### Assessment of CO2 Storage Resources in Depleted Oil and Gas Fields in the Ship Shoal Area, Gulf of Mexico DOE Grant No: DE-FE-0026041

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## Presentation Outline

- Introduction
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- Accomplishments To Date
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### Advanced Geomechanics from the Wellbore to Reservoir scale

- 3D Geomechanical Earth Models
- Compaction and
  Subsidence Analysis
- Well Damage Analysis
  and Design
- Fracture Stimulation
  Design
- Induced Faulting and Seismicity Analysis
- Thermal and
  Geothermal Simulation
- Salt Drilling and Salt Cavern Mechanics
- Wellbore Stability and
  Solids Production



Services provided to more than 50 clients for projects in more than 20 countries







### **Project Overview** Goals and Objectives

The primary goals are to identify storage capacity in Plio-Miocene structural traps throughout the Ship Shoal Area and to determine the risks associated with high volume CO2 storage.

#### Phase I

- Geologic data review;
- Geologic modeling;
- Storage capacity estimation; and
- Preliminary risk assessment.

#### <u>Phase II</u>

- Fluid flow and geomechanical modeling;
- Risk assessment;
- CO2 transportation; and
- Refined storage capacity estimation.



#### **Geologic Data Review**

• Completed and submitted a geologic data review and formation evaluation summarizing the depositional history of the Ship Shoal Area.

Geologic Time (M.Y.)	rovince	system	Series	Storage Assessment	Biostratigraphic Zonation
-~0.01-	٩	~		01110 (0740)	
~28-		Quaternary	Pleistocene	Undifferentiated	Sangamon fauna Trimosina "A" 1st Trimosina "A" 2 nd Hyalinea "B" / Trimosina "B" Angulogerina "B" 1 st Angulogerina "B" 2 nd Lenticulina 1 Valvulinena "H"
	-		Pliocene	Undifferentiated	Buliminella 1 Textularia "X"
	r cenozoic	Tertiary	Miocene	Upper Miocene Middle Miocene Lower Miocene II Lower Miocene I	Robulus "E" / Bigenerina "A" Cristellaria "K" Discorbis 12 Bigenerina 2 Textularia "W" Bigenerina humblei Cristellaria "I" Cibicides opima Amphistegina "B" Robulus 43 Cristellaria 54 / Eponides 14 Gyroidina "K" Discorbis "B" Marginulina "A" Siphonina davisi Lenticulina hanseni
~24.8			Oligocene		Marginulina texana
~55.0	~		Eocene		
-630-	~		Paleocene		
00.0					

Biostratigraphic zonation and associated storage assessment units



Generalized stratigraphic column for SS Block 107 field

#### **Geologic Data Review**

#### **Geologic Data Review**



#### **Geologic Model Development**

• Developed detailed geologic models for Ship Shoal Fields 84 and 107.

Field 84

 20 wells collected and used as input

Field 107

 77 wells collected and used as input



#### Field 84 Geologic Model Development



2,230,000 2,240,000 2,250,000

Distance (ft)

2,260,000

#### **Field 84 Injection and Migration Modeling**





Model vertical span: -1500 to -4500 m SSL



#### **Field 84 Injection and Migration Modeling**





#### Field 84 Injection and Migration Modeling

field 84-s	cenarios	permeability & porosity	Z-perm/XY- perm	capillary pressure	30 years injection	30 years observation
	Pliocene				Contained	Contained
sim01 (baseline)	Miocene	baseline	1/2	baseline	Contained	Contained, crash at 2 year
sim02 (half	Pliocene	1/2 porosity in silt and	1/2	baseline	Contained	Contained
porosity)	Miocene	shale compared to baseline	1/10 in shale	lower in shale	Contained	Contained
sim03 (no	Pliocene	same as	1/		Contained	Leakage
capillary)	Miocene	sim02	/2	110	Leakage	
sim04	Pliocene	based on	1/2	baseline	Contained	Contained
(sandy)	Miocene	>sand	1/10 in shale	lower in shale	Contained	Contained
sim05 (shaly)	Pliocene	based on sim02, silt-	1/10 in shale	lower in shale	Contained	Contained, crash at 3.6 year
	Miocene	>shale	1/10 in shale	lower in shale	Contained	Contained

Field 84 Injection and Migration Modeling

#### - Field 84 (Pliocene Injection)



#### Field 84 Injection and Migration Modeling

#### - Field 84 (Miocene Injection)



#### **Field 84 Geomechanical Modeling**

3D Geomechanical model assembled to evaluate potential fault activation and induced displacement & stresses



