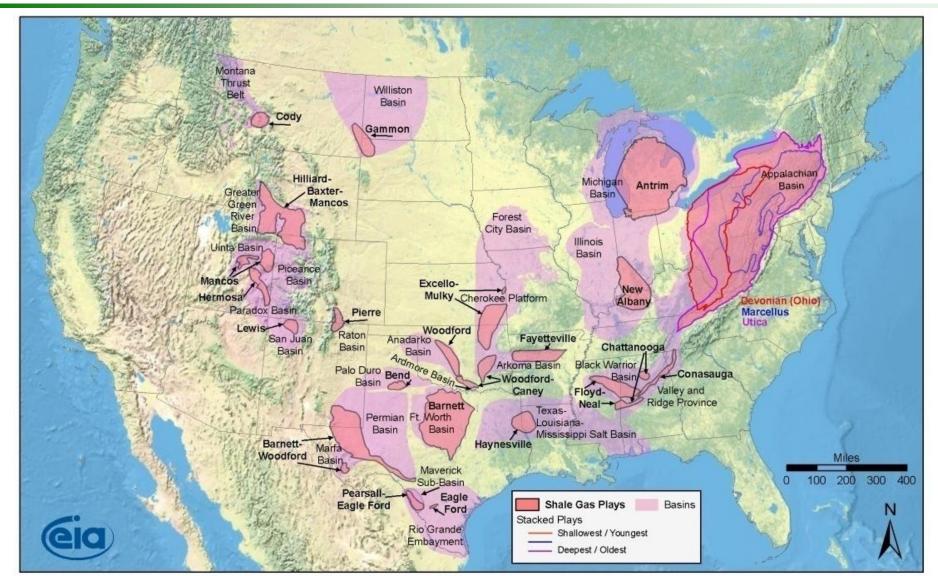
EFD Program History

- Formed Team in 2005 (6 years)
- Texas A&M took lead to obtain
 U.S. Department of Energy Funding
- Formed Joint Industry Partnership to guide and co-fund program
- Phase 2 led by HARC with RPSEA funding
- Formed University/National Lab Alliance
- Initiated EFD-EU





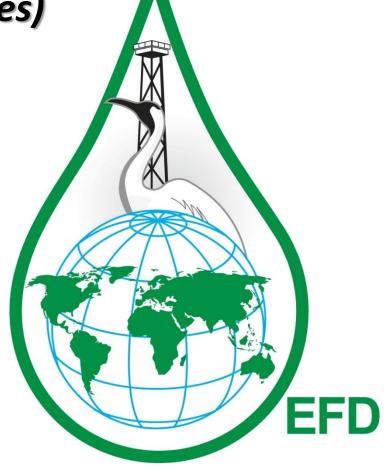
Under our backyard



From the Past

(multiple wells at multiple sites)















To the Present (multiple wells at single sites)















