

Michigan Basin, MRCSP State-Charlton 30/31 Field Test Site

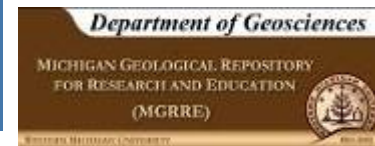
Presented By: Neeraj Gupta, Battelle

***Regional Carbon Sequestration Partnerships
Initiative Review Meeting***

October 6-8, 2008, Pittsburgh, PA



MRCSP Membership



Michigan Basin- Otsego County Test Site Project Team



Abed Houssari, Becky Cook, Steve Rawlings, and others



Dave Barnes, Bill Harrison, Sue Grammer



Dave Ball, Neeraj Gupta, Phil Jagucki, Joel Sminchak, Jackie Gerst, Matt Place, Diana Bacon, Danielle Meggyesy, Judith Bradbury, and others



Lynn Brickett, Charlie Byrer, Art Wells, Dave Wildman

CORE ENERGY, LLC



Robert Mannes, Joe Herpst, and Jane DeVeaux



Mark Zoback and Laura Chiaramonte

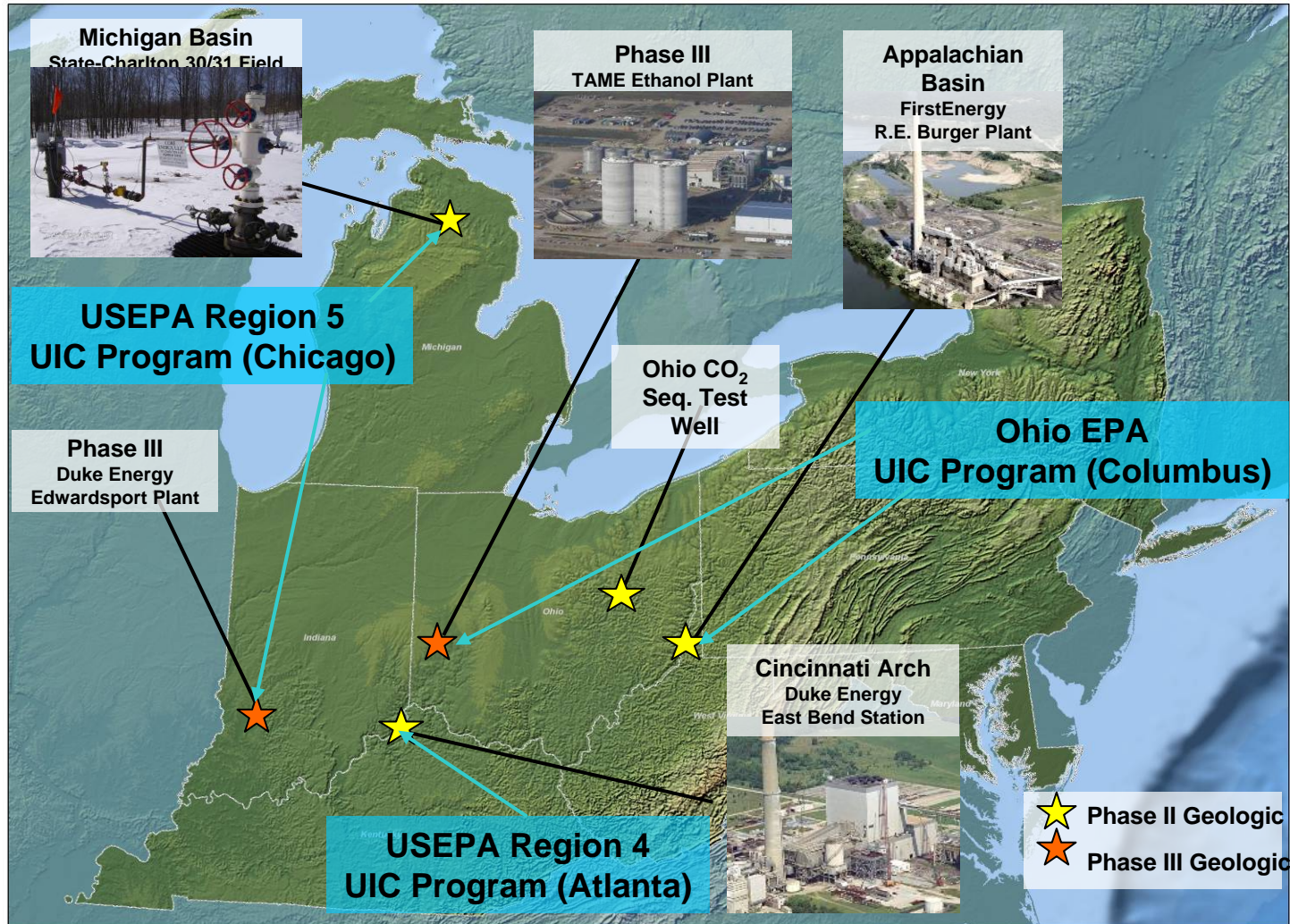
Schlumberger

Dwight Peters

***Additional Contributions by Numerous Other MRCSP Team Members
Outreach support by Sarah Wade, AJW Inc.***

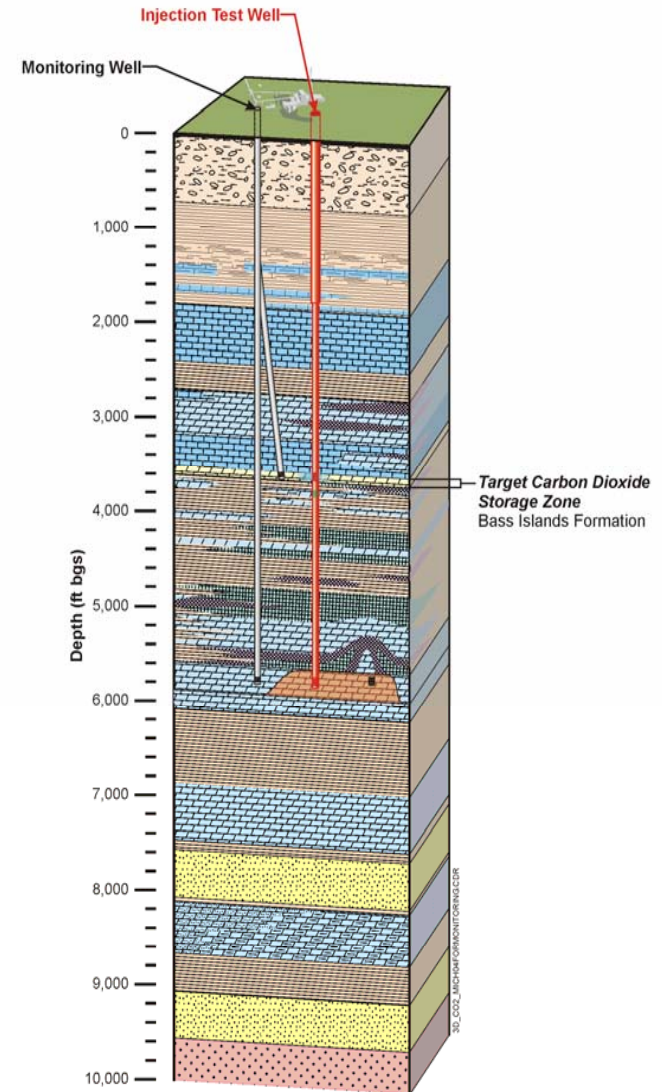
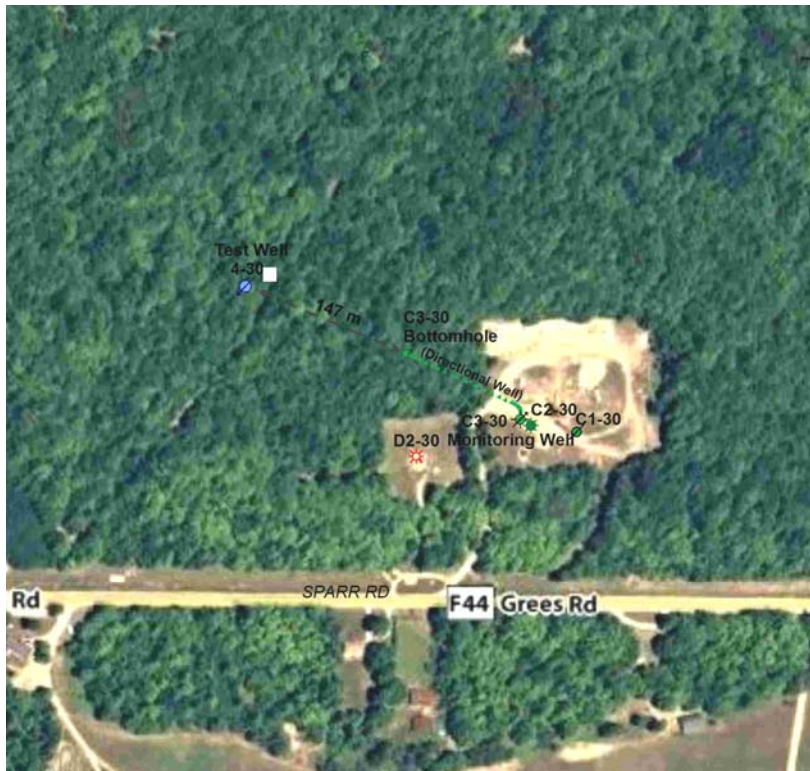


