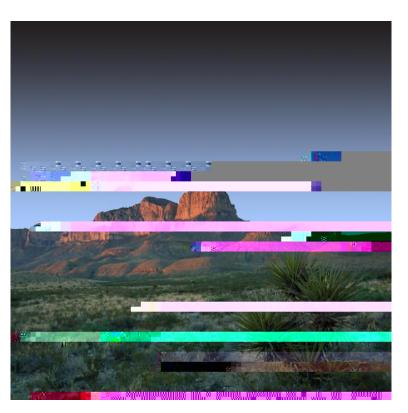
GEOTHERMAL ENERGY UTILIZATION ASSOCIATED WITH OIL & GAS DEVELOPMENT

June 17-18, 2008

Southern Methodist University

Dallas, Texas



El Capitan Mountain

The Capitan Aquifer Ellenburger Production Wells – Geothermal Engine Source?

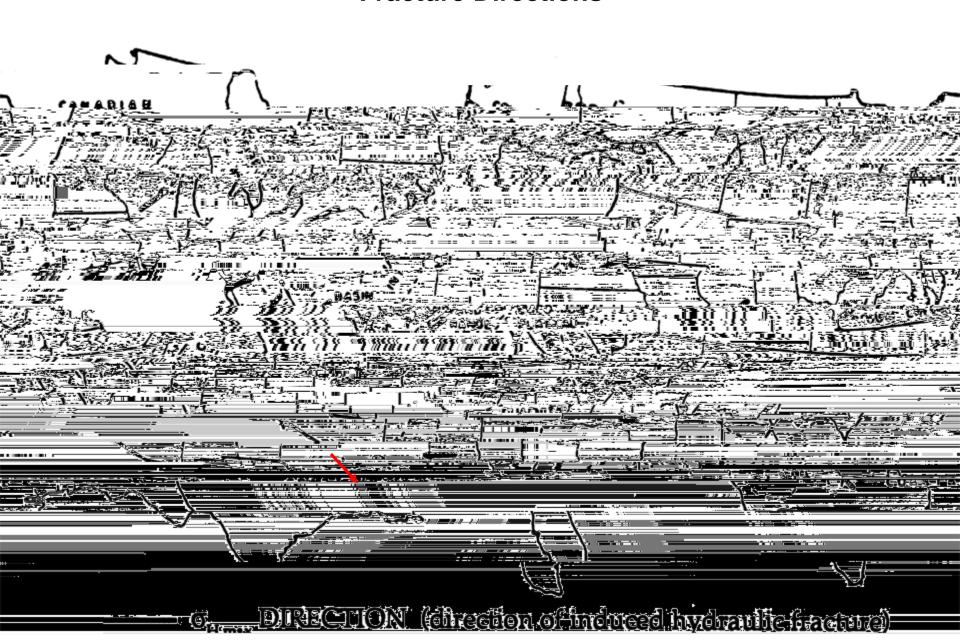
Prentice Creel, PE

MALVICO Matador 301,44 Tatuiii Morrow Northwest Eddy Co. Contra Midland Basin *Basin Platform **TEXAS** Delaware Basin Sierra Diablo

Looking for a massive water source

- Possibility of continuation without pressure depletion
- Fairly low in solids and corrosion aspects
- Mydraulically capable of penetrating heat source and perpetuating a continued flow

