ILLINOIS INDUSTRIAL CARBON CAPTURE AND STORAGE PROJECT Project Overview, Lessons, & Future Plans

2012 NETL CO₂ Capture Technology Meeting

July 9-12, 2012 Scott McDonald Biofuels Development Director scott.mcdonald@adm.com

Acknowledgements

- The Industrial Carbon Capture and Storage (ICCS) project is administered by the U.S. Department of Energy's Office of Fossil Energy and managed by the National Energy Technology Laboratory (award number DE-FE-0001547) and by a cost share agreement with the Archer Daniels Midland Company, University of Illinois through the Illinois State Geological Survey, Schlumberger Carbon Services, and Richland Community College. This ICCS project received DOE funding from the American Recovery and Reinvestment Act of 2009 (\$141.4 million).
- The Midwest Geological Sequestration Consortium is funded by the U.S. Department of Energy through the National Energy Technology Laboratory via the Regional Carbon Sequestration Partnership Program (contract number DE-FC26-05NT42588) and by a cost share agreement with the Illinois Department of Commerce and Economic Opportunity, Office of Coal Development through the Illinois Clean Coal Institute.
- The Midwest Geological Sequestration Consortium (MGSC) is a collaboration led by the geological surveys of Illinois, Indiana, and Kentucky



ADM Company Profile

Core Purpose

Connecting the harvest to the home and transforming crops into products that serve vital needs for food and energy.

Financials

•FY 2011 Net Sales: \$80 billion •FY 2011 Net Earnings: \$2.0 billion

Processing

•66,000 MT of corn
•100,000 MT of oilseeds
•28,000 MT of wheat
•3,000 MT of cocoa beans
Logistics
•26,100 Rail cars
•1,700 Barges
•700 Trucks – 1,500 Trailers

•8 Oceangoing Ships



Sourcing facilities

- Oilseed processing
 Corn processing
- Cocoa & wheat processing
- Wilmar
- Sourcing distribution
- Processing distribution

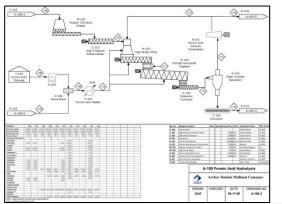
ADM Research Initiatives

- Biomass Conversion to Fuel Additives
- Integrated Biorefinery: Ethanol & Ethyl Acrylate
- Carbon Capture and Storage
- Membrane Solvent-Extraction: Ethanol
- HTL, Catalytic Pyrolysis, & Hydrogen Research
- Chemical Platform Development: PG/EG
- And Many More.....







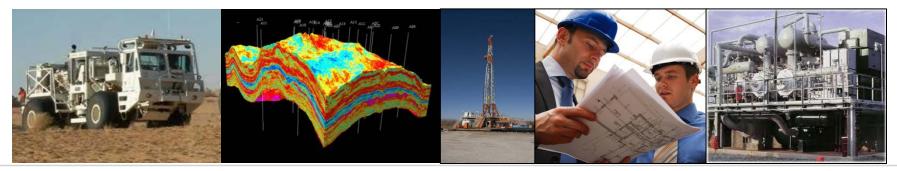


Focus of Today's Presentation

- Provide an Overview and Comparison of the CCS projects underway in Decatur, Illinois
 - Illinois Industrial Carbon Capture and Storage Project (IL-ICCS)
 - Illinois Basin Decatur Project (IBDP)

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- Features, Activities, & Impacts of IL-ICCS
- Review Lessoned Learned
- Future Plans for the Facility & Site



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Illinois Basin Decatur Project (IBDP)

Program Objective

Large scale geologic test to inject 1.0 million tons of CO_2 over a three year period (1,000 MT/day).

Project Team Members







Knowledge Base

- Site Geological Characterization
- Risk Assessment & Reservoir Modeling
- Engineering Design & MVA

Breaking ground for anthropogenic CO₂ storage in a saline reservoir using cutting-edge storage technology



Illinois Industrial CCS Project (IL-ICCS)

Program Objectives

- Target & Demonstrate Advanced CCS Technologies at Industrial Scale Facilities
- Inject and Store One Million Tons of CO₂ Annually (3,000 tons/day)

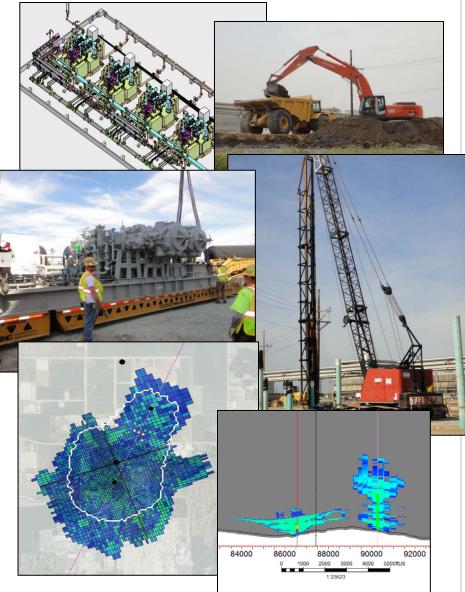
Project Team Members



Knowledge Base

- Site Geological Characterization
- Risk Assessment & Reservoir Modeling
- Engineering Design & MVA
- Education and Public Outreach

Study the interaction between the CO₂ plumes from two injection wells within the same formation.

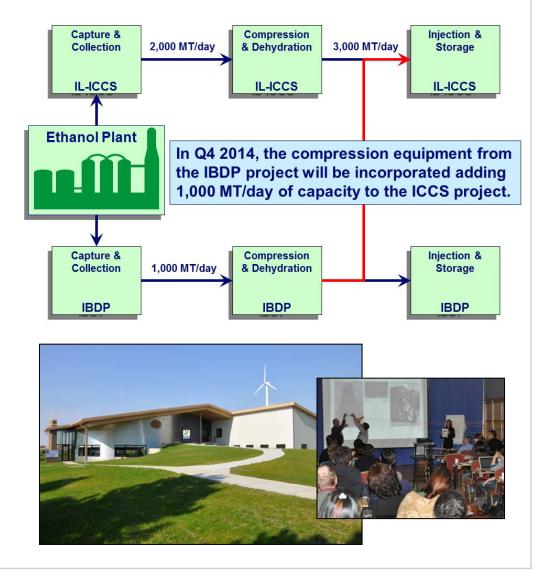




Project Objectives

Project Objectives

- Design, construct, and operate a new CO₂ collection, compression, and dehydration facility capable of delivering up to 2,000 metric tons of CO₂ per day to the injection site.
- Integrate the new facility with an existing 1,000 metric tons of CO₂ per day compression and dehydration facility to achieve a total CO₂ injection capacity of 3,000 metric tons per day or one million tons annually.
- Implement deep subsurface and near-surface MVA of the stored CO₂.
- Develop and conduct an integrated community outreach, training, and education initiative.