MRCSP Field Test Sites



Injection System

- New well (State-Charlton 4-30) drilled for injection.
- Nearby well used for monitoring.
- Class V CO₂ Permit from EPA Region V
- Variety of other monitoring methods used



NOT TO SCALE
ALL LOCATIONS ARE APPROXIMATE

Michigan Basin CO₂ Source

- CO₂ available from DTE gas processing plant
- Antrim Shale gas contains 15-30% CO₂ and is removed in amine based separation process
- Relatively pure CO₂ (99%) stream
- CO₂ periodically used for EOR floods in Niagaran Reef oil fields by Core Energy



Site Characterization, Injection Operations, and Monitoring

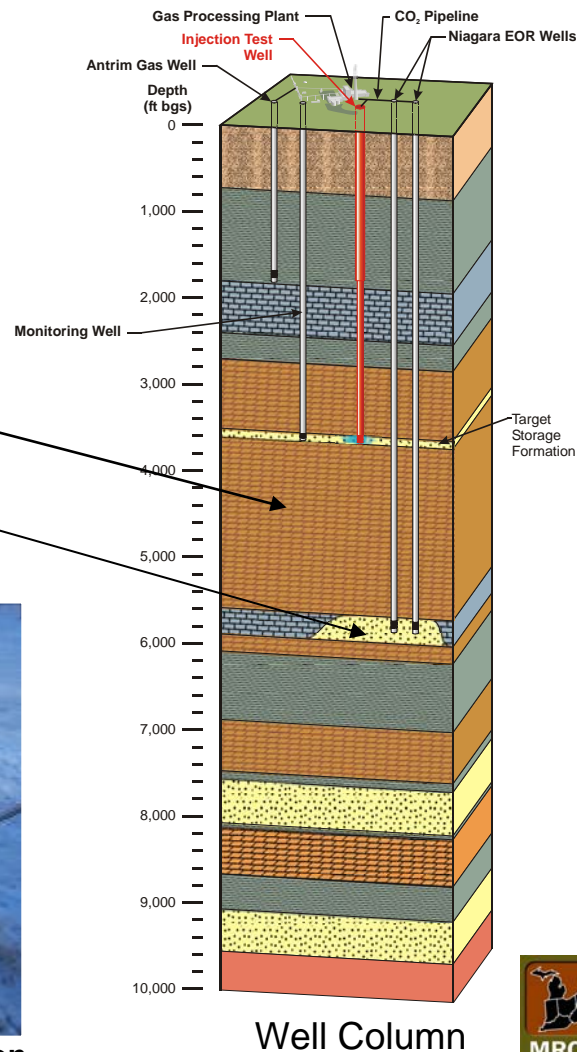
~5000 Foot Deep Test Well Drilled in November 2006



180 feet of core taken

Confining Layer:
Amherstburg Limestone

Injection Target:
Bass Islands Dolomite



Well Column



Injection Operations



Starting Injection

Testing Timeline

- Several test events were run over a period of several months in both monitoring well and the injection well.
- Tests provide information on hydraulic character of reservoir.

Michigan Basin Test Schedule

2007	September				October					November				December					
	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31	
C3-30 Monitoring Well						Swab Test	Pressure-Temperature Monitoring												
C4-30 Injection Well																			

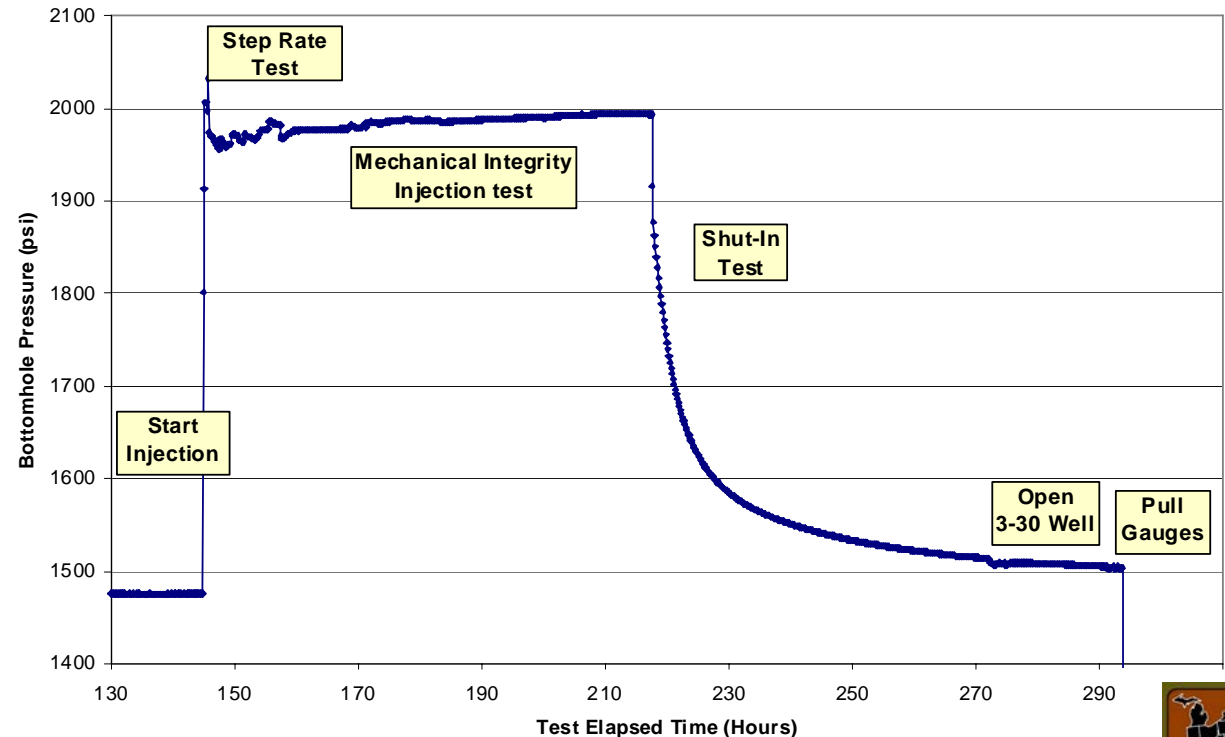
2008	January				February					March					April			
	7	14	21	28	4	11	18	25	3	10	17	24	31	7	14	21	28	
C3-30 Monitoring Well	Pressure-Temperature Monitoring																	
C4-30 Injection Well					Mech. Integrity Test	Full Injection Test					Post-Injection Recovery Monitoring							

CO₂ Injectivity Testing

- Initial step-rate test and shut-in test was completed with CO₂ prior to sustained injection as part of UIC mechanical integrity testing February 7-13, 2008.
- Testing provides data on hydraulic behavior of the reservoir system.

