Central Appalachian Basin Unconventional (Coal/Organic Shale) Reservoir Small-Scale CO2 Injection Test

Project Number: DE-FE0006827

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U.S. Department of Energy

National Energy Technology Laboratory
Carbon Storage R&D Project Review Meeting
Developing the Technologies and Building the
Infrastructure for CO₂ Storage

August 21-23, 2012

Presentation Outline

- Benefit to the Program
- Goals and Objectives
- Organization
- Technical Overview
 - Characterization
 - Site Selection
 - Modeling
 - MVA Plans
- Schedule

Project Overview:

Goals and Objectives

***** Objectives:

- Inject up to 20,000 metric tons of CO2 into <u>3 vertical CBM</u>
 wells over a one-year period in Central Appalachia
- Perform a small (approximately 300-1000 metric tons) Huff and Puff test in a <u>horizontal shale gas well</u>
- **★ Duration:** 4 years, October 1, 2011–September 30, 2015

* Goals

- Test the storage potential of unmineable coal seams and shale reservoirs
- Learn about adsorption and swelling behaviors of coal and shale (methane vs. CO2)
- Test the potential for enhanced coalbed methane (ECBM) and enhanced gas (EGR) production and recovery
- Improve knowledge of unconventional and stacked storage systems (coal and shale)

Research Partners

- Virginia Center for Coal and Energy Research (Virginia Tech)
- Cardno Marshall Miller & Associates
- Gerald Hill
- Southern States Energy Board
- Virginia Department of Mines, Minerals and Energy
- Geological Survey of Alabama
- Sandia Technologies
- Det Norske Veritas (DNV)
- Consol Energy (Research Group)

Industrial Partners

- Consol Energy (CNX Gas)
- Harrison-Wyatt, LLC
- Emory River, LLC
- Dominion Energy
- Alpha Natural Resources

Collaborators

- Schlumberger
- Global Geophysical
- Oak Ridge National Laboratory

Project Timeline



Phase I

18 months (10/1/11 - 3/31/13)

- Characterization
 - Well Logs
 - Thickness, structure, production
 - Core sample analysis
 - Modeling
- Injection design
- Monitoring design
 - Well locations
 - Geophysical surveys
- Go/no go 1: permits, access (12 months)
- Go/no go 2: characterization (18 months)

Phase II

18 months (4/1/13 - 9/30/14)

- Site preparation
 - Conversion of production wells
 - Drill monitor wells
 - Install additional monitor stations
- •CO₂ injection (12/01/2013-11/30/2014)
- Monitoring
 - Atmosphere
 - Surface
 - Reservoir

Phase III

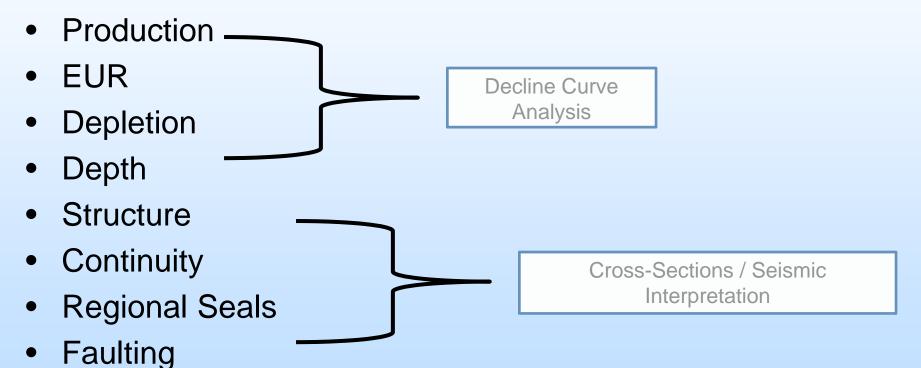
12 months (10/1/14 - 9/30/15)

- Site closure
 - Conversion of injection and monitor wells
 - Site restoration
- Post-injection characterization
 - Data analysis and interpretation
 - Post-injection monitoring
 - Reservoir modeling

Ongoing: Management and Planning, Risk Analysis and Assessment, Characterization, Modeling, Monitoring, Education/Outreach

