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# Electrical Resistivity Investigation of Gas Hydrate Distribution in the Mississippi Canyon Block 118, Gulf of Mexico

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**Electrical Resistivity Investigation of Gas Hydrate Distribution in  
Mississippi Canyon Block 118, Gulf of Mexico**

**Project Quarter 15 Report**

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## ABSTRACT

Electrical methods offer a potential geophysical approach to determining the sub-bottom distribution of gas hydrate in the deep marine environment. Gas hydrate is essentially non-conductive. Hence, sediments with pore spaces partially filled with hydrate or containing veins filled with hydrate are more resistive than surrounding sediments with pore spaces filled with seawater. To date, attempts to map the sub-bottom distribution of gas hydrates using electrical methods have been done on an experimental basis using the controlled source electromagnetic method (CSEM). The CSEM method involves the generation of low-frequency EM signals from a source instrument and the reception of the signals by separate receiver instruments.

This project will evaluate an alternative electrical method, the direct current resistivity (DCR) method, for gas hydrate exploration. The DCR method involves the injection of a direct current between two source electrodes and the simultaneous measurement of the electric potential (voltage) between two or more receiver electrodes. In applications in which electrical coupling to the environment is not a problem and large source-receiver offsets are not required, the DCR method provides subsurface information comparable to that produced by the CSEM method, but with much less sophisticated instrumentation. Because the receivers are simple electrodes, large numbers can be deployed at relatively low cost.

To evaluate the DCR method for use in future commercial gas hydrate exploration, a prototype seafloor DCR system will be developed and used to conduct experiments at a site of known hydrate occurrence in Mississippi Canyon Block 118 (MC 118). The intent is not to develop a system that is optimized for collecting data in a production mode, but rather to develop a flexible system that can be used to conduct multiple experiments. The objectives of these experiments will be to test the DCR method to determine its applicability in gas hydrate exploration, to collect baseline seafloor electrical data useful in the design of future commercial seafloor DCR systems, and to contribute to the fundamental understanding of gas hydrate systems at the MC 118 site.

From April 2010 – June 2010:

- In this project quarter the electrode configuration for the new high-resolution resistivity array was chosen on the basis of finite element forward modeling, simulating conditions at the MC118 field site.
- Titanium was chosen as the material for the receiver electrodes for the new array, based on self-noise tests under controlled laboratory conditions. Material for the fabrication of the electrodes was ordered.
- Also, the completed high-pressure cable for the new electrode array was delivered.

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## List of Acronyms and Abbreviations

BSR	Bottom simulating reflection
CSEM	Controlled source electromagnetic
CRP	Continuous resistivity profiling
DC	Direct current
DCR	Direct current resistivity
DGPS	Differential global positioning system
GOM-HRC	Gulf of Mexico-Hydrate Research Consortium
GPS	Global positioning system
MC 118	Mississippi Canyon Block 118
RS232	Electronics Industries Association common computer interface standard
ROV	Remotely operated vehicle
UNOLS	University-National Oceanographic Laboratory System
4D	four-dimensional (three spatial dimensions and time)

## 1.0 Introduction

### 1.1 Project Background

One of several ongoing projects investigating the gas hydrate deposits on the northern Gulf of Mexico slope is being conducted by the Gulf of Mexico-Hydrate Research Consortium (GOM-HRC). This is a group of academic institutions and various State and Federal agencies formed to conduct multi-disciplinary studies of hydrate systems in the northern Gulf of Mexico. The group has had funding from DOE (Project numbers DE-FC26-00NT40920, DE-FC26-02NT41628 and DE-FC26-06NT42877), NOAA, and the MMS since 2001 to establish a multi-sensor seafloor monitoring site at a methane-hydrate location. The current work of the group is focused on Mississippi Canyon Block 118 (MC 118). Gas hydrate deposits at this site are believed to be derived from thermal gas actively migrating up deep-seated normal faults that intersect the seafloor.

To date GOM-HRC has conducted site reconnaissance by direct sampling from a deep submersible, gravity coring, multi-beam profiling, and shallow source – deep receiver seismic profiling. This work has established that there are both active and dormant gas vents at the site and that gas hydrate is exposed at the seafloor in the active vents. An apparent bottom simulating reflection (BSR) beneath the vent area suggests that the base of the hydrate stability zone is approximately 200 m below the seafloor. The group's near-future plans include deployment of a seafloor seismic array, pore-fluid samplers, bottom-towed P- and S-wave seismic profiling, and vertical array seismic profiling.

Although hydrates are observed at the seafloor and a BSR marks the apparent base of the hydrate stability zone at the site, the distribution of gas hydrates within the stability zone has not been determined. Attempts to map the distribution of hydrates seismically have not yet produced usable results. Electrical methods offer an alternate approach to mapping the concentration of hydrates within the stability zone. Gas hydrate is essentially non-conductive. Hence, massive hydrate blocks have high electrical resistivities (100  $\Omega\text{m}$ ) and sediments with pore spaces partially filled with hydrate are more resistive (2 to 100  $\Omega\text{m}$ ) than surrounding sediments with saline pore fluids ( $\leq 1 \Omega\text{m}$ ). This resistivity contrast has been widely exploited to quantify downhole hydrate concentration from resistivity logs (e.g. Hyndman et al., 1999; Collett and Ladd, 2000).

