



oil drilling mud coin

WHITE PAPER

V 2.2

This version is in current development. Corrections and changes may occur.

Annotation

Project aims to realize first two ideas:

- **ODMCoin** is first of a kind blockchain product in Oil&Gas sector, manufacturing and engineering of oil drilling sludge processing complexes.
- **Blockchain Industrial Club (BIC)** – is a network of users and industrial enterprises in blockchain ecosystem “Biplatform” (Blockchain Industrial Platform) for funding, profits sharing and assets trading.

ODMCoin:

Oil drilling mud is a mixture of oil (oil products), a solid phase (soil and ground particles) and water and comes in either liquid, pastelike or solid waste.

The processing and utilization of oil sludge is both an important environmental and economic target. Over \$1,000,000 was invested in Research & Development of advanced disposal technologies for processing these muds and extracting raw materials that are being used for building, electricity and fuel.

Decentralized direct investments will be done through purchase of ODMCoin. It will also ensure transparency and independence of the project from the influences of both the state and large companies. This project fully utilizes an idea of national project “Clean Country”.

ODMCoin token will be launched on Ethereum blockchain. 20% of ODMCoin profits will be allocated to Blockchain Industrial Club.

Blockchain Industrial Club:

ODMCoin token gives a right to receive a BIC token of Blockchain Industrial Club, which will include companies who are focused on pioneering industrial businesses and development of blockchain.

Blockchain Industrial Club is working on its own blockchain (biplatform.io) for regulation of relation between club members and token holders.

BIC token also gives a right to receive 20% club profits and 80% from industrial company profits, which holder has a token for.

BiPlatform – is an open-source project with Ethereum integration to develop functionality for connecting investors, industry enterprises, engineering and creative teams with clients and working together efficiently. Platform for conducting reliable and safe transactions based on smart contracts and escrow agents (investments, profits sharing, crediting, patents, etc.).

Few of advantages of platforms including:

- Create smart contracts using templates and forms with no coding involved at all.
- Registration of real assets by users and businesses for further exchange on blockchain platform.

Each investor will have a wallet that will be a part of blockchain node. Blockchain 2.0 with its smart contracts are used to be countable for execution of all parties obligations. For diversifying BIP functionality and BIC audience integration will be done with Ethereum blockchain app platform.

BiPlatform functionality will allow science and innovative community of pro-active youth and also seasoned professionals, experts, scientists, advisers, designers and others to take part in development of platform life. Social entrepreneurship and whole ecosystem will run on its own smart contracts and support young specialists and innovators in joint activities with accelerators, engineering and design clubs at high schools, higher education and other relevant institutions. With administrative support it can also fuel platform with energy and ideas to develop successful projects on local and international markets.

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Definitions

ODMCoin token – digital asset gives holder a right to acquire waste processing complexes or the right to process wastes at a special price. Token holder also receives a right to join Blockchain Industrial Club.

Blockchain Industrial Club – network of BIC token holders, which offers its members additional discounts and advantages. Each project will transfer 20% of net income to the club. Club profits will be shared between members BIC token holders in proportion to a number of BIC tokens holder has.

Biplatform – is inhouse open-source project with Ethereum integration to develop functionality for connecting investors, industry enterprises, engineering and creative teams with clients and working together efficiently.

Escrow or the escrow agent is a third party that monitors the compliance with the obligations between a company and an investor with the help of secure transaction. The company (a scientist, a startup, an operating company, etc.) receives a guaranteed prepayment on a certain stage for the implementation of its project, the investor minimizes their risks in the event of cancellation of the transaction or fraud and a third-party which is an escrow agent, ensures commitment of obligations with smart contracts and is responsible for its proof-of-stake and reputation.

Cryptoeconomy: A socio-economic relationship in a digital society based on using network protocols and binding smart-contracts. Cryptoeconomy deals with everything from the creation of cryptographic tokens (cryptocurrencies), digital assets; decentralized social security and crowdfunding systems to decentralized management systems, selffulfilling “smart” contracts, commerce markets for computing resources, consensus algorithms, online trust and reputation systems.

