



North Slope Borough



THE ONLY U.S. NATIONAL LABORATORY DEVOTED TO FOSSIL ENERGY TECHNOLOGY

# NSB – DOE/NETL Barrow Methane Hydrate Project

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ANS Field Project Kickoff Meeting  
1/22/08



UNIVERSITY OF ALASKA  
**FAIRBANKS**  
A 360+ Million Acre Classroom



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Introduction

Phase 1 Summary

Stability/Material Balance/Full-field modeling

Phase 2 Objectives

Prove existence of hydrates

Prove production from hydrates

Data gathering objectives

Core/LWD/Wireline

Pressure/temp

Schedule and PMP Overview

Well modeling

Well design

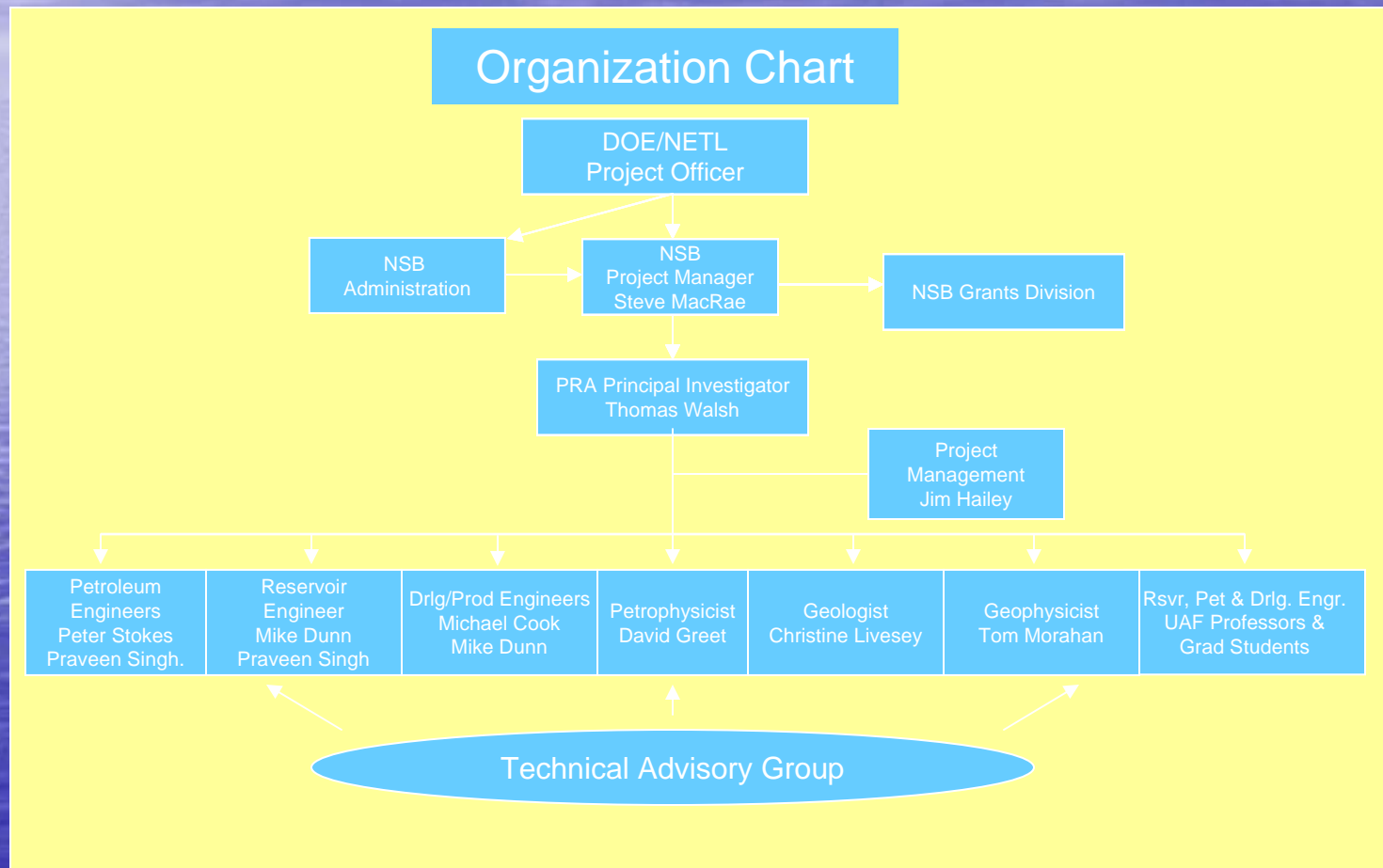
Project Execution

Procurement/Logistics/Operational Procedures

Core handling/Data acquisition specs/Decision point criteria

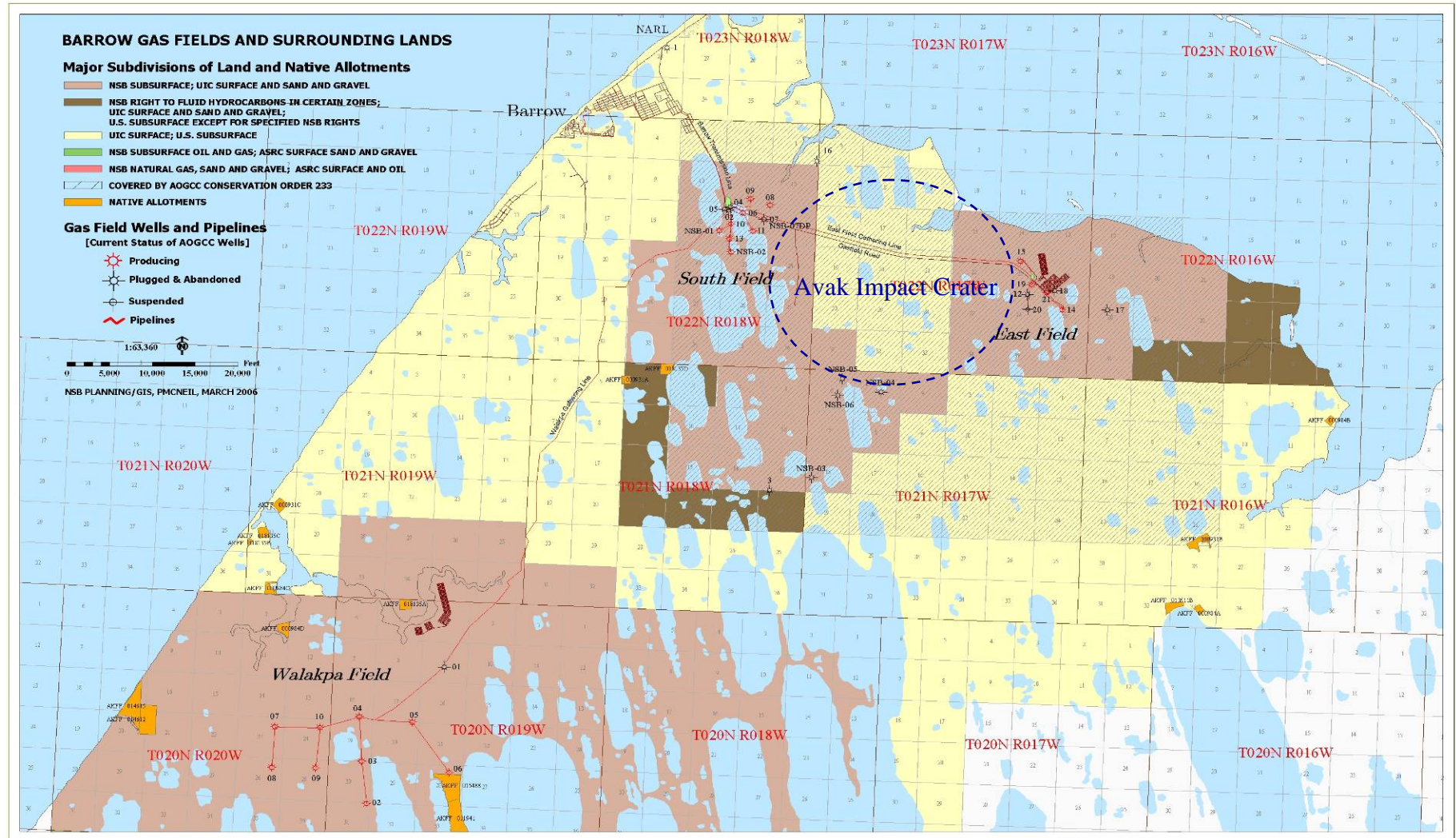


# Phase II Org Chart 12/31/08



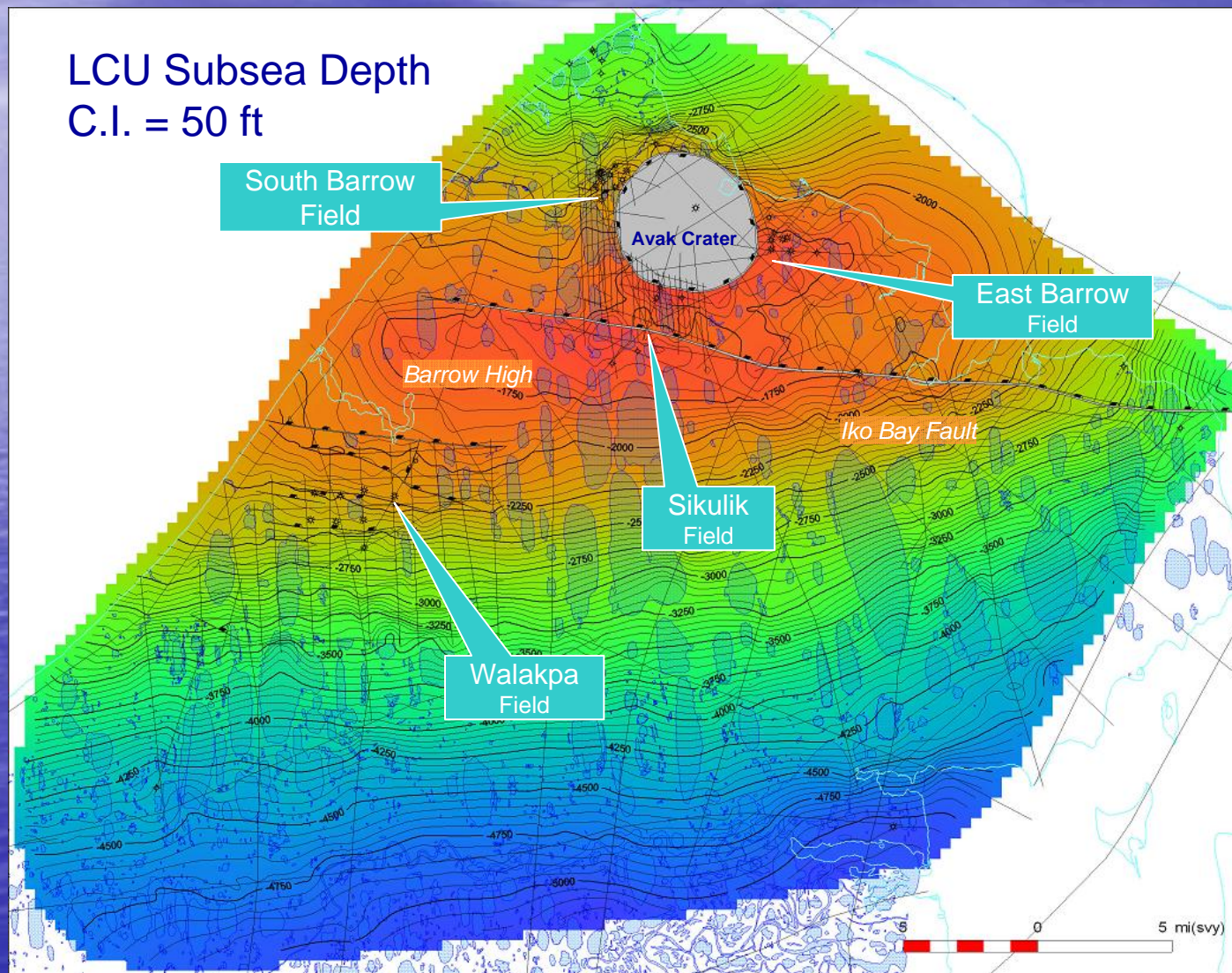


# Barrow Gas Fields





# Regional Structure Map





# Barrow Gas Fields

- Original exploration by US Navy 1944-49
