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

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US DOE/NETL Annual Carbon Storage and Oil and Natural Gas Technologies Review Meeting

Pittsburgh, PA August 3, 2017

Acknowledgments

Acknowledgments

 Financial assistance for this work was provided by the U.S.
 Department of Energy through the National Energy Technology Laboratory's Program under Contract No. DE-FE0006827.

Project Overview: Goals and Objectives

***** Objectives:

- Inject up to 20,000 metric tons of CO2 into <u>3 vertical CBM wells</u> over a one-year period in Central Appalachia
- Perform a small (approximately 400-500 metric tons) Huff and Puff test in a <u>horizontal shale gas well</u>

★ Goals

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

***** Major tasks:

- Phase I: site characterization, well coring, injection design
- Phase II: site preparation, injection operations
- Phase III: post-injection monitoring, data analysis, reservoir modeling

Research Partners

- Virginia Center for Coal and Energy Research (Virginia Tech)^{1,2,3,4,5}
- Cardno^{2,3}
- Gerald Hill, Ph.D.^{1,4}
- Southern States Energy Board^{1,5}
- Virginia Dept. of Mines, Minerals and Energy³
- Geological Survey of Alabama³
- Sandia Technologies³
- Det Norske Veritas (DNV)⁴
- Consol Energy (Research Group)^{2,3}

Industrial Partners

- Consol Energy (CNX Gas)
- Harrison-Wyatt, LLC •
- Emory River, LLC
- Dominion Energy
- Alpha Natural Resources
- Flo-CO2
- Praxair

¹ Project management ² Operations ³ Research ⁴ Risk management ⁵ Outreach

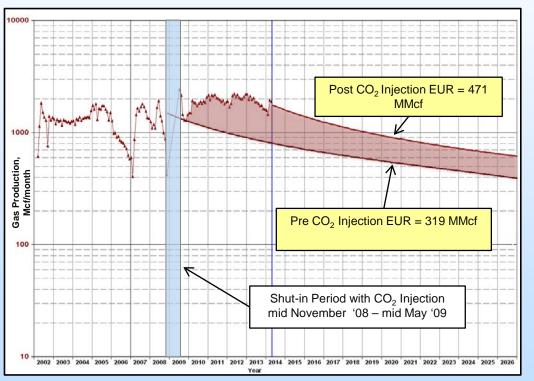
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Collaborators Schlumberger

- **Global Geophysical Services** •
- Oak Ridge National Laboratory
- University of Nottingham / British ۲ **Geological Survey**
- University of Tennessee ۲
- University of Virginia ٠
- Southern Illinois University
- Oklahoma State University

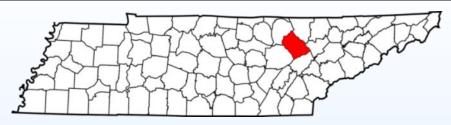
Previous Experience in Huff and Puff Test in Russell County, Virginia (2009)

Production curve for huff-and-puff test well, Russell County, Virginia, 2009



- 1000-ton CO₂ injection
- Stacked coal reservoir
- Evidence of preferential adsorption: elevated N₂ and CH₄
- Enhanced CH₄ recovery at two offset wells, no CO₂ breakthrough
- 30% CO₂ in flowback over 7 years
- EUR of test well has increased by 48 perc⁵ent