To date, the only attempts to map the sub-bottom distribution of gas hydrates by electrical methods have been done on an experimental basis using the controlled source electromagnetic method (CSEM) (e.g. Edwards, 1997; Hyndman et al., 2001). The CSEM method involves the generation of low-frequency EM signals from a source instrument and the reception of the signals by separate receiver instruments. The CSEM systems used in gas hydrate experiments were scaled-down versions of systems used in exploration for conventional petroleum deposits at depths of 3 to 6 km. Petroleum CSEM systems are, in turn, scaled-down versions of systems used in academic studies to image the electrical properties of the ocean crust and upper mantle to depths of 10 – 12 km (MacGregor et al., 2001).

The current project will evaluate an alternative electrical method, the direct current resistivity (DCR) method, for gas hydrate exploration. The DCR method involves the injection of a direct current between two source electrodes and the simultaneous measurement of the electrical potential (voltage) between two or more receiver electrodes. In applications in which electrical coupling to the environment is not a problem and large source-receiver offsets (many kilometers) are not required, the DCR method provides subsurface information comparable to that produced by the CSEM method, but with much less sophisticated instrumentation. Because the receivers are simple electrodes, large numbers can be deployed at relatively low cost, potentially resulting in higher resolution images of the hydrate distribution. Also, because of the low power of the source and inherent stability of voltage measurements, adaptation of DCR instruments for use in long-term site monitoring will not be as difficult as would be the case with CSEM instrumentation.

In this project, the Recipient will evaluate the DCR method for gas hydrate applications at the MC 118 site. Because of the previous work done by GOM-HRC, the MC 118 site will make an ideal laboratory for this purpose. Massive gas hydrate blocks have been observed outcropping at the seafloor and a BSR underlying the site at a depth of approximately 200 m has been mapped. Hence, there is no doubt that the site contains gas hydrate. The ongoing work of GOM-HRC will provide a range of auxiliary data with which sub-bottom conditions can be independently constrained and the DCR results can be evaluated. In addition, infrastructure at the site, such as a site-wide power source and facilities for mass data storage and routine data recovery, will make long-term monitoring experiments using DCR instruments much easier than would be the case for a standalone experiment. For these reasons, work on the current project will be coordinated with that of GOM-HRC, results from the project will be presented at GOM-HRC meetings, and data generated will be freely shared with GOM-HRC members.

## **1.2 Project Objectives**

The current project is a pilot study, the over arching objective of which is to evaluate the DCR method for future use in commercial gas hydrate exploration and exploitation. To this end, a prototype seafloor DCR system will be developed and used to conduct experiments at the MC 118 site. The intent is not to develop a system that is optimized for collecting data in a production mode, but rather to develop an inexpensive, yet flexible system that can be used to conduct multiple experiments. The objectives of these experiments will be to test the DCR method to determine its applicability in gas hydrate exploration, to collect baseline seafloor electrical data useful in the design of future commercial seafloor DCR systems, and to contribute to the fundamental understanding of gas hydrate systems at the MC 118 site.

## **1.3 Project Phases**

The project as originally planned was to be conducted in two phases. The first phase involved the development of an experimental bottom-towed DCR system, configured for continuous resistivity profiling (CRP) on the seafloor. Once complete, the experimental system was used to conduct a reconnaissance survey of the methane vent area at the MC 118 site. The resulting data will be complimentary to seismic data, previously collected at the site and will help characterize the overall hydrate distribution at the site. Based on the results for the first phase, the second



phase of the project involves reconfiguring DCR system for high-resolution 3D surveying of the methane vent area of MC118. The resulting data will be used to better constrain the 3D distribution of hydrate within the vent region of MC118.

#### **1.4 Research Participants**

Three institutions will contribute directly to the project. John Dunbar and his graduate students at Baylor University, Department of Geology, Waco, Texas will develop the geophysical specifications for the experimental DCR system, participate in the initial testing and offshore experiments with the system, process and interpret the resulting DCR data, and report the results of the project in national meetings and peer-reviewed journals. Dunbar will also have overall management responsibility for the project. For the purposes of identification in this document, work done or primarily led by John Dunbar and his graduate students will be referred to collectively as work done by the Recipient.

Paul Higley and personnel at Specialty Devices, Inc. of Wylie, Texas (SDI) will be the subcontractor that will take the lead in conducting the offshore operations. SDI is an industrial member of GOM-HRC and has been the prime subcontractor for the development and deployment of much of their seafloor instrumentation. Work done for the project by Paul Higley and his employees will be referred to collectively as work done by SDI.

Markus Lagmanson and personnel of Advanced Geosciences, Inc. of Austin, Texas (AGI) will be the subcontractor in charge of fabricating the experimental DCR system. AGI is a leading manufacturer of commercial DCR systems used in near-surface geophysics on land and shallow marine applications. Work done by Markus Lagmanson and his employees will be referred to collectively as work done by AGI.

