

# **G.I.** Dynamics

# **Coal Mine Methane Utilization Technologies**

Wim van der Zande

www.gidynamics.nl

# Agenda



### Introduction

- CMM Market Overview & Influencing Parameters
- CMM Drainage & Extraction
- Coal Mine Methane Processing
- Project Reference(s) & Case Study
- Concluding





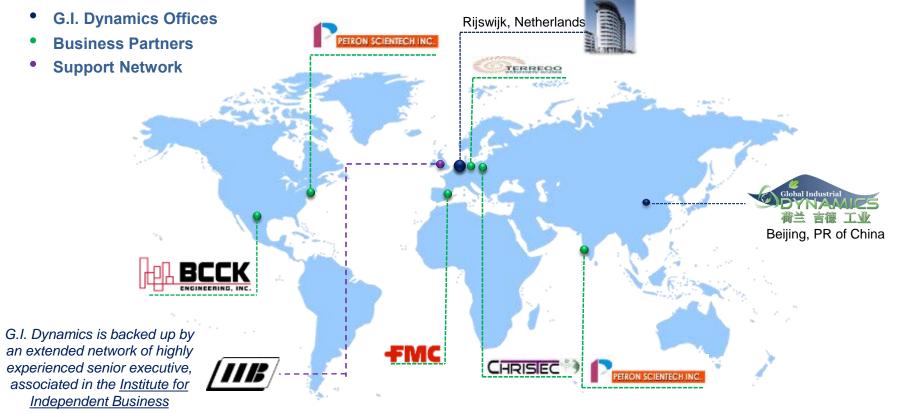


# Introduction

### Introducing G.I. Dynamics

**G.I. Dynamics** is a company with hands-on industrial experience, operating together with specialists and niche business partners in order to **improve the performance** and **develop the sustainability** for our clients business.

#### **Global Network**





Introducing:

#### **19 October 2011**

 $\geq$ **Understanding and experience of oil & gas business** and complete supply chain, economic and operational drivers of the industry, business partners and opportunities

Introduction

- Aligning and Bridging industries between the different market sectors, and  $\geq$ generating business opportunities to improve the overall business performance.
- Core business focused on sustainability and environment therefore our  $\geq$ technologies are selected and our business orientation is in areas like unconventional gasses and carbon capture.
- Providing proven and applied world-class gas processing/treatment technologies  $\geq$ to the oil & gas industry.
  - Cryogenic Nitech<sup>™</sup> NRU (Nitrogen Rejection)
  - Helium Recovery
  - Ultra High CO2 Extraction and Seguestration
  - Liquefaction plants
- $\geq$ Perform projects from licensing up to LumpSumTurnKey based on above mentioned technologies, and operational support.
- **Supporting our clients** with a full committed team from cradle to grave to ensure an  $\geq$ added value and the necessary innovation to the project at the right time.