#### Field 84 Geomechanical Modeling

3D Geomechanical model - Potential fault activation analysis FLAC3D 5.01 CO2 Injection Well 2017 Itasca Consulting Group, Inc Ν S YZ-Stress (pa) 4.7581E+04 CO2 Injection Well 4.0000E+04 Ν S 3.0000E+04 **Failure State** 2.0000E+04 1.0000E+04 0.0000E+00 -1.0000E+04 -2.0000E+04 None -3.0000E+04 shear-p tension-p u:shear-p -4.0000E+04 -5.0000E+04 shear-p tension-p u:shear-p u:tension-p -5.6182E+04 tension-p u:shear-p tension-p u:shear-p u:tension-p u:shear-p No shear and tension failure along the fault Sim01 - Base of Pliocene (Baseline) were induced at the present failure state CO2 Injection Well FLAC3D 5.01 Ν S YZ-Stress (Pa) 2.4311E+04 CO2 Injection Well 2.0000E+04 Ν S 1.5000E+04 1.0000E+04 5.0000E+03 0.0000E+00 5.0000E+03 -1.0000E+04 -1.5000E+04 -2.0000E+04 -2.5000E+04 -2.6213E+04 No shear and tension failure along the fault Sim03 – Base of Pliocene (No capillary were induced at the present failure state pressure)

Low induced shear stress were obtained with less than 1E5Pa (14 psi) for various injection and input parameter scenarios evaluated at the base of Pliocene and Upper Miocene. Low risk of fault activation was evidenced.

#### **Field 84 Geomechanical Modeling**

3D Geomechanical model – Induced uplift surface displacement – Base of Pliocene



#### Field 84 Geomechanical Modeling

3D Geomechanical model – Induced uplift surface displacement – Upper Miocene



#### Field 107 Geologic Model Development



#### **Field 107 Injection and Migration Modeling**





Model vertical span: -1500 to -4500 m SSL

No flow Model vertical span: -2200 to -4500 m SSL

#### Field 107 Injection and Migration Modeling

Perforation interval for Pliocene model in Block 107: -3150 to -3200 m SSL Perforation interval for Miocene Model in Block 107 : -4070 to -4080 m SSL



Field 107 Injection and Migration Modeling

• Field 107 Fluid Flow- Pliocene Model Result Summary

			Input			Res	ResultO2 Plume Top after 30 Years Injection (m SSL)CO2 Migration after 30 Years of Observation (m SSL)Leaking?-3115-3115Contained-3115-3115Contained							
Model	Scenarios	Relative Permeability for Sand	Capillary Pressure	PP Gradient (psi/ft)	CO2 Lateral Migration Radius after 30 Years Injection (mile)	CO2 Plume Top after 30 Years Injection (m SSL)	CO2 Migration after 30 Years of Observation (m SSL)	Leaking?						
	Sim01 (Baseline)	Based on Berea Sandstone	Yes	0.435	1.5	-3115	-3115	Contained						
	Sim02 (Different Relative Permeability for Sand)	Based on Usira Yes Sandstone		0.435	1.4	-3115	-3115	Contained						
Pliocene	Sim03 (Different PP Gradient)	Based on Berea Sandstone	Yes	0.3	1.4	-3115	-3115	Contained						
	Sim04 (No Salt)	Sim04 (No Salt) Sandstone		0.435	1.5	-3115	-3115	Contained						
	Sim05 (Non- isothermal)	Based on Berea Sandstone	Yes	0.435	1 mile after 10 years injection	NA	NA	Contained						
	Sim06 (No capillary pressure)	Based on Berea Sandstone	No	0.435	1	-2500	-1675	Contained						