Project Team Members

Archer Daniels Midland Company

Project Leader

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- Overall Project Execution
- Facility Owner and Operator
- Design & Construction of Surface Facilities



• UIC Class VI Permit Holder

Illinois State Geological Survey

- Site Characterization
- MVA Development
- USDW Monitoring
- Near-Surface CO₂ Monitoring
- Outreach and Communication

Schlumberger Carbon Services

- Seismic Acquisition & Data Processing
- Reservoir Modeling
- Design & Construction
 of Storage Facility

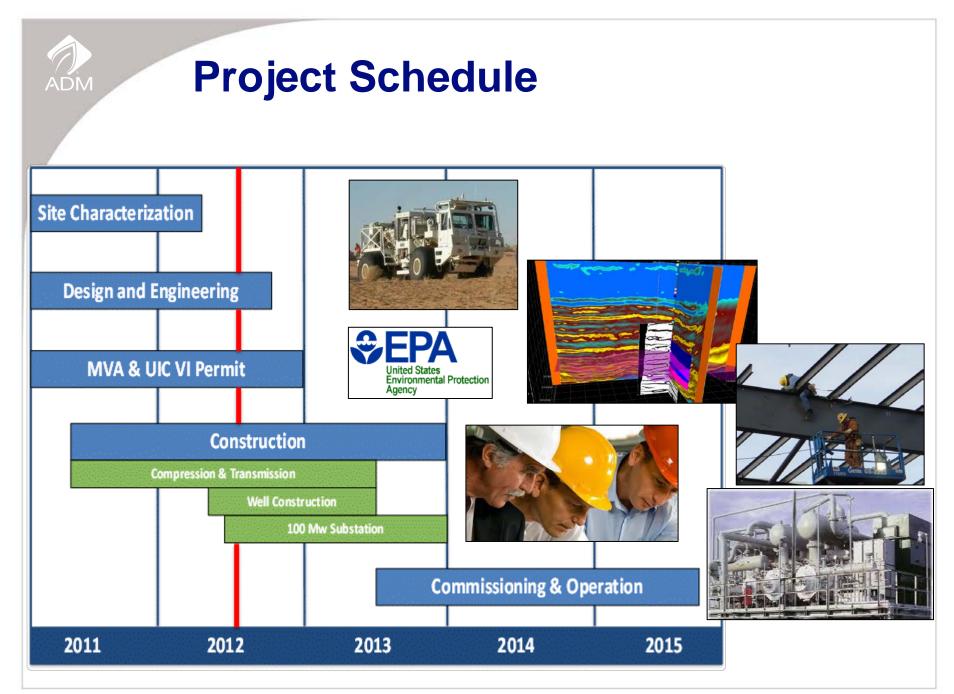


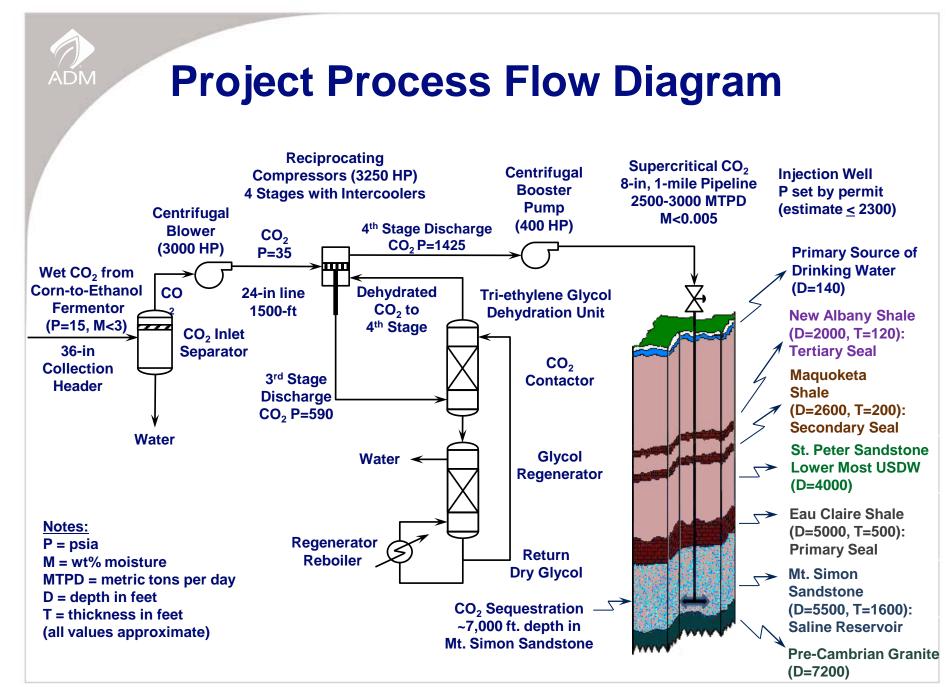
- Subsurface Operations
- Deep MVA CO₂ Monitoring

Richland Community College

- National Sequestration Education Center
- Community Outreach & CCUS Training
- Richland
- New Associate Degree
 Programs in CCUS