Shale CO₂ Injection Test (510 tons) Morgan County, Tennessee

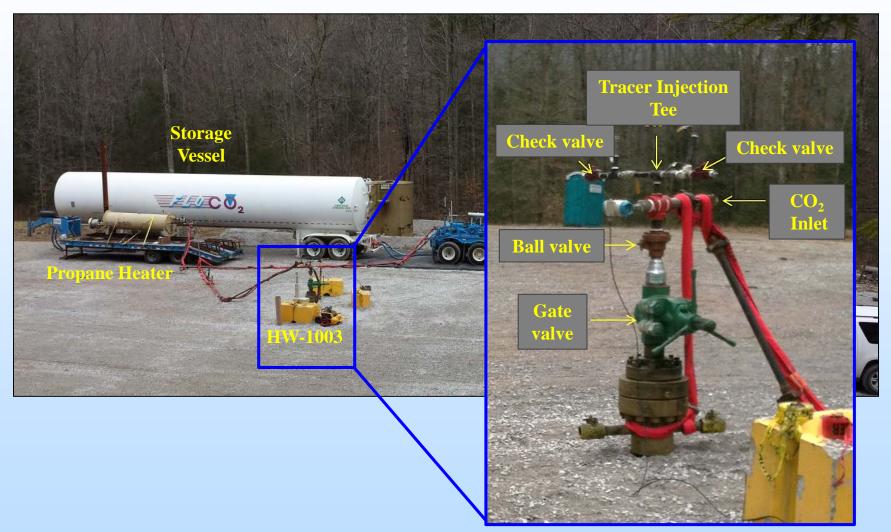


- Horizontal well in Chattanooga Shale formation, drilled in 2009
- Legacy producing gas well permitted under TDEC
- 510 tons for "huff and puff" injection test
- Injection period: March 18-31, 2014 (14 days)
- <u>Shut-in period</u>: March 31- July 29, 2014 (~4 months)
- Flowback period: July 29, 2014- present (~24 months)
- Frozen Head State Park TLAS ENERGY WELL REA OF REVIEW /4 MILE RADIUS
- Current status: post-injection monitoring

Shale CO₂ Injection Test in Morgan County, Tennessee Operations Overview

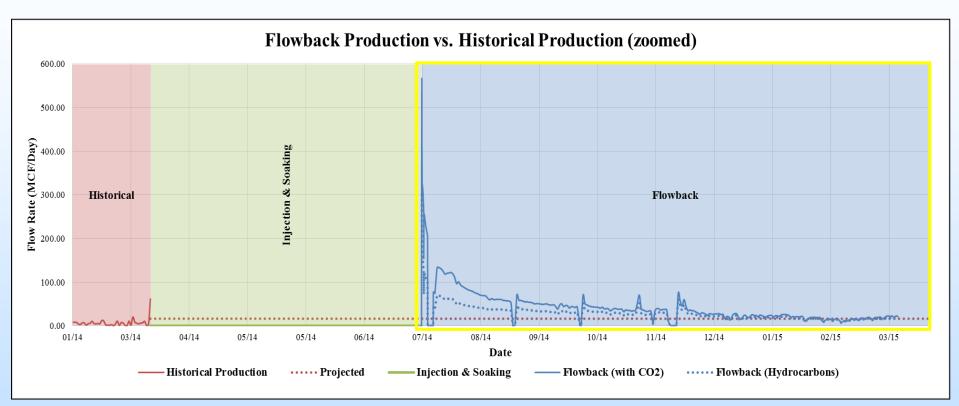


Shale CO₂ Injection Test in Morgan County, Tennessee Operations Overview



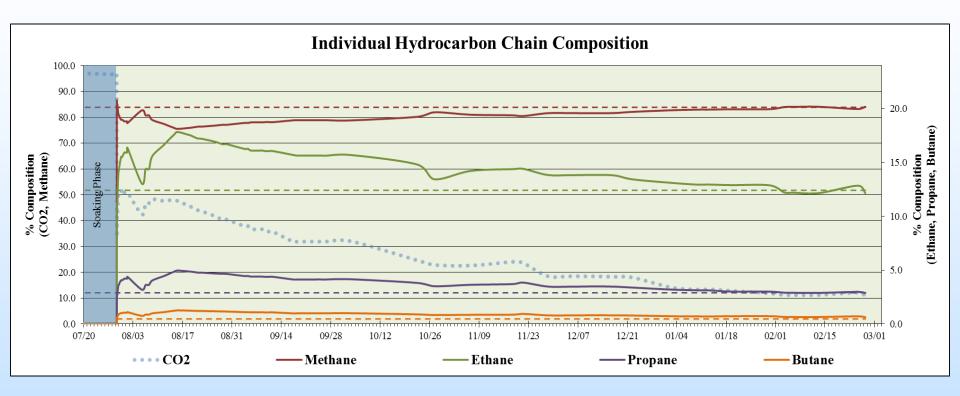
Shale CO₂ Injection Test in Morgan County, Tennessee

Flowback Results



- EGR: An increase versus baseline production
- Correlated production of hydrocarbons and CO₂
- 34 percent of injected CO₂ produced to date (173 tons)