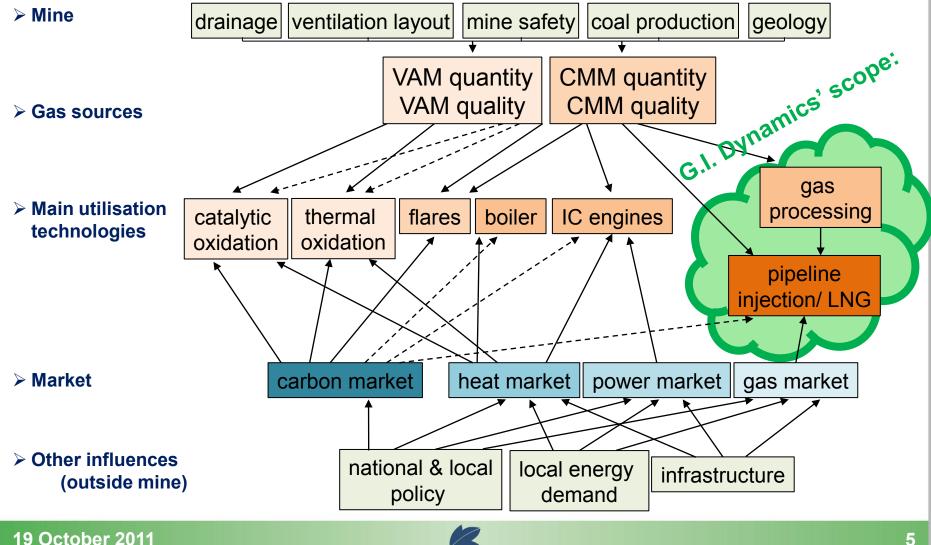




# **CMM Market Overview**



### **Market Overview & Influencing Parameters:**



# **CMM Market Overview**



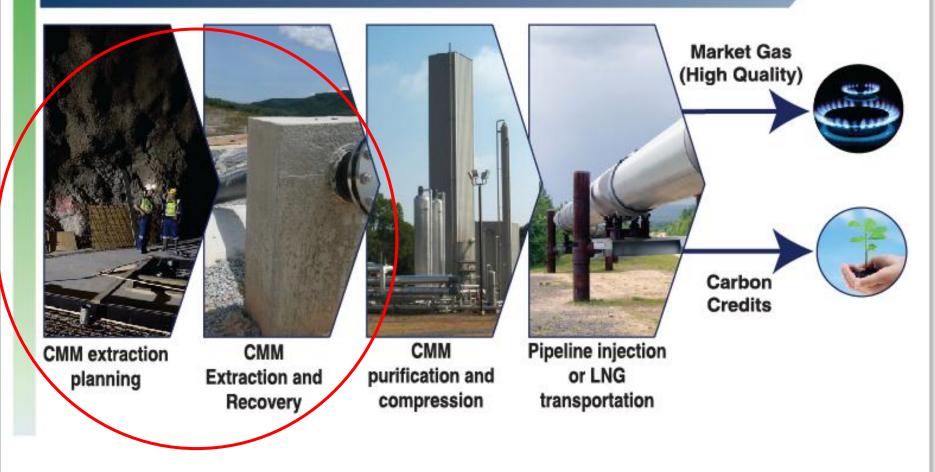
### G.I. Dynamics provides together with BCCK: Coal Mine Methane Utilization Technologies for Methane Purification towards Pipeline/LNG



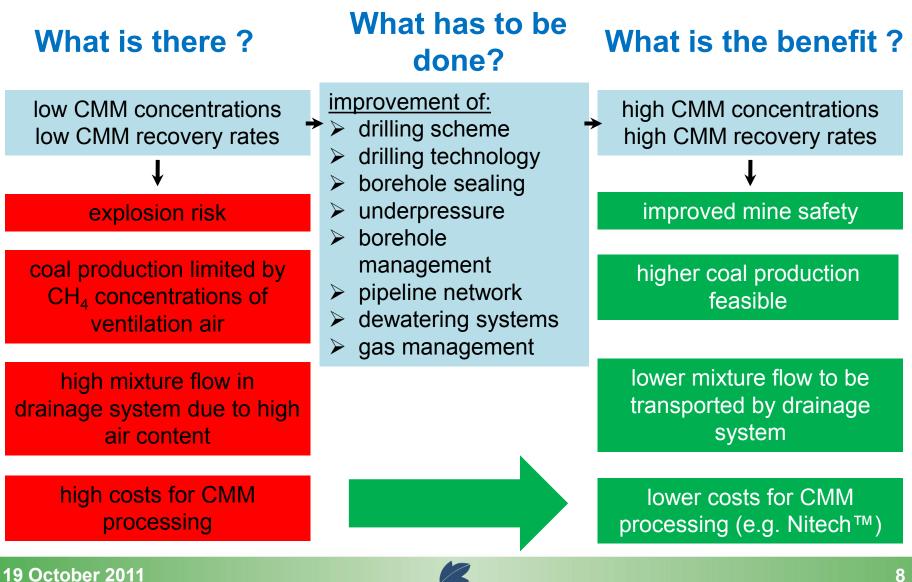




### **Process of Coal Mine Methane Utilization**









### Improvement of gas drainage

A minimum investment in improving the drainage and extraction of the CMM has a major impact on the investment costs of the CMM purification.