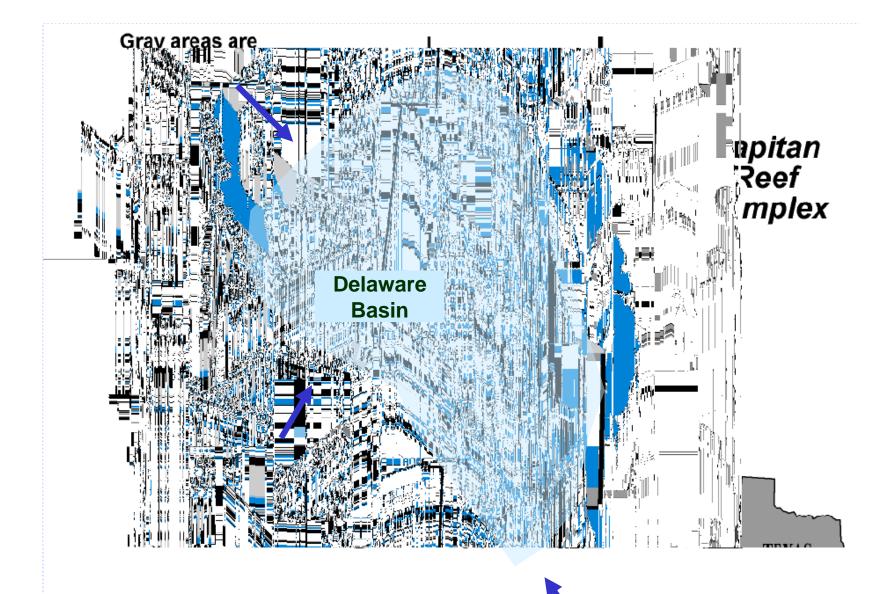
Fracture Directions



Temperature Gradients

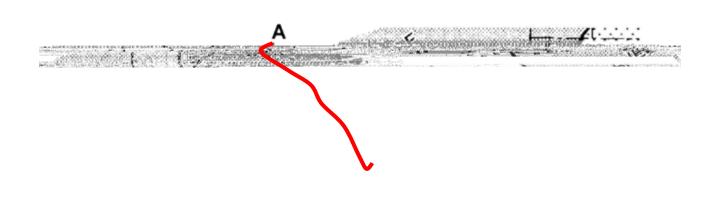
Capitan Reef

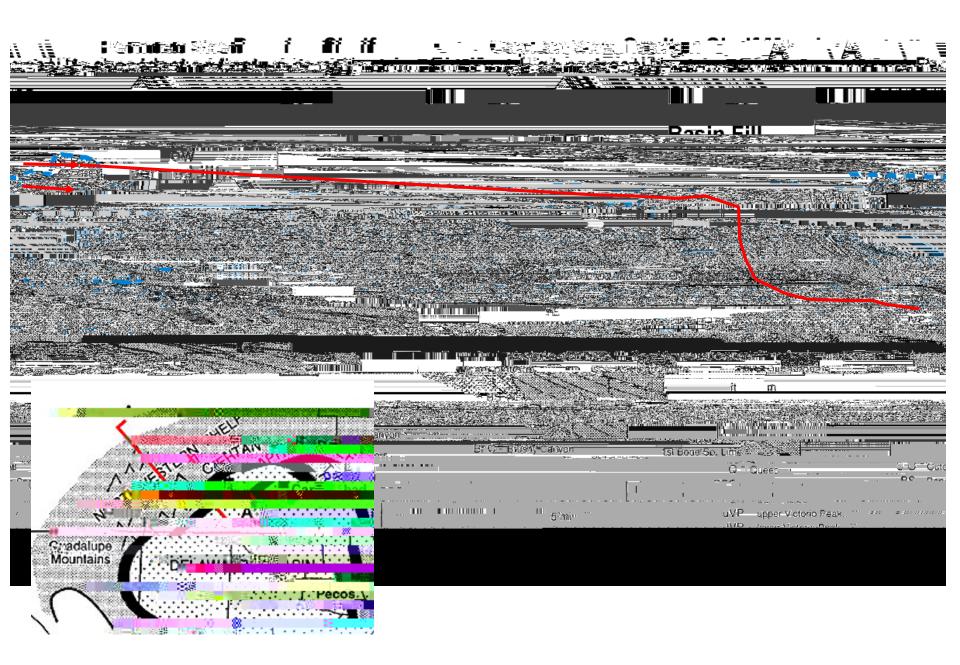
- Located in west Texas and southeast New Mexico
- Occurs in the Capitan Reef Complex
 - Ø Ancient reef which formed around the margins of the Delaware Basin in the Permian Period (~250 million years ago)
 - ø algae, sponges, and tiny colonial animals called bryozoans
 - Excellent exposure of the reef in Guadalupe Mountains
 National Park



Geologic History of the Reef

- In Permian Period (280 to 225 m.y.a.) New Mexico and Texas were on the coast of a large supercontinent
- Ø A shallow inland sea, called the Delaware Basin formed off of the main coast





