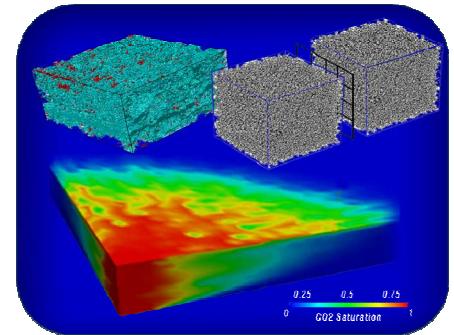
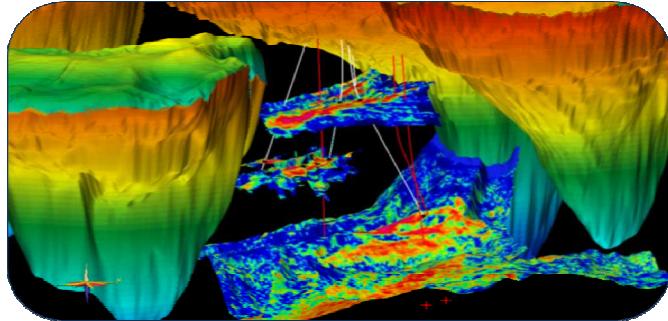


Exceptional service in the national interest



Geothermal Research

Sandia National Laboratories

Doug Blankenship, Manager



Sandia National Laboratories is a multi-program laboratory managed and operated by Sandia Corporation, a wholly owned subsidiary of Lockheed Martin Corporation, for the U.S. Department of Energy's National Nuclear Security Administration under contract DE-AC04-94AL85000. SAND NO. 2011-XXXX

Sandia's Focus:

Drilling, Monitoring, and Analysis

- Geothermal well construction
 - “Most” difficult on a per-foot basis
 - Broad technology areas
 - High-temperature electronics
 - Diagnostics
 - Rock reduction technologies
 - Wellbore integrity and lost circulation
 - Drilling dynamics modeling and simulation
 - Vibration mitigation
 - Downhole telemetry
 - Key to the future of EGS
- Applying capability and technology to other industries and agencies
 - Frontier oil & gas, unconventional, environmental, mine rescue
- Technology transfer to industry
 - PDC bits
 - High temperature electronics
 - Acoustic telemetry
 - Active vibration control



Geothermal Research Complements Mission of Geoscience Research Foundation

1. Underground Access

- Wellbore construction technologies allow preferred access to subsurface geology via design of wellbore interface
 - Rock Reduction Technology
 - Advanced Tool Development
 - Drilling Vibrations Research
 - Drilling Systems Field Trials

2. Subsurface Characterization

- Via HT Electronics and diagnostics
- Geo - mechanics modeling

3. Subsurface Engineering

- Developmental fracking technologies



Rock Reduction

■ Polycrystalline Diamond Compact (PDC) Bits

- Fundamental work
 - FEM analyses, Bonding, Cutter tests, Bit design & analysis, Lab & field testing, CRADAs
- Catalyzed a major industry (~ \$1.5 billion)
- Save industry \$ billions annually
- Over 60% of world footage today
- Chocolate Mountains success is capstone



■ Percussive Hammers

- Efficient method to drill hard rock
- Current limitations in HT Environment
- Working with DOE and Industrial partners
- R&D effort to apply increased power for fast drilling systems (e.g., Mine Rescue)

■ Advanced Developments

- Mudjet Augmented Bit - Cavitating jets for hydraulic augmentation
- Downhole energy conversion for increased power delivery