Gas pump no./ Drainage system	Mixture flow	CH₄ conc.	CO <sub>2</sub> conc.	O <sub>2</sub> conc.	N₂ conc.	CH₄ flow
no.	[m³/min]	[%]	[%]	[%]	[%]	[m³/min]
1	55	50,0	1,3	9,8	39,0	27
2	50	20,0	0,5	15,9	63,6	10

#### **Actual state**

### Improved state

A	Drainago system	Improvemen t reasonable	CH₄ conc. medium term target	CO₂ conc.	O <sub>2</sub> conc.	N <sub>2</sub> conc.	Mixture flow after improvemen t	Improvemen	
			[%]	[%]	[%]	[%]	[m³/min]	[%]	
$\langle \rangle$	1	yes	60,0	1,5	7,7	30,8	45	20	
	2	no	-				-	-	

Investment savings > Costs for improvement

of gas drainage system:

~ 150-200K euro

 Savings for gas purification unit
 ~500–2000K Euro





### **Create Synergy between Mine Operator and Project Developer**

# **Mine Operator**

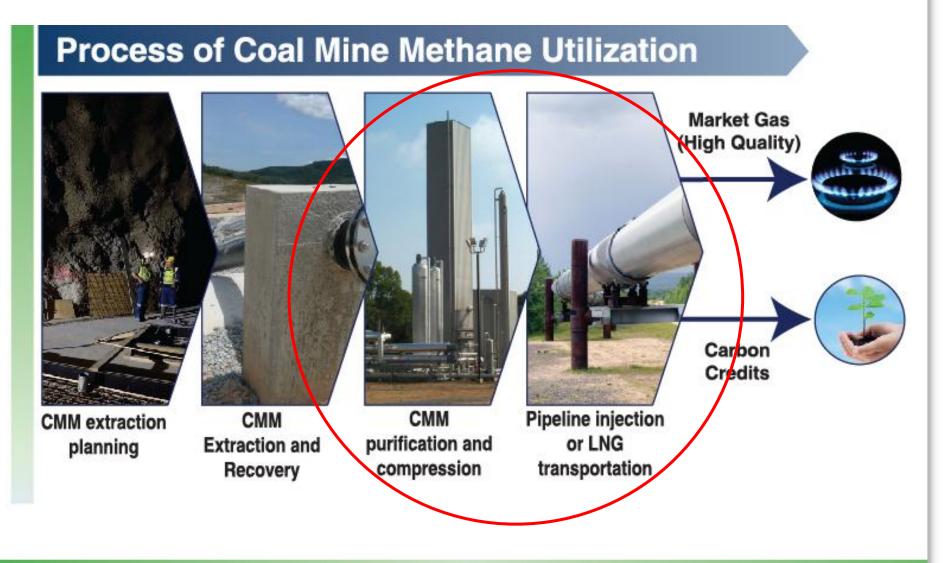
- Ventilation and gas drainage are mainly carried out for mine safety
- CMM and VAM are usually seen as waste products of coal mining only
- Coal mining is core business, not gas production or utilization
- Value of CH<sub>4</sub> is considerable lower compared to value of produced coal

## **Project Developer**

- · Investment in gas utilization project
- Revenues from gas utilization and/ or CO<sub>2</sub> credits are basic
- Stable CH<sub>4</sub> quantities and qualities



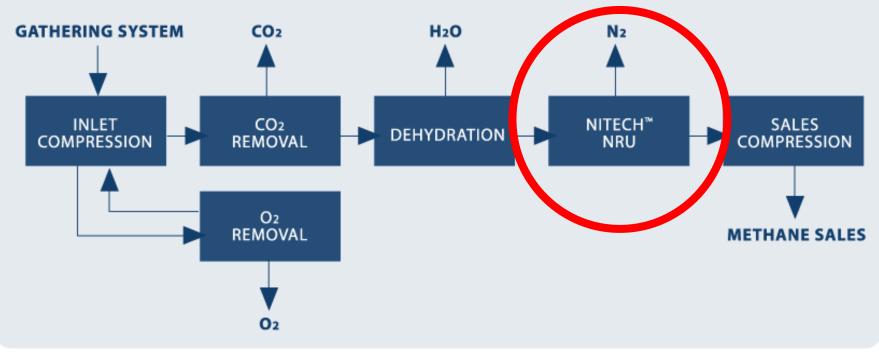






### G.I. Dynamics provides together with BCCK: Coal Mine Methane Utilization Technologies for Methane Purification towards Pipeline/LNG









### The Cryogenic Nitech<sup>™</sup> NRU Technology;

- Nitrogen Rejection Units (NRU) selectively removes nitrogen from a gas stream.
  - In practice, cryogenic plants have the highest methane recovery rate (approximately 99%) of any of the nitrogen rejection technologies
  - The units have become standard practice for large-scale projects.