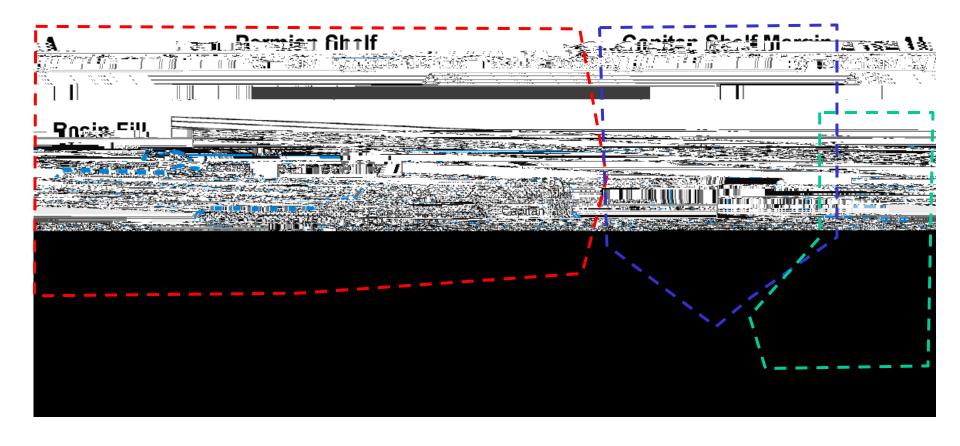


Hydrogeology of the Capitan

The geologic strata associated with the Capitan aquifer can be divided into three

The Permian Shelf facies consist of lower permeability carbonate sediments and evaporites (gypsum and rock salt). Permeability is dependant upon fracture porosity, and well yields and water quality are highly variable.

The Capitan Shelf Margin facies

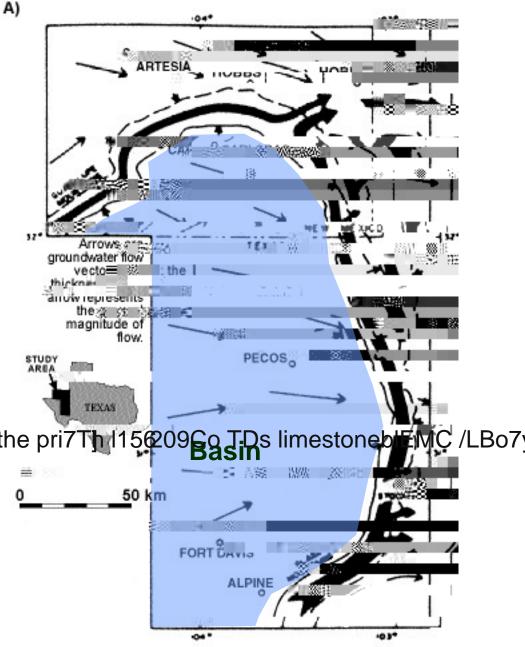


Groundwater Flow Patterns

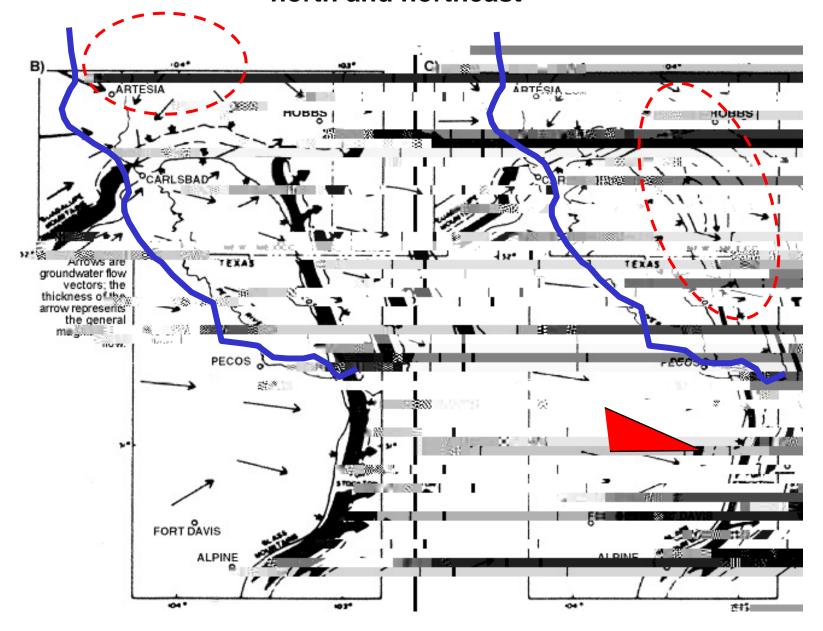
- Ø Groundwater flow in the shelf facies and basin fill is generally towards the east
- The high permeability of the Capitan aquifer results in concentrated flow along the trend of the reef, generally towards the north and northeast