SR3: An innovative solution for the drilling wastes generated during the construction of oil and gas wells at the enterprises of the fuel and energy complex to be recycled. These wastes generated during oil and gas wells building (drilling mud, drilling agents and grouting mortars, sewage, domestic and industrial carboncontaining wastes) can be converted into composite material for infield roads and industrial sites construction, processed water, oil fuel

Clean Country: This is a high priority national project approved by the Council under Russia's President on Strategic Development and Priority Projects, and implemented by the Government of the Russian Federation (2017-2025).

The purposes of this project are:

- Reduction of environmental damage associated with the disposal of solid domestic wastes
- Curtail environmental risks associated with the objects of accumulated harm to the environment
- Create an interactive information system that will identify and eliminate unauthorized garbage dumps
- Broadcast sensitization messages to the citizenry on environmental care
- Open channels of communication between citizens and public organizations.

The approximate (general) budget of the project is 150200 billion rubles, including non-budgetary funds about 30 billion rubles.

The problem

Drilling mud—also called drilling fluid—is an essential component of the drilling process. Drilling mud aids in the process of drilling a borehole into the earth. Such holes are drilled for oil and gas extraction, core sampling and a variety of other purposes. The fluid is used to lubricate the drill bit and transport the drill cuttings to the surface.

When the drilling process is finished, the drilling waste must be disposed of in some way. Pit burial is a very common technique, in which the waste is placed in a manmade or natural excavation. However, burial is not a good method for waste that contains high concentrations of oil and industrial chemicals. The waste can easily contaminate soil and groundwater when the hydrocarbons and other chemicals leach into the earth, and polluted groundwater can take years or even decades to dissipate and often spreads to other areas.

Solving wastes from well boring operations has always been a matter of utmost urgency for drilling companies. In Russia alone, there are more than 3 million tonnes of oil sludges formed annually.

Guided by the Russian Federation Government Ordinance №236 of 17.02.1994 *"On Utilization, Detoxification and Disposal of Toxic Wastes from Production"* and Order of Natural Resources RF Ministry №511 of 15.06. 2001 *"On the approval of the criteria for classifying hazardous waste as a hazard class to the environment"*, the supervisory environmental authorities have proposed increased obligations from enterprises responsible for the waste, especially those around water conservation zones.

As environmental requirements and government regulations becomes tougher, oil companies are under increasing pressure to treat and dispose these hazardous wastes properly.

Green production and economy

Oil waste are hazardous to the environment due to the toxicity of the extracted hydrocarbons and the substances used in the drilling processes.

When drilling for oil and gas, there are two problems oil companies have to content with:

- Drill Cuttings and
- Drill Sludge

Drill cuttings are the broken bits of solid material removed from a borehole drilled by rotary, percussion, or auger methods that condenses at the bottom of the well as it deepens, while the fluids from the bottom of the well it condenses into is what is transformed into drilling mud.

The volume of drilling cuttings is, in principle, equal to the volume of the wellbore. When engineering, the amount of drilling sludges is roughly assumed to be greater than drilling cuttings by approximately 20%. After the operation, almost the entire drilling mud fluid with the cuttings will end up in the sludge pits.

The mineralogical composition of the drilling mud is determined by the lithological composition of the drilled rocks and changes as the well deepens. The chemical composition of the drilling mud depends on both its mineral composition and the properties of the flushing fluid applied.

The granulometric composition of the drilling sludge is determined by the type and diameter of the rock destruction tool, the mechanical properties of the rock, the drilling regime, the properties of the flushing fluid and the efficiency of its cleaning.

Generally, the crude oil sludge and other waste products are stored in open ground tanks (oil sludge pits), which had significant negative impact on the environment due to leak and contamination. As a result, the problem of processing and recycling industrial waste products remains very relevant. This also applies to drilling waste. Natural ecosystems self-purification and decontamination processes are well known, but its ability to process such substantial amounts of pollution is quite limited.

Soil natural selfcleaning is very slow. The storage pits construction on the oilfield site is practically done by excavating a certain volume of soil and bunking the pit. Waterproofing of the bottom and walls of the pit, is not

always implemented making it almost impossible to avoid leakage into the surrounding landscape.