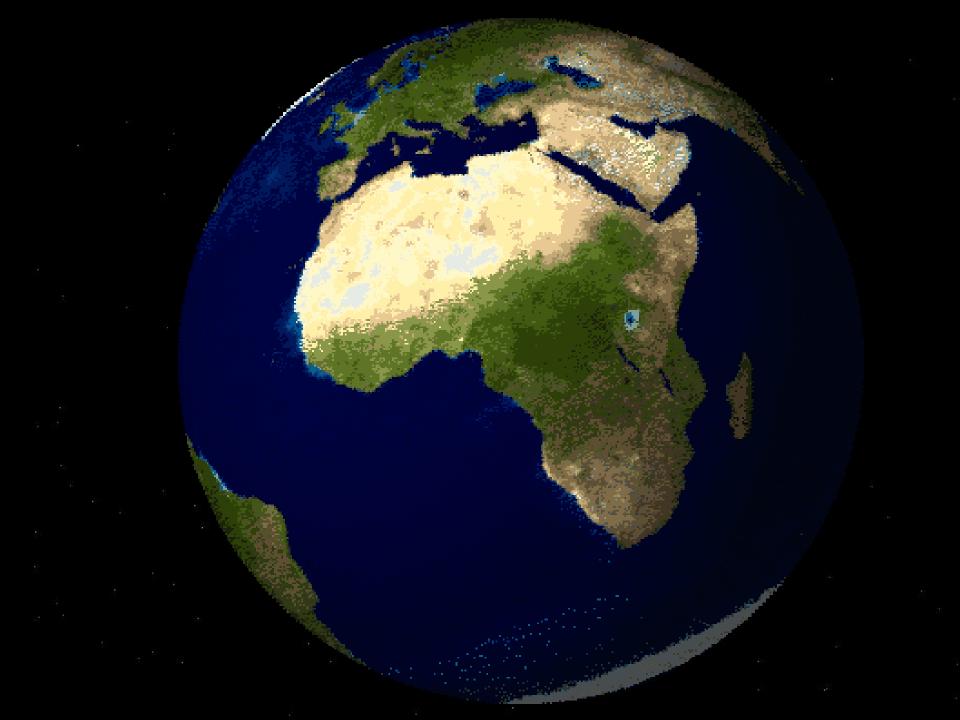


EFD Program Overview

Focus on technologies for environmentally sensitive development of unconventional energy sources that can be used to maintain our standard of living and preserve our quality of life.

The objective is to identify, develop and transfer critical, cost effective, new technologies that can provide policy makers and industry with the ability to develop reserves in a safe and environmentally friendly manner.

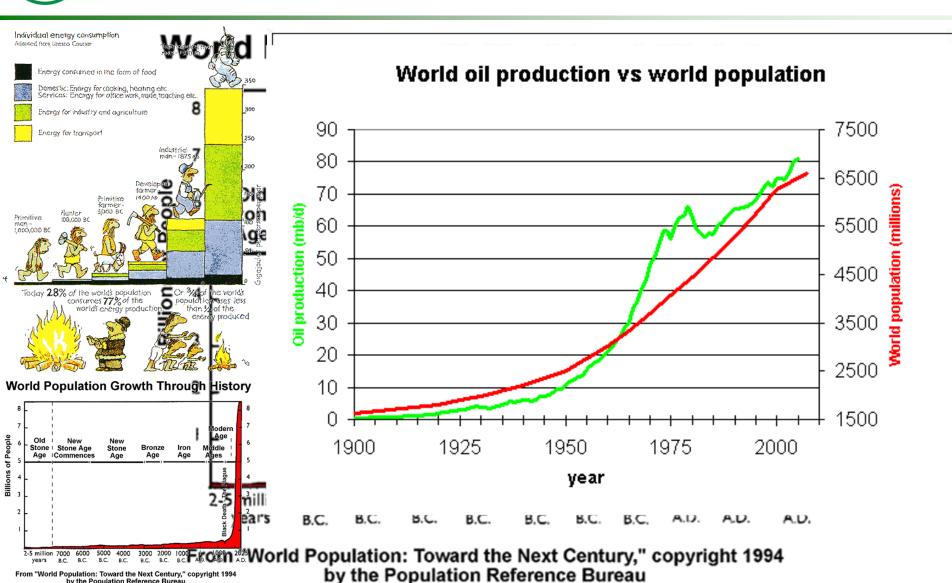
What gets measured, gets done. What gets identified, gets dealt with. What gets expected, gets respected.





by the Population Reference Bureau

Population and Energy





Opposition to O&G Activities





LOCAL NEWS

Developer protests Devo By Joy E. Cressler/Staff Writer Mar 30, 2006, 09:01

BURLESON — A local developer of the Burleson City Council's March 9 development would interfere with pr

The council voted unanimously to ta site, pushing the final decision until

Devon is the owner of a gas lease of Creek Parkway and the Union Pacifi Clayton Husband, the city's director

Devon has applied for gas well pern reviewed by the planning and comm department and the fire marshal's of

The proposed drill site is a 2-acre as southeastern portion of the property

Metropolis: Wednesday, October 29, 2008

Un-Well

Concerns are mounting over health effects of gas drilling.

By PETER GORMAN

Charles Morgan can't sleep at night. The low-frequency noise from the 11 gas compressors at an Anadarko facility about a mile from his home in the little Freestone County community of Lanely gives him such bad headaches that he frequently has to take a motel room to get away from it. Sometimes he just gets into his pickup or Volkswagen and drives to a country lane elsewhere in the county to get free of it. On other occasions he's found himself in the hospital emergency room.



Ashford: "I just hurt in general, and I find myself getting angry." Photo by Naomi Vaughan.