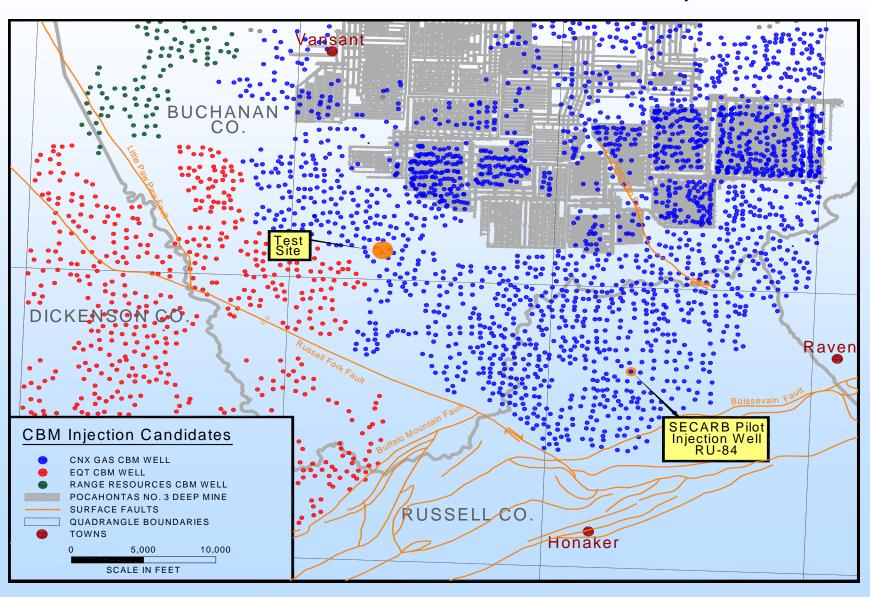
CBM Test - Selection Criteria

- CONSOL Operation
- Mineral and Surface Ownership
- Access

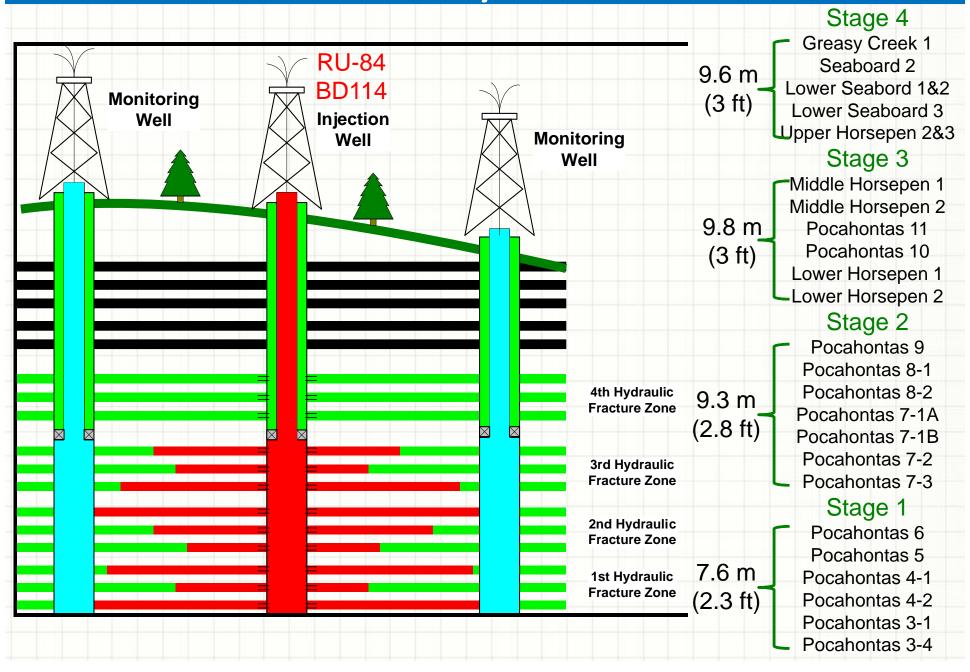


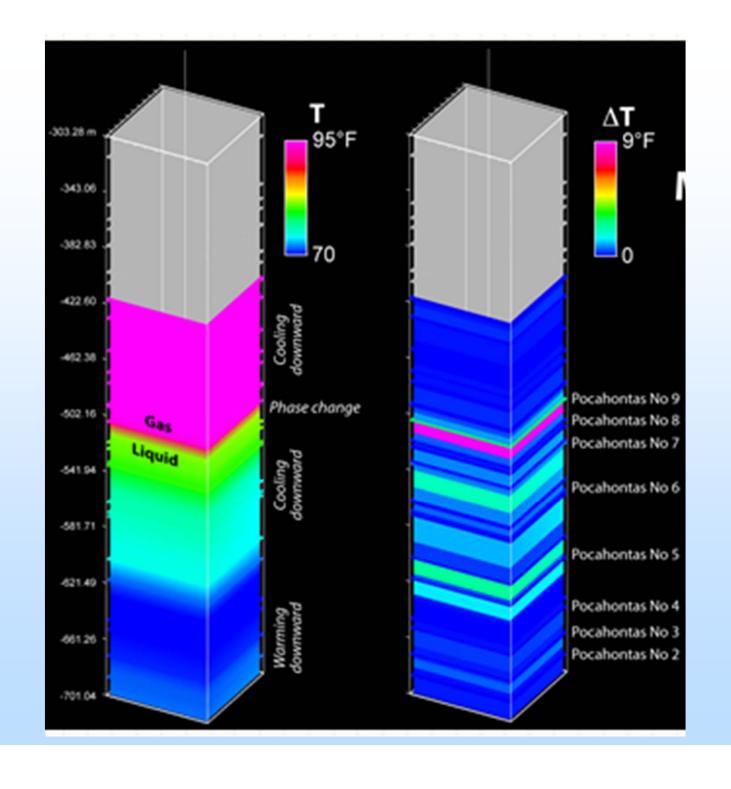
- In-Fill Wells
- Perforations, Stimulation and Breakdown (Frac Records)

CBM Injection Test Sites Russell and Buchanan Counties, VA

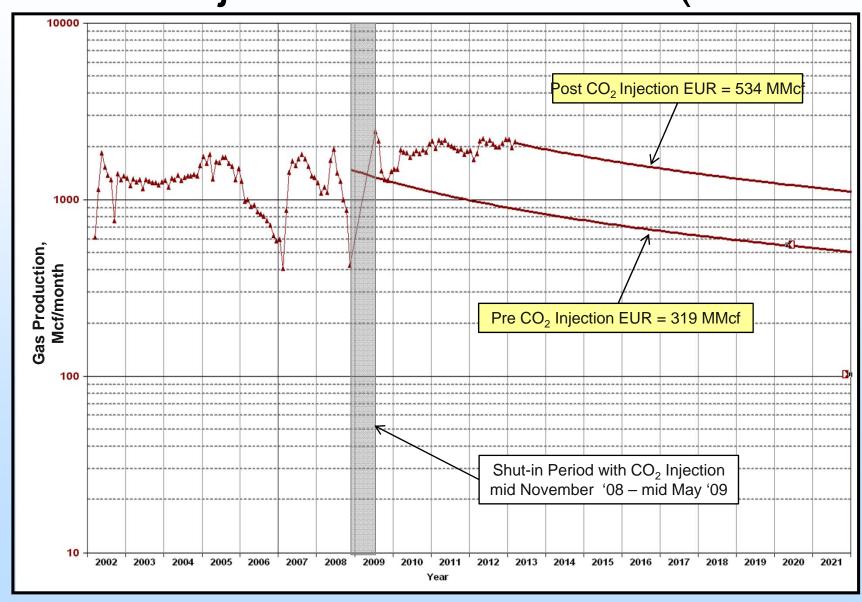


Russell County - Coal Seams

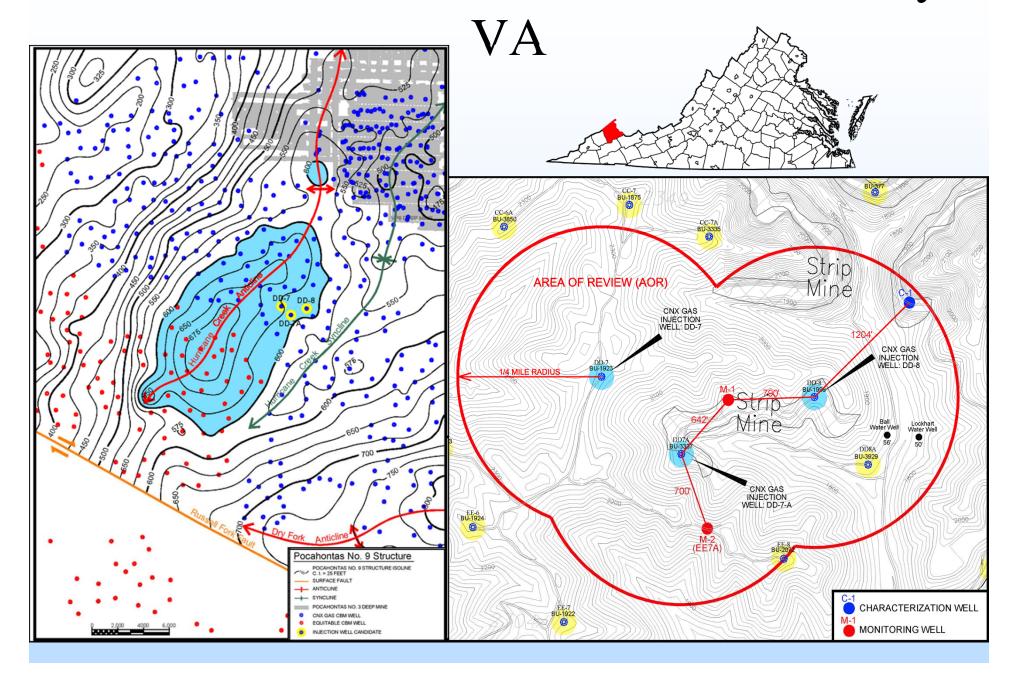




CO2 Injection Decline-Curve Analysis Phase II Injection Well RU-84 (BD-114)