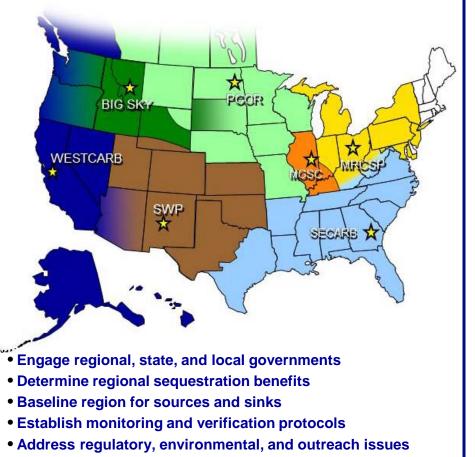
Leveraging Knowledge and Experience





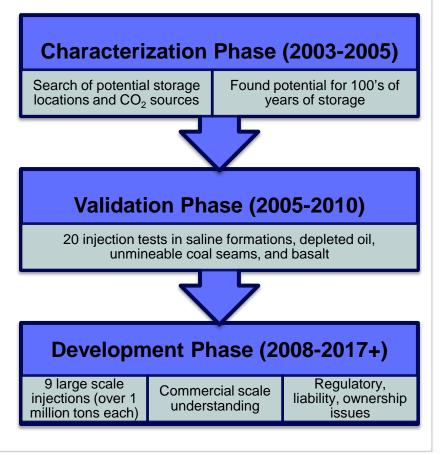
Site Selection Regional Carbon Sequestration Partnerships

IL-ICCS project site selection benefitted from the information developed through the Regional Carbon Sequestration Partnership



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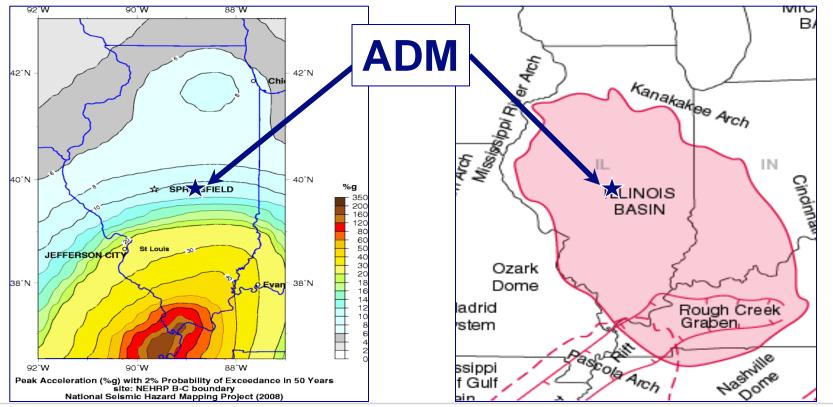
• Validate sequestration technology and infrastructure



Site Selection Regional Geologic Characterization

- Cratonic basin
- 60,000 square mile area
- Structurally complex to the south with faulting and seismicity

- ADM Decatur facility is located near the center of this geologic formation
- Estimated CO₂ storage capacity between 27 to 109 billion metric tons

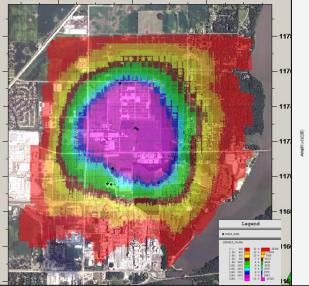


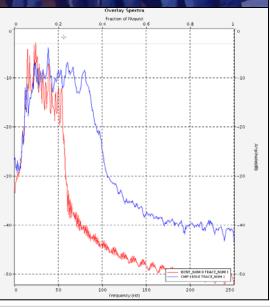


Site Characterization Seismic Acquisition

- Receiver lines spaced 640 ft. (N-S lines)
 18,090 point receivers
 - Source lines spaced 720 ft. (E-W lines) 2,018 shot points
- Fold coverage is maximized over injection well location 40'-by-40' bin size (horizontal resolution)
- Q-Land Technology with improved signal-to-noise ratio
- More desirable for acquiring seismic data within industrial settings







ADM

Site Characterization

Merged Data

Seismic Processing & Geocellular Model Development

- Both projects seismic data sets were merged prior to processing
- Improved resolution and clarity

Legacy Data

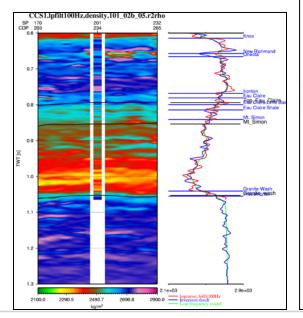
- Petrophysical properties extrapolated from CCS #1 logs
- Extended coverage over both sites
- Large model dimensions (30-by-30 miles) used to minimize boundary effects
- Yielding more usable data within AoR.

Seismic Inversion: Formation Density

• Synthetic wavelet constructed from correlation to wellbore log data

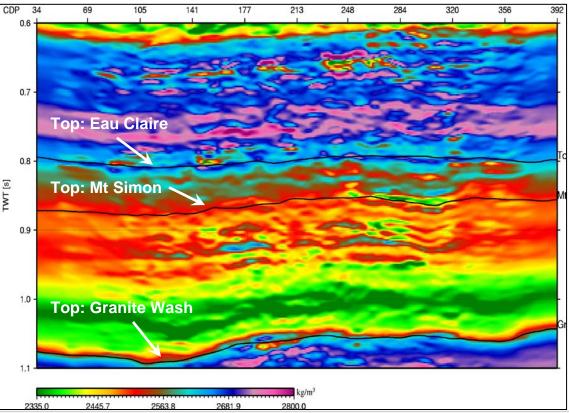
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 Seismic data inverted to generate petrophysical properties



- 2D Line 101 inverted to generate image of formation density
- Enhances detailed features and allows interpretation of depositional bodies

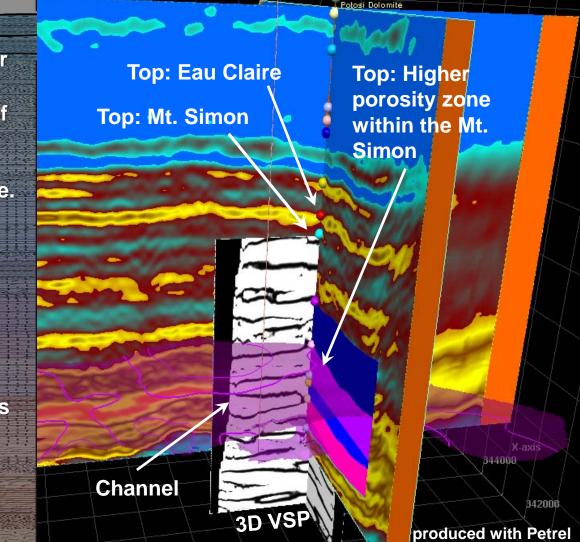
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Evaluation of the Decatur Site

