Exhibit 12

bitcoin BTC
$19,134.65
24h ▲ 1.39% | 7d ▼ -3.39%

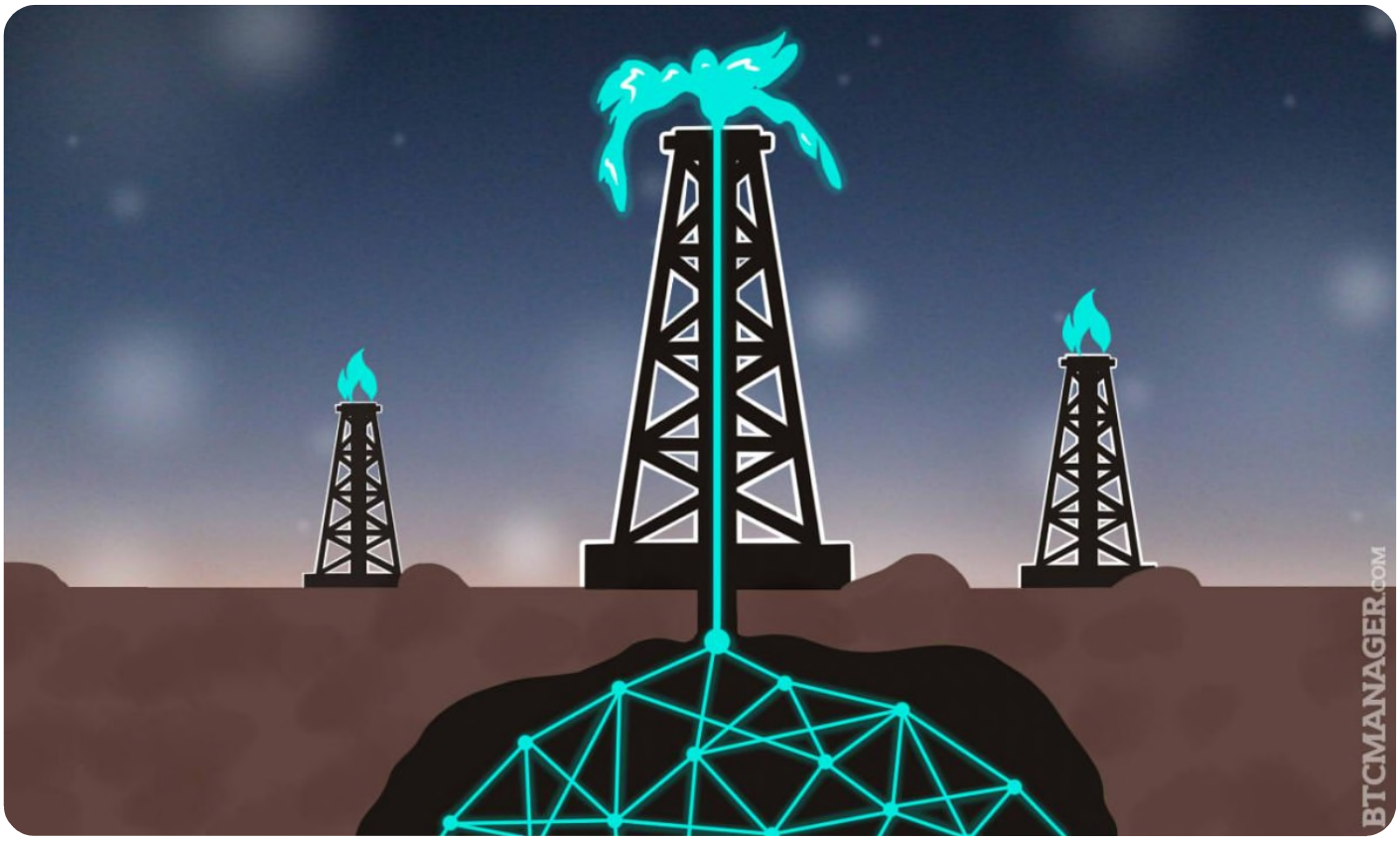
ethereum ETH
$1,624.06
24h ▲ 3.48% | 7d ▲ 6.47%

polkadot DOT
$7.20
24h ▲ 4.31% | 7d ▲ 3.1%

Texas Oil Producers Could Channel Excess Gas into Bitcoin Mining Operations

April 21, 2018 at 2:15 pm by Ogwu Osaemezu Emmanuel

ALTCOINS BITCOIN BLOCKCHAIN



share

A handful of forward-thinking Wall Street analysts have been inspired to turn gas producers in Texas's oil-rich Permian Basin a healthy profit by simply converting their 'useless' natural gas into bitcoin and other cryptocurrencies.