#### **1.5 Purpose of this report**

The purpose of this report is to document the research results during the Quarter 15 of the project, from April 2010 through June 2010.

## **2.0 Results and Discussion**

### **2.1. Reconfiguration of the DCR system for high-resolution 3D surveying**

The main limitations of the reconnaissance survey conducted in Phase 1 of the project were that the array used was designed to image as much as 200 m below the seafloor, at the expense of near-bottom resolution, and the signal to noise level in the resulting data was relatively poor. The results of the Phase 1 survey indicated that the most interesting resistivity anomalies, suggestive of high concentration hydrate deposits, occur within 50 m of the seafloor. Hence, the goal of the DCR system reconfiguration for Phase 2 is to improve near-bottom resolution and to increase the signal to noise ratio. The main changes in the DCR system from the reconnaissance 2D survey configuration will be the addition of new, shorter electrode array, with dedicated source and receiver electrodes. An external, low-noise preamplifier will also be added to the

front end of the cable to boost the signal level by a factor of 100, prior to entering the instrument housing.

In this quarter, a final design of the new array was completed and long-lead time materials for its construction were received. The distribution of electrodes along the cable for optimum resolution and signal-to-noise ratio was found by finite element forward modeling of the data acquisition process, followed by inversion of the simulated field data for a range of candidate electrode configurations. A series of arrays with variably-spaced and uniformly-spaced electrodes in dipole-dipole and gradient array configurations were considered. Based on the results from Phase 1, each candidate array was tested by computing simulated field data along a traverse over a vertical, 50 m wide, 100 Ohm-m anomalous body extending 500 m into a 1 Ohm-m seafloor, beneath a 0.36 Ohm-m water column (Figure 2.1). This configuration represents high concentration hydrate deposits within faults zones, indicated to be present at the MC118 site by the Phase 1 results. Example inverted sections of the simulated data are shown in Figures 2.2 and 2.3. The results of these tests indicate that the gradient array configurations produced higher signal-to-noise ratios than the dipole-dipole configurations, as expected. Somewhat surprisingly, the gradient array consisting of 11 uniformly spaced electrodes 50 m apart performed better than variably-spaced electrode arrays, which had smaller electrode spacings at near offsets. The best-performing uniform gradient array accurately images the 100 Ohm-m anomaly to a depth of 80 m below the seafloor (Figure 2.3). This array was chosen as the configuration for the new array.