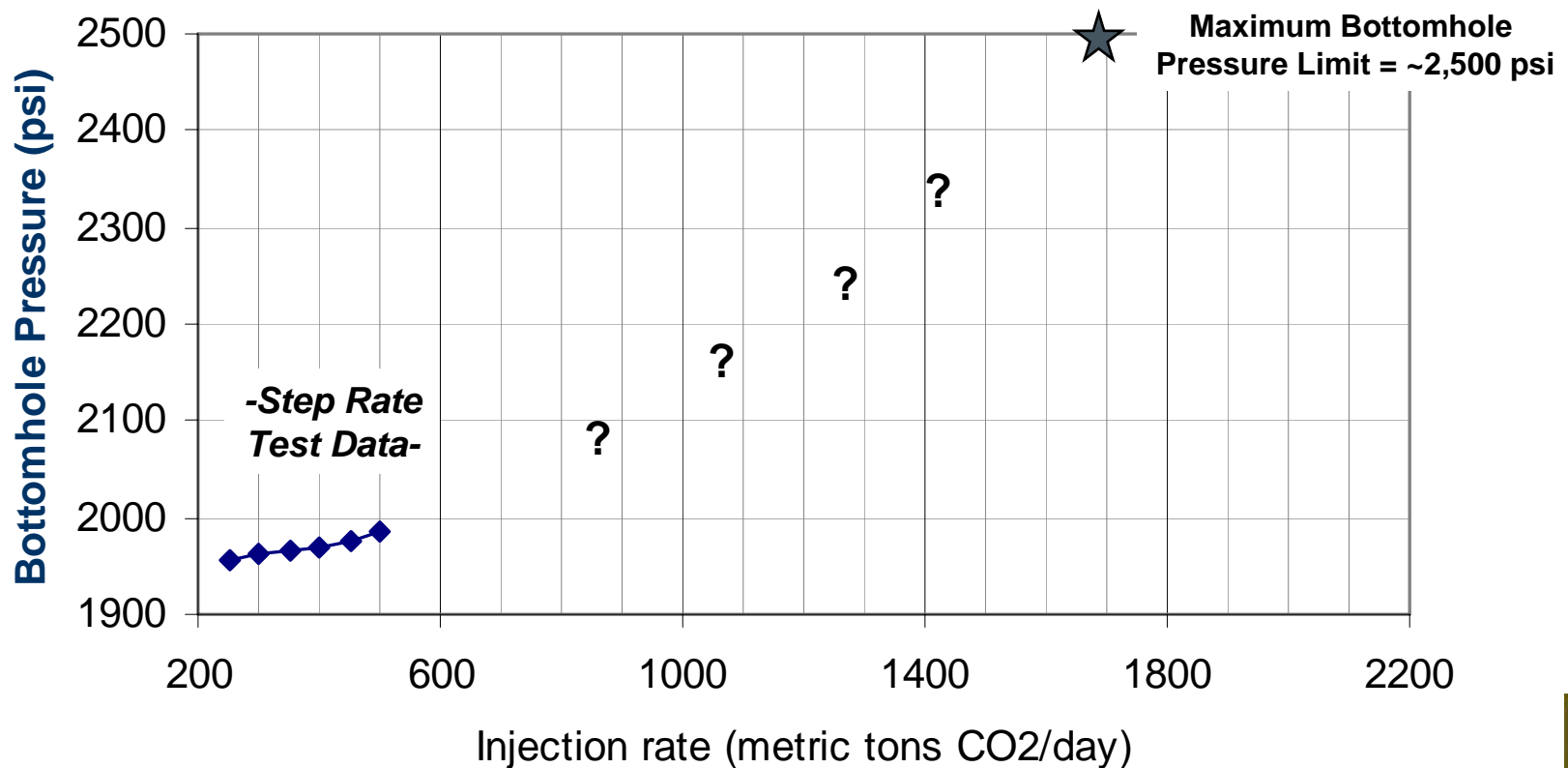


State-Charlton 4-30 Mechanical Integrity Testing Sequence



CO₂ Step-Rate Injection Testing

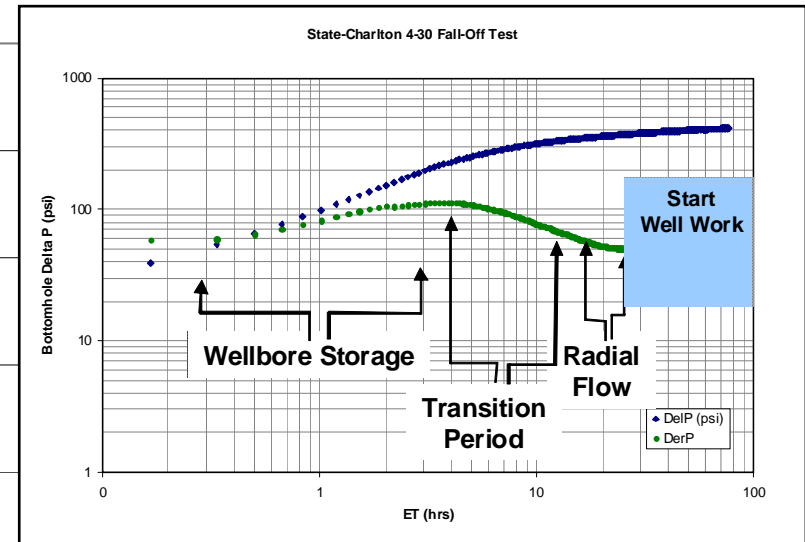
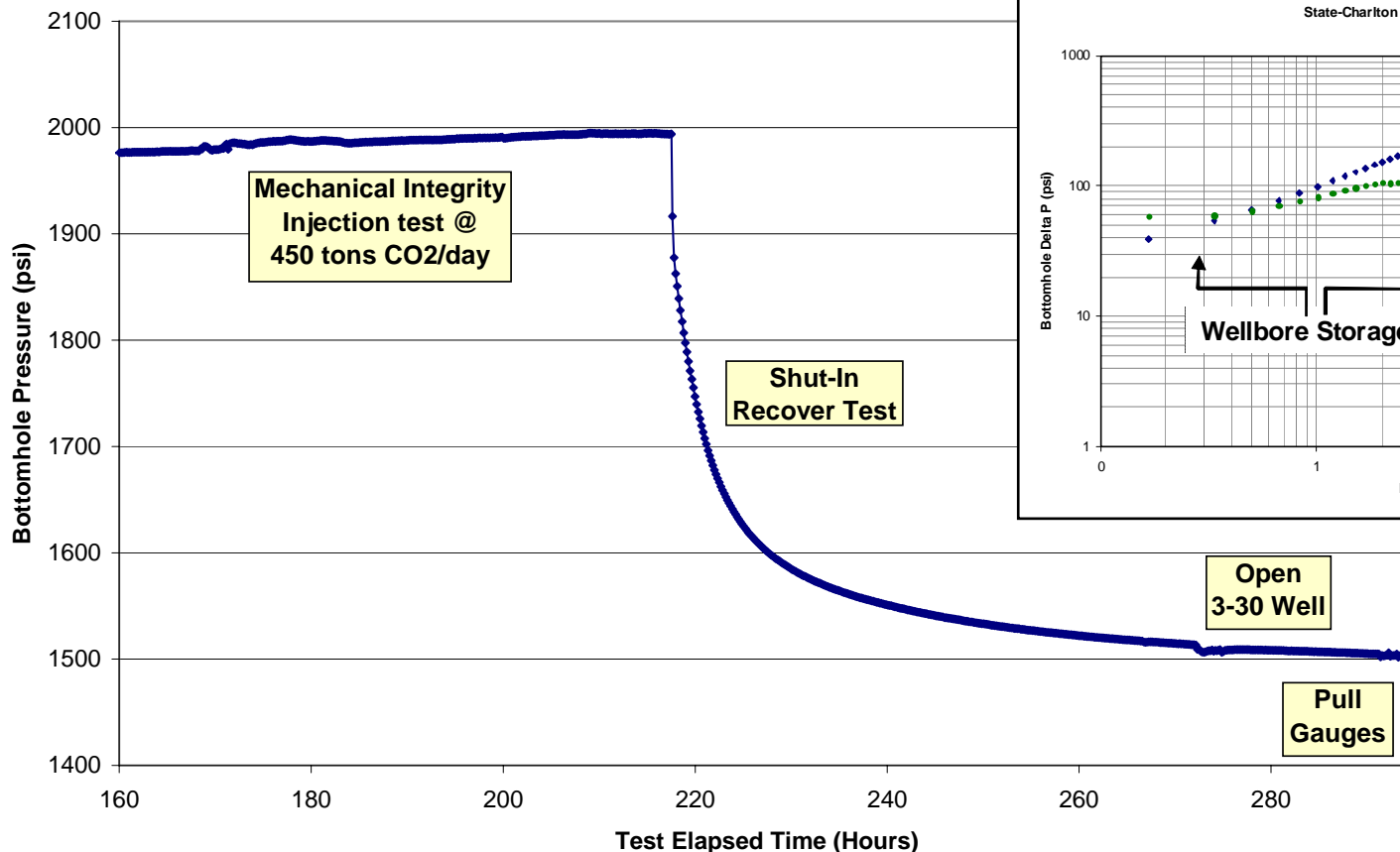
- Difficult to interpret pressure increase. Example, overall pressure increase only ~30 psi from 250-500 tpd injection rate.
- General trends suggest injection rates of over 1,500+ metric tons per day may be possible (>500,000 metric tons per year).



CO₂ Pressure Shut-In Analysis

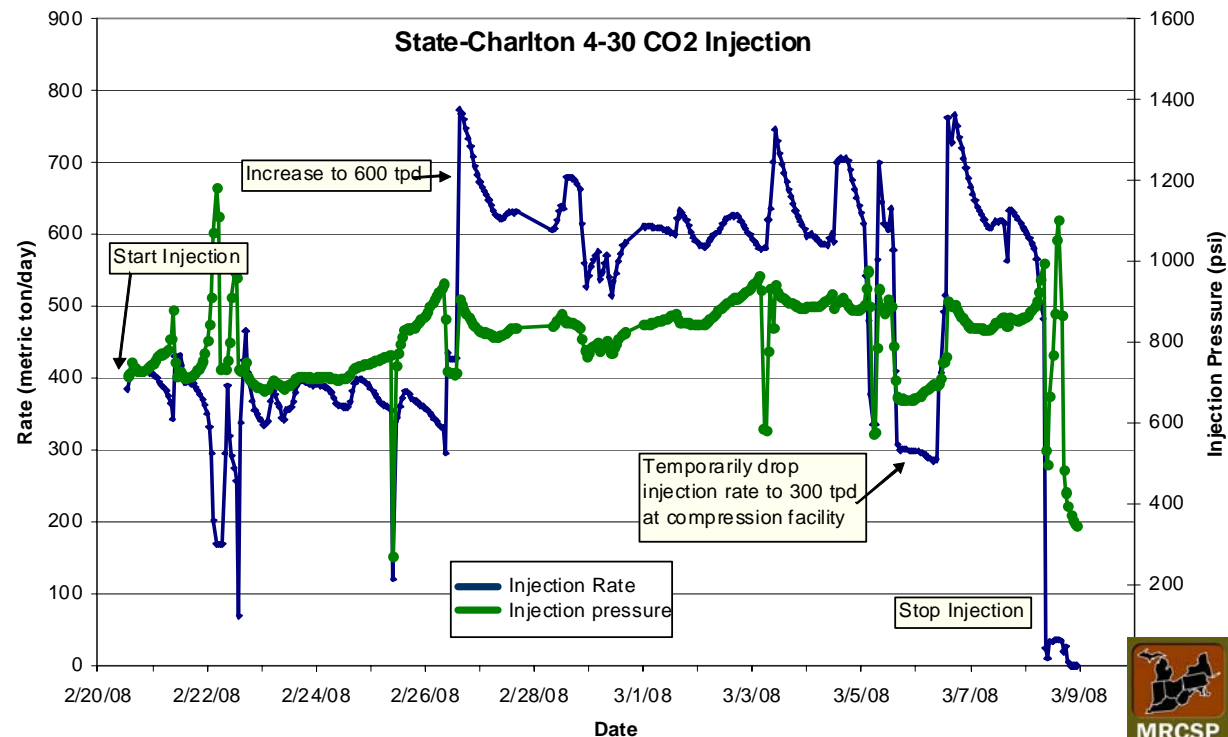
- Well shut-in after 60 hours of injection at 450 metric tons per day, injection stopped, and well shut-in for ~72 hrs.
- Response curve indicates well with wellbore storage and skin effects in a homogeneous reservoir. Assume fluid properties of formation brine for initial testing since injection volume is relatively small.