#### Field 107 Injection and Migration Modeling

• Field 107 Fluid Flow- CO2 Saturation after 30 Years Injection



#### Field 107 Injection and Migration Modeling

• Field 107 Fluid Flow- CO2 plume after 30 Years Observation



Field 107 Injection and Migration Modeling

• Field 107 Fluid Flow- Miocene Model Result Summary

			Input Result							
Model	Scenarios	Shale/Silt Permeability	Capillary Pressure	Injection Rate (million ton/y)	CO2 Lateral Migration Radius after 30 Years Injection (mile)	CO2 Plume Top after 30 Years Injection (m SSL)	CO2 Plume Top after 30 Years of Observation (m SSL)	Leaking?		
	Sim01 (Baseline)	Set minimum to 10md	No	1	0.5	ationCO2 Plume TopCO2 Plume Tops afterafter 30 Yearsafter 30 Years ofLe/earsInjection (mObservation (mSSL)ile).5-3075-2575Col.5-3075-3415Col1-3625-3415Col.4-3075-2595Col		Contained in Pliocene		
Miocene	Sim02 (Different Permeability for silt and shale)	Use original value from log correlation (around 1 md)	No	1	1	-3625	-3415	Contained in Miocene		
	Sim03 (Different injection rate)	Set minimum to 10md	No	0.5	0.4	-3075	-2595	Contained in Pliocene		
	Sim04 (With capillary pressure)	Set minimum to 10md	Yes	1	1.2	-3975	-3975	Contained in Miocene		

**Field 107 Injection and Migration Modeling** 

• Field 107 Fluid Flow- CO2 Saturation after 30 Years Injection



Miocene Model

#### Field 107 Injection and Migration Modeling

• Field 107 Fluid Flow- CO2 plume after 30 Years Observation





With capillary pressure case (Sim04)

#### Field 107 Geomechanical Modeling



Estimated Young's Modulus (psi)

#### Field 107 Geomechanical Modeling

Estimated Induced Subsurface Shear Stresses due to CO2 Injection at Base Pliocene Target Zone (Pliocene Baseline Scenario).



#### Field 107 Geomechanical Modeling

Estimated Induced Displacement due to CO2 Injection at Upper Miocene Target Zone (Miocene Baseline Scenario).



#### **Risk Assessment and Characterization**

#### Risk Assessment

#### Well Integrity- 77 well schematics

Good 1	Integrity	<b>Moderate Integrity</b>
Chevron 98-1	Energy XXI 108-13	Stone 99-A2
Stone 99-1	Energy XXI 108-14	Chevron 99-2
Stone 99-1 ST1	Energy XXI 108-15	Chevron 99-4
Stone 99-1 ST2	Energy XXI 108-16 ST1	Chevron 99-5
Stone 99-3	Energy XXI 108-17	Chevron 107-B1
Stone 99-A1	Energy XXI 108-19	Chevron 107-5
Stone 99-A1 ST1	Energy XXI 108-22	Energy XXI 108-1
Stone 99-A2ST1	Energy XXI 108-23	Energy XXI 108-2
Stone 99-E1	Energy XXI 108-24	Energy XXI 108-3
Stone 99-E2	Energy XXI 108-26	Energy XXI 108-4 ST1
Chevron 99-1	Energy XXI 108-29	Energy XXI 108-7
Chevron 99-3	Energy XXI 108-30	Energy XXI 108-18
Chevron 99-6	Energy XXI 108-31	Energy XXI 108-20
Chevron 99-7	Energy XXI 108-32	Energy XXI 108-21
Chevron 99-8	Energy XXI 108-33	Energy XXI 108-25
BoisDarc 107-1	Energy XXI 108-34	Energy XXI 108-27
Chevron 107-1	Energy XXI 108-34ST1	Energy XXI 108-28
Chevron 107-2	Energy XXI 108-36	Energy XXI 108-35
Chevron 107-3	Energy XXI 108-37	Energy XXI 108-40
Chevron 107-4	Energy XXI 108-38	
Chevron 107-6	Energy XXI 108-39	
Chevron 107-7	Energy XXI 108-41	
Energy XXI 108-5	Energy XXI 108-41ST1	
Energy XXI 108-6	Energy XXI 108-41ST2	
Energy XXI 108-8	Energy XXI 108-41ST2BP	
Energy XXI 108-9	Energy XXI 108-42	
Energy XXI 108-10	Energy XXI 108-42ST1	
Energy XXI 108-11	Energy XXI 108-43	
Energy XXI 108-12		



**Risk Assessment and Characterization** 



We completed a risk assessment on SS Block107 field considering 3 primary leakage mechanisms: tensile fracturing of the caprock, fault activation, and well damage. Will apply the same 32 assessment to SS Block 84 field.

Analysis of Existing Infrastructure

Interactive map showing top 25 industrial sources and existing pipelines surrounding SS Block 107 field (shown as white square).

GeoMechanics Technologies will be adding this map to our website by mid-September 2017.



