

“Bakken Production Optimization Program”

Submitted by:

**Energy and Environmental
Research Center**

- ☐ Request for \$3,000,000;
Total Project Costs \$6,000,000**

PROJECT DESCRIPTION

- Proposes a program with the goal of improving the overall efficiency of wellsite activities, thus achieving significant cost containment strategies for participating producers and improved economic output of each well.
- This goal will be achieved by investigating methods of integrating wellsite functions, capitalizing on available on-site resources in lieu of “importing” fuels to accomplish the same functions, and recycling various drilling, well treatment, and completion fluids.
- Bakken oil has been demonstrated to be expensive to recover. This program will investigate new technologies and approaches to decreasing recovery costs in an environmentally sound manner
- The goal of the proposed program is to explore wellsite optimization approaches that have potential to reduce wellsite costs, improve wellsite production, reduce wellsite development and operation impacts to surrounding land owners, and decrease demands on surrounding infrastructure and water sources.

TECHNICAL REVIEWERS' RATING SUMMARY

| | | Technical Reviewer | | | <u>Average</u> |
|-------------------------------|----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Rating | Weighting | <u>G-029-E</u> | <u>G-029-F</u> | <u>G-029-G</u> | <u>Weighted</u> |
| <u>Category</u> | <u>Factor</u> | | | | <u>Score</u> |
| Objectives | 9 | 3 | 5 | 3 | |
| Availability | 7 | 3 | 4 | 4 | |
| Methodology | 8 | 3 | 4 | 3 | |
| Contribution | 8 | 4 | 5 | 4 | |
| Awareness / Background | 5 | 5 | 4 | 5 | |
| Project Management | 3 | 2 | 3 | 3 | |
| Equipment / Facilities | 2 | 5 | 4 | 4 | |
| Value / Industry-Budget | 4 | 3 | 4 | 4 | |
| Financial Match – Budget | 4 | 4 | 5 | 4 | |
| <i>Average Weighted Score</i> | | 173 | 218 | 185 | 192 |
| <i>Maximum Weighted Score</i> | | | | | 250 |

TECHNICAL REVIEWER TOTALS

- ◎ G-029-E

Average Weighted Score: **173 out of 250**

FUND

- ◎ G-029-F

Average Weighted Score: **218 out of 250**

FUND

- ◎ G-029-G

Average Weighted Score: **185 out of 250**

FUND

DIRECTOR'S RECOMMENDATIONS

To fund in the amount of up to \$1,000,000 for the first year; contingent approval of additional funding of up to \$2,000,000 for years two and three contingent upon the 2013 Legislature increasing Oil and Gas Research Program biennial funding; disbursements on a quarterly basis or as negotiated in the contract; the addition of a \$25,000 annual internship program utilizing university students throughout the duration of the project and the addition in the scope of work to include a project that studies the potential use of drill cuttings as a soil additive. All this funding is contingent upon the confirmation of the commitment of match funding.