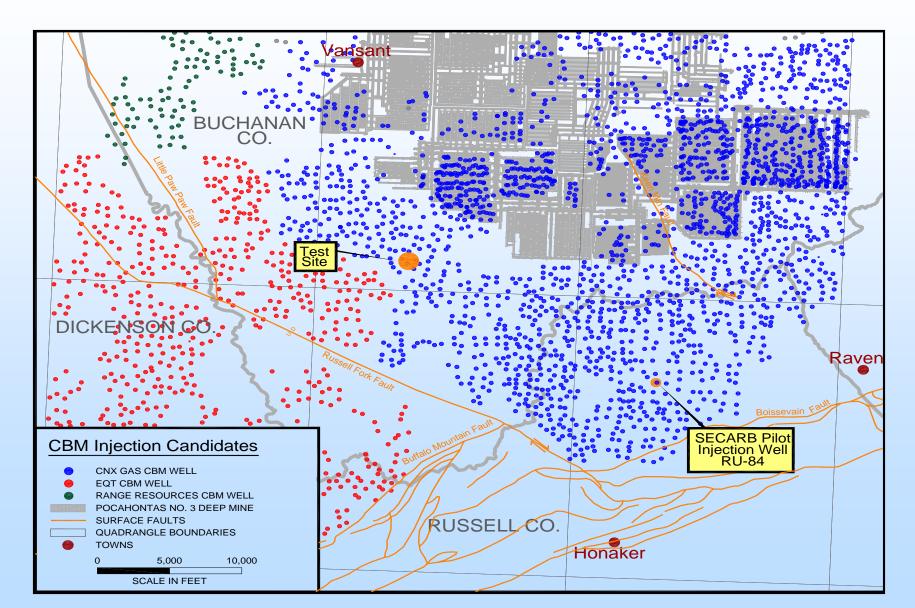
Shale CO₂ Injection Test in Morgan County, Tennessee Results to Date



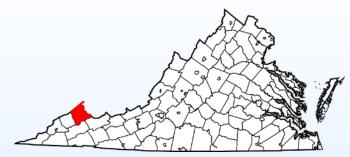
Production of heavy hydrocarbons elevated from baseline values:

- Role of pressure, viscosity and adsorption/desorption processes
- Enhanced recovery \rightarrow implications for other shale plays

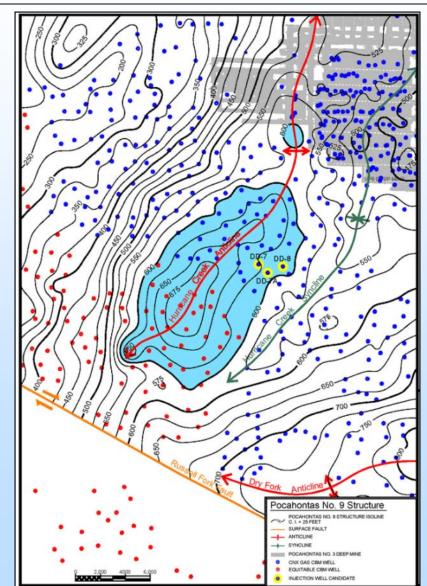
CBM Injection Test Sites Russell and Buchanan Counties, VA



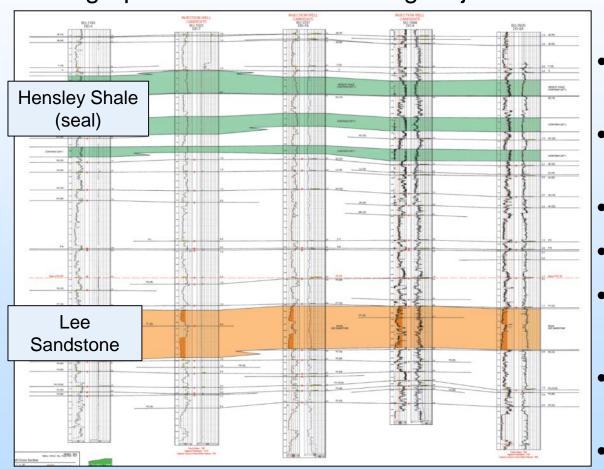
CBM CO₂ Injection Test in Buchanan County, Virginia



- Oakwood coalbed methane field
- Stacked coal reservoir, 15-20 seams
- Tight shale and sandstone confining units
- 14,000 tons CO₂ injected in two distinct Phases injection over 17 months in three legacy wells
- CO₂ storage + Enhanced gas recovery
- US EPA Class II UIC Permit
- Current status: Post-injection monitoring.