The EFD Team

New York State

Energy Research and Development Authority

Co-funded by RPSEA, Industry, Environmental Organizations

MANAGEMENT TEAM

Katch Kan









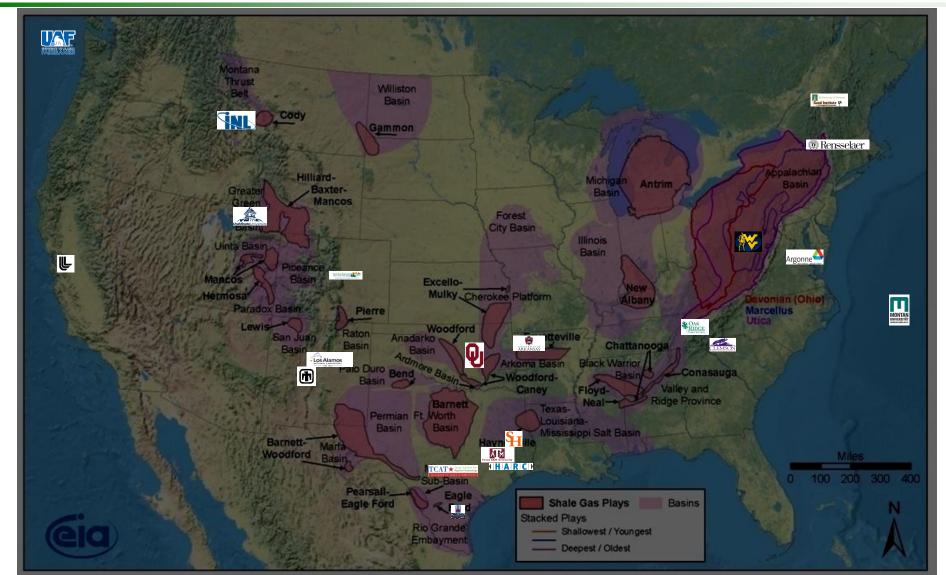
WyoComposites, LLC

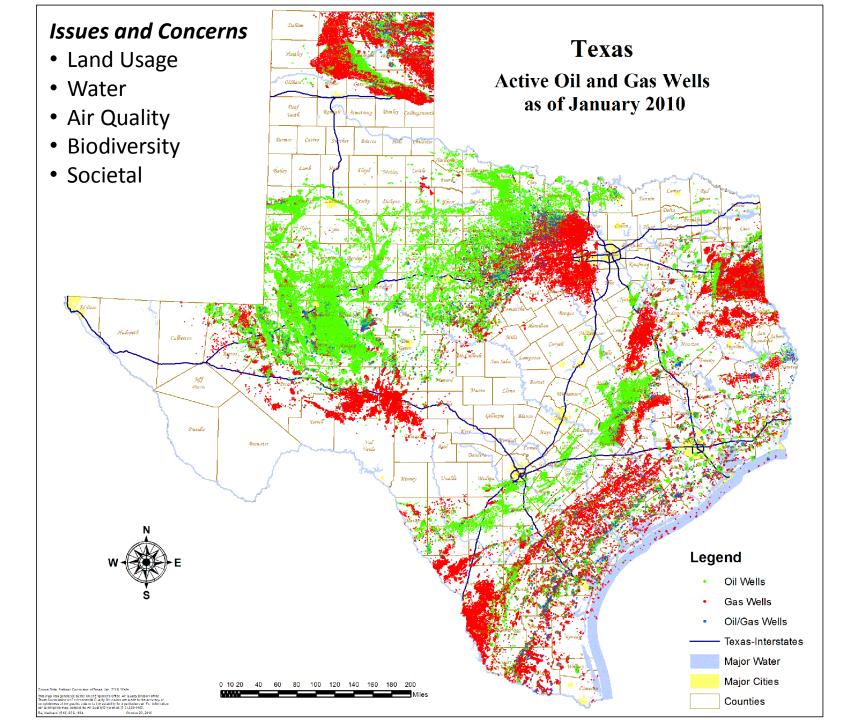






EFD Alliance







Site Access



Every site needs a road to link it to the outside world. New technology promises to protect sensitive environments from the damage that putting in a conventional road causes.