### > Key figures;

- Nitech<sup>™</sup> is the preferred choice NRU process in the USA. Almost all new NRU systems are build with the Nitech<sup>™</sup> process;
- More than 21 Nitech<sup>™</sup> NRU systems have been installed
- There are currently 3 Nitech<sup>™</sup> NRU systems under construction
- The first oversees Nitech<sup>™</sup> will be build in Poland;
- The Nitech<sup>™</sup> NRU technology can be up to 15% less expensive on both OPEX and CAPEX in comparison to other cryogenic technologies.

#### Major technical advantages;

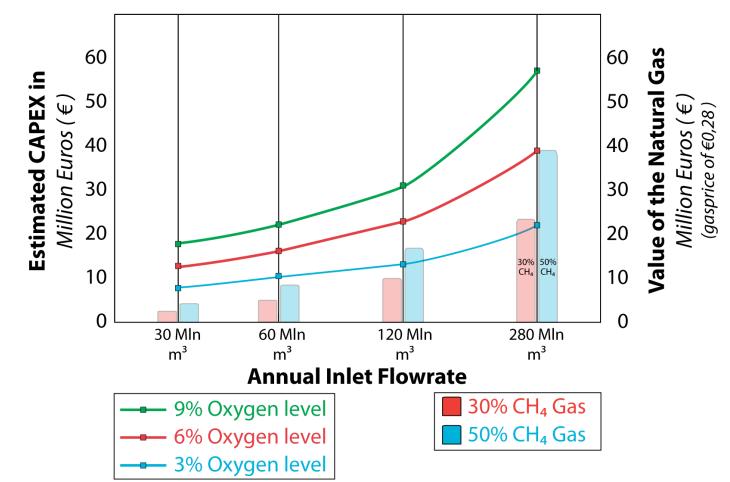
- Typically only three major components;
- No cryogenic rotating equipment required;
- High methane recovery in excess of 99%;
- A less complex, more reliable and lower cost design.







### **Financial Estimates for CMM Utilization**



\* Excluding any usage of the extra heat available from the oxygen system. We can do several things (make heat for mine, make steam, or make steam and power).

15



	Mixture flow	CH <sub>4</sub> conc. [%]	
Drainage station no.	[m³/min]		
1	155	45,0	
2	800	35,0	
3	235	30,0	
4	140	50,0	
5	635	30,0	
6	500	45,0	
7	155	45,0	

Drainage station no.

1

2

3

4

5

6

7

Improvement

reasonable

yes

yes

yes

yes

yes

yes

yes

target

[%]

60,0

50,0

50,0

60,0

50,0

60,0

60,0

### Example data: CMM-to-Natural Gas

	G.I. Dynamics´scope of delivery*			
	Old CMM-to-NG	Improved CMM-to-NG	Savings	
50 MM m3/yr	€ 12.375.000	€ 11.250.000	€ 1.125.000	
120 MM m3/yr	€ 21.037.500	€ 19.125.000	€ 1.912.500	
	11,8% O2	8,6% O2		

### Example data: CMM-to-LNG

	G.I. Dynamics´scope of delivery*			
	Old CMM-to-LNG	Improved CMM-to-LNG	Savings	
50 MM m3/yr	€ 16.545.000	€ 15.950.000	€ 595.000	
120 MM m3/yr	€ 28.125.000	€ 26.970.000	€ 1.155.000	
	11,8% O2	8,6% O2		

Note. G.I. Dynamics scope of Delivery: License, engineering, equipment and interconnecting piping systems

### **Project Reference(s) & Case Study**



### Waynesburg, Pennsylvania - Highlights

- > Plant in co-ownership via Greene Energy, LLC.
- To date, we continue to provide engineering and optimization services for the plant.

### **Black Warrior Methane, Alabama – Highlights**

- Ahead of mining operations, BWM sells approximately 500 million m<sup>3</sup> per year of coal bed methane gas. The addition of the Nitech<sup>™</sup> NRU increased gas sales by 10%-15%.
- The capture of this methane will allow producers to bank the carbon credits earned from capturing this methane and to trade the corresponding carbon credits with other businesses.

