

EOR – CO₂ Sequestration:


Mating Vent Stack CO₂
with Enhanced Oil
Recovery Projects



CO₂ Vent Projects: “Connect-the-Dots”

- Value Premise: Incremental Crude Oil / Emission Reductions
- Buyer's Qualification
 - How big is the target?
 - Financial, Operational and Technical Capacity (*Teachable*)
- Supplier's Qualification
 - Reliability
 - Quality of CO₂
 - Cost of CO₂

What Makes an Ideal EOR CO₂ Buyer?

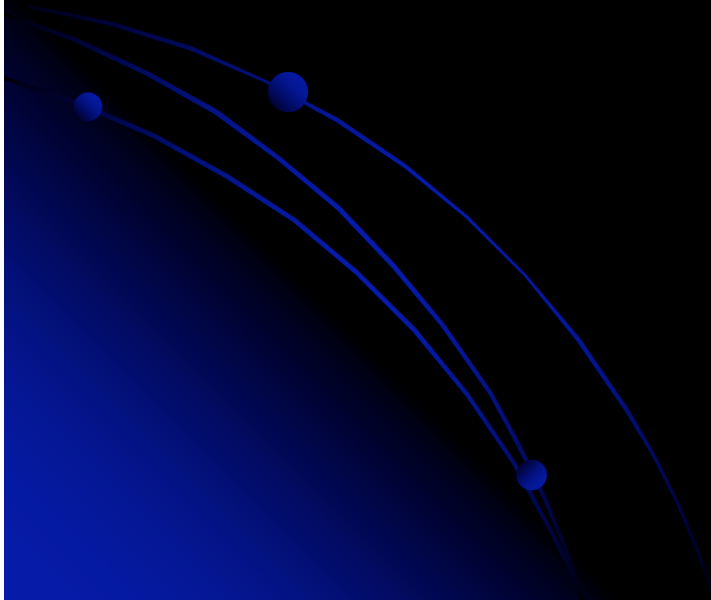
- Target Size
 - Individual OOIP
 - Aggregate OOIP
 - Operational and Technical Skills
 - Secondary Flood Experience
 - Financial Resources
 - Equity, Debt
 - Sound Reserve Characteristics
 - A Good Water Flood
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What Makes an Ideal EOR CO₂ Supplier?


- Reliability of Supply
 - Reserves
 - Consistent Deliverability
 - CO₂ Quality
 - Consistent Specifications
 - Cost Effective CO₂
 - Vent Alternative Value
 - Redundant Equipment, Utilities, Operations, Services
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Relationship of the Parties

- The Fundamentals - CO2 and EOR Link
- Purchaser - Risk and Limited Exposure
- Supplier - Risk and Limited Exposure
- Transporter - “Left Holding the Pipe”



Typical Terms and Conditions

- Term and Termination
 - Quantity
 - Quality
 - Price
 - Take or Pay (risk sharing or transfer)
 - Measurement
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Connecting the Dots: The CO₂ Contract

- Typical to EOR:

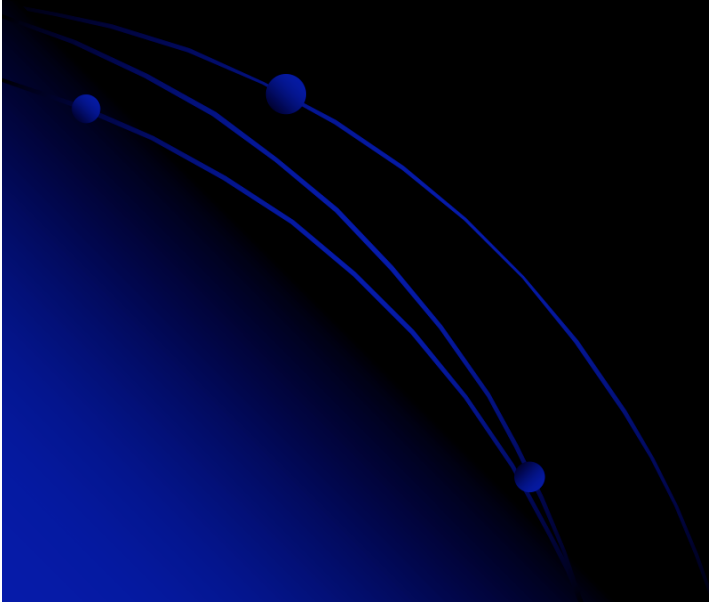
- Quality of CO₂
- Quantity of CO₂
- Pricing Mechanisms
- Term & Termination
- Measurement
- Custody & Title to CO₂

- Unique to Vent CO₂:

- Economic Termination
 - For the Buyer
 - For the Seller
- Supplier's Operational Performance
- Title to ERCs

Term and Termination

- Start of Deliveries
- 5 to 20 Year Terms
- Special Termination Privileges
- Spot Sales



Quality

- Purity
- Oxygen
- Water
- Hydrocarbons
- Hydrogen Sulfide



This is not a CO₂ Molecule

Price and Pricing Concepts

- Cents per MCF Ranges
 - Adjusted with Crude Oil Values
 - Adjusted with Inflation Indexes
 - Floor and Ceiling Relationships
 - Ramp Pricing
 - CO₂ for Crude
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Measurement

- Delivery Point
 - Custody/Title Meters and Allocation Meters
 - Verification / Monitoring for ghg ERC
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