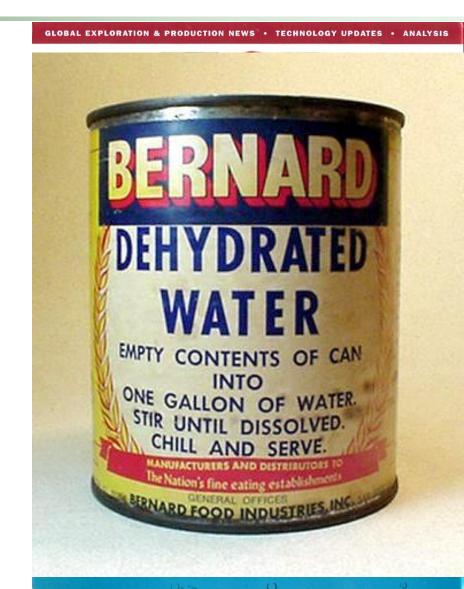
Water World

Life Cycle

- Use of non-potable water
- Produced water management
- Reuse, reinjection
- De-watering of wells
- Cost-effectiveness

Regulations/Policy

- Offshore discharges
- Clean Water Act





Current Membrane Desalination Projects

- Marcellus Shale NY, PA, WV pre-treatment
- Central Texas (Luling) Desalination
- Coastal Texas Geothermal Desalination
- South Texas (Eagle Ford Shale) ground water aquifer protection

MI-SWACO Environmental Solutions





How Rare is Clean Air?

- Urban Issues
 - Non-attainment
 - Permit levels
- Cold-formed Ozone
- Use of Green Completion Technologies
- Regulations/Policies
 - Clean Air Act
 - Greenhouse Gas Issues



The EPA estimates that atmospheric emissions of approximately 250 mscf/yr or 100 metric tons of CO_2 equivalent (CO_2 e) of methane per year could be avoided for each high-bleed controller converted.



Rig Evolution

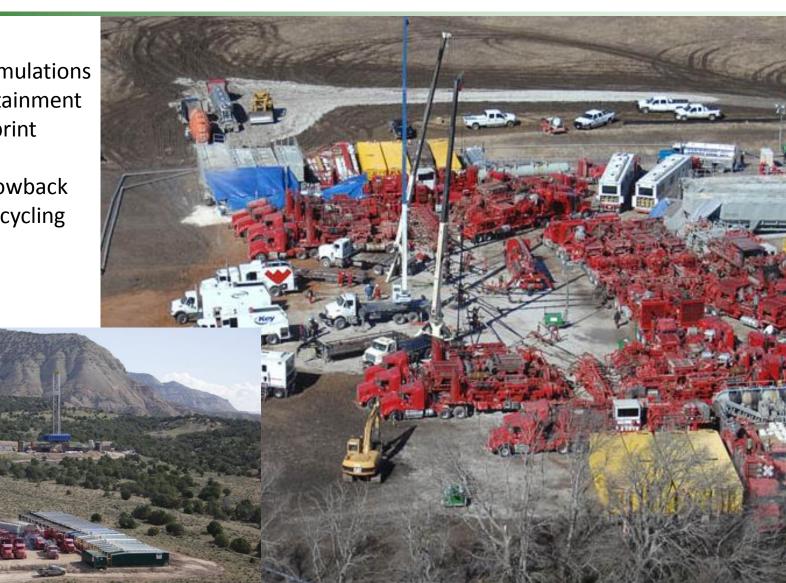




Hydraulic Fracturing

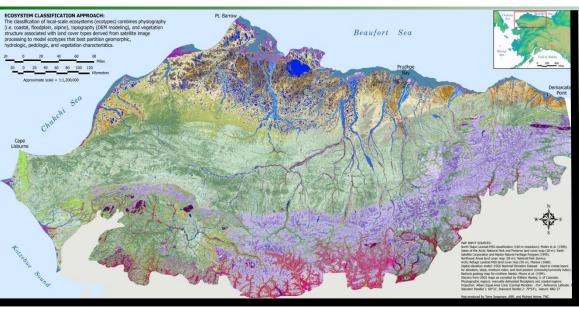
Issues

- Frac fluid formulations
- Fracture containment
- Surface footprint
- Truck traffic
- Frac water flowback
- Frac water recycling





Ecosystem and Biodiversity Measurement and Assessment



Develop tools for adaptive ecosystem management to assist integrated management of land, water and living resources that promotes conservation and sustainable use.