CBM CO₂ Injection Test in Buchanan County, Virginia Reservoir Modeling

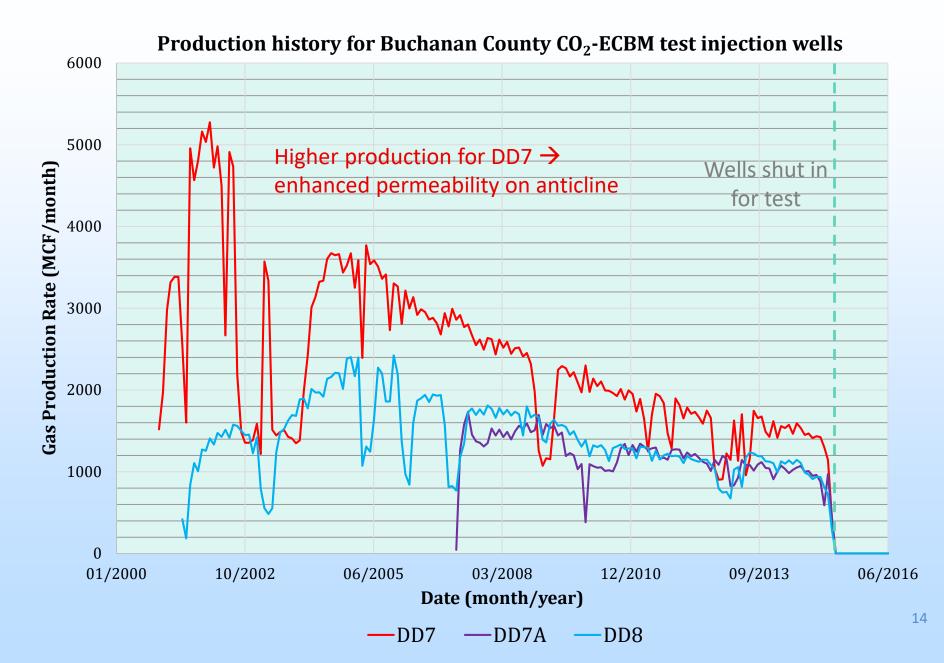


Stratigraphic cross section through injection wells

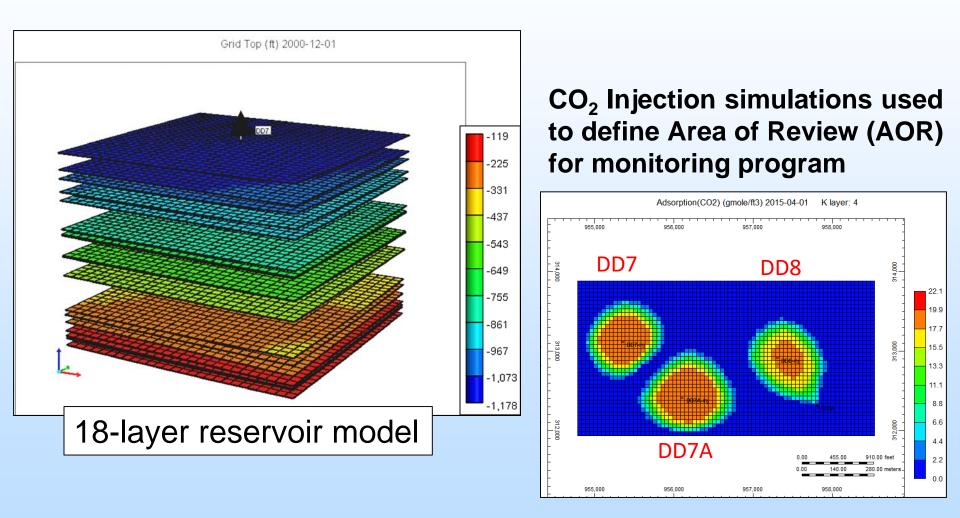
Modeling Considerations:

- 15-20 coal seams in injection zone
- Average seam thickness of 1.0 feet
- Depth range: 900-2200 feet
- Variable lateral continuity
- Intermediate and overlying seals
- Dynamic reservoir properties (active production operations)
- Multi-phase flow

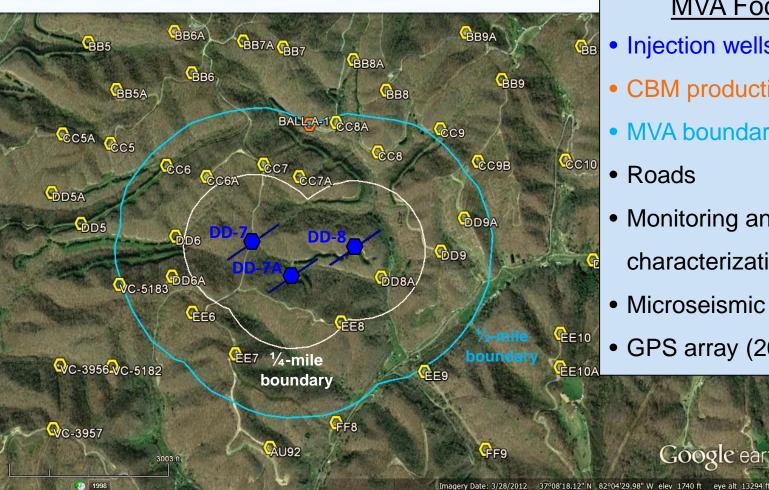
Historical Monitoring: CBM Production Data