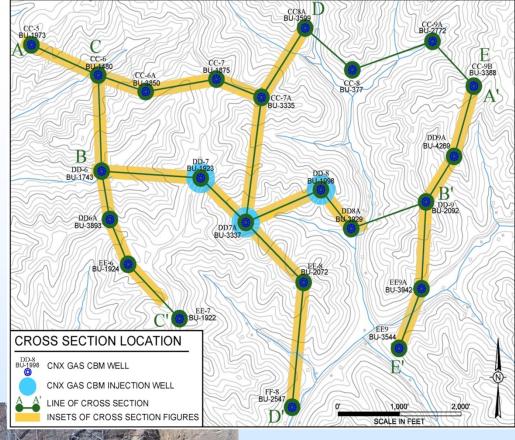
Field demonstration in Buchanan County,



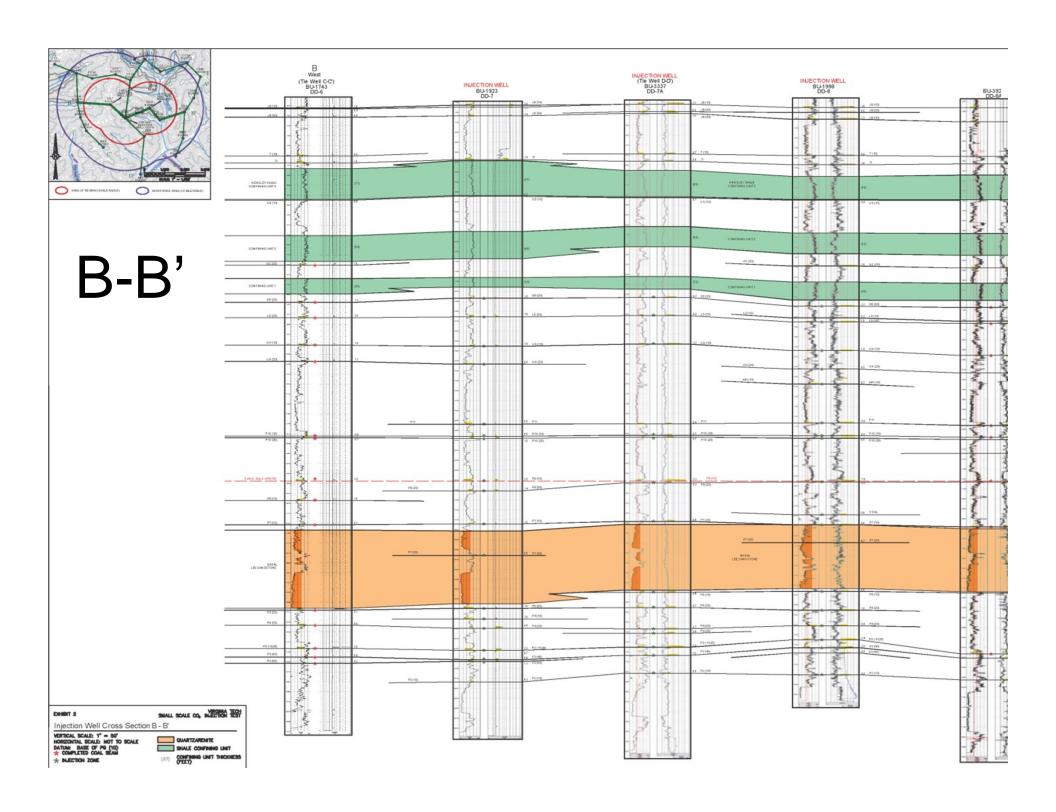
DD8



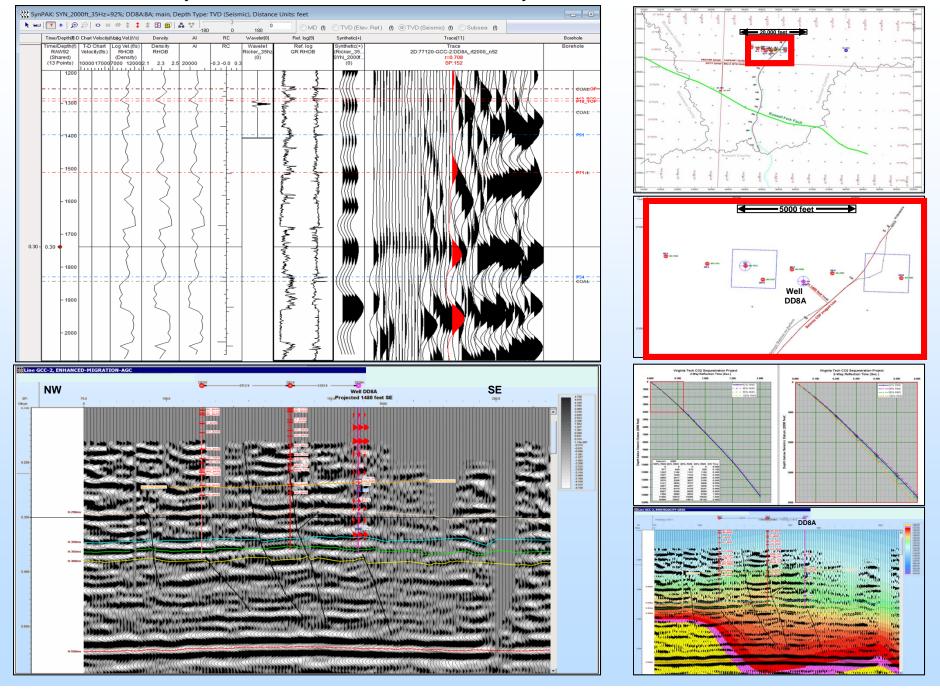
Cross-Sections by Coal Seam



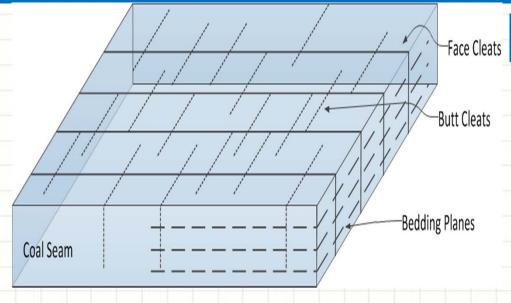




Virginia Tech CO₂ Sequestration Project Well DD8A Synthetic Seismic Tie to Seismic Reflection Survey



(E)CBM Mechanisms



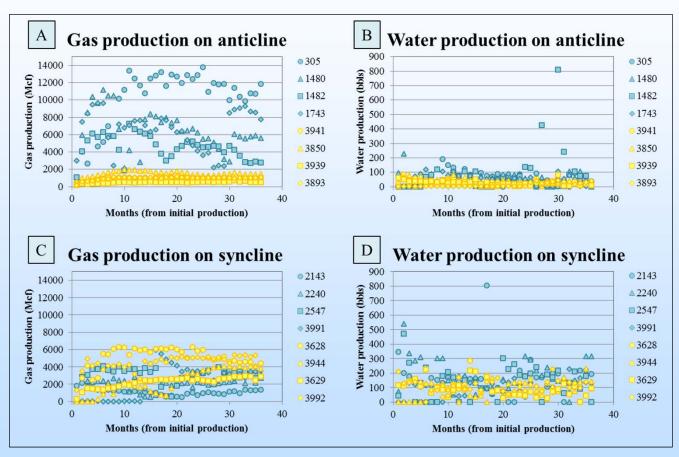
Butt cleat

Face cleat

Coalbed Methane

- (i) Dewatering: pressure ♥, effective stress ♠, fracture apertures ♥ permeability ♥
- (ii) CH₄ release→matrix shrinkage and zero volume change condition, fracture apertures ↑, permeability
- Net Permeability:
 Competing effects (i)-(ii)
- Fickian (Diffusion) and Darcy Flow ECBM
- (i) CO₂ greater affinity to coal than CH₄
- (ii) When CO₂ is adsorbed matrix swells; under zero volume change condition, fracture apertures Ψ, permeability Ψ

CBM and water production trends vs. geologic structure

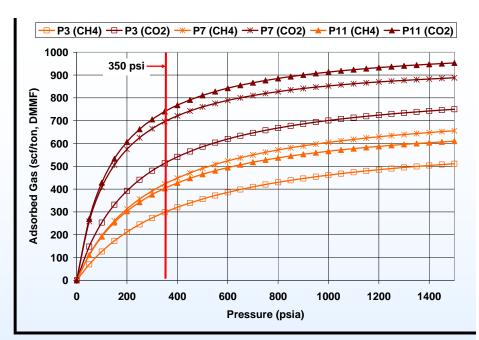


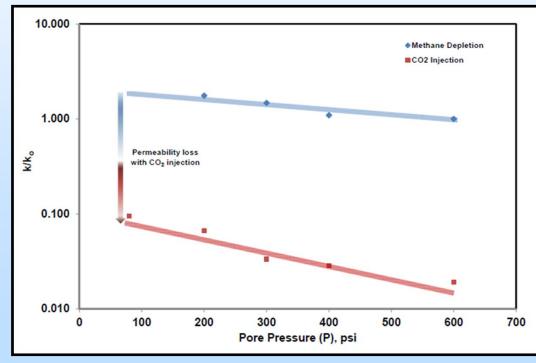
Gas and water production over 36 months for well drilled on the anticline (A, B) and for wells drilled on the syncline (C, D). Blue symbols represent initial wells and yellow symbols represent infill wells. Wells with the same symbol (circle, square, etc.) belong to the same 80-acre operational unit.

Water production higher for wells on syncline than wells on anticline.