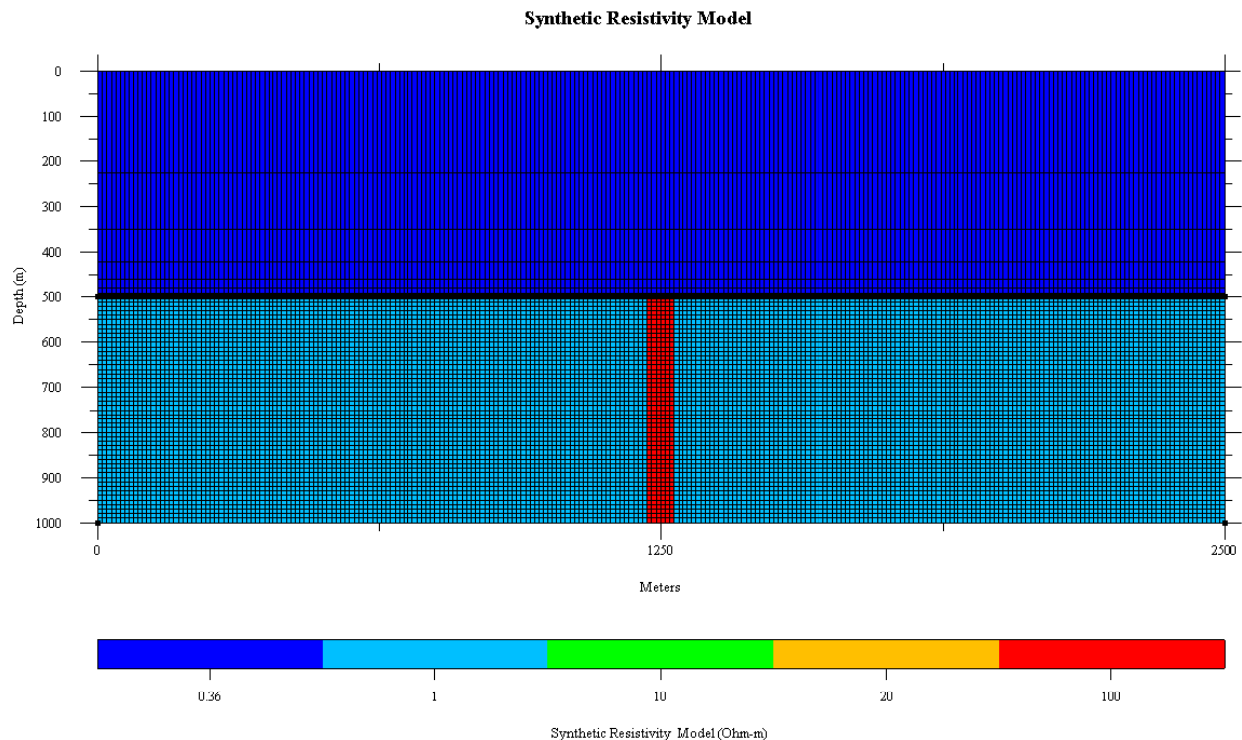


Figure 2.1. Synthetic resistivity model. This model was used to test candidate electrode configurations for the new seafloor resistivity array. The model consists of a 1 Ohm-m seafloor beneath a 0.36 Ohm-m water column. A 50 m wide, 500 m deep, 100 Ohm-m anomalous bodies is embedded in the seafloor, which represents high-concentration hydrate deposited within a fault zone.

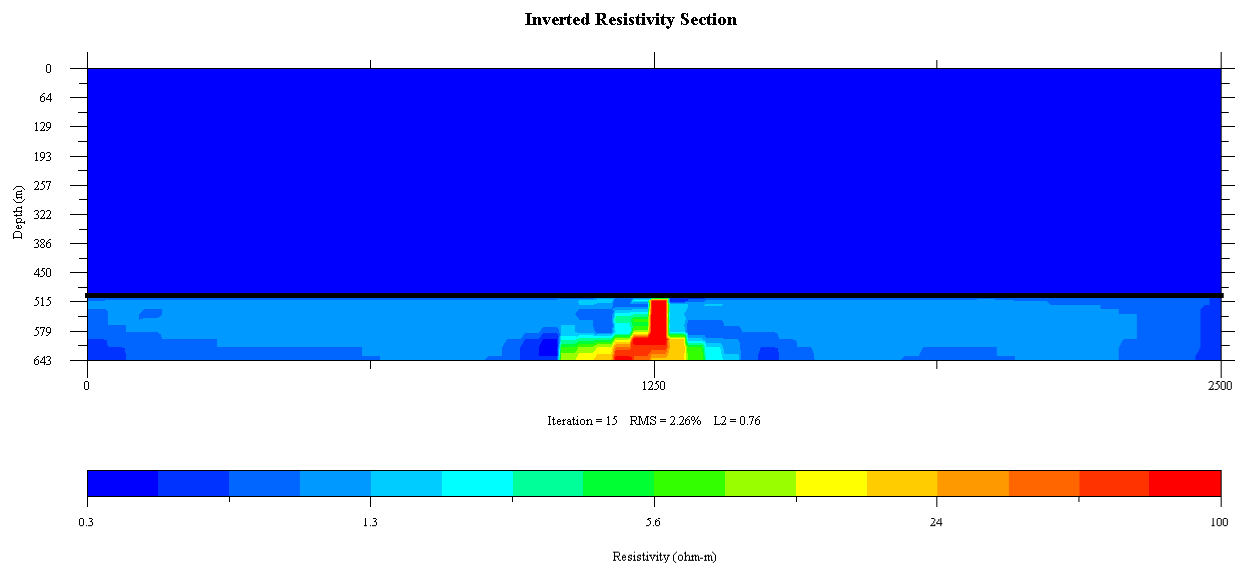


Figure 2.2. Inverted dipole-dipole resistivity section. This section was produced from simulated data for the synthetic model shown in Figure 2.1, using a 500 m long dipole-dipole array with variable electrode spacing. The fault zone hydrate anomaly appears well imaged to a depth of 40 m below the seafloor, but is increasingly smeared below 40 m.