The impact of drilling waste on nature environment may not necessarily be manifested in a toxic effect on the biosphere, but instead it can also be expressed in biotopes equilibrium disturbance of different trophic levels when they interact with an abiotic environment whose ecosystem has been damage.

However, advancement in technology have recently discovered that oil sludge is not just a dangerous waste. Treated and recycled properly oil sludge have been producing valuable raw material for the construction, electrical, and mining industries. Sand for construction, oil and gas for fuel, road paving materials, coating and electricity materials are some of the product our in-house developed SR3 complex has been able to produce from these wastes.

For purification of drilling mud fluid, we have also developed a unique cleaning system. This system consists of three major components – two of which are embedded on semi-trailer, automobile platforms. They are:

- UBS-1.5 Complex,
- Alfa 9 Complex, and
- Alfa-T Complex

Ubsh1.5 Complex: This mobile complex is based on physicchemical neutralization and hardening of cuttings (drillings) by structures from cement and lime through the addition of polymeric materials. The neutralizing effect achieved is results in the transformation of pulp into the inert consolidated mass and binding in its structure, the pollutants (oil and oil products/ petroleum). The processed material can be used for construction and repair of drilling site platforms, road foundation, and strengthening of highways slopes.

Alfa9 Complex: This disposal complex carries out cleaning through the application of chain free radical electrochemical oxidation and selective sorption in low temperature environments. The disposal facilities are presented as modular devices placed in freight containers with the heating and ventilation system for onsite mounting.

AlfaT Complex: This installation is for the processing liquid and solid carbonaceous production waste such as oil and oily waste, film, synthetic

rags, and products from HDPE, LDPE, PVC, rubber and polymers in order to produce chemically pure hydrocarbons of gasoline and diesel fractions.

The principal advantages of our complexes are:

- Catalytic process provides stable composition of gas mixture
- Stability of management of heating of working cameras
- The set composition of fuel with prevalence of C18C19 fractions in the main product
- Deep purification of gas from impurity during catalytic process and condensation
- Reducing the toxicity of exhaust gases from accelerating cameras.
- Correction of fuel characteristics due to the dripping on fractional composition and combustion heat.

*Detailed machinery descriptions are available at investor's profile home page.

Commercialization

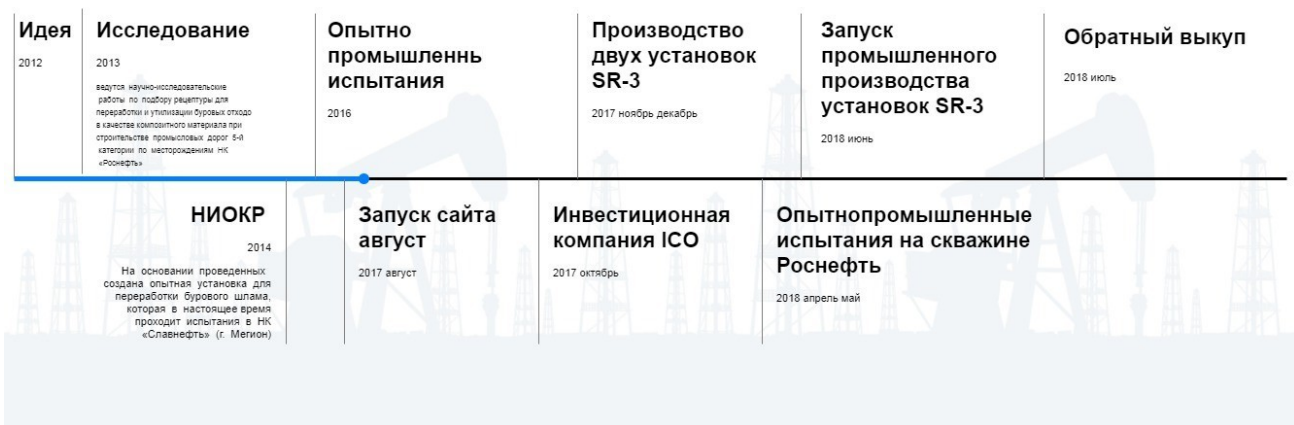
Oil has become the world's most important source of energy since the mid-1950s. Its products underpin modern society, mainly supplying energy to power industry, heat homes and provide fuel for the transportation of goods, services, and people all over the world.