The ADM site has excellent features for CO₂ storage High purity source of CO_2 Thick permeable formation for storage. Porosity <20% and permeability 26 mD **Formation depth** Thick seal with no resolvable faulting Additional seal formations No local penetrations of the primary seal formation Low population density

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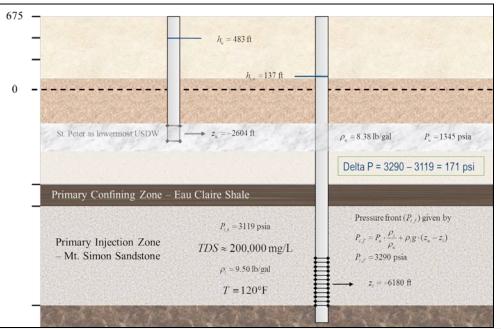
AoR - Maximum Extent of the Plume or Pressure Front

- The delineation of the AoR is based on the Maximum Extent of the Separate-phase Plume or Pressure-front (MESPOP) methodology, as detailed in the relevant US EPA guidance document (USEPA, 2011).
- The pressure front is defined by the differential pressure needed to allow fluid from the injection zone to flow through a hypothetical open conduit into the overlying lowermost USDW (St. Peter Sandstone)
- Site specific data used to determine the MESPOP and was calculated to be 171 psi.

USEPA Pressure Front Delineation Equation

$$P_{i,f} = P_u \cdot \frac{\rho_i}{\rho_u} + \rho_i g \cdot (z_u - z_i)$$

Illustration of pressure front delineation calculation based using the St. Peter Sandstone is as the lowermost USDW.

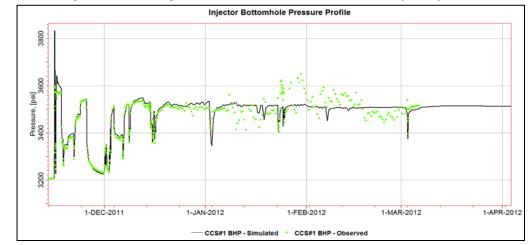




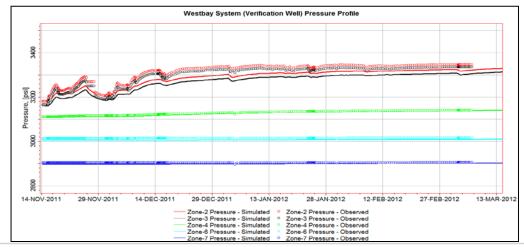
Updating the Site Model – Matching Operational History

- The site model was calibrated using data obtained during the first four (4) months of the IBDP injection period.
- The IBDP injection rate was input into the simulation to calculate the bottom hole pressures and pressures at five different zones at the verification well.
- Reservoir permeability and skin were the main parameters impacting the injection pressure calibration and were used as fitting parameters.
- Once the injection bottom hole pressure was calibrated, simulated pressures at five different zones at the verification well were fine-tuned calibrating the kv/kh ratio of the tight sections and compressibility of the reservoir rock

History Matched Injection Bottom Hole Pressure (BHP) for CCS#1.



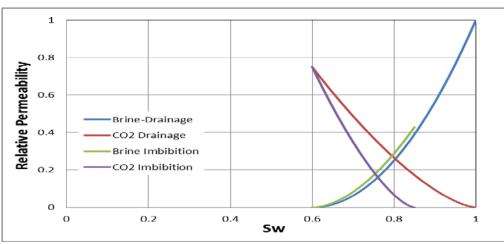
History Matched Pressures at Verification Well for CCS#1





Updating the Site Model – Matching Operational History

- RST Well Logs helped us estimate the location, saturation, and thickness of the CO₂ column around the injection and verification wells.
- This information helped us fine tune the end points of relative permeability curves which dominate the CO₂ and brine flow in the reservoir.
- Using the calibrated model, a predictive simulation was run to evaluate plume development and pressure perturbation during the course of the injection.
- The project's planned injection schedule was used for the 50 year simulation.