- When the aquifer first formed, the regional flow was to the east and southeast (small arrows)
- øFlow was concentrated along the trend of the reef, and the primary discharge point was somewhere around the town of Hobbs, NM (large arrows)
- øExited the Permian rocks and entered the Cretaceous San Andres limestone

 ØContinued on towards the P05q,nd the pri7Th 115€209€Q
 2s limestone b 50 km



Concentrated flow along the trend of the reef, generally towards the north and northeast



Water Quality

- Water in the Capitan is generally poor quality
 - Average TDS of 17 samples was 3,059 mg/L; average chloride concentration was 881 mg/L
- Water is potable in a few areas
 - Ø Mostly near Carlsbad and in some spots in the Glass Mts.
- Not enough historical data to identify trends
- Ø Bad but not that Bad

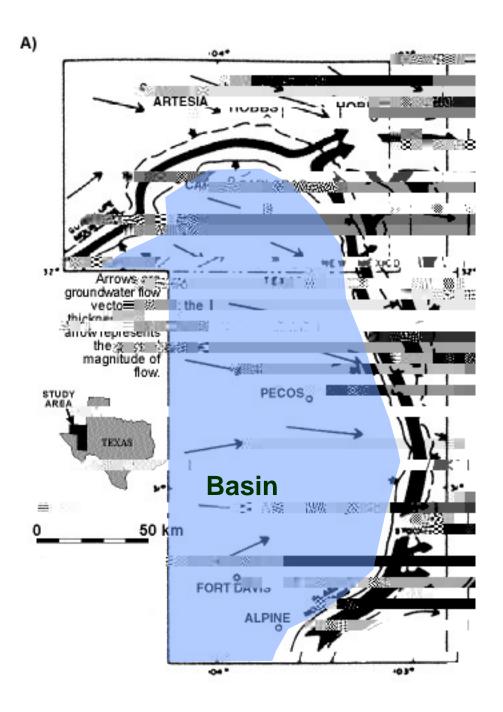
Capitan Reef

- Ø Regionally, groundwater flow is to the east; in the Capitan it was towards the north
 - Incision of the Pecos River and development of oil/water interrupted the flow system
- Water quality is generally poor
 - Good enough for agriculture in most places
 - Potable water exists near Carlsbad

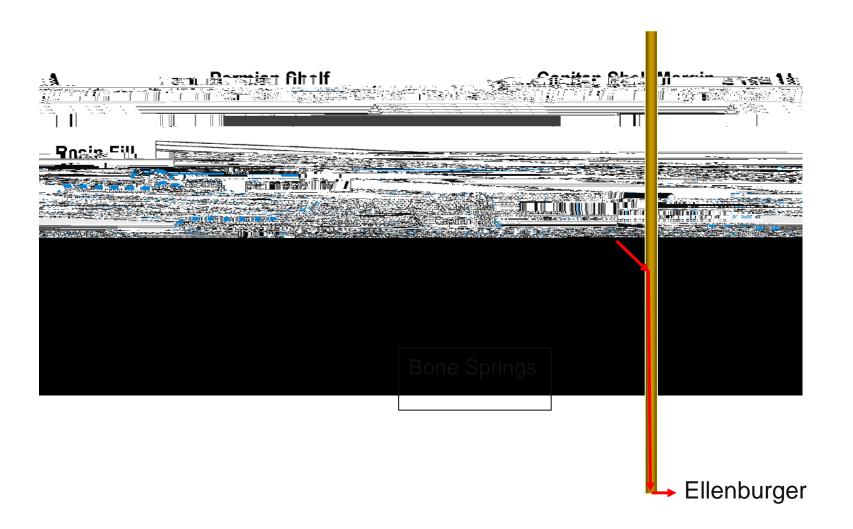
How to Build a Geothermal Engine

- Find a dynamic water that is a replenish able Resource
- Find a temperature Conduction Source
- Ø Develop these two separate Resources into a Geothermal Engine
 - Fracture capabilities and engineering
 - Regulatory acceptance
 - Environmental acceptance