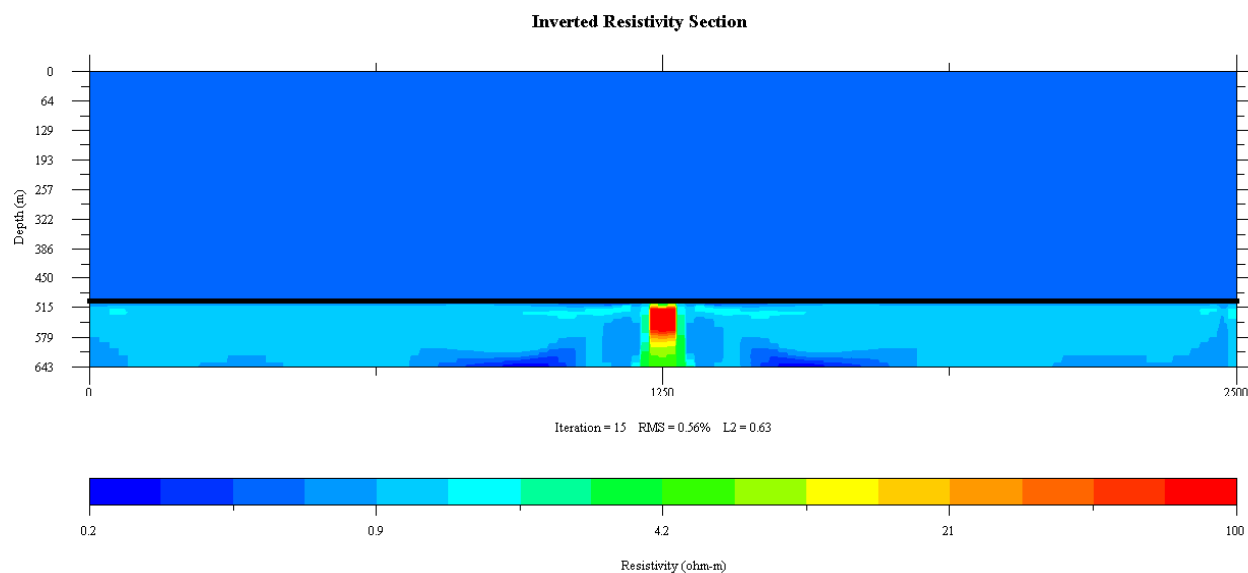


Figure 2.3. Inverted gradient array resistivity section. This section was produced from simulated data for the synthetic model shown in Figure 2.1, using a 500 m long gradient array with a uniform electrode spacing of 50 m. The fault zone hydrate anomaly appears well imaged to a depth of 80 m below the seafloor. This array configuration was chosen for the new electrode array to be used in the Phase 2 3D survey of MC118.

An additional limitation of the data collected in Phase 1 was the signal-to-noise ratio. Marine resistivity data are generally characterized by low signal voltages relative to land resistivity data, due to the low resistivity marine environment. The marine environment poses additional

problems due to high corrosion rates of source electrodes. For this reason, corrosion-resistant graphite electrodes were used in the array for the Phase 1 survey. The disadvantages of graphite electrodes are that they exhibit higher resistances than metallic electrodes and relatively high levels of self-noise in seawater. High electrode resistance limits current levels produced by source electrodes, whereas high self-noise reduces the accuracy of voltage measurements made between receiver electrodes. Graphite electrodes were a compromise made to avoid corrosion for an array in which the electrodes were used as both sources and receivers. Now that we know more about the targets of interest at MC118 from Phase 1, we can design a specific array for Phase 2 with dedicated source and receiver electrodes. This allows us to use materials better suited for each purpose and thereby improve the signal to noise ratio. The ideal source electrode material has high corrosion resistance and low electrical resistivity. We chose copper as the best compromise between these two requirements. The plan is to fabricate the source electrodes in such a way that they are easily replaceable between survey dives, as they corrode.

Self noise in electrodes is the result of electrochemical processes that occur on the interface between the electrode and the environment in which the electrode is placed. For a given environment, the level of self noise is a function of the material from which the electrode is made and frequency. Electrodes consisting of a metal immersed in a salt of the same metal are known to produce relatively low self noise. For example, copper/copper-sulfate electrodes are commonly used for induced polarity measurements on land, lead/lead-chloride electrodes are used for land magnetotelluric measurements and silver/silver-chloride electrodes are used for marine magnetotelluric measurements.

Prior to selecting receiver electrodes for the new array, we tested the self-noise levels for a number of commonly used simple metal and metal/metal-salt combinations to determine which material would produce the lowest self noise in the frequency band of interest in resistivity surveying (1 to 10 Hz). The tests were carried out in a two-layered Faraday cage to reduce ambient radio-frequency electromagnetic noise (Figure 2.4). The tests consisted of measuring voltage levels between matched pairs of electrodes mounted 1 cm apart and immersed in a simulated seawater bath at 20° C. Voltage was measured with 24-bit resolution relative to a peak-to-peak maximum of 1 V, at a rate of 100 samples per second, for a period of 2.5 hours. The resulting time domain records were divided into 10 s windows with a 5% sine taper applied at each end and then transformed into the frequency domain. The root-mean-square power spectral density was then computed from 0 to 50 Hz for the spectra from all the time windows (Figure 2.5). The self noise from eight electrode types was measured, plus the instrument noise floor. Of the eight types, silver plated with silver chloride performed the best, with titanium a close second. For example, the self noise produced by silver chloride electrodes at 4 Hz was  $4.54 \times 10^{-12} \text{ V}^2/\text{Hz}$  ( $2.13 \text{ } \mu\text{V}/\text{Hz}^{-1/2}$ ) compared to  $5.56 \times 10^{-12} \text{ V}^2/\text{Hz}$  ( $2.36 \text{ } \mu\text{V}/\text{Hz}^{-1/2}$ ) for titanium and  $1.04 \times 10^{-11} \text{ V}^2/\text{Hz}$  ( $3.22 \text{ } \mu\text{V}/\text{Hz}^{-1/2}$ ) for stainless steel electrodes. The self noise level for the silver-chloride electrodes given here is consistent with results from prior laboratory measurements (Petiau and Dupis, 1980), but is likely higher than would be observed in the true deep marine environment due to more stable temperature and salinity conditions in the marine environment than can be achieved in the laboratory (Constable et al., 1998). Given that silver chloride plating is soft and easily removed from electrodes, titanium was chosen as the best choice for the receiver electrode material.