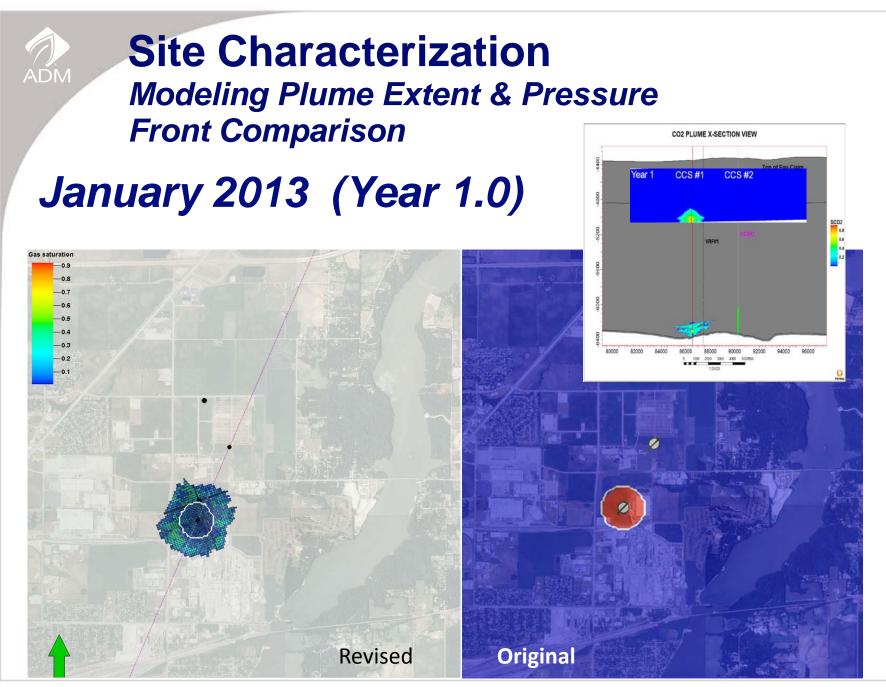


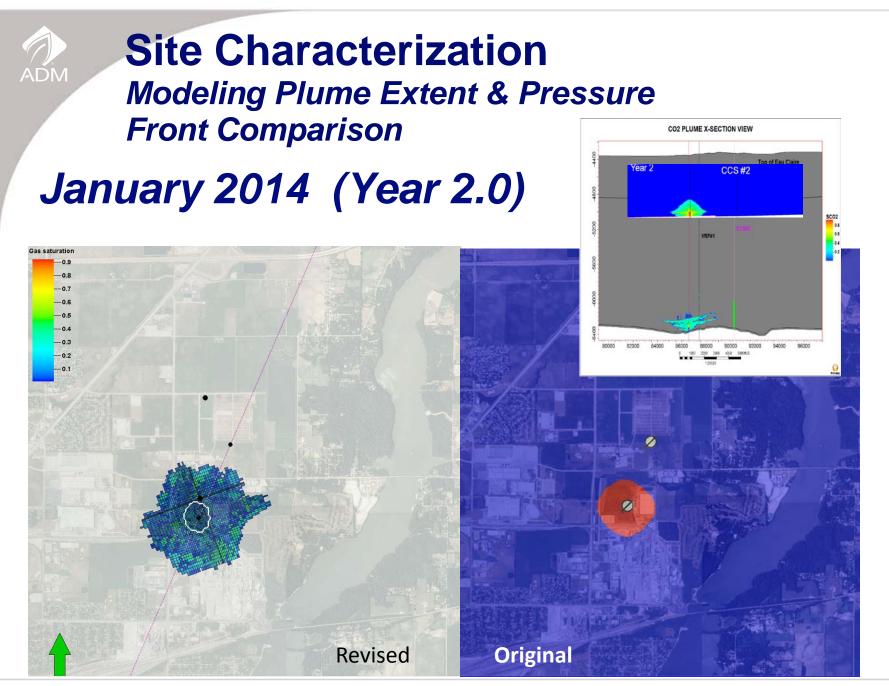
Calibrated Reservoir Unit Relative Permeability Curves

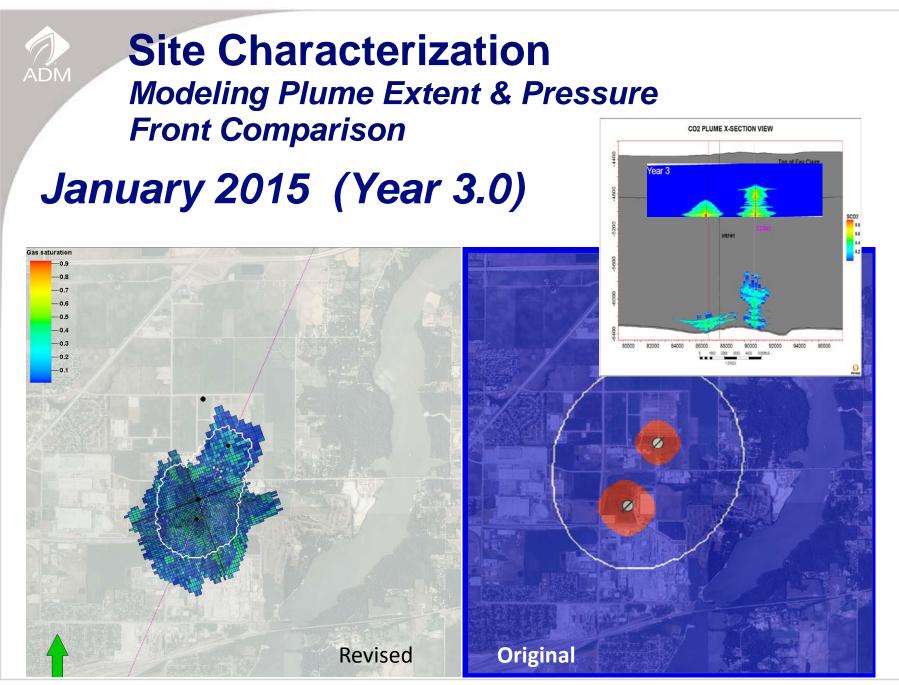
Injection Schedule for IBDP (CCS#1) and IL-ICCS (CCS#2) Projects

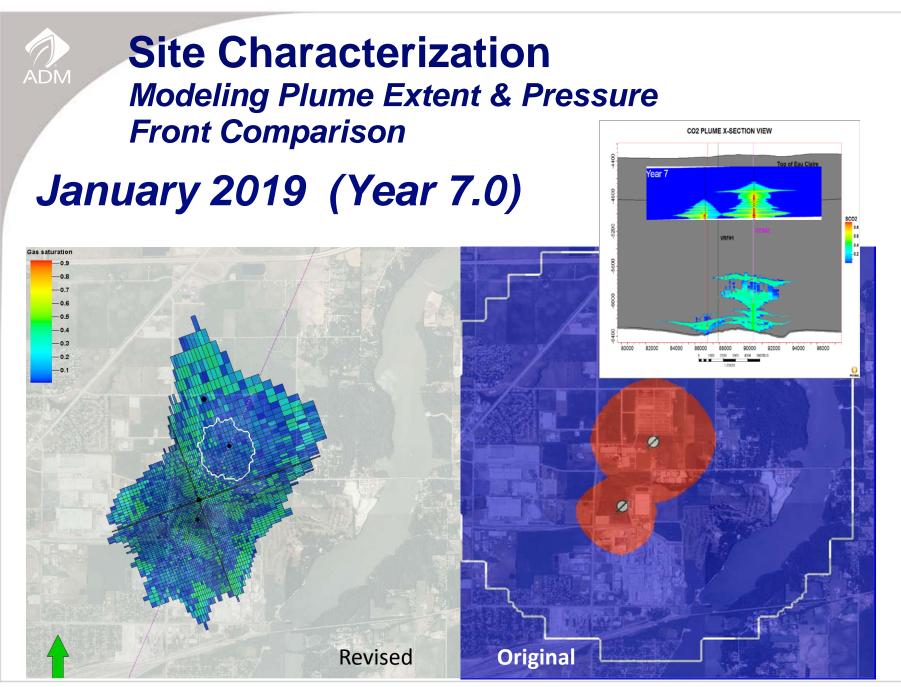
YEAR	IBDP (MT/D)	IBDP (MT/YR)	ICCS (MT/D)	ICCS (MT/YR)
1	1,000	333,333		
2	1,000	333,333		
3	1,000	333,333	2,000	730,000
4			3,000	1,000,000
5			3,000	1,000,000
6			3,000	1,000,000
7			3,000	1,000,000
Total		1,000,000		4,750,000