Demands for oil, gas, and its by-products keeps on increasing annually. So, have mining operations and the volume of waste it generates.

The adoption of blockchain technology in modern-day industrial operations is rapidly revolutionizing the way businesses and business contracts are executed. Crowdfunding on the blockchain provides a secure, transparent, and immutable platform for investors to invest in a company backed by oilfield contracts.

This project underlies crowdfunding investments in ODMCoin derivative (see definition above), which will be issued on Ethereum platform.

The scheme model of implementation of the ODMCoin project is



shown in Figure 1.

The ODMCoin project consists of three main stages:

- Crowdfunding (pre-ICO and ICO)
- Production Output
- Buyback

1. Crowdfunding

The crowdfunding phase of the project will be in two phases:

- **Pre-ICO:** A preliminary investment campaign for venture capitalists and investors. The offering was started on August 28th and ended on September 11th, 2017. 4000 ODMCoins with a market capitalization of \$200,000 were sold during the pre-ICO. One ODMCoin was set at \$52.8. Funds generated from this campaign are being allocated to fund project preparedness and launch activities such as marketing, international PR campaign and main ICO support.
- **ICO:** The ICO for ODMCoin is scheduled to start on December 1st and end on December 31st, 2017. The goal (soft cap) is to raise minimum \$1,400,000 and upon reaching soft cap all ODMC token holders will be issued BIC and BIP tokens via smart contracts. Mid cap of \$2,800,000 is reserved for ODMC project development. After that only BIP tokens will be sold. Hard cap is \$4,200,000.

BIC and BIP tokens will be offered separately and will be used as a digital asset for various transactions on its own platform.

*Comment: additional information is posted in the personal account of the investor on the odmcoin.com. Raised funds will be used as investment budget to manufacture two SR-3 complexes.

2. Production Output

February, 2018.

The production of two SR3 installations.

3. Buyback

July, 2018.

ODMCoin buyback will commence 8 months after crowdfunding. Investors will be able to exchange ODMCoins for corresponding value in finished products (Oil, gas, construction material). In addition, investors might be offered to exchange ODMCoin options for Company shares in event of an IPO.

BENEFITS OF CROWDFUNDING INVESTMENTS IN ODMCOIN

Investor will enjoy a 5.5% monthly return from holding ODMCoin. ODMCoin derivative is backed by real product which can withstand currency volatility due to firm price of a contract for oil drilling mud processing.

Other benefit includes;

- Green technology development for cleaner hydrocarbons extraction
- Launch of new financial instrument
- Decentralization of funding in oilfield service company for the first time ever.

Financial model for industrial scale production of SR-3 complexes

To explaining the financial model for industrial scale production using ODMCoin, we will demonstrate by solving the oil sludge problem of OSC “Rosneft”.

1200 complexes are needed for servicing 2400 oil wells. To fulfill these numbers, the purchase of 20 complexes is required each month for 5 years (60 months).

All complexes are capable of processing 1200000 cubic meters/month or 9.6 million of cubic meters per year (8 months season). This equals to 15.6 million of tonnes annually that will result in 124.4 billion of Rubles in revenue.

Estimated profit is 36.4 billion Rubles annually (29,24% from revenue or 2339 Rubles/tonne). Accumulated profit over a 10-year period is estimated at 270 billion Rubles. Factoring the price of storing oil drilling mud and other related expenses that includes environmental risks management and logistics, the minimum expected is 11000 Rubles/tonne. The estimate profit margin saving for OSC” Rosneft” will be 3000 rubles/tonne or 46.6 billion Rubles per year.

With increasing oilfield service production output, there is a future projection of offering SR-3 complexes for oil drilling mud processing to another EBRD companies domestically and abroad.