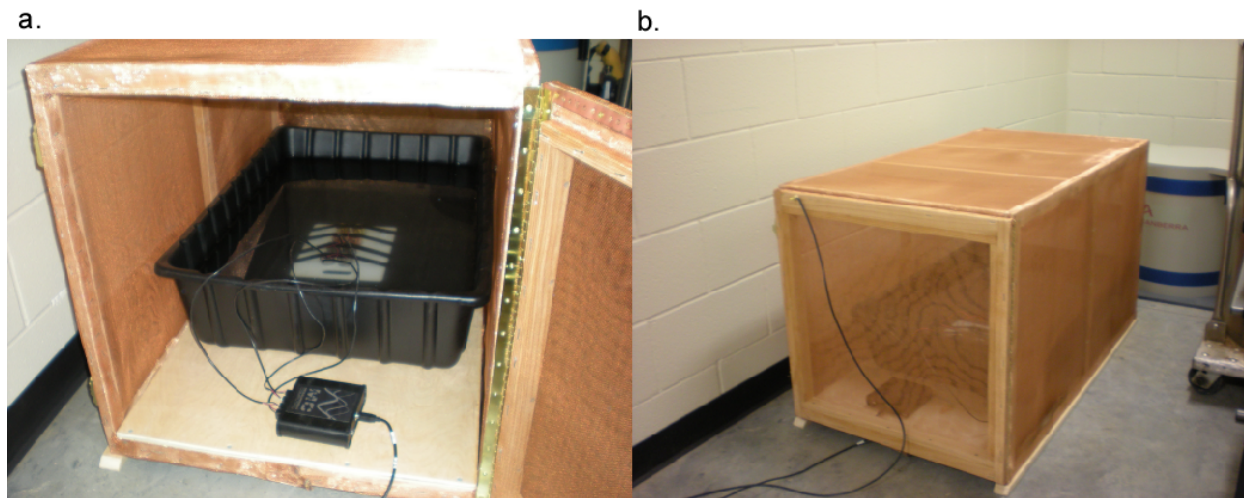


Figure 2.4. Electrode self-noise testing. (a) Faraday cage consisting of two layers of grounded copper screen. The small black box in the foreground is a 24-bit digitizer with a pick voltage of  $\pm 1$  V. The large black box behind the digitizer contains a synthetic seawater bath at  $20^\circ$  C. (b) Faraday cage closed during a self noise test.