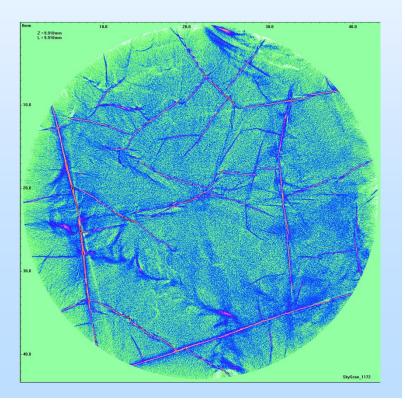
Modeling Issues:

Isotherms, Gas Content,
Permeability, Cleats, Fracture
development are all variable by
seam, depth and/or structural
location



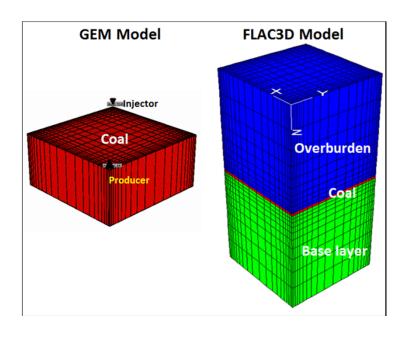


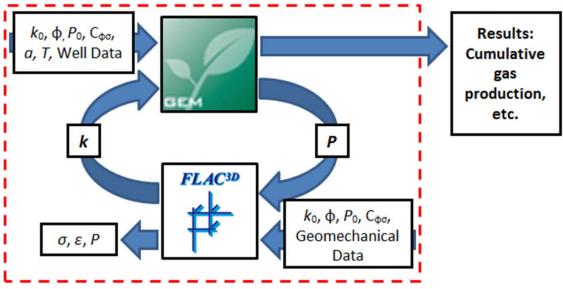
Harpalani, 2012



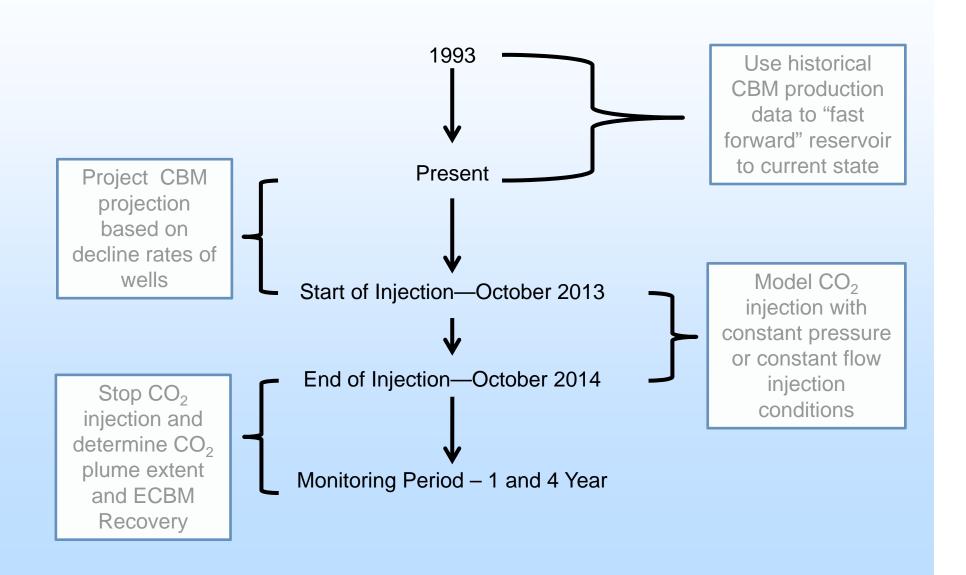
Overview of Reservoir Modeling

- Preliminary Reservoir Modeling Single Zone
 - ARI's COMET3
- Detailed Reservoir Modeling
 - Computer Modeling Group's GEM Program By Zone (5)
 - Schlumberger's Eclipse By Seam (15-20 seams)
- Coupling GEM with FLAC3D for Geomechanical Modeling

