

## Grant Round Application for G-020-A

### DIRECTOR'S COMMENTS

#### G-020-A

“Flare Gas – Power Generation Viability Pilot”

Submitted by: Blaise Energy Inc.

Request for \$425,000; Total Project Costs \$7,475,000

#### **Description of the Project:**

Blaise Energy Inc. proposes to demonstrate the commercial viability of using otherwise wasted associated gas as fuel for on-site electrical power generation as an alternative to flaring. Currently, associated gas is often flared and wasted due to economic or logistic reasons. Blaise will share the project results with the oil industry via technology workshop(s) that explains the financial and operational benefits of this novel solution and demonstrates new methods for better resource management.

#### **Technical Reviewers' Comments**

##### **Reviewer 20A-01**

The project will supply jobs and revenue for the state. It will also promote public awareness to other benefits the oil and gas industry can provide. I feel the project should be funded.

**Recommendation: Fund**

##### **Reviewer 20A-02**

The project's stated objectives are very well aligned with those of the Oil & Gas Research Program. Especially those related to the efficient, environmentally sound development of ND's oil & gas resources

The approach is not enumerated in any technical sense. In essence, the author's have left the reviewer with only enough information to assume that the technology is a “black box,” focusing all of their allotted space on enumerating the benefits of a successful effort, while leaving the reader to assume that success is somehow inevitable.

**Recommendation: Funding May Be Considered**

##### **Reviewer 20A-03**

The methodology and techniques sections of the proposal provide no details about the processes or equipment to be used. It can't be assumed that the combination of components selected and configured will work as planned in the sour gas and highly variable ambient temperature conditions common in North Dakota.

The proposal does not provide any information regarding potential scientific contribution. On the other hand the technical contribution could be very large and the proposal does include plans to hold workshops to share the technical knowledge gained with oil operators and the community.

**Recommendation: Funding May Be Considered**

### **Director's Recommendations:**

The application as originally submitted has been amended to respond to concerns raised by the Technical Advisor and the Technical Reviewers. The numerical rankings and comments were made on the earlier versions of the application and not on the amended version that has been provided to the Council.

While specific questions from the Technical Reviewers' have raised concern as whether or not to fund the project in its entirety, a common ground can be found in the project objectives, and its proximity to the goals outlined by the Oil and Gas Research Council. The applicant has noted that each site has unique variables and thus more specific detail regarding equipment and timetables could not be provided at this time. Rather than funding two project locations at the same time, the Director recommends that one project be funded at this time. It is my recommendation that the Council recommend to the Commission the funding of Project B in an amount not to exceed \$375,000 contingent upon the applicant providing public outreach (minimum of 2 workshops) and receipt and review for sufficiency by the OGRP Director of the following information once a site has been selected:

- An adequate description of the gas quality and attendant quantities;
- An adequate description as to how the attendant quality constraints of these gas streams will be addressed;
- An adequate description of the equipment that will be utilized/purchased, along with attendant size/cost and financing considerations;
- A project management plan with a timetable for achieving the project milestones; and
- Certification and identification of match funding.