State-Charlton 4-30 Mechanical Integrity Testing Sequence



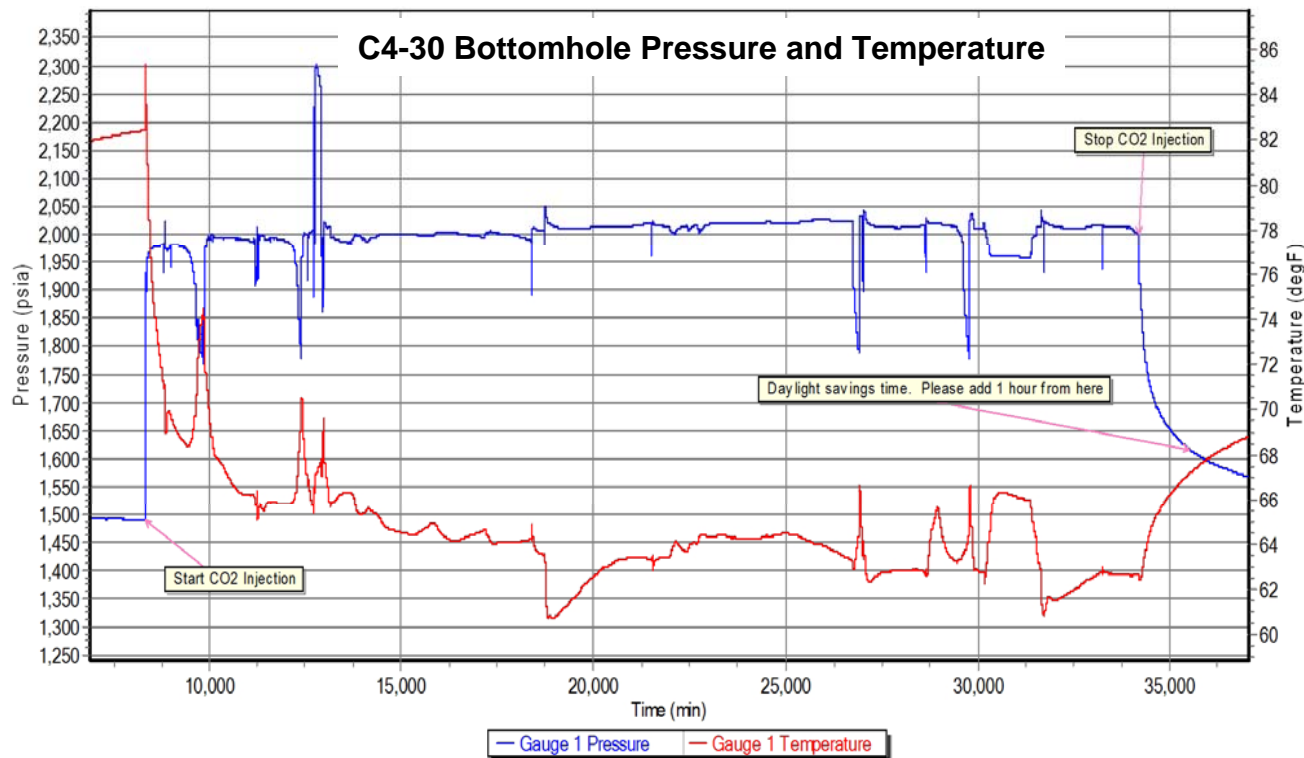
CO₂ Injection Testing

- 10,241 metric tons CO₂ was injected from February 18-March 8, 2008 (including initial mechanical integrity test volume).
- Injection Rate increased from 400 to 600 metric tons/day after 1 week (some fluctuations in injection rate due to compression facility).
- Injection well was shut-in for 1 month after injection to track reservoir pressures decline and allow stabilization.



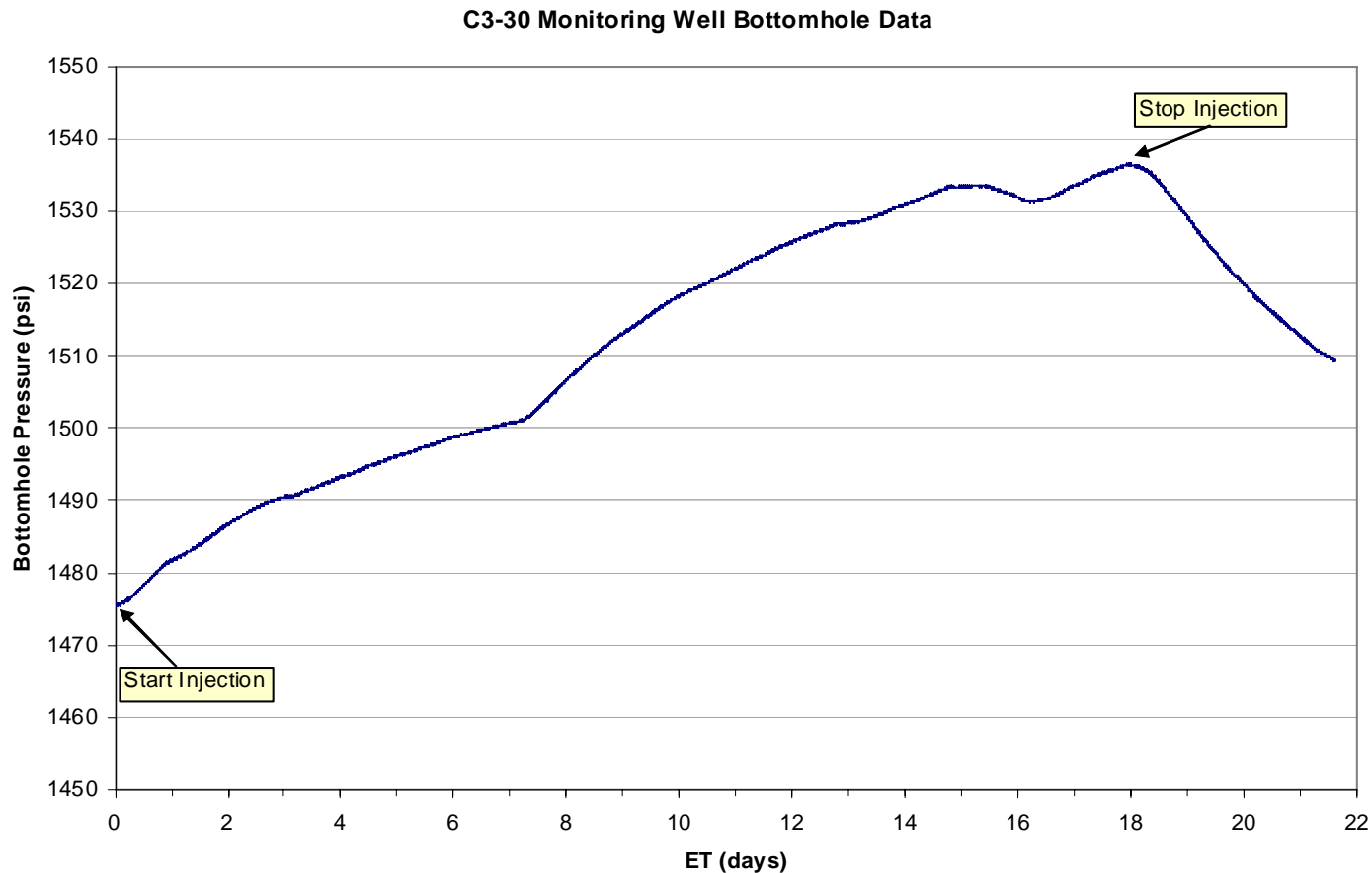
CO₂ Injection Testing

- Bottomhole pressures were 2,000-2,020 psi during injection and generally stable throughout the 18 days of injection. Some fluctuations present due to supply variations at compression station.
- Overall, testing indicates rates of 600 metric tons/day or higher may be sustained in the Bass Islands Dolomite.



