Mid-Con Operator Goes Off-Grid, Gets Back to Business

Kansas Independent Oil and Gas Producer Utilizes Wellhead Gas, Natural Gas Generators From Baseline, To Provide Boost During Downturn

THE CHALLENGE

An independent oil and gas operator in Kansas found themselves economically constrained by the depression of oil prices and the inability, or refusal, of the grid utility to adjust to their customers' unfortunate circumstances. Due to lower-than-expected cashflows, many projects were initially placed on hold until a time in which the market could rebalance.

Having mixed experiences with owning and operating generators in the past and knowing the sometimes-high cost of rental equipment, the operator initially put the notion of off-grid electric power generation to the side. Not one to sit around, the operator continued to search for solutions that would enable them to reduce costs and return to planned development and production ahead of their sudden, market-induced schedule.

> "Utilizing Baseline as our power provider has opened up at least fifty opportunities that otherwise we would not have been able to pursue."

THE BASELINE SOLUTION

Upon learning of this operator's predicament, Baseline began working out a proposal to bring the operator's production plans back to fruition. With Baseline's team of oilfield electric power specialists and our highly equipped fleet of mobile natural gas generators, we knew that we could save them money and provide the flexibility to grow their operations. To begin, we proposed working on a site that would prove our value with direct comparison to the utility. Our proposal was simple; a competitive daily rental rate, with no long-term contract, that would utilize wellhead gas as fuel to power the wellsite.

Along with sorting out the power, using Baseline over the utility provides the operator with a more flexible use of capital and precise control over operating expenditures with a consistent and predictable electric bill that is not subject to demand charges, congestion charges, or other unanticipated variables. Unlike any utility, Baseline also provides twenty-four-seven monitoring and support through Baseline Telematics Solution with a manned central control room, cloud-based customer portal with by-the-second electricity and fuel usage data, and customized alerts for local Baseline field-response team members to guarantee power delivery performance.

Four NG 250 Baseline generators outputting 940 kW of electric power for two high-output electrical submersible pumps.

Case Study: Line Power to Generator Conversion

PROJECT IMPLEMENTATION

The site chosen had two wells, each running an electrical submersible pump (ESP) with healthy production levels of both oil and natural gas. Once both parties felt confident that the economics of this application would work, Baseline visited the location and specified a site layout that would be conducive to daily operations.

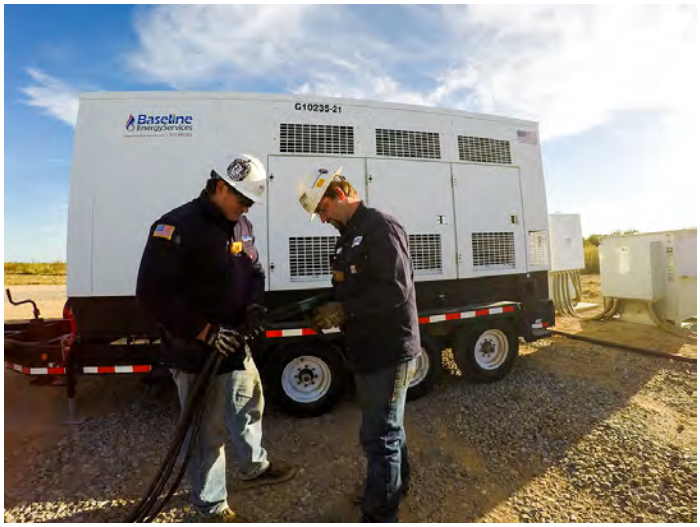
With the site prepped, the Baseline team rapidly deployed two pairs of NG 250 (235 kW) natural gas generators and the associated paneling and cabling equipment to link everything electrically. This setup ensures the site has fully redundant electric power and is capable of handling continuously high production rates as well as spikes in power draw when production equipment ramps up.

Four NG 250 Baseline generators creating 940 kW of prime electric power for two high-output electrical submersible pumps.

SUCCESSFUL OUTCOME

By employing natural gas generator rental and service from Baseline, the operator reduced their total cost of electricity on this single wellsite by approximately fifty percent with an overall estimated savings of four cents per kWh compared to the utility.

With no increase in downtime and no power loss from the generators during the historical winter storms of early 2021, the Baseline electric power generation solution and the wellsite continue its strong performance, enabling the operator to largely return to pre-pandemic development and production plans aided by a reliable electric power partner designed for their specific oil and gas business requirements.



Baseline technicians route cabling to connect low-emission, gas-fired electric generator power to the wellsite.

~4¢ per kWh SAVINGS OVER THE UTILITY

Low-Carbon Power Provider

If you feel as though you could benefit from incorporating off-grid natural gas power generation into your operations, please contact us and reference this case study.

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