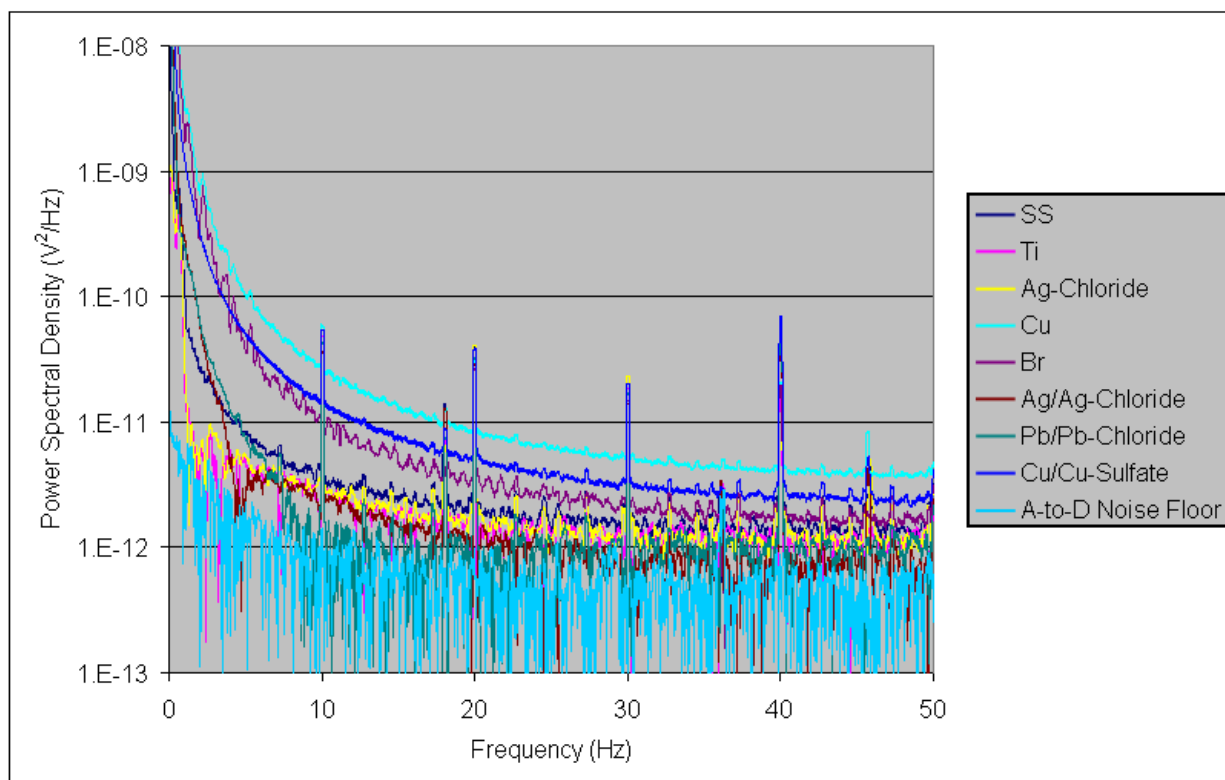


Figure 2.5. Self noise for candidate electrodes. Power spectral density for self noise from matched electrode pairs of stainless steel (SS), titanium (Ti), silver plated with silver chloride (Ag-Chloride), copper (Cu), and brass (Br), silver immersed in silver chloride solution (Ag/Ag-

Chloride), lead immersed in a lead chloride solution (Pb/Pb-Chloride), and copper immersed in a copper sulfate solution (Cu/Cu-Sulfate), plus the instrument noise (A-to-D noise).

### **3.0 Milestone and budget tracking.**

As of the end of Project Quarter 15, we have not completed the reconfiguration of the DCR system for the Phase 2 survey as planned (Milestone 2.1 of the Research Management Plan). The main cause for the delay was the extra two months required to find a manufacturer for the raw cable to be used in the new electrode array. In spite of this delay, the raw cable has been delivered and the new array will likely be completed in time for the first available cruise in Fall 2010. Phase 2 is currently within budget. Expenditures of federal funds this quarter were made for the raw cable for the new electrode array, materials for testing electrode materials, travel to a national conference to report the results from Phase 1 of the project, and graduate student stipend.

Table 3.1. Revised Project Milestones. Grey shaded quarters indicate period of activity, by the end of which the milestones occur. The √ symbols indicate the quarter in which project tasks/subtasks were completed. The X symbols indicate tasks not completed because of technical problems and associated milestones not met. The ◇ symbols indicate the time of go/no-go decisions at Critical Path Milestones. Grey-shaded quarters indicate originally planned period of activity and milestones. Red-shaded quarters indicate originally planned period of activity and milestones.

Task/ Milestone	Task/Milestone Description	Project Duration - Start: 10/2006 End: 9/2009												Planned Start Date	Planned End Date	Actual Start Date	Actual End Date	Comments
		Project Year 1				Project Year 2				Project year 3								
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12					
Task 1	Research Management Plan	√												10/06	12/06	10/06	11/06	
Task 2	Technology Status	√												10/06	12/06	11/06	12/06	
Task 3	Adaptation of DCR system																	
Subtask 3.1	DCR system components		√											1/07	6/07	1/07	3/07	
Subtask 3.2	Deep-Sea electrode array						√							1/07	5/07	4/07	3/08	
Subtask 3.3	Assembly of DCR system						√							5/07	6/07	4/08	5/08	
Task 4	Test of Bottom-towed system						X	System Repair						2/07	3/09	5/09	5/09	
<b>CPM 1</b>	<b>DCR system test successful</b>				◇		X						√◇	2/09	3/09	5/09	5/09	
Task 5	Bottom-towed survey													3/09	6/09	6/09	6/09	
<b>CPM 2</b>	<b>Completion of DCR survey</b>					◇								6/09	6/09	6/09	6/09	
Task 6	Analysis of DRC data													8/09	9/09	8/09	8/09	
Task 7	Project Final Report													9/09	9/09			



Table 3.1 continued.

Task/ Milestone	Task/Milestone Description	Phase II Duration - Start: 10/2006 End: 9/2009								Planned Start Date	Planned End Date	Actual Start Date	Actual End Date
		Project Year 4				Project Year 5							
		Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20				
Task 2.1	Reconfigure for 3D surveying									11/09	5/10	1/12	
Task 2.2	Test of 3D DCR System									5/10	6/10		
<b>CMP 2.1</b>	<b>Test of 3D DCR System Complete</b>			◇						5/10	6/10		
Task 2.3	3D DCR Survey of MC 118									5/10	3/11		
<b>CMP 2.2</b>	<b>Completion of 3D Survey</b>						◇			3/11	3/11		
Task 2.4	Analysis of 3D DCR Data									6/10	7/11		
Task 2.5	Project Final Report									7/11	10/11		

Table 3.2. Expenditures by project month.