CBM CO₂ Injection Test in Buchanan County, Virginia Reservoir Modeling



Oakwood Field Demonstration Site



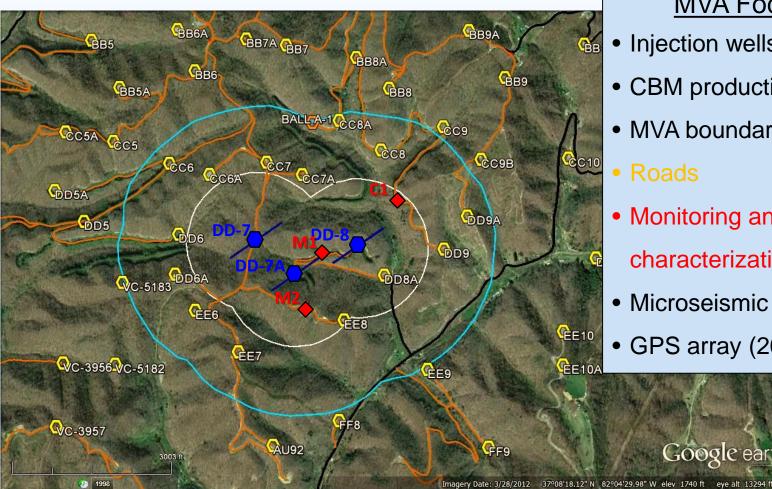
MVA Focus Area

- Injection wells
- CBM production wells
- MVA boundaries
- Roads
- Monitoring and
 - characterization wells

Google earth

- Microseismic array (28 stns)
- GPS array (20 monuments)

Oakwood Field Demonstration Site



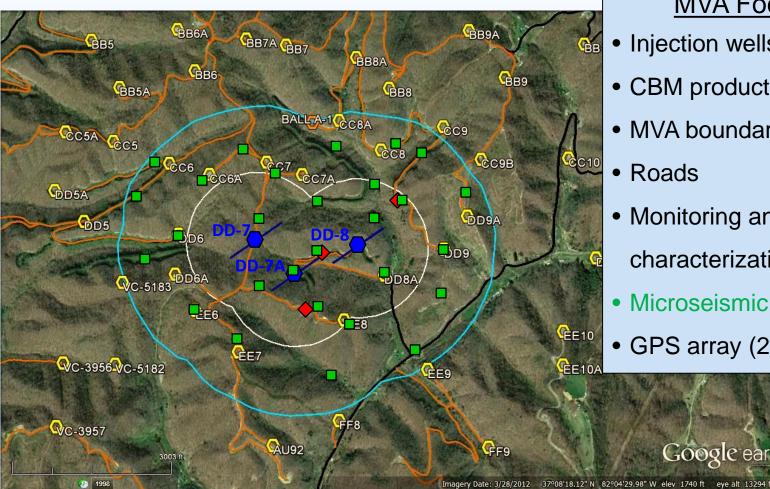
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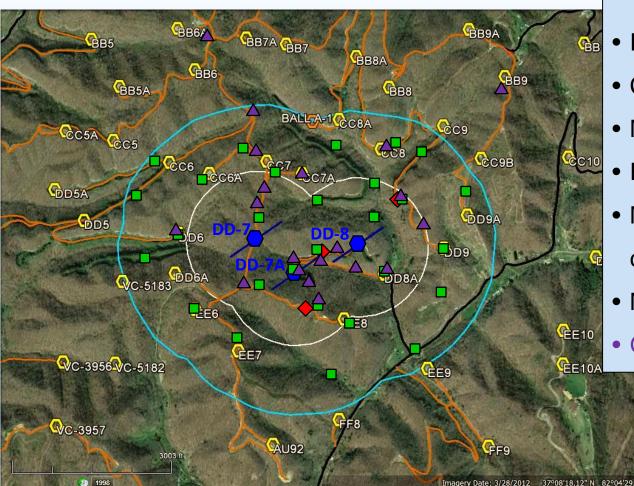
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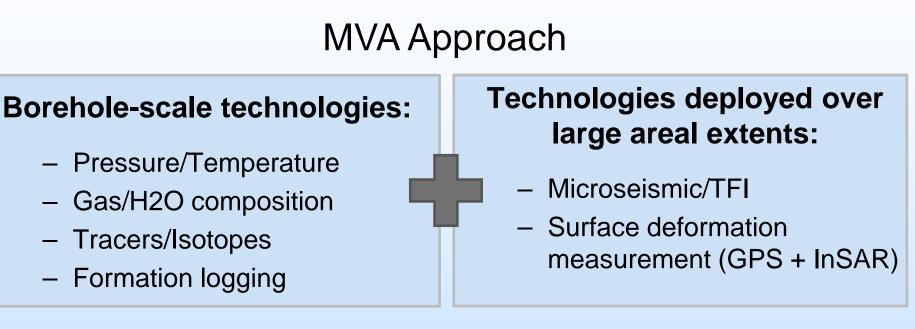