Deliverables

- Document ecosystem management tools and metrics that may be used in coastal, offshore and Arctic regions and then determine which tool(s) could be most applicable.
- Establish a network of researchers that can collaborate to advance the knowledge/application of ecosystem measurement tools and the understanding of risk management issues.



Energy Production and the Attwater's Prairie Chicken



Work with the Nature
Conservancy to study the
effects of gas production
operations on the
Attwater's Prairie Chicken

Deliverables

 Case study on gas production and the Attwater's Prairie Chicken





Getting the Word Out

Free-access, searchable, database and website for best management practices (BMPs).

www.oilandgasbmps.org



BEST MANAGEMENT PRACTICES

The Natural Resources Law Center and its partners welcome you to this free-access website of best management practices (BMPs) for oil and gas development in the Intermountain West. The focus of this website is a searchable database addressing surface resources affected by oil and gas development. The database includes both mandatory and voluntary practices currently in use and/or recommended for responsible resource management in the states of Colorado, Montana, New Mexico,



database is not intended to represent a consensus on what the best oractices are or specific applications nor to advise users on the

current legal requirements for specific locations. Rather, the database describes each practice and documents the source of the practice (who requires or recommends it in what specific applications). The database provides a link to the source of the BMP and, where possible, it provides supplemental information, including construction specifications, illustrations, pictures, maps, monitoring reports, and evaluations of the potential of the practice for mitigating impacts of development. Because practices change over time, database users should check with appropriate authorities to verify the latest requirements and recommendations for your area.

WORKSHOPS AND TRAININGS

The BMP project hosted its first workshop on October 14, 2009 in Rifle CO: Best Practices for Community and Environmental Protection Almost 60 people participated in a field trip hosted by Williams Production and over 170 attended the sessions at the Garfield County Fairground. For details on the Rifle workshop, go to the Rifle Workshop Webpage for a copy of the agenda and powerpoint presentations made at the workshop.

BMP CATEGORIES

The database includes BMPs to address a variety of resources and issues

- · Air quality
- Socioeconomic - Aquatic/riparian values Soils/Surface
- Climate
- Cultural/Historic
- Grazing
- Noise
- Water quantity Wildlife disruption Wildlife habitat

Vegetation

Water quality

Visual aesthetics

Browse all

BMP SEARCH

What management practices are recommended or required for oil and gas development? To find out, use the drop down menus or type Keywords. For a more refined search, click "Advanced Search" or use the BMP SEARCH button.

Keywords:

Category:

Location

Advanced Search...

Submit Query Reset

SEARCH THE BIBLIOGRAPHY

Our searchable bibliography includes over 400 publications, including environmental impact statements, agency guidelines, and many technical reports, websites, and journal articles prepared by government agencies, academics, environmental advocacy groups, and industry. These publications

WHAT'S NEW

Since an informed community is crucial to clear communication and cooperation among interested parties, the new COMMUNITY page is intended to provide communities with the resources. they need for successful planning coordination with industry, and navigation of regulations that apply to oil and gas operations.



The Intermountain BMP Project is a work in progress. Currently, the database includes BMPs for a variety of resources (see the BMP Categories section) from a range of source documents (see the Bibliography), including project Environmental Impact Statements Resource Management Plans, state wildlife agency guidelines, and industry and conservation group reports and websites.

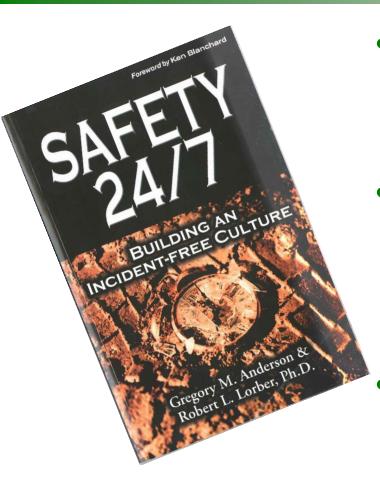
Our newest Resources page additions are Reclamation and Vegetation, Our newest Database effort is to incorporate cost/benefit analysis data and information on the effectiveness of specific BMPs.

PARTNERS

The structure and content of this website is being developed in conjunction with project partners and advisors from government,



Our big challenge: Core Values



 Companies successfully made safety a core value.

 Accomplished by leadership, documenting, measuring and training.

To achieve the same success in environmental performance, will require leaders to also make this a core value.