CO₂ Injection Monitoring

- Pressure response in C3-30 monitoring well located about 150 m (500 ft) from the injection well shows about a 60 psi increase within the Bass Islands Dolomite formation. No direct indication of CO₂ breakthrough was detected at this well.

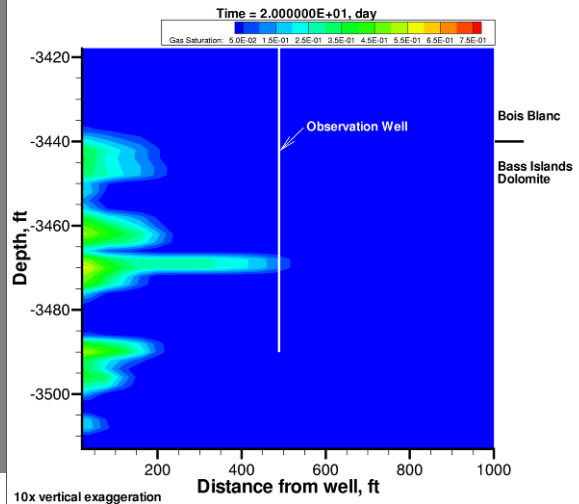


Reservoir Simulations (STOMP CO_2)

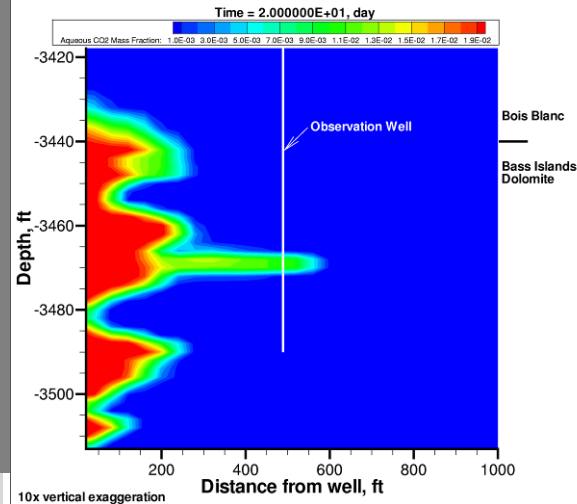
- Simulations indicate injection rates of 500 metric tons CO_2 per day are feasible in the Bass Islands Dolomite.
- In practice, injection rate was more variable during testing.
- 2D radial simulations show CO_2 moving about 152 m (500 ft) from injection well.

STOMP CO_2 Simulation Results at the End of Injection (500 tpd for 20 days)

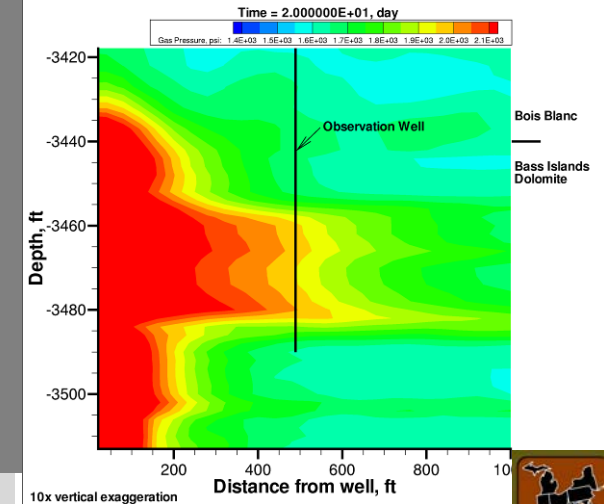
CO_2 Gas Saturation



Aqueous CO_2 Mass Fraction



Pressure



Reservoir Simulation vs. Observations

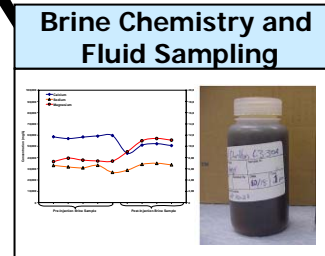
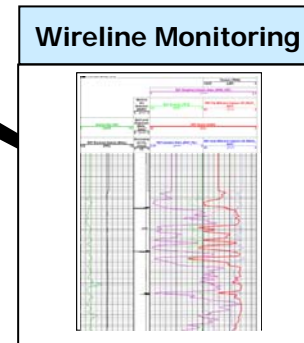
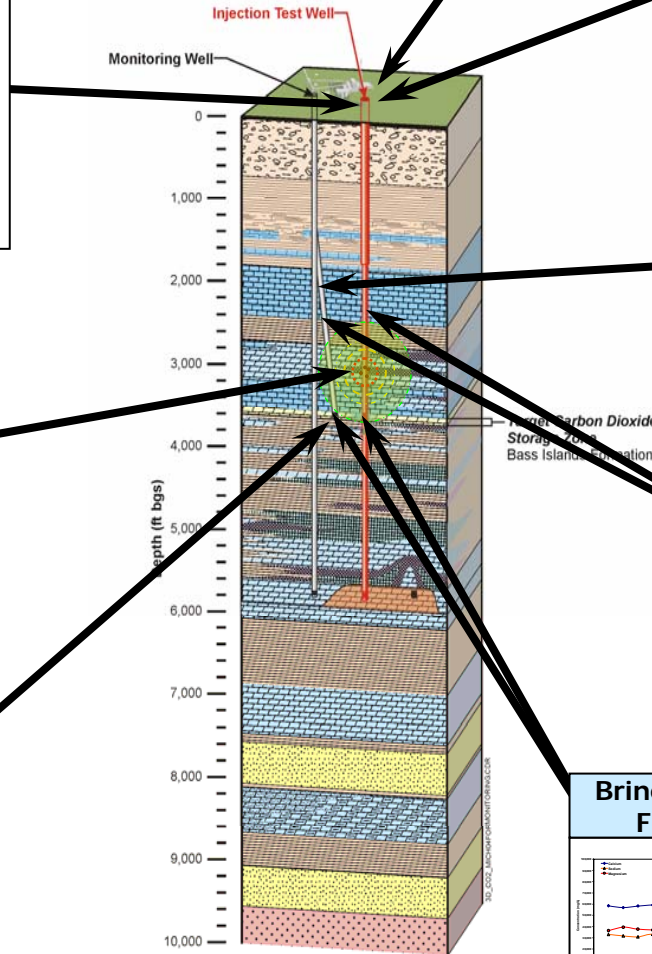
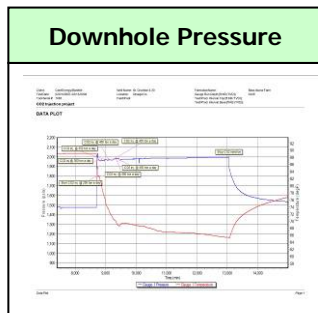
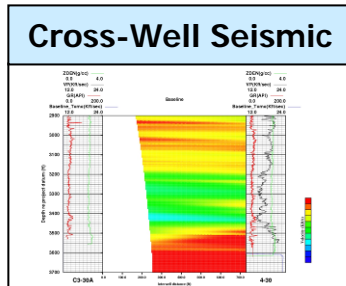
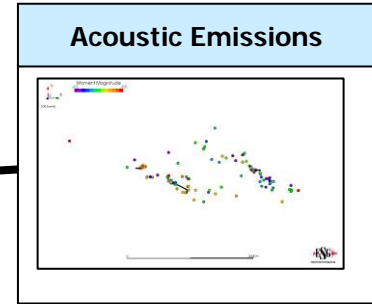
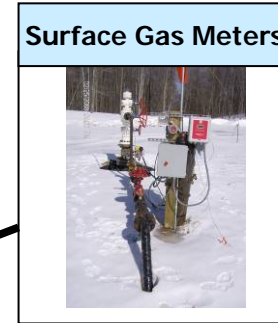
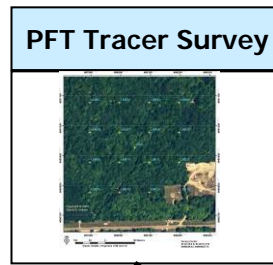
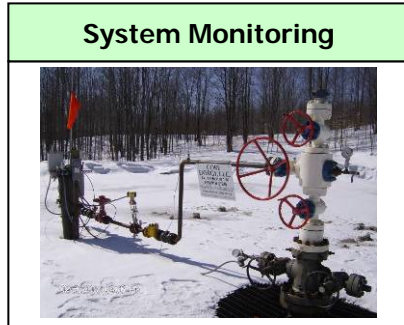
- Pressure predictions from STOMPCO2 were fairly similar to those observed in the field.
- Injection rate was somewhat unpredictable and difficult to simulate.
- Model calibration to field data is currently underway using actual injection rates. However, this effort looks to be a minor refinement as the model was fairly accurate.