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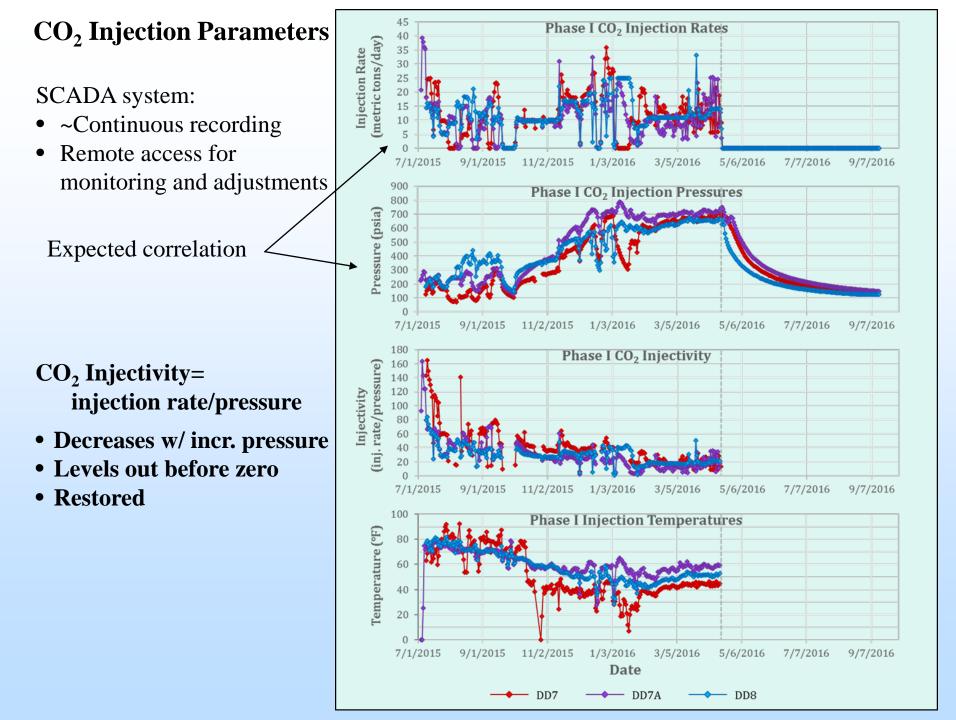
- Combination of technologies will provide data sets with overlapping spatial and temporal scales.
 - Data will help distinguish signals from CO₂ operations vs. active CBM operations
 - Data sets will cross validate each other
- Selected technologies to address/overcome challenges of reservoir geometry and terrain