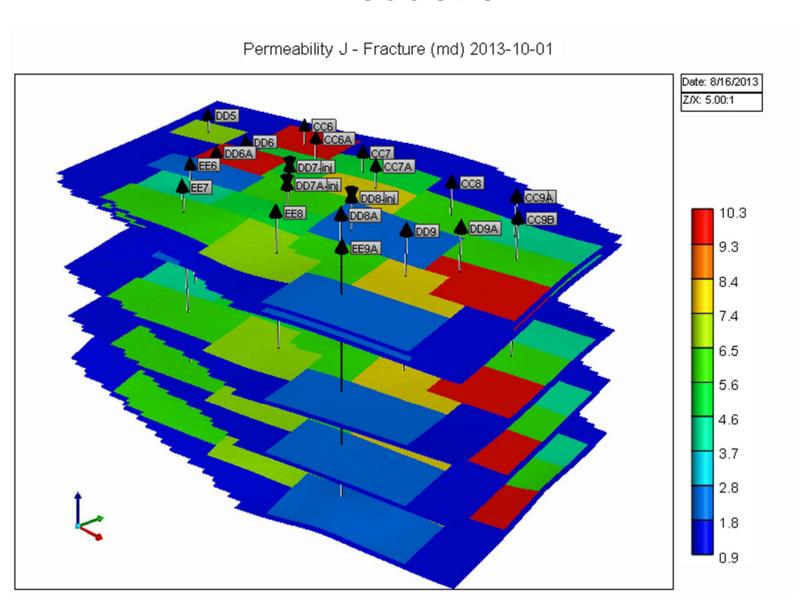


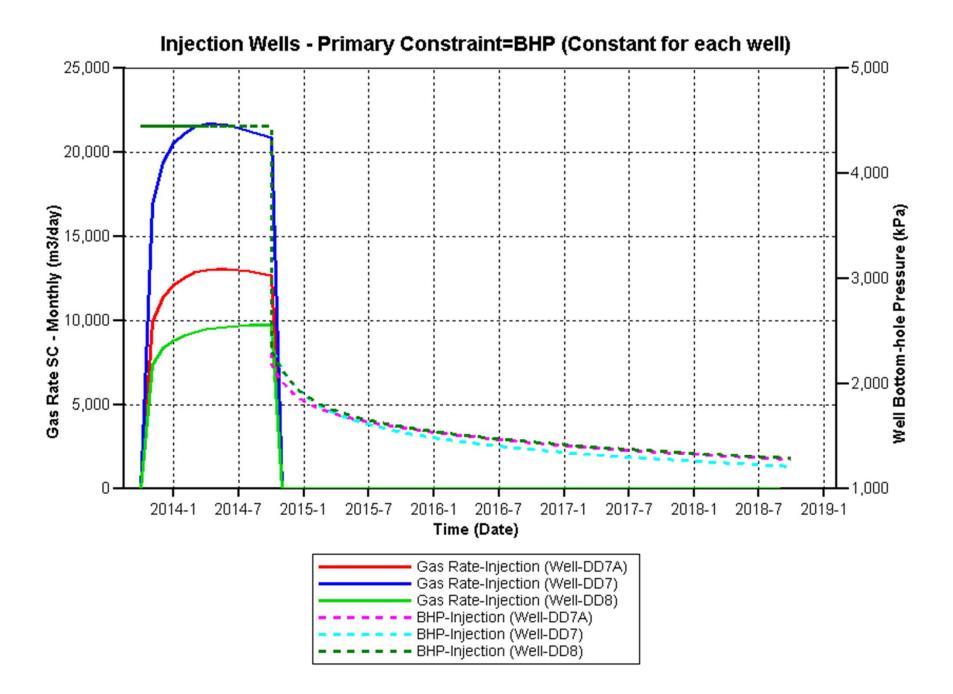


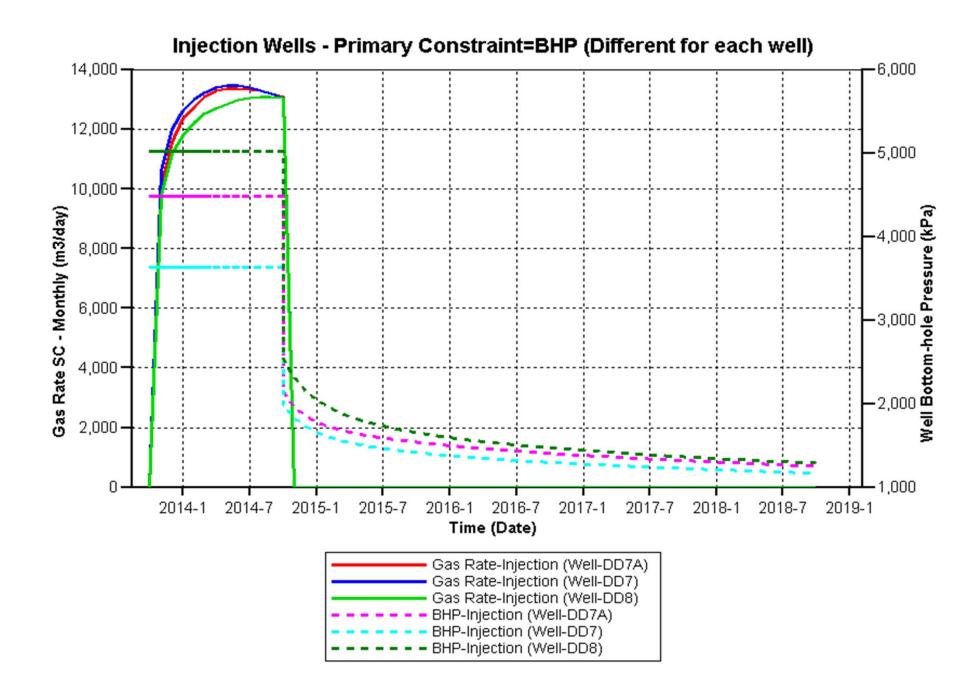
Modeling Methodology



5 Zone – History Match of Gas and Water Production

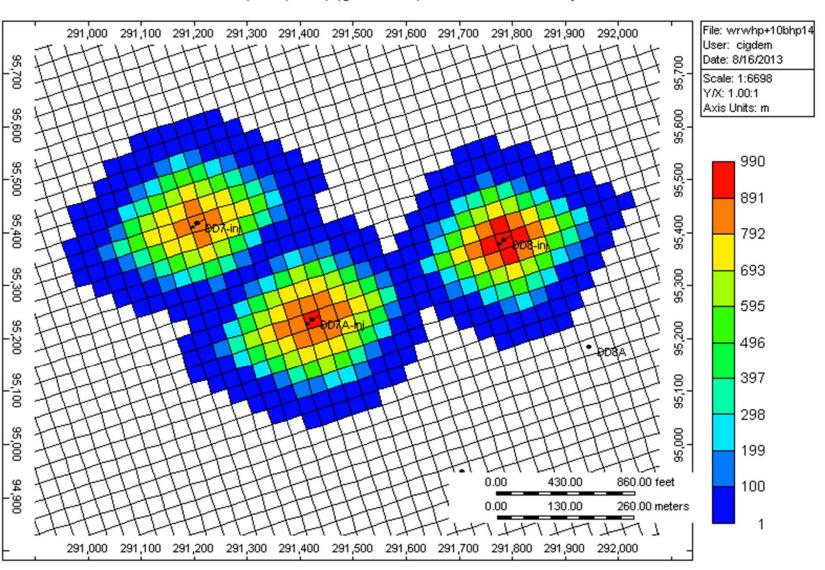






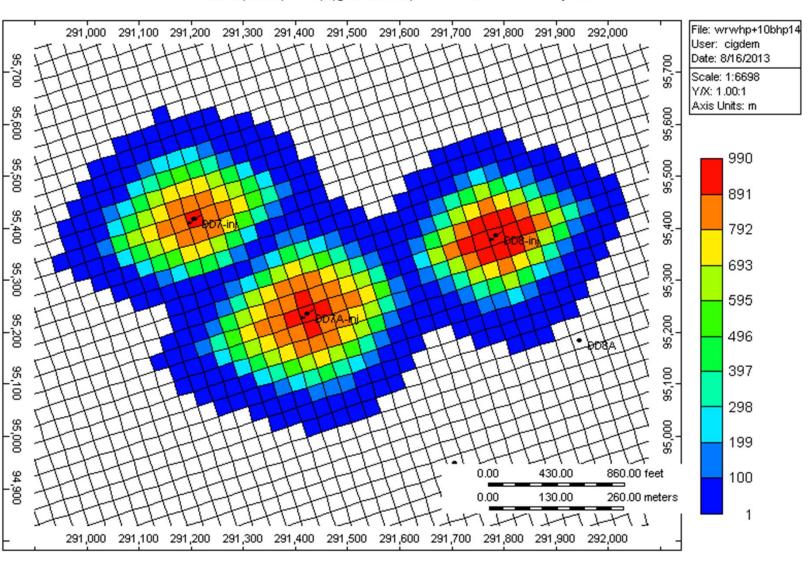
Bottom-Hole Constraint equal in each Well

Adsorption(CO2) (gmole/m3) 2014-10-01 K layer: 2

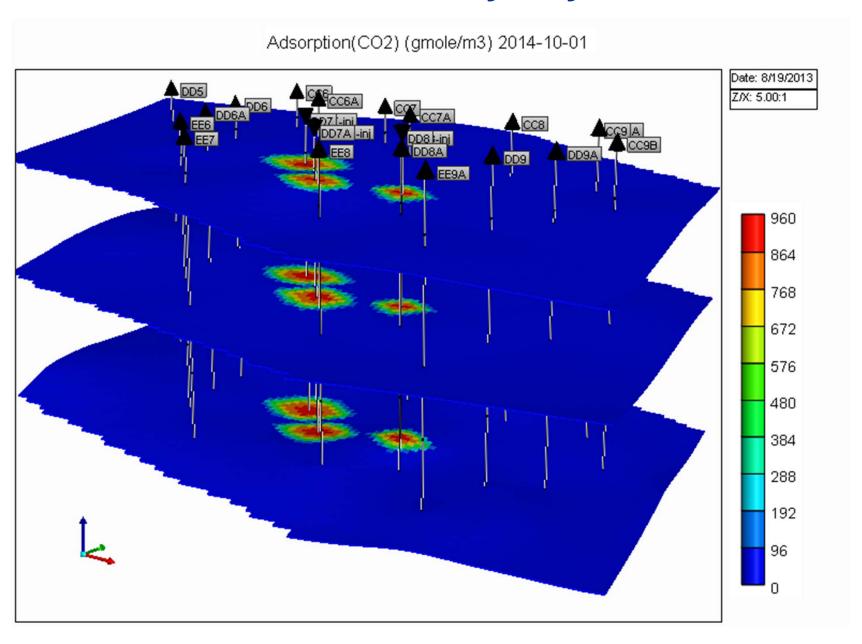


Bottom-Hole Constraint equal in each Well

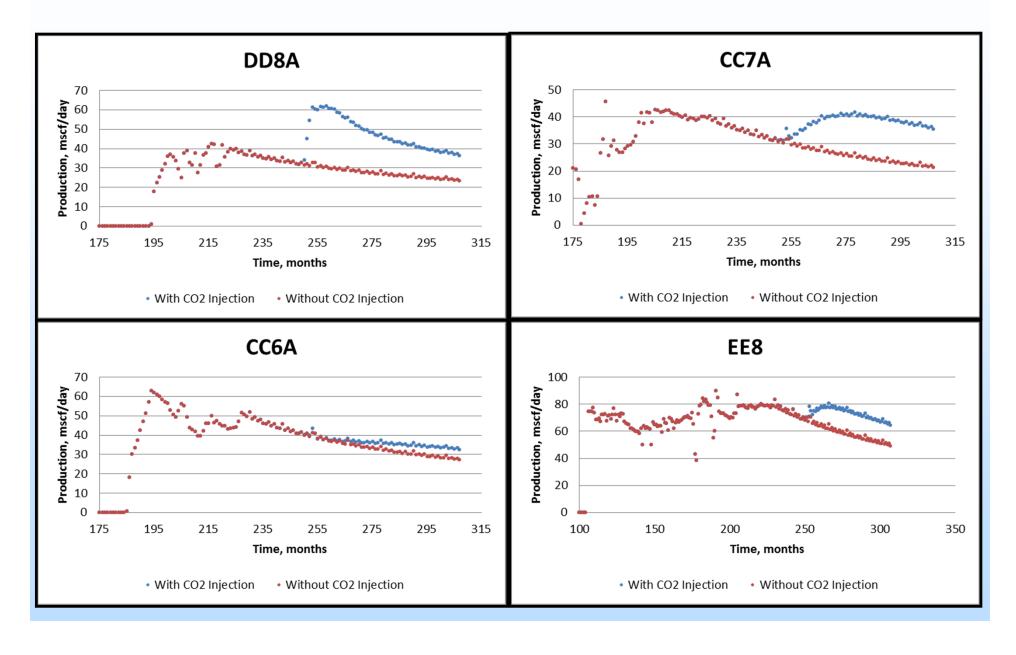
Adsorption(CO2) (gmole/m3) 2014-10-01 K layer: 5