Preliminary Modeled vs. Observed Pressures

Monitoring Point	Maximum Bottomhole Pressure (psi)	
	STOMPCO2 Simulated	Observed
C4-30 Injection Well	2,100	2,020
C3-30 Monitoring Well	1,555*	1,535

*corrected for observed in-situ pressure

MMV Program



NOT TO SCALE
ALL LOCATIONS ARE APPROXIMATE

Monitoring technology is an important part of our testing



Monitoring Well
(about 500 feet from injection well)



Acoustic Array



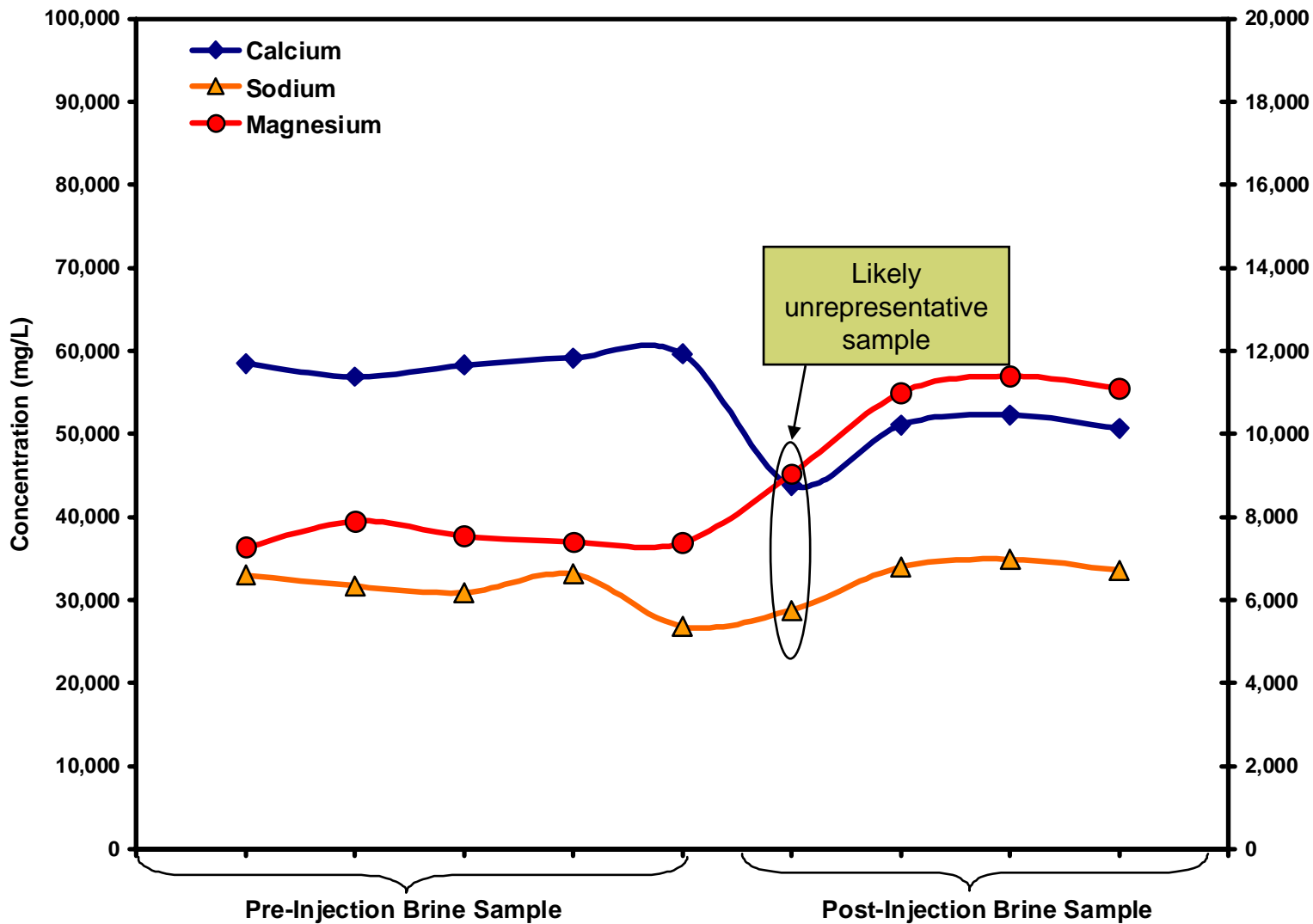
Cross Well Seismic Analysis

Fluid Sampling

- Pre injection samples swabbed and analyzed for major cations and anions.
 - Formation brine contained high TDS (greater than 300,000 ppm)
- Post injection samples were taken more than a month after injection from the monitoring well
 - Multiple samples were taken over 18 hours to ensure formation brine was collected
 - No breakthrough detected
- More sampling events may be useful to confirm results

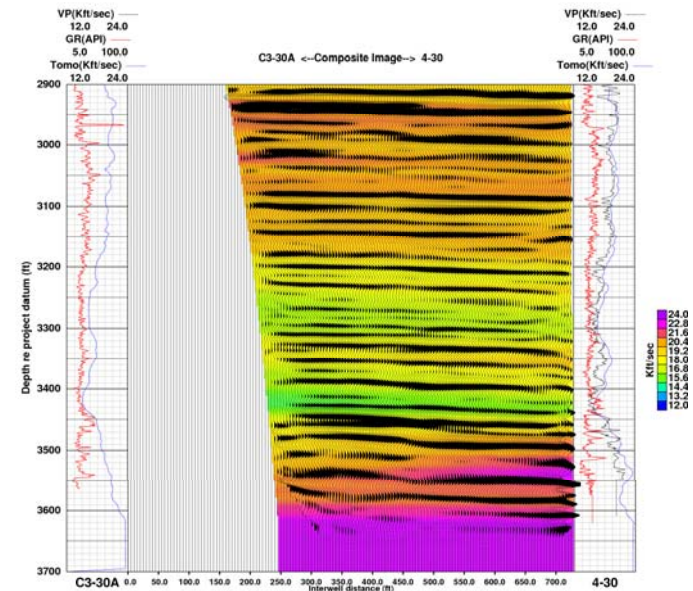
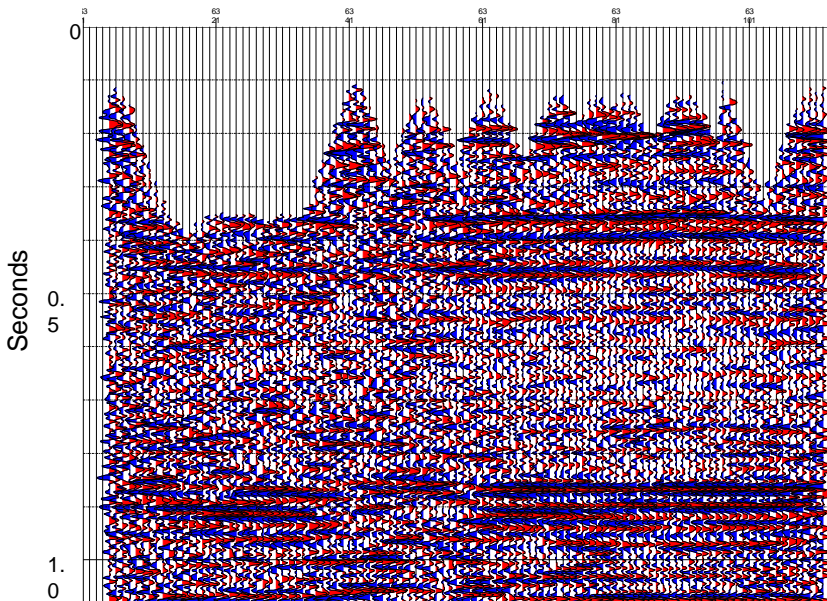


Michigan Brine Sampling Analysis (pre and post injection)



Crosswell Seismic

- Glacial till made 3D seismic difficult to use.
- Crosswell survey run between 4-30 and C3-30A
- Excellent signal to noise ratio and high energy source yield resolution of only a few meters
- Repeat survey completed on May 5, 2008



Cross-Well Seismic Repeat Survey

- The difference between the two surveys shows a velocity decrease in the Amherstburg formation, approximately 300 ft above the perforated injection interval, with no apparent connection with the velocity change area at the injection interval.