CO2 Storage and Delivery and Injection Skid

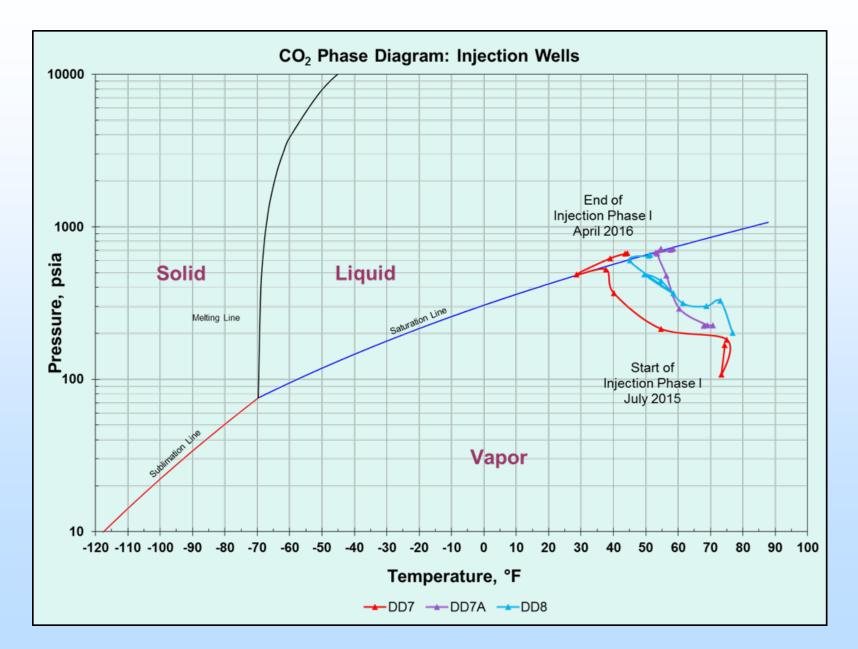


Injection Skid for 3 wells w/ Coriolis Flowmeters, Valves and Radio/Cell Communication



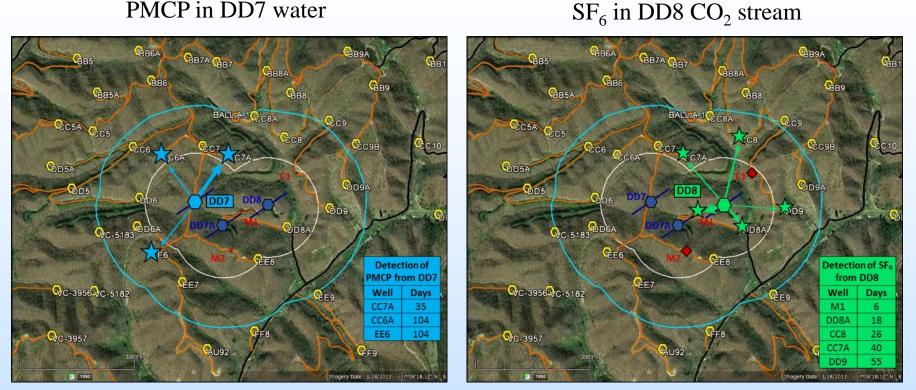


Transition from Gas \rightarrow Liquid CO₂



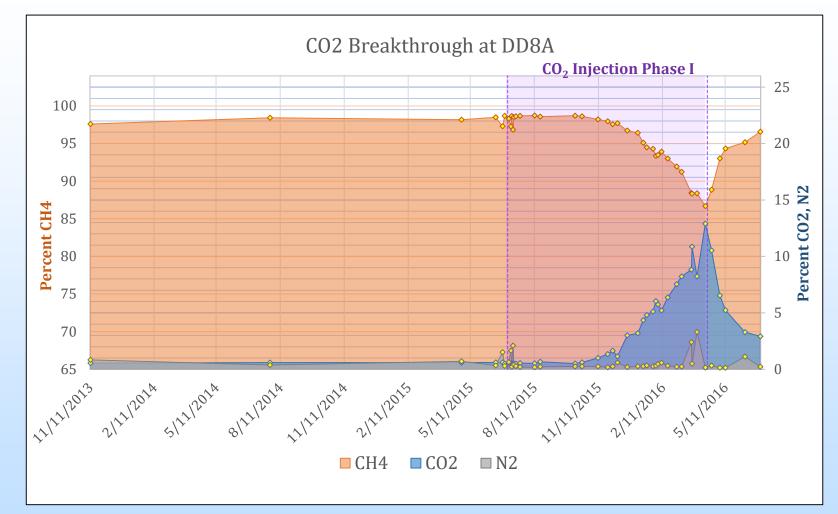
Gas composition: Tracer Detection at Offset Wells