Where does the interconnection take place – Capitan Reef down to the Ellenburger or other Heat Sources



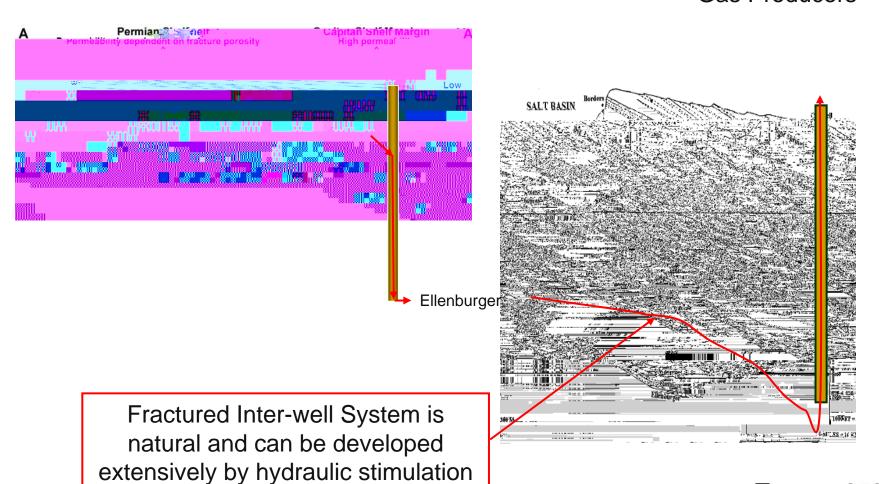
Connecting the Formations



Conversion to Heat Sources from Hydrocarbon Production – Feasible?

technology

Multi-well developments from existing Gas Producers

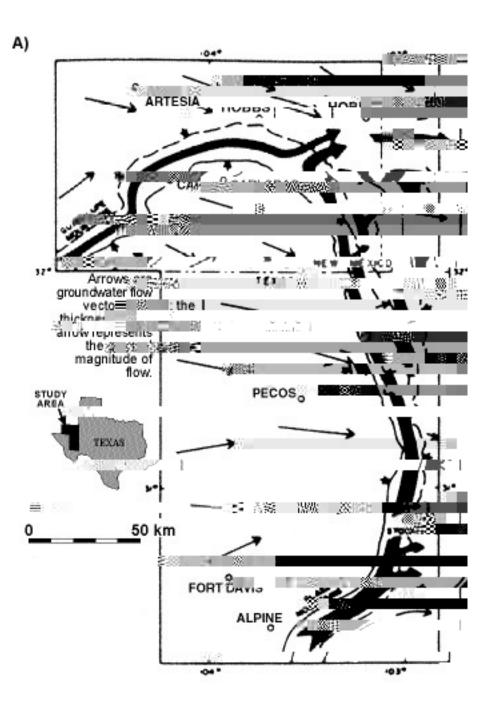


Temp > 250 F

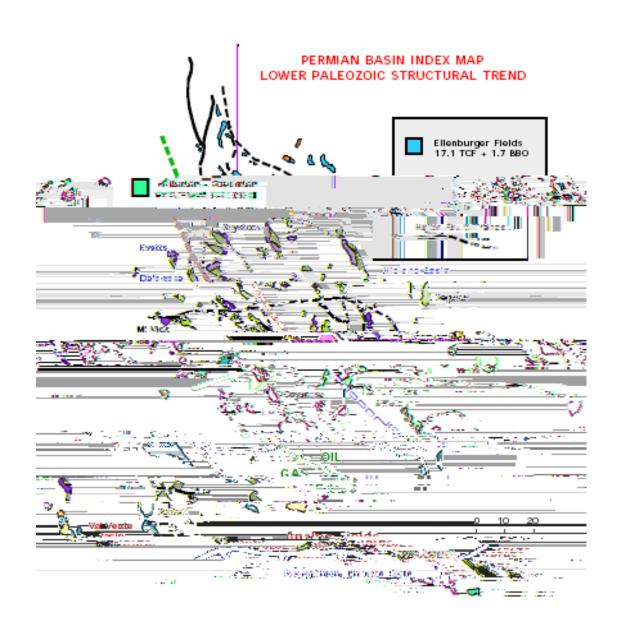
Capitan Reef water production and losses