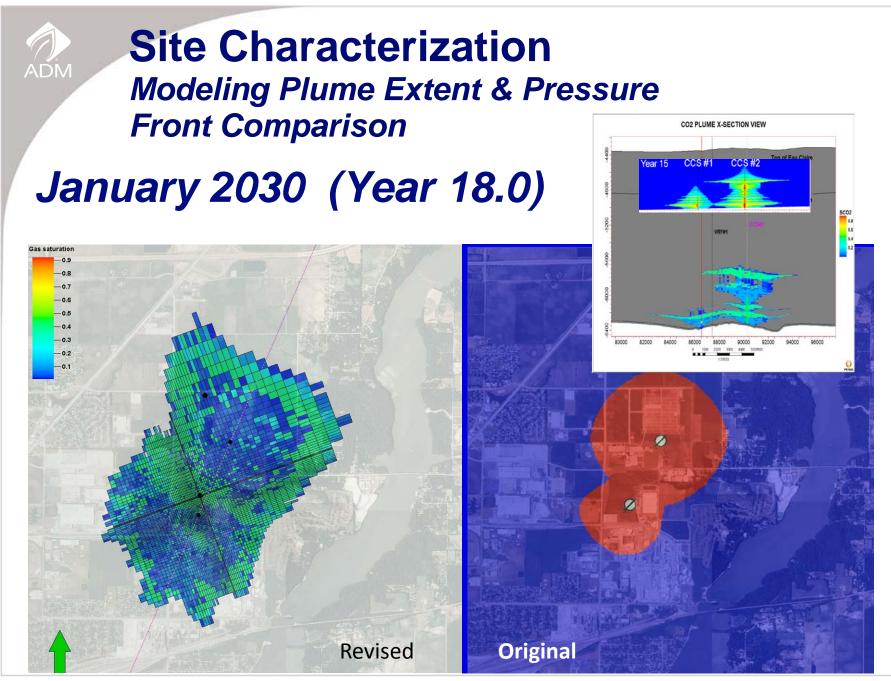
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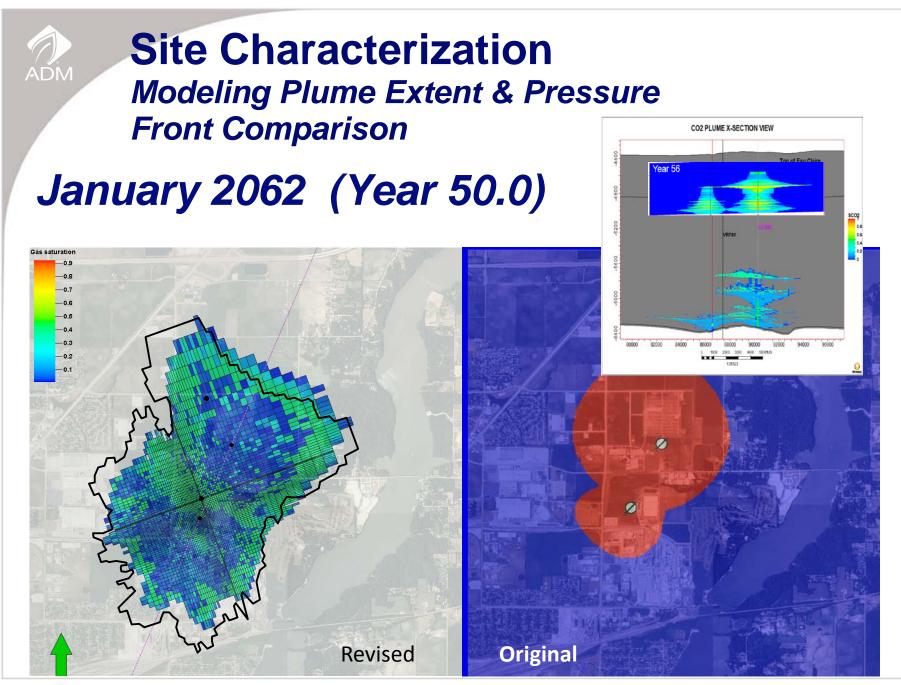










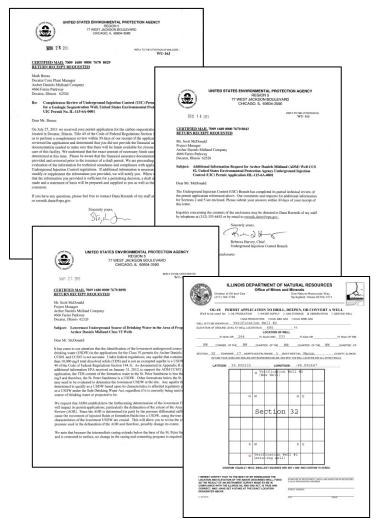




Site Permitting USEPA: UIC Class VI Permit

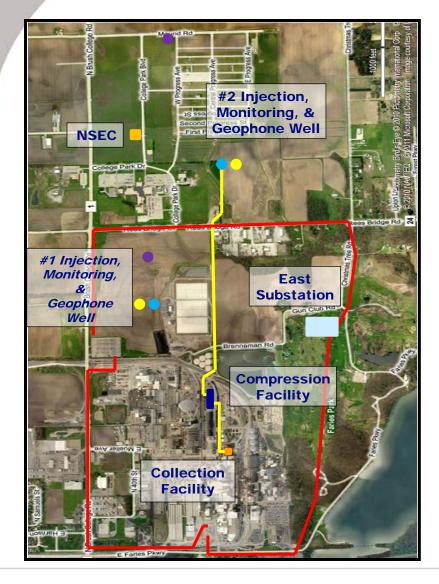
1st UIC Class VI Permit Application Reviewed by the USEPA

- UIC Class VI permit application submitted on July 25, 2011.
- US EPA Region V issued a notice of completeness on August 26, 2011.
- EPA issued an information request on December 21, 2012.
- The project team sent a response on January 25, 2012.
- The EPA issued a determination that stated the St. Peter Sandstone formation was the lower most USDW.
- The project team submitted revised permit application using new USDW on May 31, 2012.
- OG-7 application for construction of monitoring well submitted and issued on June 8, 2012.