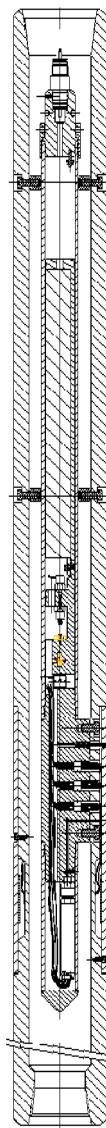
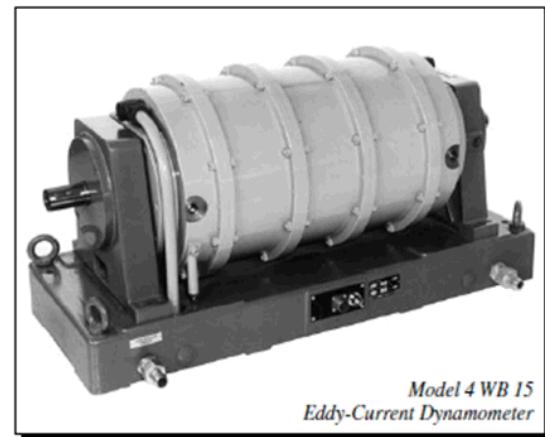


**DOE Energy 100 Award
for Synthetic Diamond
Drill Bits**

Advanced Tool Development

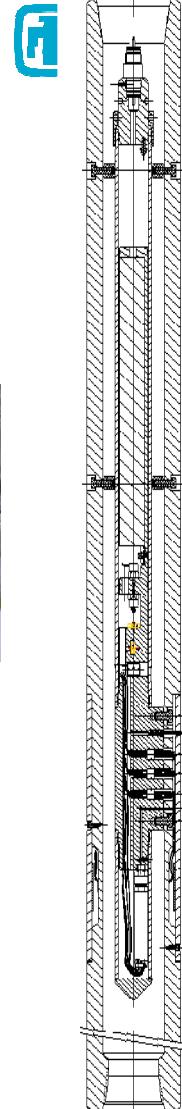


- Diagnostic While Drilling (DWD) Sub
- Acoustic telemetry
- Vibration Management
 - Magneto-Rheological Fluid Damper
 - Active Compliance Elements
- Downhole Motors
 - Conventional solutions temperature limited
 - Sandia developing proprietary concepts
- Wellbore Diagnostics
 - Borehole Televiwer



7" diam
DWD Tool

Drilling Vibrations Research



7" diam
DWD Tool



■ Problem

- Drilling dynamic dysfunctions are one of leading causes of Non-Productive Time
- The bit, BHA / drill string and formation interact in a complex way resulting in a variety of vibration related problems
 - Low Rate of Penetration -- Inefficient Drilling
 - Bit & Tool Failure -- Excessive Tripping
- Vibrations cause significant economic losses
 - Tripping the drill string to replace the bit on an off-shore rig can exceed 1 million dollars



■ Projects

- Diagnostics While Drilling (down hole field measurements)
- HRDF (laboratory drilling facility)
- Drilling Dynamic Simulator (deep drill string simulator)
- MR Fluid Damper Patent (down hole tool with controllable magneto-rheological fluid)

Drilling Systems Field Trials

- Survey advanced drilling technologies from other drilling sectors
- Provide industry assistance during well construction
- Develop and demonstrate developmental technologies (e.g., DWD)
- Migrate and demonstrate advanced technologies
 - Apply mature/proven rock penetration systems used in Oil & Gas/Minerals industry to improve geothermal drilling technology
 - Currently Partnered with
 - Navy Geothermal Program
 - Barbour Drilling
 - National Oilwell Varco/Reed Hycalog
 - Atlas Copco



High Temperature Electronics

- High temperature downhole instrumentation
 - Microseismic monitoring tool
 - Pressure/temperature/spinner/collar counter locator tool (*240°C unshielded/400°C shielded*)
 - Downhole fluid sampler and chemical sensor for in-situ tracer measurement – *FY13 new start*
- Enabling technologies R&D
 - Charge amplifier multichip module
 - High temperature motor controller
 - Optics for geothermal environments
 - Digital communication and signal processing for logging cables
- Integration with other Sandia programs
 - Sensor development
 - Wide bandgap semiconductor research
 - Power electronics
 - Microelectronics



Environmentally Friendly High-Rate Well Stimulation Methods

- Developing new high energy stimulation techniques to enhance EGS permeability through dynamic loading of the formation
 - Enable near wellbore fracturing along with shear destabilization in the far field
 - Novel reactive gas generating material and injection methods to fracture the formation are being developed suitable for use at EGS well temperatures