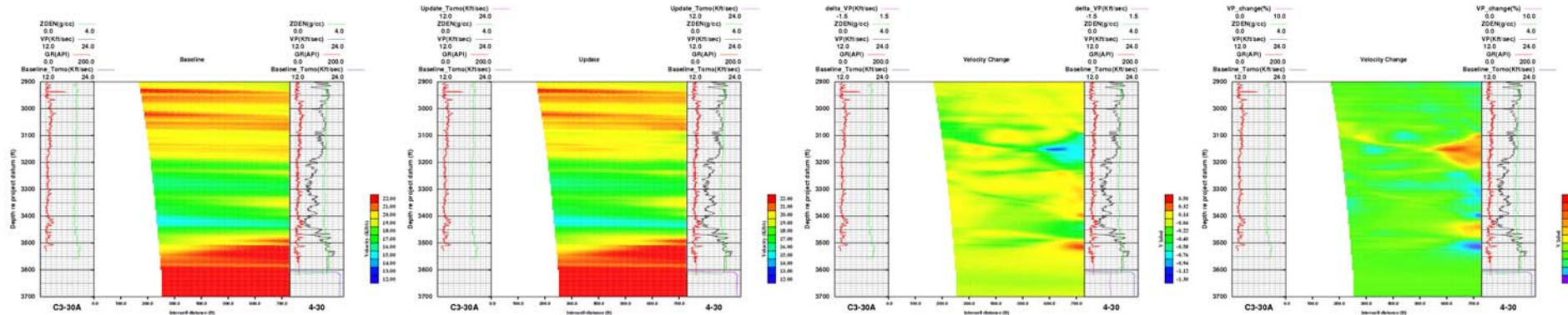
% change from baseline to repeat. Reds-yellows indicate decreases in velocity

Baseline Survey

Repeat Survey

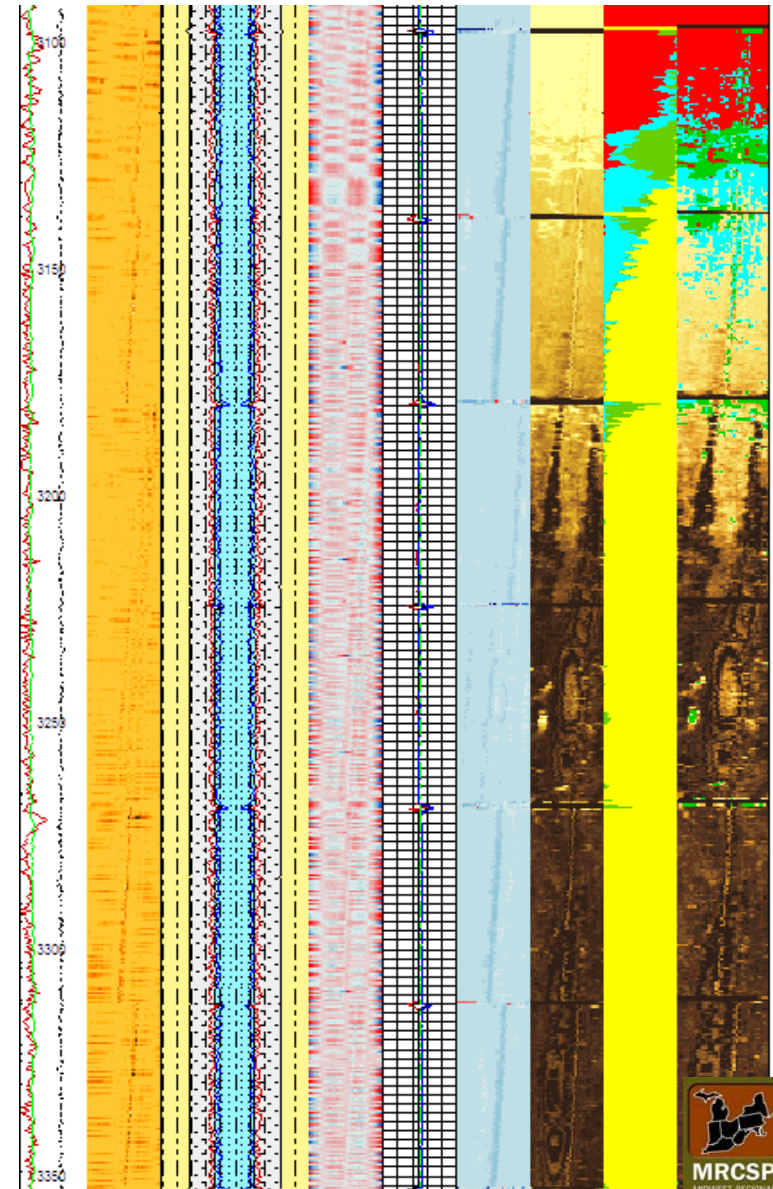
Straight Difference

VP_change(%)



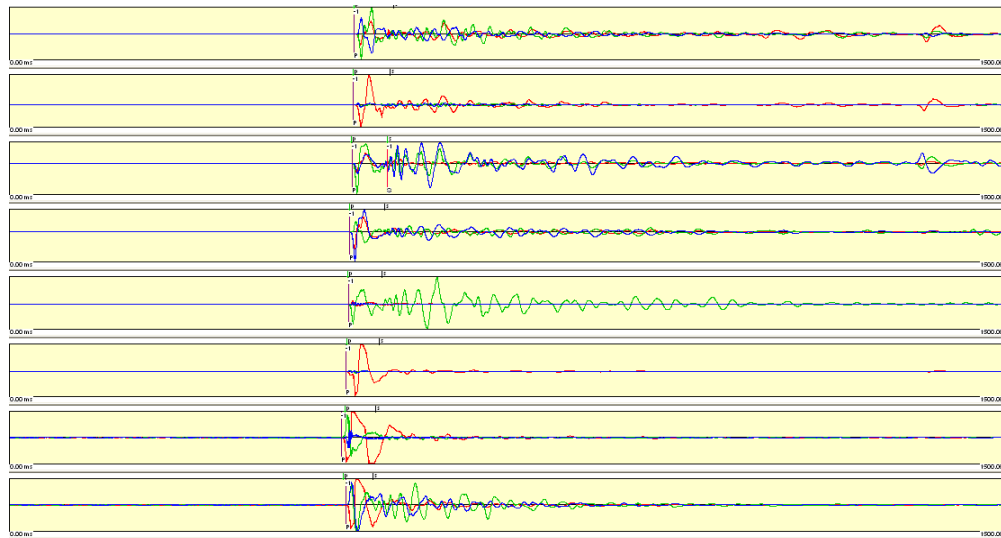
Evaluating Migration Pathways

- Potential causes for seismic velocity change were evaluated
 - A more detailed cement bond log (Isolation Scanner) was run to examine the cement quality
 - No obvious migration pathways were found between the injection depth and the velocity anomaly
 - Gas appears to be potentially present behind the casing at the location of the anomaly, based on wireline data
 - It is unclear if this is CO₂ or methane (there was a gas show during drilling). The available methods do not distinguish between CO₂ and CH₄
 - ***So far there is not conclusive evidence that the velocity change is due to CO₂.***

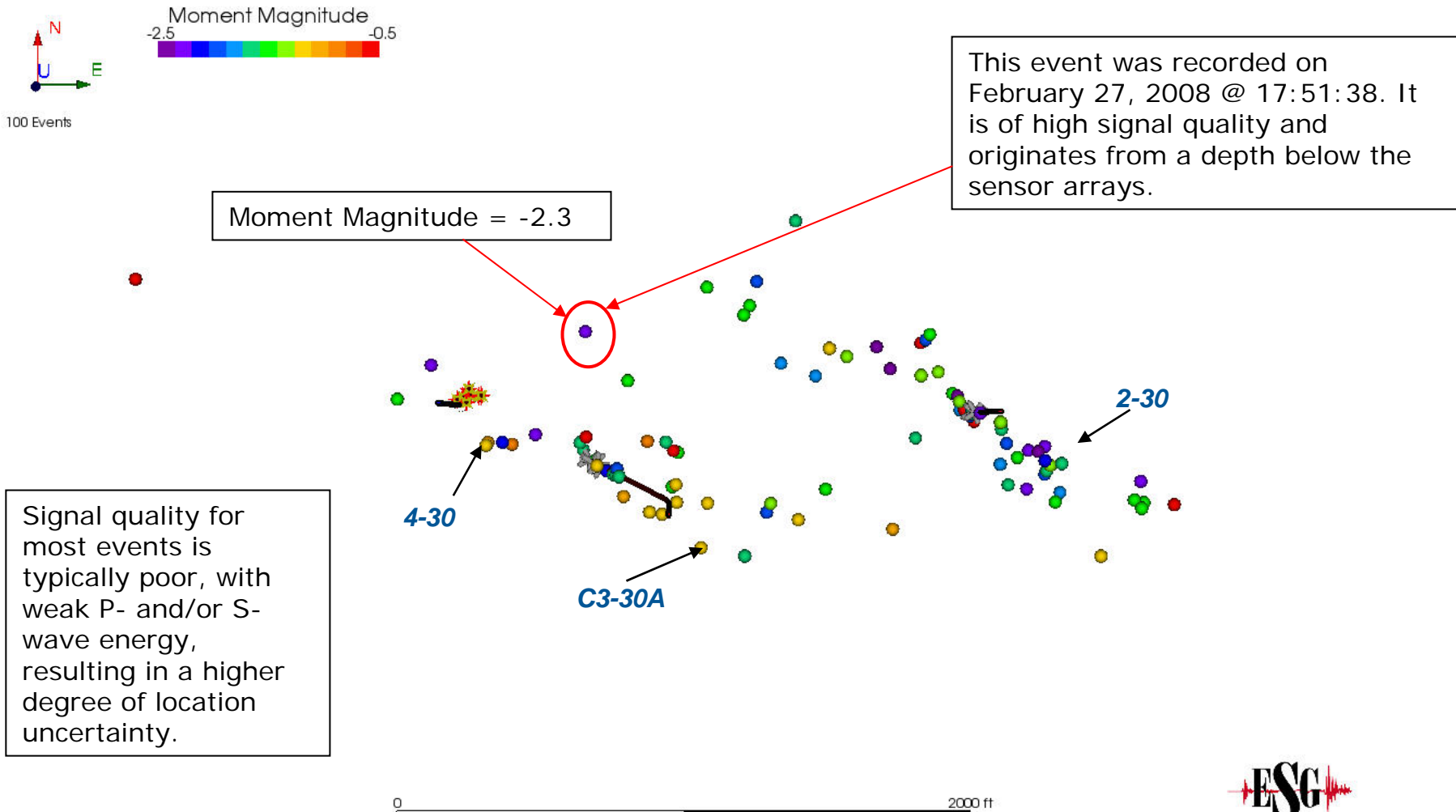


Acoustic Emissions (Micro-Seismic)