CO2 Plume by Layer



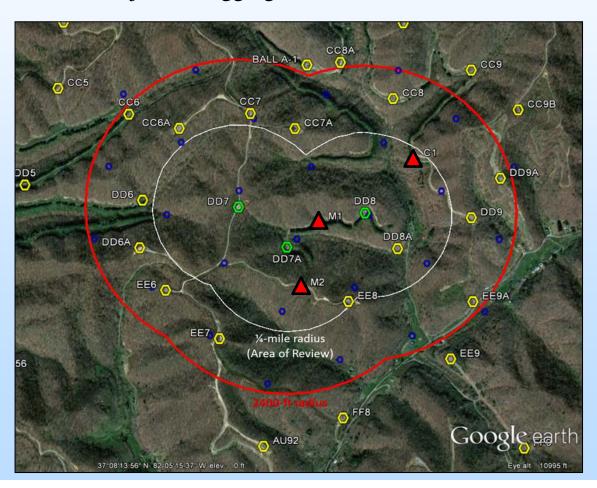
ECBM after 1 and 4 Years Post-Injection: 22 – 106 MMcf



MVA program for Buchanan County test

Repeated from Russell County test:

- Atmospheric monitoring, Soil Flux, surface water sampling and shallow tracer detection
- Offset well testing for gas composition (CO₂ concentration, tracers, ECBM)
- Injection logging



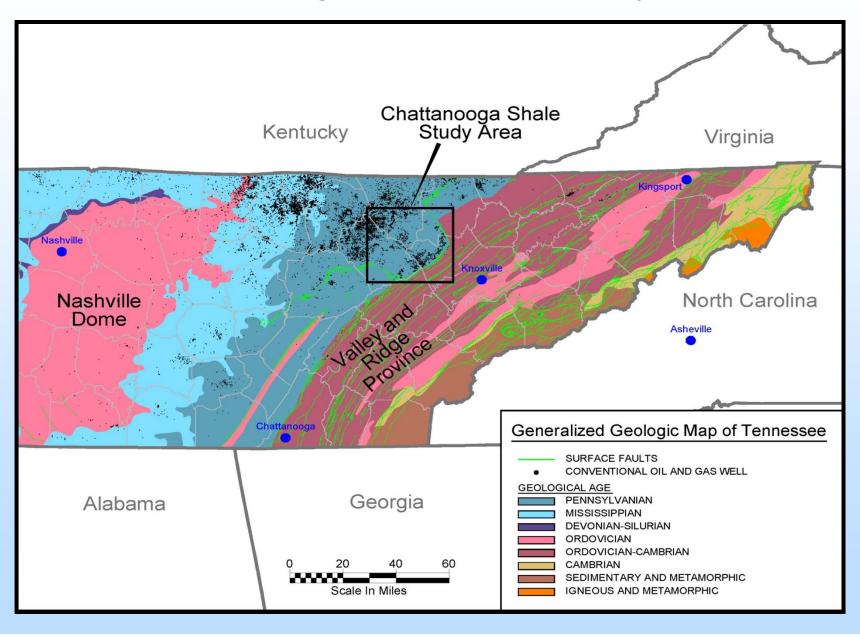
New components:

- Multiple tracer injections
- 3 monitoring wells by multiple zone
- Surface deformation measurement
- Tomographic fracture imaging
 - Passive measurement of seismic energy emissions (similar to microseismic monitoring)

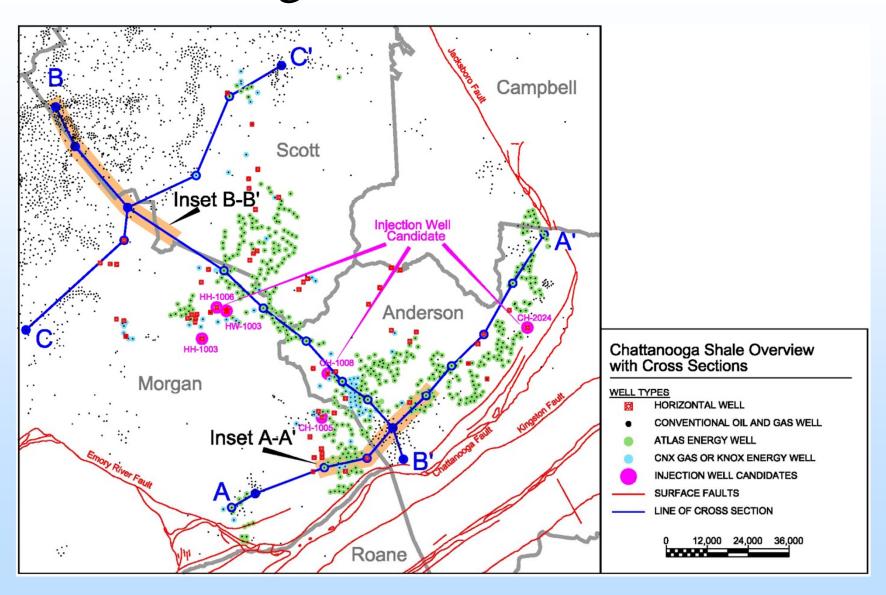
Shale Test – Site Selection

- West Virginia Targets: Lower Huron and Marcellus Shale
- Virginia Targets: Lower Huron Shale
- Tennessee Targets: Chattanooga Shale
- Selection Criteria
 - Ownership / Access
 - Vertical vs. Horizontal
 - Co-Mingled Production
 - Production
 - Depth
 - Structure
 - Liquids Production
 - Completion and Stimulation