Baseline Reporting Quarter	YEAR 1: Starting 10/06 Ending 9/07											
	Q1			Q2			Q3			Q4		
	10-6	11-06	12-06	1-07	2-07	3-07	4-07	5-07	6-07	7-07	8-07	9-07
<b><u>Baseline Cost Plan</u></b>												
Federal Share	0	0	0	3,305	30,000	15,000	54,288	0	17,695	0	0	2,971
Non-Federal Share	2,263	2,263	2,263	14,995	2,263	2,263	2,263	2,263	0	0	0	14,995
Total Planned	2,263	2,263	2,263	18,300	32,263	17,263	56,551	2,263	17,695	0	0	17,966
Cumulative Baseline Cost	2,263	4,526	6,789	25,089	57,352	74,615	131,166	133,429	151,124	0	0	169,090
<b><u>Actual Incurred Cost</u></b>												
Federal Share	0	0	0	2,310	5,210	1,145	(914)	4,404	5,104	38,324	1,791	892
Non-Federal Share	2,263	2,263	2,263	14,995	2,263	2,263	2,263	2,263	0	0	0	14,995
Cumulative Baseline Cost	2,263	4,526	6,789	24,094	31,567	34,975	36,324	42,991	48,095	86,419	88,210	104,097
<b><u>Variance</u></b>												
Federal Share	0	0	0	995	24,790	13,855	55,202	(4,404)	12,591	(38,324)	(1,791)	2,079
Non-Federal Share	0	0	0	0	0	0	0	0	0	0	0	0
Total Variance-Monthly	0	0	0	995	24,790	13,885	55,202	(4,404)	12,591	(38,324)	(1,791)	2,079
Cumulative Variance	0	0	0	995	25,785	39,640	94,842	90,438	103,029	64,705	62,914	64,993

Table 3.2 continued.

Baseline Reporting Quarter	YEAR 2: Starting 10/07 Ending 9/08											
	Q5			Q6			Q7			Q8		
	10-7	11-07	12-07	1-08	2-08	3-08	4-08	5-08	6-08	7-08	8-08	9-08
<b><u>Baseline Cost Plan</u></b>												
Federal Share	2,971	2,971	5,930	3,068	0	0	0	0	0	0	0	0
Non-Federal Share	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	0	0	0	2,263
Total Planned	5,234	5,234	8,193	5,331	2,263	2,263	2,263	2,263	0	0	0	2,263
Cumulative Baseline Cost	174,324	179,558	187,751	193,082	195,345	197,608	199,871	202,134	202,134	202,134	202,134	204,397
<b><u>Actual Incurred Cost</u></b>												
Federal Share	1,179	7,876	1,492	2,979	1,321	1,321	16,423	1,279	4,400	2,220	29,686	0
Non-Federal Share	2,263	2,263	2,263	2,263	2,263	2,263	2,263	2,263	0	0	0	2,263
Cumulative Baseline Cost	106,539	116,678	120,433	125,675	129,259	132,843	151,529	155,071	159,471	161,691	191,377	193,640
<b><u>Variance</u></b>												
Federal Share	1,791	(4,905)	4,438	89	(1,321)	(1,321)	(16,423)	(1,279)	(4,400)	(2,220)	(29,686)	0
Non-Federal Share	0	0	0	0	0	0	0	0	0	0	0	0
Total Variance-Monthly	1,791	(4,905)	4,438	89	(1,321)	(1,321)	(16,423)	(1,279)	(4,400)	(2,220)	(29,686)	0
Cumulative Variance	66,785	61,880	66,318	66,407	66,086	64,765	48,342	47,063	42,663	40,443	10,757	10,757



Table 3.2 continued.

Baseline Reporting Quarter	YEAR 3: Starting 10/08 Ending 9/09											
	Q13			Q14			Q15			Q16		
	10-9	11-09	12-09	1-10	2-10	3-10	4-10	5-10	6-10	7-10	8-10	9-10
<b><u>Baseline Cost Plan</u></b>												
Federal Share	0	0	0	7,500	7,500	7,500	7,500	7,500	7,500	5,000	5,000	5,000
Non-Federal Share	2,263	2,263	2,263	2,263	2,263	2,263	2,263	0	0	0	2,263	2,263
Total Planned	2,263	2,263	2,263	9,763	9,763	9,763	9,763	7,500	7,500	5,000	7,263	7,263
Cumulative Baseline Cost	227,027	229,290	231,553	241,316	251,079	260,842	270,605	278,105	285,605	290,605	297,868	305,131
<b><u>Actual Incurred Cost</u></b>												
Federal Share	0	0	0	2,500	5,499	2,750	12,742	1,682	7,465			
Non-Federal Share	2,263	2,263	2,263	2,263	2,263	2,263	2,263	0	844			
Cumulative Baseline Cost	223,288	225,551	227,814	232,577	240,339	245,352	260,357	262,039	270,348			
<b><u>Variance</u></b>												
Federal Share	0	0	0	5,000	2,001	4,750	(5,242)	5,818	35			
Non-Federal Share	0	0	0	0	0	0	0	0	(844)			
Total Variance-Quarterly	0	0	0	5,000	7,001	11,751	(5,242)	576	(233)			
Cumulative Variance	3,739	3,739	3,739	8,739	10,740	15,490	10,248	16,066	15,257			

#### 4.0 Plans for the next quarter

In Quarter 16 of the project, the final production electrodes will be manufactured and shipped to the cable manufacturing to be molded onto the cable. Once new electrode array is complete, it will be tested in a local water reservoir and the complete DCR system made ready for the Phase 2 survey at MC118.

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