Engineering Design & Construction *Major Capital Elements*



- Collection, Compression, and Transmission Facility
- Electrical Substation & Distribution System
- Storage Site and Monitoring Facility
- National Sequestration Education Center (NSEC)

Engineering Design & Construction Capital Project Approach Plan

ADM has a stage-gate project plan that is divided into six stages:

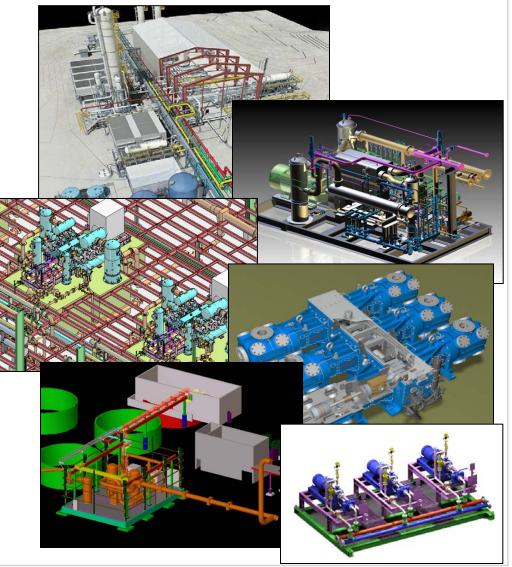
- Concept and Feasibility Stage
- Assessment Stage
- Development and Design Stage
- Construction Stage
- Start up and Commissioning Stage
- Final Audit and Closing Stage Reduce Capital and Technical Risk



Engineering Design & Construction *Modular Design & 3D Computer Aided Design*

- Major equipment designed as modular components on self contained skids using 3D CAD
- Combined modules into single model which allowed integration of the mechanical, structure, civil, & electrical design elements
- 3D model allowed rapid evaluation of changes to the mechanical and structural design elements
- All construction drawings were created from the 3D model allowing for precise shop fabrication of 80% of the mechanical, structural & electrical components.

Reducing Capital Cost



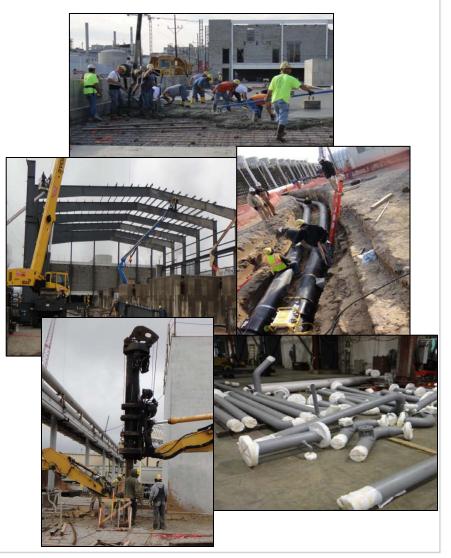
Engineering Design & Construction Planning

 Designed enclosures with a coordinated/staged construction schedule

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- Minimized craft interference and accelerated building erection
- Staggered craft work schedule minimized interference
- The enclosure also facilitate construction during winter or periods of inclement weather
- Refurbished existing equipment and a structures to minimize project footprint and costs
- 24 month construction schedule

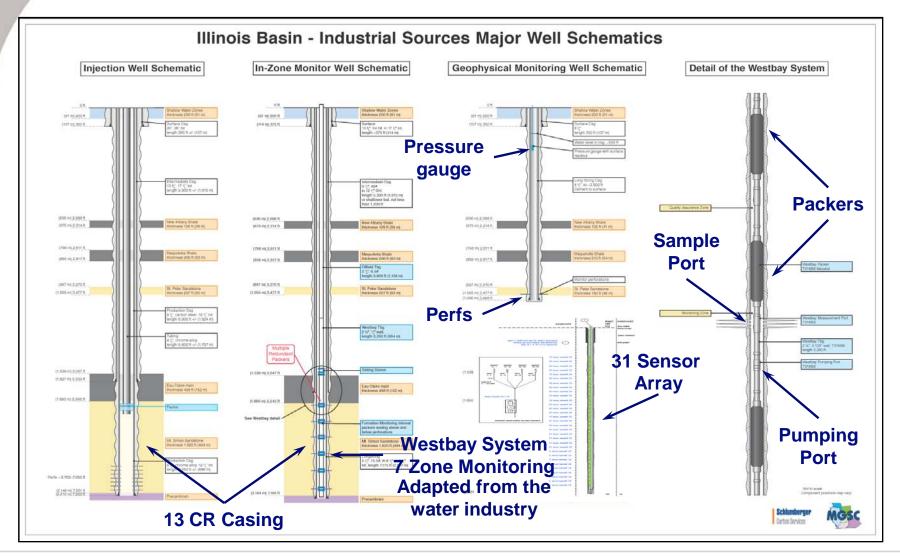
Reducing Installation Time



Engineering Design & Planning *Storage Site: Major Well Schematics*

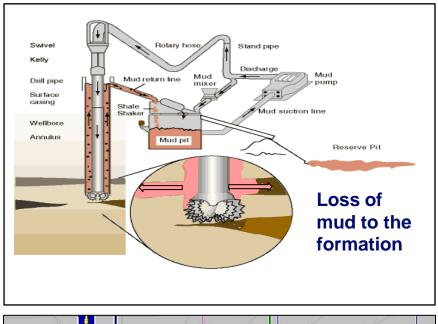
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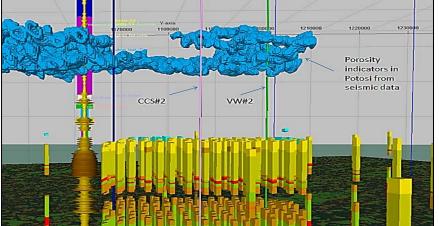
Built to Meet Class VI Standards



Well Construction Management Storage Site - Lost Circulation Event

- CCS #1 LCM event in the Knox zone conventional LCM were not effective for this zone – Set cement plugs
- MW #1 bypassed LCM and set cement plugs. 70% cost reduction vs. CCS #1
- Using of 3D seismic and modeling techniques to predict location and severity of lost returns.
- Developed drilling protocol to maximize drill time during LC event (drill thru the formation) and set cement plug.