### Illinois Methane NRU, Illinois – Highlights

The Illinois Methane facility was placed on an abandoned coal mine (AMM) whereby active mining has been ceased for several years.

#### Experience

The Nitech<sup>™</sup> process is already in operation across the country with coal mine methane enrichment facilities in;



**PA, USA** 120 million m<sup>3</sup> annual 10% - 25% N<sub>2</sub>



Alabama, USA 120 million m<sup>3</sup> annual 15% – 30% N<sub>2</sub>



Illinois, USA 120 million m<sup>3</sup> annual 15% – 30% N<sub>2</sub>

Our scope may vary from technology provider towards turn key project contractor up to co-ownership.



## **Project Reference(s) & Case Study**



### Case study of a Coal mine

- Coal production:
- > Vented  $CH_4$ :
- $\succ$  Drained CH<sub>4</sub>:

4 million T/ A 150 m³/min 75 m³/min

Value of coal:

- ~ 500 million \$ / A
- Value of total emitted CH<sub>4</sub> (Carbon Credits):
  ~ 20-30 million \$ / A
- Value of natural gas from <u>drained gas</u> after purification:
  ~ 15 million \$ / A

Nevertheless significant additional revenues from CH<sub>4</sub> utilisation !







# Concluding



### **Benefits of Efficient Gas Drainage**

- Main benefits for effective and correct drainage system will address the inherit risks associated with coal mines. By having an effective utilization process for the drained CMM, an additional revenue can be created. Main benefits for effective capture and utilization of CMM;
  - Safe working environment decreases the risk of fire/explosion
  - Environmental friendly methane, a dangerous greenhouse gas, is captured instead of vented to the atmosphere
  - Cost-effective fuel source captured, processed gas can power mining equipment

#### **Benefits of Gas Purification for Pipeline/LNG**

- Utilizing to the Nitech™ NRU technology, you can;
  - Stop venting coal mine methane to the atmosphere,
  - Capture that waste gas and
  - Create a sellable methane product or liquid natural gas (LNG).







### coal mining and methane mining now go hand-in-hand!



# Concluding



### G.I. Dynamics' Gas Processing Group;

Provides proven and applied world-class gas processing / treatment technologies up to LS turnkey facilities to the oil & gas industry and align interested players/parties in the market. Our experience and capabilities cover gas processing activities in the area of;

- Conventional low-BTU Gas
- Shale Gas
- Tight Gas
- > Coal Seam Gas / Coal Mine Methane
- Enhanced Oil Recovery

#### > Some of the unique technologies we supply;

- Cryogenic Nitech<sup>™</sup> NRU (Nitrogen Rejection)
- Nitech<sup>™</sup> Xpan
- Ultra High CO2 Removal

#### > Scope of supply:

- Feasibility study
- Technology plus extended basic engineering package
- LS Turn key plant or
- Proprietary equipment and start up assistance
- Co-ownership/operations







# Concluding



### Summary

- We provide world-class technology for the CMM processing & utilization
- We cooperate with relevant business partners, able to cover the latest developments in;
  - CMM Drainage & Extraction
  - CMM Utilization to up high quality Natural Gas or LNG
- Successful with global players
- Supporting client to develop project and operating support
- Supporting in the business finance





# Thank you.



### Contact Us

For more information about the technology and applications, don't hesitate to contact our business associates. We would be glad to help you in achieving sustainable business!

Anna Sutomo Business Development Manager

M: +31 (0)6 125 76 602 E: a.sutomo@gidynamics.nl **Chris van der Zande** Business Development Manager

M: +31 (0)6 125 77 224 E: ccm.vanderzande@gidynamics.nl



# **Copyright & Disclaimer**



#### Copyright

Copyright of all published material including photographs, drawings and images in this document remains vested in GI Dynamics BV and third party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

#### Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for GI Dynamics BV and it's (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for GI Dynamics's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the Presentation. Although GI Dynamics BV believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. GI Dynamics BV is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither GI Dynamics BV nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

GI Dynamics is used as the common brand or trade mark for most of these entities. In this presentation we may sometimes use "GI Dynamics BV", "GID", "GI Dynamics", "GI Dynamics Europe", "we" or "us" when we refer to GI Dynamics in general or where no useful purpose is served by identifying any particular GI Dynamics company.