**Analysis and Interpretation** 

#### **Storage Capacity Estimation**

NETL approved CO2 Storage Resource Estimate:

$$G_{CO2} = A_t h_g \phi_{tot} \rho E_{saline}$$

Using BOEM reservoir data, the existing oil/gas fields in northern Ship Shoal have the potential to store:

> P10= 12 million tons, P50= 47 million tons, and P90= 127 million tons of CO2

#### **Analysis and Interpretation**

Estimated storage resource for the Pliocene and Miocene for SS Block 84 field based on BOEM depleted oil and gas reservoir data:

Low/P10	(metric tons)	Medium/P50	(metric tons)	High/P90	(metric tons)
Miocene	8.06E+04	Miocene	3.16E+05	Miocene	8.53E+05

Estimated storage resource for the Pliocene and Miocene for SS Block 84 field based on volumes derived from geologic modeling:

Low/P10	(metric tons)	Medium/P50	(metric tons)	High/P90	(metric tons)
Pliocene	1.33E+07	Pliocene	5.22E+07	Pliocene	1.41E+08
Miocene	4.72E+06	Miocene	1.85E+07	Miocene	5.00E+07

The estimated storage capacity results are greater when using the sand volumes derived through geologic modeling versus the BOEM depleted oil and gas reservoir data. Also, the storage capacity is underestimated for the Pliocene since there are no hydrocarbon reservoirs found within the Pliocene formations.

#### **Analysis and Interpretation**

Estimated storage resource for the Pliocene and Miocene for SS Block 107 field based on BOEM depleted oil and gas reservoir data:

Low/P10	(metric tons)	Medium/P50	(metric tons)	High/P90	(metric tons)
Pliocene	1.47E+05	Pliocene	5.78E+05	Pliocene	1.56E+06
Miocene	8.16E+04	Miocene	3.20E+05	Miocene	8.64E+05

Estimated storage resource for the Pliocene and Miocene for SS Block 107 field based on volumes derived from geologic modeling:

Low/P10	(metric tons)	Medium/P50	(metric tons)	High/P90	(metric tons)
Pliocene	1.56E+07	Pliocene	6.12E+07	Pliocene	1.65E+08
Miocene	2.44E+06	Miocene	9.56E+06	Miocene	2.58E+07

Again, the estimated storage capacity results are greater when using the sand volumes derived through geologic modeling versus the BOEM depleted oil and gas reservoir data. The difference is due to the depleted oil and gas reservoir data not accounting for the water-flooded sand located below the oil/gas-water contact. Using only the depleted reservoir information, a large quantity of the storage resource is missed. However, the sand volume obtained through geologic modeling may overestimate the storage capacity as the model accounts for all sand within the formation, not just the interconnected sand. 36

## Accomplishments to Date

- Geologic data review completed.
- Geologic models for SS Block 84 and 107 fields developed and used as input for fluid flow modeling.
- Finalizing the injection and migration models to test various injection scenarios and confirm secure storage permanence.
- Completed baseline geomechanical modeling to determine the level of risk associated with large-scale CO2 injection at SS Block 84 and 107 fields.
- Finished a risk assessment for SS Block 107 field and will apply the same assessment to SS Block 84 field for comparison.
- Completed analysis of existing infrastructure of oil and gas for CO<sub>2</sub> transportation. An interactive map showing sources and pipelines will be added to our website.
- Estimated the storage resource for all oil and gas fields for the Ship Shoal Area based on BOEM reservoir data and the NETL calculation.
- Calculated and compared the estimated storage resource for the Pliocene and Miocene for SS Block 84 and 107 fields using volumes derived from modeling compared to the depleted oil and gas reservoir volumes.

## Lessons Learned

- We were able to obtain an NDA with BOEM to access structure maps produced by field operators for Ship Shoal oil and gas fields.
- BOEM and Pipelines and Hazardous Materials Safety Administration (PHMSA) were very helpful with providing excellent geologic and pipeline transportation data, respectively.
- We tested the use of polygon mesh versus rectangular mesh for fluid flow migration modeling, which reduced the number of cells thereby decreasing model run time without sacrificing accuracy.

# Synergy Opportunities

Our work is complementary to the offshore Gulf of Mexico work performed by UT Austin and NITEC. A comparison of the estimated storage resource in depleted oil and natural gas reservoirs would be beneficial. Also, it would be interesting to learn how evaluating regional saline formations has increased the estimated storage capacity. Additionally, it would be important to review with them how our fluid flow and geomechanical modeling results have affected our capacity estimations.