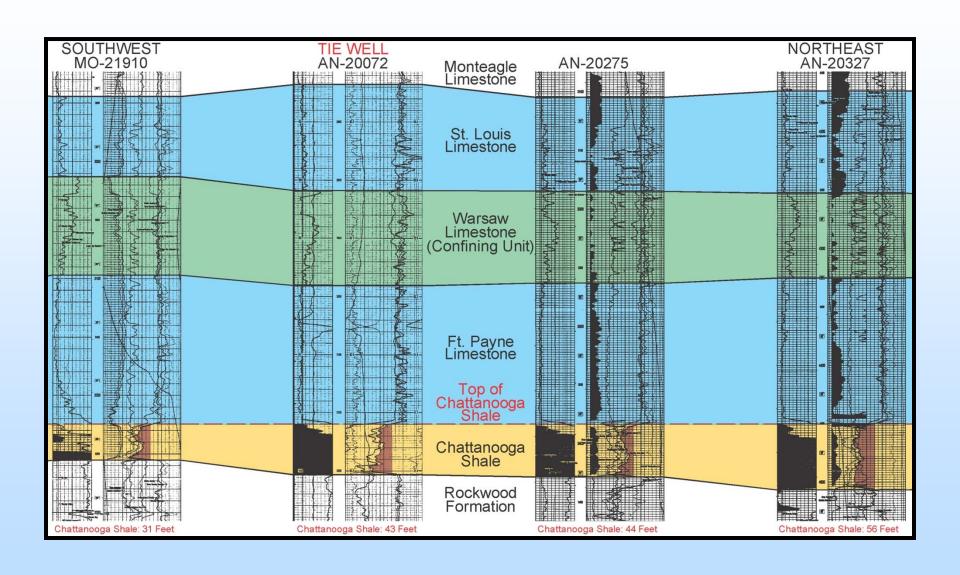
Chattanooga Shale Study Area



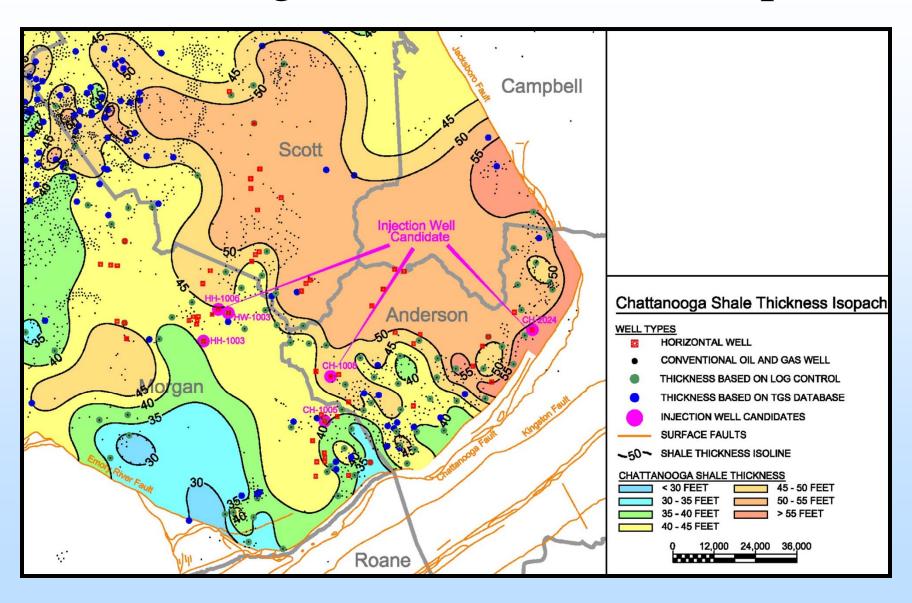
Chattanooga Shale Well Candidates



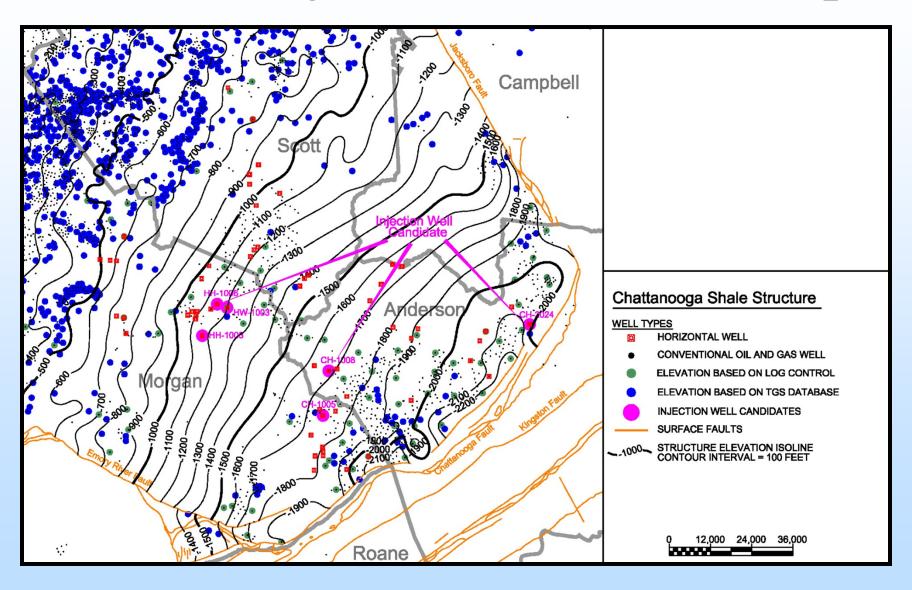
Inset from Cross-Section



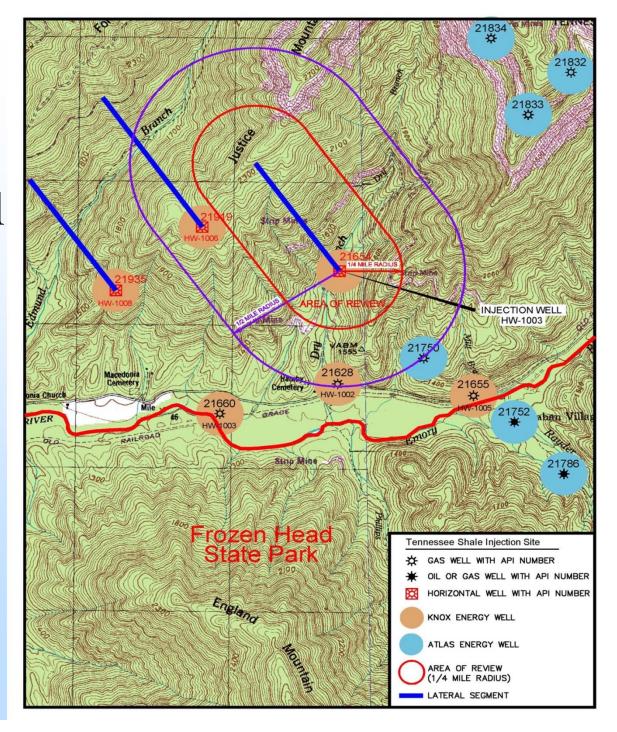
Chattanooga Shale Thickness Isopach



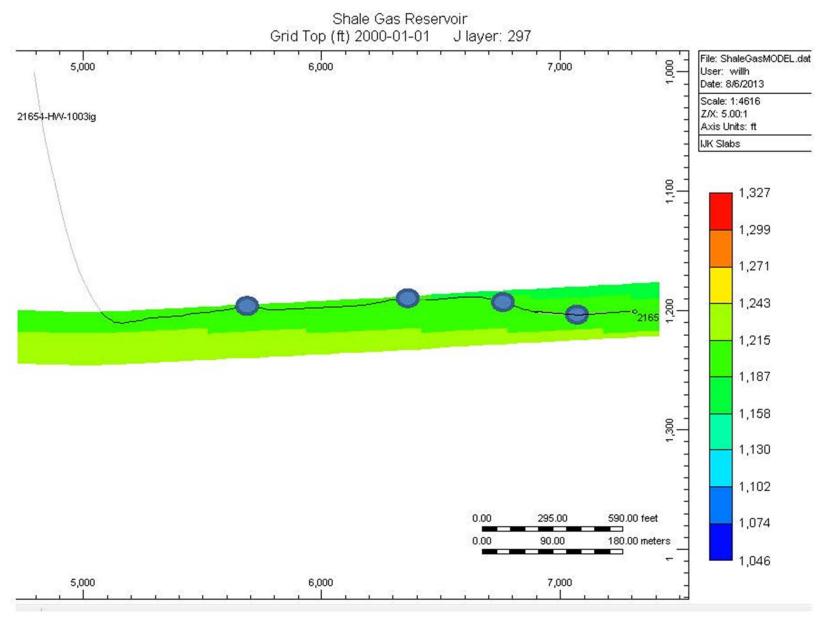
Chattanooga Shale Structure Map



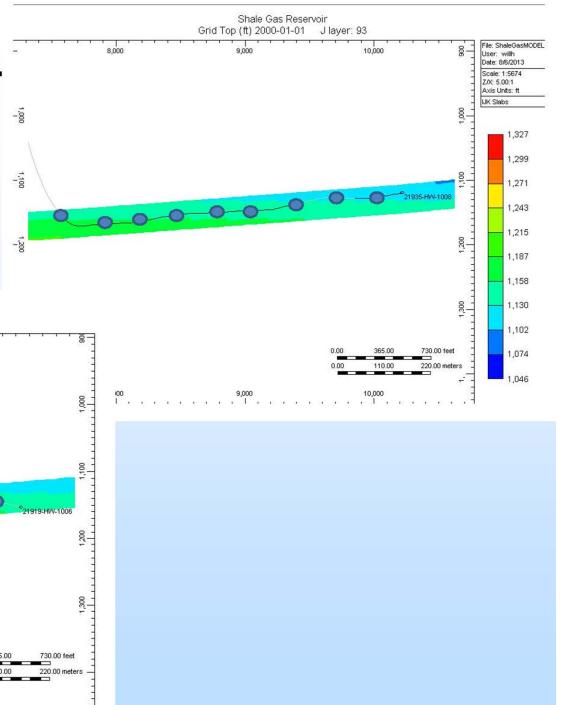
Shale Test— Injection and Off-set Monitoring Well Locations