- Eight level arrays were installed in monitoring wells C3-30A and 2-30 during the entire injection
- Over 100 events were recorded
 - It is unlikely all of these are associated with injection
 - However, some events appear to be related to the EOR operations occurring in the deeper Niagaran Reefs



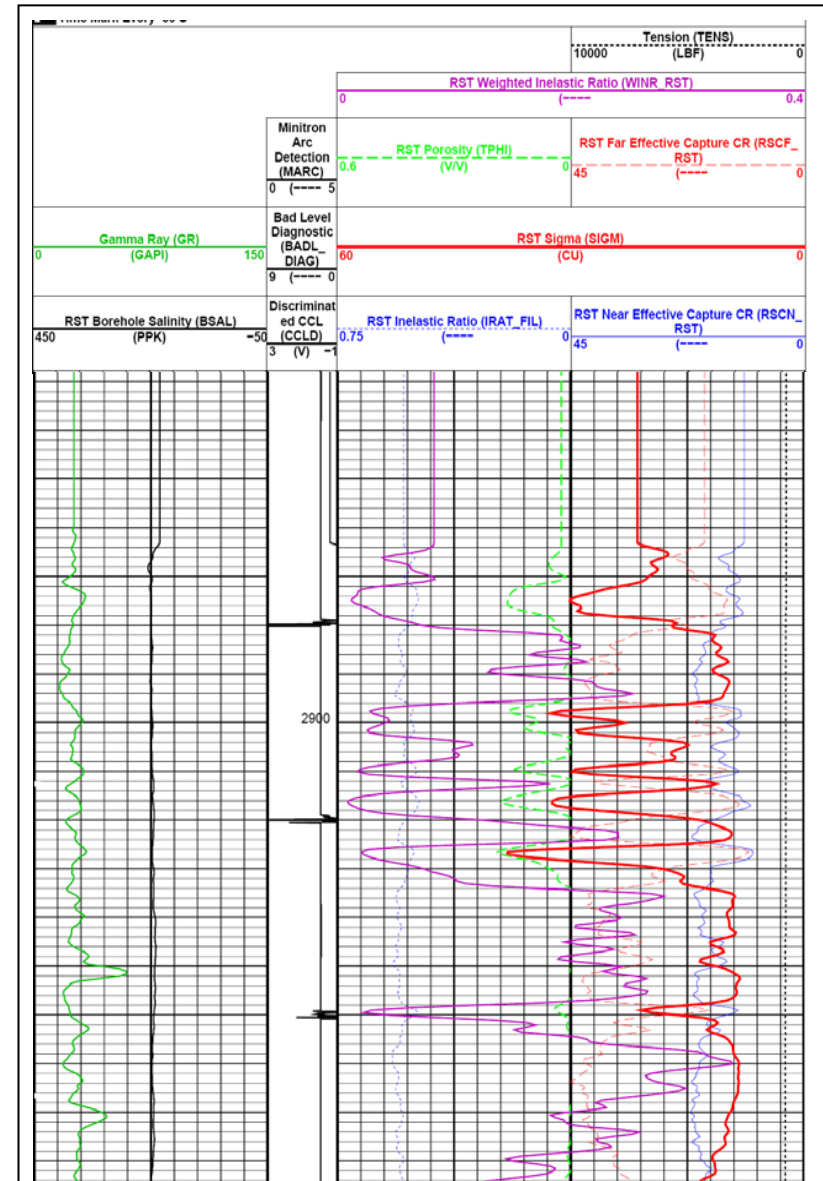
Microseismic Activity Map



Signal quality for most events is typically poor, with weak P- and/or S-wave energy, resulting in a higher degree of location uncertainty.

Pulsed Neutron (RST)

- Baseline and two repeat surveys performed in the C3-30A monitoring well
- No definitive indication of CO₂ at the monitoring well
- This matches the modeling results



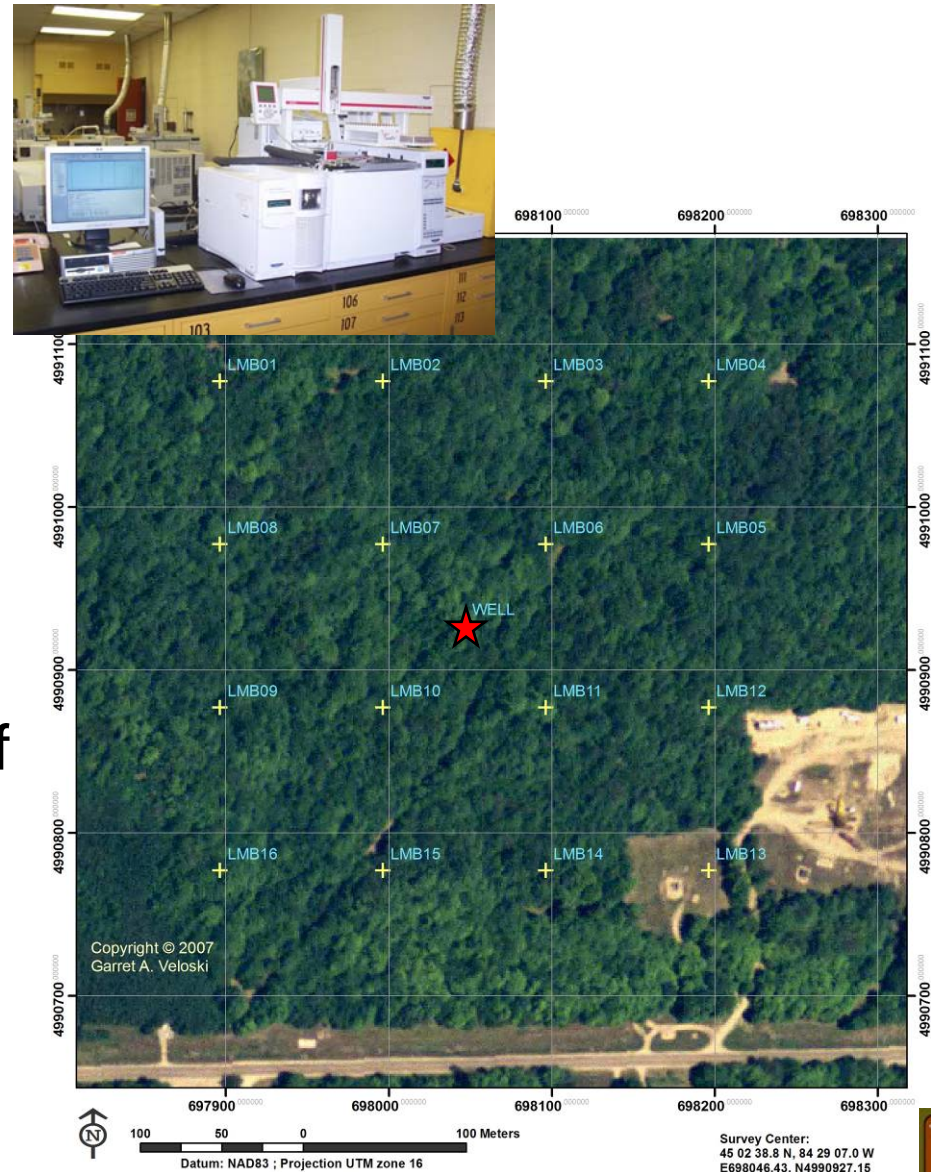
Tracers

- The Michigan site has multiple sources of CO₂, which would make surface detection techniques very difficult
- NETL injected a PFT tracer into the injection stream and has been monitoring for leakage



Tracers

- NETL injected a PFT tracer into the injection stream and has been monitoring for leakage
- Numerous soil gas and atmospheric samples were taken pre injection
- Post injection samples have not contained any of the tracers and do not indicated any leakage



Public outreach is a key component of our research



An informational meeting was held at the Johannesburg-Lewiston Area School, July 2007, to inform the local public about the project

Conclusions

- Bass Islands Dolomite in northern Michigan Basin has suitable injectivity for CO₂ sequestration at an industrial scale, on the order of several hundred thousand metric tons per year in one well.
- Well tests proved useful in analyzing injection potential, even though we did not approach maximum injection rates.
- Injection test analysis was used to define the hydraulic behavior of the reservoir system in terms of flow behavior and leakage.
- Reservoir simulations provide fairly accurate predictions of hydraulic response to injection.
- It is not clear if the cross-well seismic based velocity anomaly ~300 ft about perforated interval is due to natural gas or CO₂. However, the potential upward migration pathways for CO₂ have been eliminated.
- All objectives of the initial injection phase have been successfully completed