Scorecard Concepts



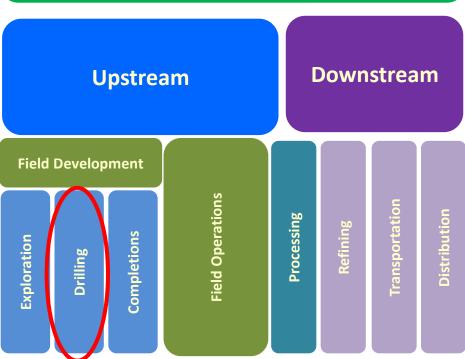


Focus Scorecard on Operation

Concept – USGBC LEED Program



Energy Production *Oil and Gas Operations*



Stakeholder Engagement is Important!

Stakeholders are all those who are affected, interested in or have the capacity to influence a project.

Academia

- Texas A&M University College Station
- Texas A&M University Kingsville
- University of New Hampshire
- UT Medical Center
- Mississippi State University
- Sam Houston State
- University of South Alabama
- John Hopkins University
- University of Arizona
- University of Texas
- University of Houston

Environmental Organizations

- Natural Resources Defense Council
- Environmental Defense Fund
- The Nature Conservancy
- Conservation International
- Mercer Arboretum
- Bureau of Applied Anthropology/Arizona
- Clinton Climate Initiative
- Rocky Mountain Clean Air
- McFaddin Ranch



Industry

- API
- Ballard Exploration
- BP
- Shell
- Chevron
- StatoilHydro
- ConocoPhillips
- Devon
- King Exploration
- Halliburton
- Huisman
- National Oil Well Varco
- MI Swaco
- TerraPlatform
- T. Baker Smith
- Weatherford
- Derrick Equipment
- Composite Mats
- Ecology and Environmental Inc.
- PTTC
- IADC

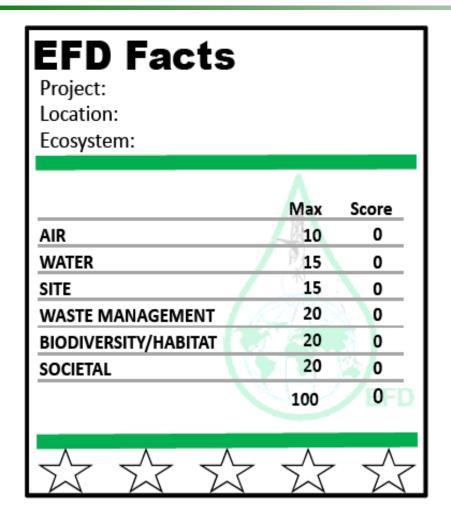
State/Federal Agencies

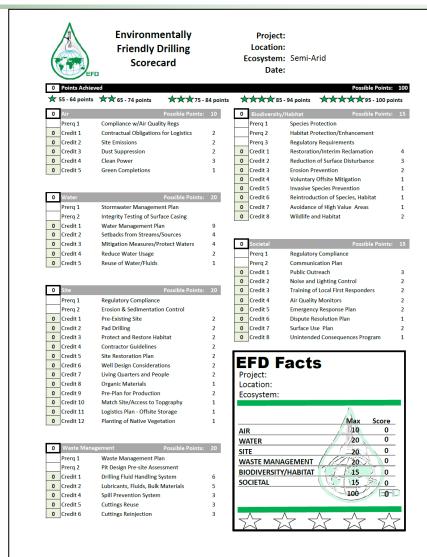
- US Department of Energy
- Bureau of Land Management
- US Park Service
- Texas Railroad Commission
- Texas General Land Office
- Texas Dept. of Agriculture
- Texas Dept. of Transportation
- US Minerals Management Services
- Texas Parks & Wildlife
- Texas Water Board
- Texas Commission on Env. Quality
- US Environmental Protection Agency
- US Fish and Wildlife
- Argonne National Laboratory
- Big Thicket Preserve
- Idaho National Laboratory