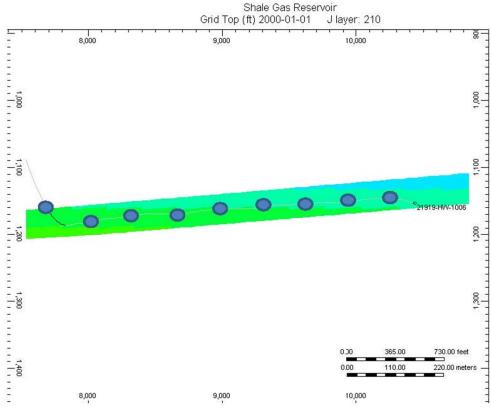


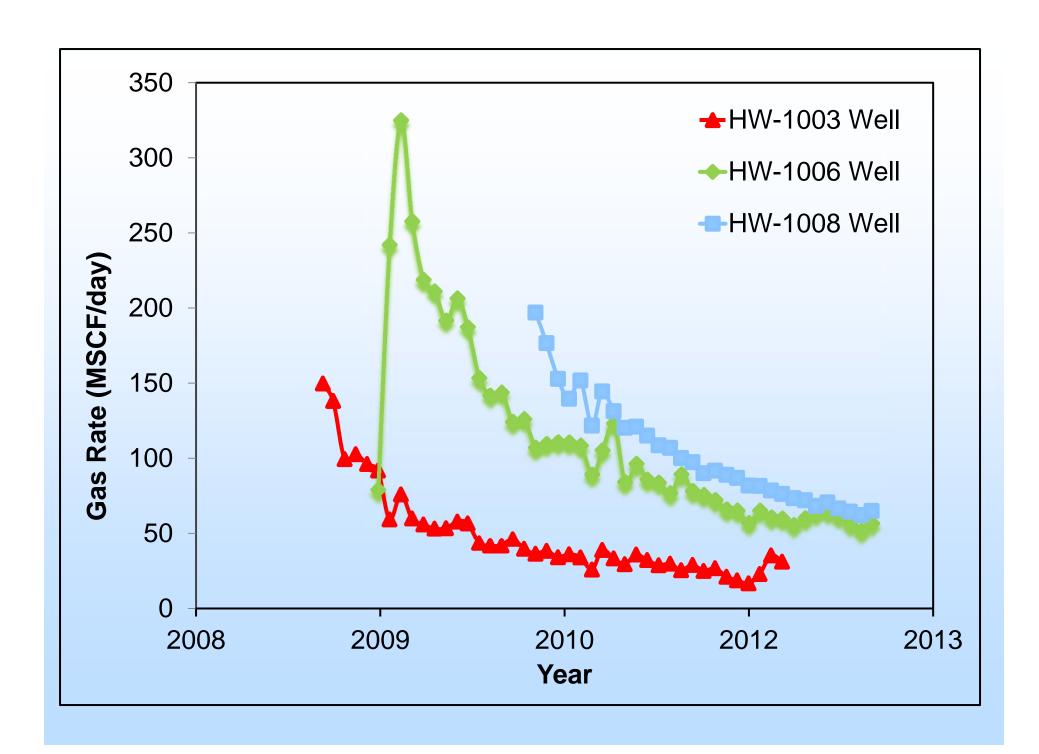
Injection Well – 4 Stage



Off-Set Wells – 9 Stages







Accomplishments to Date

- Completed Geologic Characterization for CBM Test Site
- Preliminary Geologic Characterization for Shale Test Site
- Site Selection of 3 CBM Wells in VA for Injection
- Site Selection of 1 Horizontal Shale Well in TN for Injection
- Access Agreements for CBM Test completed
- Access Agreements for Shale Test completed
- Conducted Risk Workshop and developed Risk Register
- Performed detailed reservoir modeling analysis and assessment for CBM Test
- Performed preliminary reservoir modeling analysis for Shale Test
- Developed Drilling, Monitoring and Injection Plans
- Initiated Public Outreach Plan

Summary

- Lessons Learned: Timing of multiple moving parts is extremely important
 - Site Selection
 - Access Agreements Landowner/Mineral Owner/Operator
 - Permitting UIC Process
 - Design
- Future Plans
 - Drill Monitoring Wells October 2013
 - Injection!
 - Coal Test 1/1/2014
 - Shale Test 11/1/2013

Appendix

Benefit to the Program

- Develop technologies that will support industries' ability to predict CO2 storage capacity in geologic formations to within ±30 percent.
- Conduct field tests through 2030 to support the development of BPMs for site selection, characterization, site operations, and closure practices.
- The research project is testing the potential for enhanced coalbed methane (ECBM) and enhanced gas (EGR) production and recovery
- The technology, when successfully demonstrated, will provide guidance for commercialization applications of ECBM and EGR

Go/Nq-Go 1 Go/Nq-Go 2

| | | | Phase I | | Phase II | Phase III |
|---|--|-------------|------------------------------|-------|-----------------------------------|------------------------------|
| Task Name | Deliverables | Funding | FY 2012 Q1 Q2 Q3 Q4 | Q1 Q2 | 2013 FY 2014 Q3 Q4 Q1 Q2 Q3 Q4 | FY 2015 Q1 Q2 Q3 Q4 |
| Task 1.0Project Management and Planning | Updated Project Management Plan | \$741,678 | | | | |
| Task 2.0-Site Selection and Access Agreements | Site Selection Memo and Access Agreements | \$691,528 | | | | |
| 2.1-Initial Site Screening and Selection 2.2-Leases, Agreements, Permitting, etc. 2.3Outreach and Education | CO2 Procurement Plan Pennitting Action Plan Public Outreach Plan | | | | | |
| Task 3.0Site Characterization, Modeling, and Monitoring | Site Characterization, Modeling, and Monitoring Plan | \$3,217,450 | | | | |
| 3.1-Detailed Geologic Characterization 3.2-Reservoir Modeling 3.3-Exploratory Characterization and Monitoring Wells 3.4-Monitoring, Verification and Accounting | Catalog of Well Logs File Well Drilling and Installation Plan MVA Plan | | | | | |
| Task 4.0Risk Analysis | Risk assessment and mitigation plan | \$216,095 | | | | |
| 4.1Develop Risk Register 4.2Develop Risk Assessment and Mitigation Plan 4.3Management of Risks 4.4Update and Reassess Risk Plan | | | | | | |
| Task 5.0-Injection Design and Planning | Site Development, Operations, and Closure Plan | \$558,891 | | | | |
| 5.1Test Site Operations 5.2Design of Monitoring Wells 5.3Design of Injection Wells | | | | | | |
| Task 6.0Pre-injection Site Preparation | Insplementation Status Report | \$2,973,479 | | | | |
| 6.1—Conversion of Production Wells 6.2—Conversion of Characterization/Monitoring Wells 6.3—Construction of Facilities 6.4—Monitoring | | | | | | |
| Task 7.0-Injection Operations | Quick-look Memo Mid-term Memo | \$4,391,325 | | | | |
| 7.1-Injection Tests 7.2-Reservoir Monitoring 7.3-Surface Monitoring 7.4-Reservoir Modeling and Verification | | | | | | |
| Task 8.0-Post Injection Monitoring and Analysis | Updated Site Characterization/ Conceptual Models Plan | \$816,057 | | | | |
| 8.1Post-injection Monitoring 8.2Interpretation and Assessment | | | | | | |
| Task 9.0-Closeout/Reporting | Commercialization Plan Best Practices Plan | \$767,588 | | | | |
| 9.1Closure of Site(s) 9.2Reporting | | | | | | |

Bibliography

Journal:

 Gilliland, E.S., Ripepi, N., Conrad, M., Miller, M., and M. Karmis, Selection of monitoring techniques for a carbon storage and enhanced coalbed methane recovery pilot test in the Central Appalachian Basin, International Journal of Coal Geology, http://dx.doi.org/10.1016/j.coal.2013.07.007

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- Vasilikou, F., C. Keles, Z. Agioutantis, N. Ripepi and M. Karmis, Experiences in Reservoir Model Calibration for Coal Bed Methane Production in deep coal seams in Russell County, Virginia, Proceedings, Symposium on Environmental Considerations in Energy Production, SME, April 14-18, 2013, Charleston, West Virginia. Proceedings: Pages 140-152.
- Vasilikou, F., C. Keles, Z. Agioutantis, N. Ripepi and M. Karmis, Model Verification of Carbon Dioxide Sequestration in Unminable Coal Seams with Enhanced Coal Bed Methane Recovery, 23rd World Mining Congress, August 11-15, 2013, Montreal, Canada. Proceedings.
- S. Smith, N. Ripepi, E. Gilliland, G. Hill, and M. Karmis, Risk Management in Carbon Sequestration: Case Studies from Unconventional Reservoirs in the Appalachian Basin, 23rd World Mining Congress, August 11-15, 2013, Montreal, Canada. Proceedings.
- Vasilikou, F., N. Ripepi, Z. Agioutantis and M. Karmis, The Application of Constitutive Laws to Model the Dynamic Evolution of Permeability in Coal Seams for the Case of CO2 Geologic Sequestration and Enhanced Coal Bed Methane Recovery, Proceedings, 29th Pittsburgh Annual Coal Conference, Oct 16-18, 2012.
- Gilliland, E.S., Ripepi, N., Karmis, M., & Conrad, M. (2012). An examination of MVA techniques applicable for CCUS in thin, stacked coals of the Central Appalachian Basin. Proceedings from the International Pittsburgh Coal Conference. Pittsburgh, PA.