Gas Flaring to Bitcoin Mining

Some cryptocurrencies use a proof-of-work (PoW) algorithm, a consensus that requires miners to compete against each other to complete transactions and get rewarded with new coins. The principal example of this mechanism is the Bitcoin network. This process requires a substantial amount of electricity; hence miners in the network are always in search of a cheap and abundant power supply.

Amidst this backdrop, some Wall Street analysts are suggesting that oil firms in the Texas Permian Basin who dispose of their excess natural gas via

gas flaring, could better utilize it by using the gas to generate electricity which would, in turn, power on-site Bitcoin mining rigs.



(*Source*: Sweetcrudereports)

A Bernstein team of analysts, headed by Jean Ann Salisbury, explained in a note to clients that the basin could add "an astounding 25 [billion cubic feet per day] of wet gas to 2025, which will mostly be treated as a byproduct

based on oil price and possibly even flared! What could producers do instead with this free gas?"

After making some calculations, the analysts found out that their strategy would indeed have worked perfectly well several years ago, yielding instant returns on investment.

But now that about 17 million bitcoins have already been mined out of the total 21 million, the mining difficulty would increase exponentially hence, "becoming a Permian-bitcoin billionaire will remain, for now, a dream," the analysts declared, adding that:

"If we account for this increasing difficulty, we make money only if the average price over 15 years is $18,788."

Lone Star State Has Company

The analysts are not the only ones thinking of harnessing excess energy for cryptocurrency mining.

Back in February, *BTCManager* reported that Iron Bridge Resources, a Canada-based oil, and gas firm, was looking to create a subsidiary that could use a fraction of its natural gas to produce electricity for Bitcoin mining operations to turnaround its dwindling fortune caused by the low price of natural gas.

"Our IBR shareholders are expected to benefit from increased natural gas netbacks as we convert our clean, low priced gas to electricity and then direct that electricity to profitably mine cryptocurrency and host platforms

for third-party mining equipment, said Iron Bridge Resources CEO, Rob Colcleugh.

Similarly, an Australian firm known as Hunter energy has signed a partnership deal with IOT Group, to re-open its coal mining facility for crypto mining activities.

While this seems like a brilliant business idea for both parties, it could prove quite unhealthy for the environment as burning coal emits enormous amounts of carbon dioxide which pollutes the air and contributes to global warming.

Bernstein analysts firmly believe that large-scale bitcoin mining may not be profitable in the short term due to the fluctuating prices of bitcoin, GMO is busy making millions of dollars from its green energy-powered bitcoin mining facility launched in December 2017.

The price of the world's flagship cryptocurrency, bitcoin is just above the $8,500 area at press time.



Ogwu Osaemezu Emmanuel

Ogwu Osaemezu Emmanuel is a graduate of Mass Communication and Media Studies. He joined the blockchain movement in 2016 when a friend of his introduced him to an investment platform accepting bitcoin. He has never looked back since then. Emmanuel believes the world needs real change and

freedom from poverty. He sees crypto and the underlying distributed ledger technology as the catalyst to a better future for all.

related posts



Why is Biticodes worth your while?

September 7, 2022 at 1:03 pm



The Newest Trading Platform BitAlpha AI and Its Impressive Benefits

September 7, 2022 at 12:55 pm



La Fr

Sep

view more

sign up for daily crypto news in your inbox

Get crypto analysis, news and updates right to your inbox! Sign up here so you don't miss a single newsletter.

Enter your email address

subscribe

© 2022 crypto.news