Source: Connor Development Services Ltd



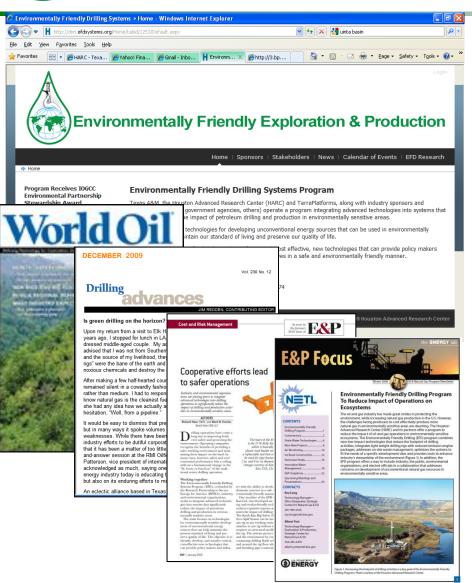
Tradeoff Scorecard Development







Outreach and Technology Transfer



Publications/Articles

Exhibits

Presentations

EFD EU Initiative



- Identify and Transfer Innovation and Cost Effective Best Practices in US and Europe
 - Technology Transfer opportunity
 - EU regulatory requirements that have caused innovation
 - Identify applicable and cost effective practices
 (US and Europe)
 - Inform respective regulators about certain requirements that have not worked well
- Establish a non-government dialogue
- Gas Shale Play issues are of keen interest
- First International Workshop followed
 SPE in Florence September 2010



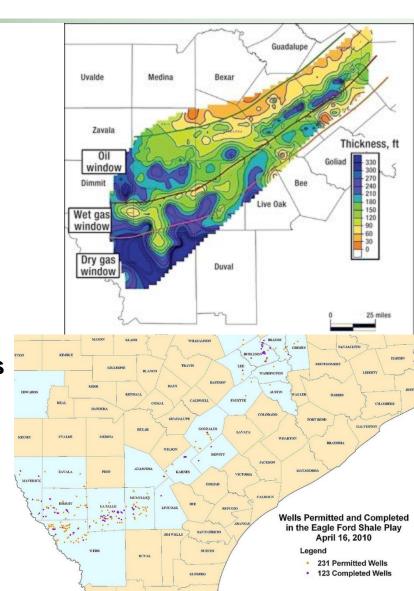
Next Phase

Technology Integration Program

 Integrated approach for applying new technologies

Description

- Field Tests in the Eagle Ford
- Web sites for virtual gas developments
- Outreach/Technology Transfer





Complementary Program

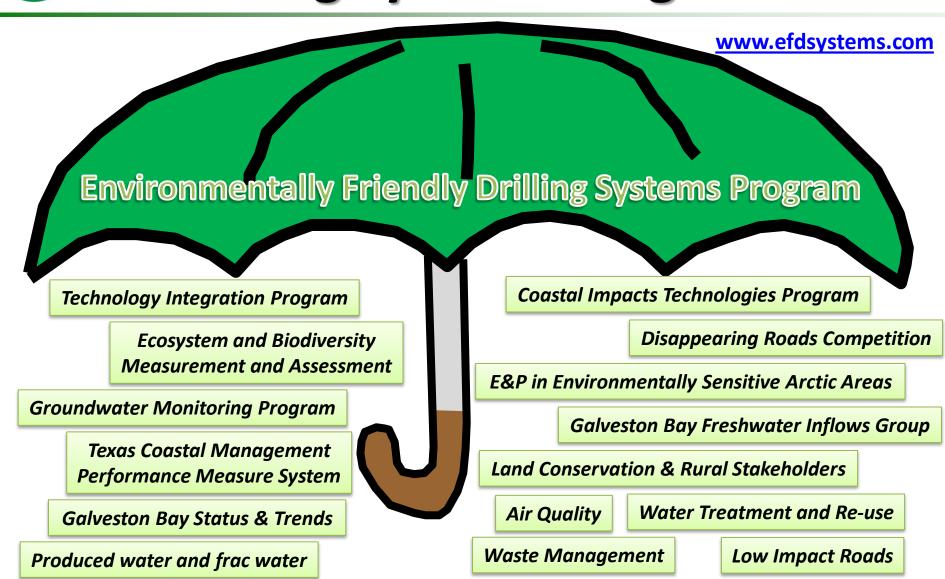
Coastal Impacts Technology Program (CITP)

- Technology Road Mapping
- Environmental Impact Mitigation
 - >Studies
 - > Field Trials
- Inter-State Collaboration
- Workforce Development
 - >Workshops
 - **≻Web Site**
 - Outreach efforts





The Environmentally Friendly Drilling Systems Program





It's not so hard to be green



www.efdsystems.org