Our team

Doronin, Alexander

Business administration and operations management across companies. Professional achievements – successfully launched two branches, search and acquire of commercial space, fulfilled staffing needs for both branches. Key experience – modernization of industrial companies. Fund raising for projects. Foreign technology transfers and localization. Search and acquiring of industrial spaces for production purposes. Establishment of strong relationships with larger corporations

Kuznetsov, Vladimir

Pilot model design, management and QA of SR3 assembly, technical use case application writeup for Alfa9 and AlfaT models, fine-tuning of oil drilling mud waste refinery technology. Key experience: R&D and production launch of polymer reagent GIVPAN, R&D and implementation of oil well perforation under depression, active participation in R&D of watercleansing complex ALFA – 9 and complex for polymer wastes refining ALFA T.

Novikov, Oleg

Member of national project “Nanotechnology”, coordination of workforce group in R&D and implementation of nanocomposite material at SJSC “METAKAY”, subsidiary company of “Rosnano” in city of Karachev, Bryansk region (nanocomposite is successfully implemented and is supplied to cable, pipe and tires companies) Key experience: R&D and implementation of nanocomposite materials, R&D and production of complexes for recycling industrial and domestic water wastes.

Matvienko, Viktor

Biological degradation of oil, research of anticorrosion methods to protect machinery. Professional Achievements: development and implementation of program for ecological and anticorrosion monitoring across western Siberia oilfields, participation in development of project for

processing and utilization of oil drilling mud waste and well bore sludge with SRPI "Oil and Gas".

Zehansky, Michael

Professional achievements: R&D and implementation of technology for removing gas hydrate plugs on oilfields SJSC "Lukoil – AIK"; technology implementation of acid well treatment to eliminate deposits of Jet pump on oil fields OSC "RITEK" and LLC "Lukoil Western Siberia", creation of LPS – 7k, laboratory of perforators 11 stations for LLC "Kogalymneftegeofizika"; development and commissioning of module village (mobile village) for hosting drilling teams in the far North regions for OSC "Eurasia".

Besedovskiy, Yuriy

Advisor. Key experience: Honored Oil Professional of Russian Federation. honored worker of the oil and gas industry. Candidate of geological-mineralogical Sciences, chief researcher of Department of information and support of scientific research and production enterprises of the West Siberian oil and gas complex of JSC "Sibniinp".

Legal basis and judicial guarantees

ODMCoin token is a digital asset that gives bearer a right to acquire waste processing complexes and also a right to process wastes at a special price. Also token holder becomes a member of Blockchain Industrial Club. Basically, BIC token is an asset that confirms existence of obligations between parties.

Absence of legal status of cryptocurrency in RF allowed project team to view it as a digital asset, at the same time as discount coupon that grants holder a right to acquire BIC token at a lower price.

Note, that discount amount to acquire a token is proportional to the number of invested digital assets (cryptocurrency). Right to be admitted to Blockchain Industrial Club is granted with BIC token. Right to gain club membership can be conveyed to a new token holder via token transfer for free or reimbursement.

Disclaimer of liability

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Conclusion

To participate in the project is anticipated via purchase of ODMCoin derivative, which will be issued on Ethereum blockchain platform; while ODMCoin will be backed by contracts to process oil drilling sludge and company assets.

Sale of ODMCoin options will happen during ICO (1 stages – December, 2017). Purchase of ODMCoin is possible with using cryptocurrencies.

First day investors will receive a 50% discount off the current market value of the contract for oil drilling mud processing. Following days option price will grow evenly.

Blockchain Industrial Club is being developed on BiPlatform for information exchange between all industry members.

Blockchain open-source BiPlatform aims at following:

- Connect industry (real sectors of economy, IT, innovative, green technologies and others).
- Attract investments to startups and fulfil responsibilities acting as an escrow.
- Give opportunity to create credit and insurance smart contracts with no coding experience.
- Operate as patent database capable of payout transactions from company clients to authors of intellectual property.
- Create resources and finances exchange.
- Open access to global markets

*Comment: additional information is posted in the personal account of the investor on the odmcoin.com.