8.5 ppg load will flow to surface

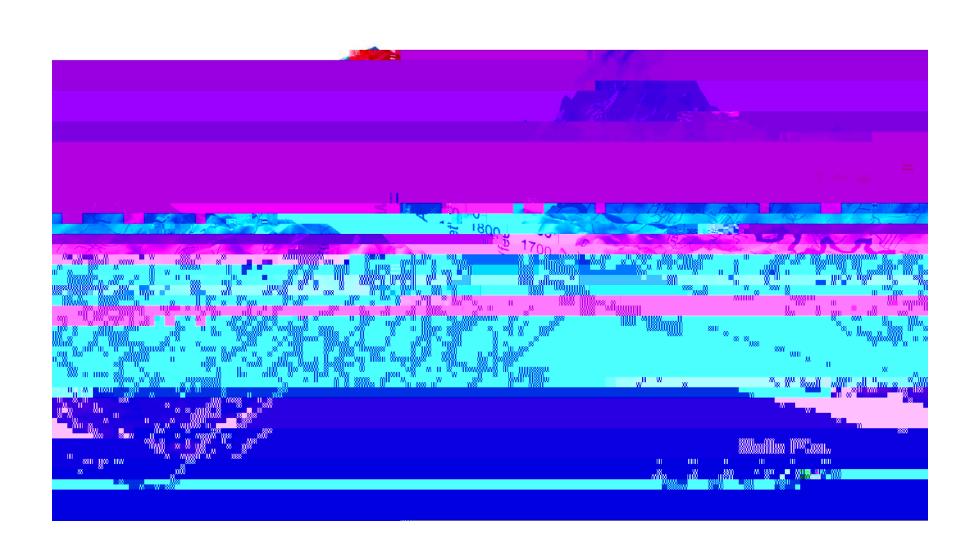
10.0 ppg load will have a loss into the Reef on a vacuum



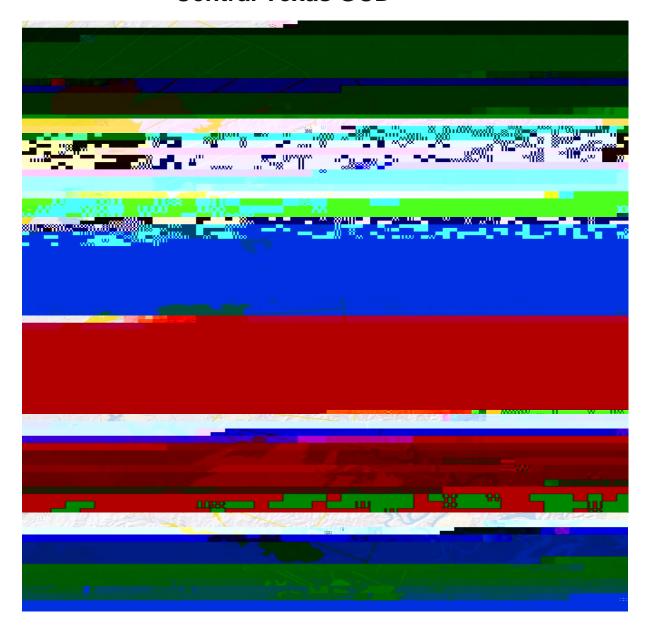
Permian Basin index map showing 3-D study area and analog fields.



Groundwater Availability Model for the Ellenburger Aquifer in Southeast Gillespie County, Texas



ELLENBURGER AQUIFER Central Texas GCD



Production Enhancement - Biggest CO₂ Frac