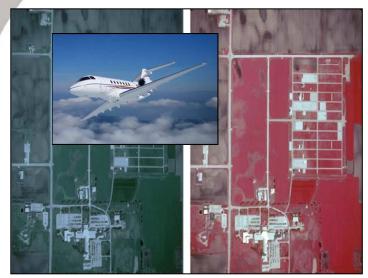




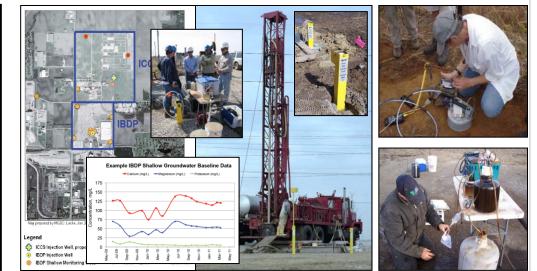
AĎN **Environmental Monitoring (MVA) Conceptual Framework** Deep **Near Surface** Subsurface Injection Ground Above Soil and Vadose Zone Zone Water Seal Geophysical Geophysical Geochemical Surveys Surveys Sampling Aerial Imagery Soil CO₂ Flux Seismic Geochemical P/T Monitoring sampling Monitoring **P** Monitoring **P/T Monitoring**

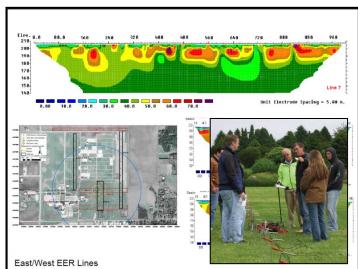
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Environmental Monitoring *Near Surface Monitoring*



- Near infrared aerial imagery will be used to evaluate plant stress
- Soil resistivity characterized shallow depths for identification of optimum GWM locations
- GWM for baseline conditions and operational surveillance
- Surface soil CO₂ flux monitoring





Environmental Monitoring *Deep Subsurface Monitoring*



- CCS#2 T/P monitoring
- Distributed Temp Sensor
- VM#2 Westbay system
- Multi-level sampling ports reservoir fluid collection and T/P monitoring
- GM#2 has 31 sensor array
- Pressure sensor to monitor above the seal
- Allow offset or walkaway Vertical Seismic Profile (VSP)
- Well logging (RST)

Outreach and Education Building on Current Regional CCS Activities

• Trusted Information Source

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- Local, Regional, National, and International Events
 - Decatur Public Events
 - AAPG Short Courses
 - IEA GHG Summer School 2011
- Providing Information
 - Invited presentations
 - Technical presentations
 - Model presentations
 - Teacher workshops
 - Coordination with STEM.
- Education Development
 - STELA Learning Environment
 - Undergraduate CCUS course Working with local programs to leverage funding.



National Sequestration Education Center

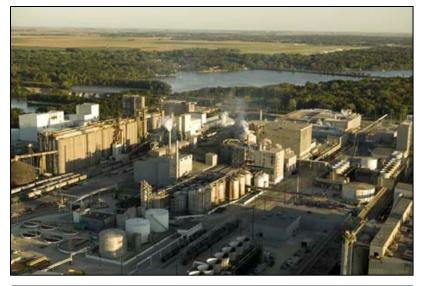
 Innovative Educational Spaces

- Academic Curricula
- Community & Industry Workshops
- Workforce Training Activities
- Visitor Center
- K-12, Community & Regional Outreach
- Sequestration Training & Learning Array (STELA)



Project Groundbreaking Ceremony: August 24, 2011

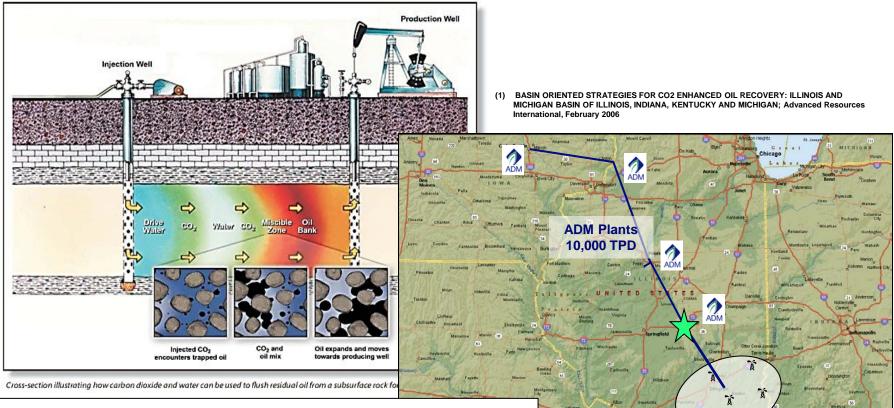
Environmental and Cost Benefits *GHG Reduction & Fuel LCA*





- Reduction in site's CO₂ emissions.
- Process has a GHG reduction efficiency of 94% based on using Midwest electricity grid average.
- Reduction of the carbon footprint of fuel ethanol.
- The operational expense is significantly lower than other forms of CO₂ capture.
- 15 billion gallons annually, represents about 40 million metric tons of CO₂.



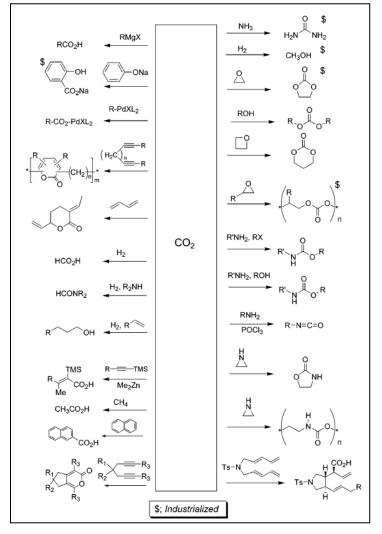


Illinois Basin - Oil Producing Region
Est. Recoverable Oil = 700 million bbls⁽¹⁾
Est. CO₂ Requirements = 150 million MT

Future Commercial Potential

 Product Development •CO₂ Liquids Carbonates Fertilizer Process Development SC Extraction Solvent Applications Carbon Management •Storage Trading & Risk Management

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Transformation of Carbon Dioxide, Sakakura, Choi, & Yasuda, 2007

Thank You!

Industrial Carbon Capture and Storage Project:

- U.S. Department of Energy Award No. DE-FE-0001547
- Administered by the DOE's Office of Fossil Energy
- Managed by the National Energy Technology Laboratory
- DOE cost share from American Recovery and Reinvestment Act of 2009

Cost Share Agreements:

- Archer Daniels Midland Company
- University of Illinois through the Illinois State Geological Survey
- Schlumberger Carbon Services
- Richland Community College

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