PMCP in DD7 water



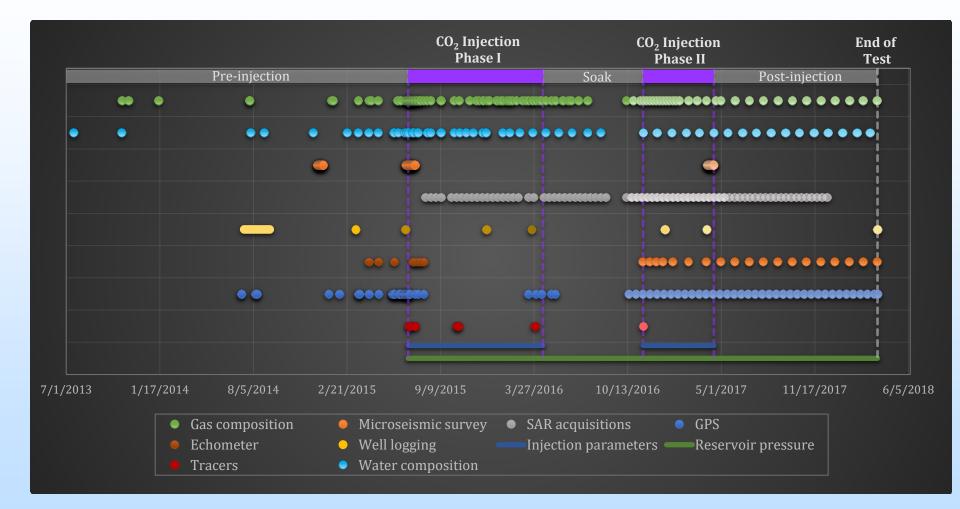
- Three rounds of tracers: Start of injection, 15% of CO₂ target volume, 40% of CO₂ target volume
- Only tracers from start of injection detected
- For DD7, all detecting wells located west (up-dip); could encounter • pressure interference from other injection wells

Gas composition: CO₂ Breakthrough at DD8A



- Increase in CO_2 from < 1% to 12.9%
- Outcome: no change to operations; did not compromise test objectives or CBM operations

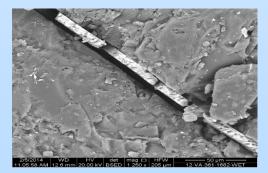
Project Timeline Two Injection Phases

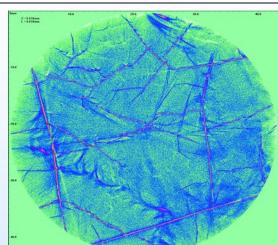


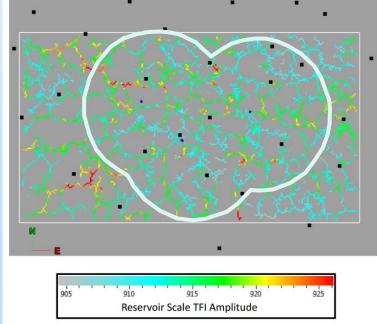
Currently in Post-injection Monitoring

Reservoir Modeling – History Match Monitoring Results

- Coal swelling effects?
 - Geomechanical effects from laboratory testing
- What seams take the CO2?
 - Spinner Surveys on Injection Wells as inputs
 - Water Kill Test on Production Wells as inputs
- Why does SF6 breakthrough prior to CO2?
 - Adsorption Isotherms run on SF6/CO2/CH4 inputs
- How far do the hydraulic fractures go?
 - Fracture length in coalmines
 - TFI's from Microseismic Monitoring







Summary

- Shale Test Injection successful

 Flowback showed EGR and specifically NGLs
- CBM Test Injection
 - 14,000 tons injected in two Phases
 - Multiple wells allow for varied injection rates and pressures as well as fall-off testing
 - Breakthrough of CO2 at 1 offset well
 - Pressure has nearly stabilized
 - Expect to flowback injection wells during final quarter as an extended huff and puff.

Acknowledgments

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 Department of Energy through the National Energy Technology Laboratory's Program under Contract No. DE-FE0006827.

Project Schedule



Phase I

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

Characterization

- Drill char. Well
- Core sample analysis
- Modeling
- Baselines for monitoring
- 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

(4/1/13 - 1/31/17)

•Site preparation

- Conversion of production wells
- Drill monitor wells
- Install additional monitor stations

•CO₂ injection period (3/18/14 - 3/31/14) - Shale (7/02/15 - 1/31/17) - CBM

- Monitoring
 - Atmosphere
 - Surface
 - Reservoir

Phase III

(2/1/17 - 12/31/17)

- •Site closure
 - Conversion of injection and monitor wells
 - Site restoration
- •Post-injection characterization
 - Data analysis and interpretation
 - Post-injection monitoring
 - Reservoir modeling
 - Assessing enhanced recovery for commercialization

Ongoing: Post-Injection Monitoring, Reservoir Modeling, Education/Outreach