# **Project Summary**

- The Gulf of Mexico presents an excellent combination of high need and significant opportunity for large-scale geologic storage of CO<sub>2</sub>.
- GeoMechanics Technologies is completing a detailed geological characterization and integrated fluid flow and geomechanics assessment of SS Block 84 and 107 fields to simulate longterm injectivity, migration, storage permanence and induced fault reactivation risk.
- Findings-to-date indicate high confidence that Pliocene and Miocene targets and seals are sufficient to store high volumes of CO<sub>2</sub> within the depleted oil and gas fields of the Ship Shoal area.



# Appendix

- Benefit to the Program
- Project Overview
- Organization Chart
- Gantt Chart
- Bibliography

## Benefit to the Program

# The anticipated benefits to the OSRA program of the proposed project include:

Providing a more extensive and detailed geologic review and analysis of the Ship Shoal Area in the northern GOM. The improved prediction of CO2 storage capacity for this near-shore region may allow it to be considered as a potential commercial sequestration site by the 2025-2035 timeframe.

The development and analysis of a combined CO2 migration model and geomechanical simulation approach will allow for the evaluation of plume migration, induced stresses and potential fault reactivation due to CO2 injection. The results of the modeling will be useful for the research community to inform, compare, and validate future CO2 sequestration developments.

This project addresses program goals to estimate CO2 storage capacity of the Ship Shoal area to within  $\pm 30\%$  accuracy and to ensure 99% storage permanence, ensuring containment effectiveness.

### **Project Overview**

### Goals and Objectives

The primary goals are to identify storage capacity in Plio-Miocene structural traps throughout the Ship Shoal Area and to determine the risks associated with high volume CO2 storage.

#### <u>Phase I</u>

- Geologic data review;
- Geologic modeling;
- Storage capacity estimation; and
- Preliminary risk assessment.

#### <u>Phase II</u>

- Fluid flow and geomechanical modeling;
- Risk assessment;
- CO2 transportation; and
- Refined storage capacity estimation.

## **Organization Chart**



### **Gantt Chart**

	Project Plan and Schedule															
		Period 1 (Year 1) 2015											Per	Period 2 (Year 2		
Task Description & Milestones	1	2	2 3	3 4	1 5	6	7	6	3 9	10	11	12	2 Q1	Q2	Q3	Q4
Task 1. Project Mgmt & Planning																
Subtask 1.1: Kick off meetings and discussions with DOE																
Subtask 1.2: Update Project Management Plan																
Subtask 1.3: Project Coordination																
Task 2. Formation Evaluation							COI	MPL	ETEC	5						
Task 3. Geologic Model Development						<u> </u>						COI	MPLET	ΈD		
<u>Go/No Go Decision</u>													$\diamond$	COM	PLETE	)
Task 4. CO2 Injection and Migration Modeling																
Subtask 4.1: Design and Assemble TOUGH2 CO2 Injection Model																
Subtask 4.2: Simulate Varying Injection Scenarios														•		
Task 5. Geomechanical Modeling																
Subtask 5.1: Develop Geomechanical model and Import Mechanical Properties																
Subtask 5.2: Simulate CO2 Injection to Estimate Induced Geomechanical Response																
Task 6: Risk Assessment and Characterization																
Task 7. Analysis of Existing Infrastructure of Oil and Gas for CO2 Transport																•
Task 8: Storage Capacity Calculation																•
Task 9. Reports, Documentation and Technology Transfer																
	$\diamond$	Milestone														
	Go/No Go Decision															

\*currently near the end of Period 2 (Year 2) requesting a six month no cost time extension.

# Bibliography

- Lao, K., 2016, Assessment of CO2 Storage Resources in Depleted Oil and Gas Fields in the Ship Shoal Area, Gulf of Mexico, International Workshop on Offshore Geologic CO2 Storage, May 2016, Austin, Texas
- Bruno, M., White, N., Wang, W., Young, J., Lao, K., 2016, Assessment of CO2 Storage Resources in Depleted Oil and Gas Fields in the Ship Shoal Area, Gulf of Mexico, Mastering the Subsurface Through Technology Innovation and Collaboration: Carbon Storage and Oil and Natural Gas Technologies Review Meeting, August 16-18, 2016, Pittsburgh, Pennsylvania
- Bruno, M., Young, J., Oliver, N., Wang, W., Xiang, J., Lao, K., Ramos, J., Diessl, J., 2017, Assessment of CO2 Storage Resources in Depleted Oil and Gas Fields in the Ship Shoal Area, Gulf of Mexico, Carbon Management Technologies Conference, July 18-20, 2017, Houston, Texas