- Further Investigations by Department of the Interior in the 1970's
- Congress transfers BGF to North Slope Borough in 1984.
- Local control (NSB) since 1984

# Barrow Gas Fields

- East Barrow Gas Field
  - Discovered in 1949 by U.S. Navy
- South Barrow Gas Field
  - Discovered in 1974
- Walakpa Gas Field
  - Discovered 1980 by Husky for U.S. DOI

# Project Objectives

- DOE-NETL/NSB 80-20% Funded Research
- Characterize and Quantify Methane Hydrate Resource Associated With Barrow Gas Fields
- Contribute to Global Research Effort Through Practical Research
- Advance North Slope Borough's Understanding of It's Energy Supply
- Prove Hydrate Productivity
- Add Gas Reserves and Production



# Scope

- Integrated Study (Seismic, Well Log, Production History, Geochem)
- Focus on Barrow Gas Fields—East Field, South Field, Walakpa
- Phased Approach
- Integrate Prior Research Efforts/Current Knowledge

# Project Status

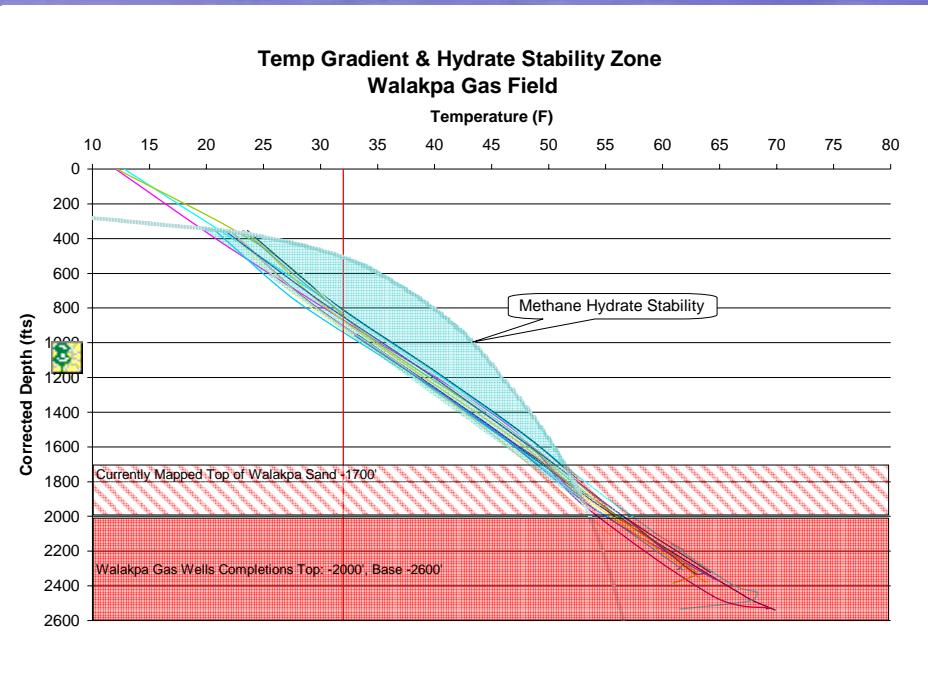
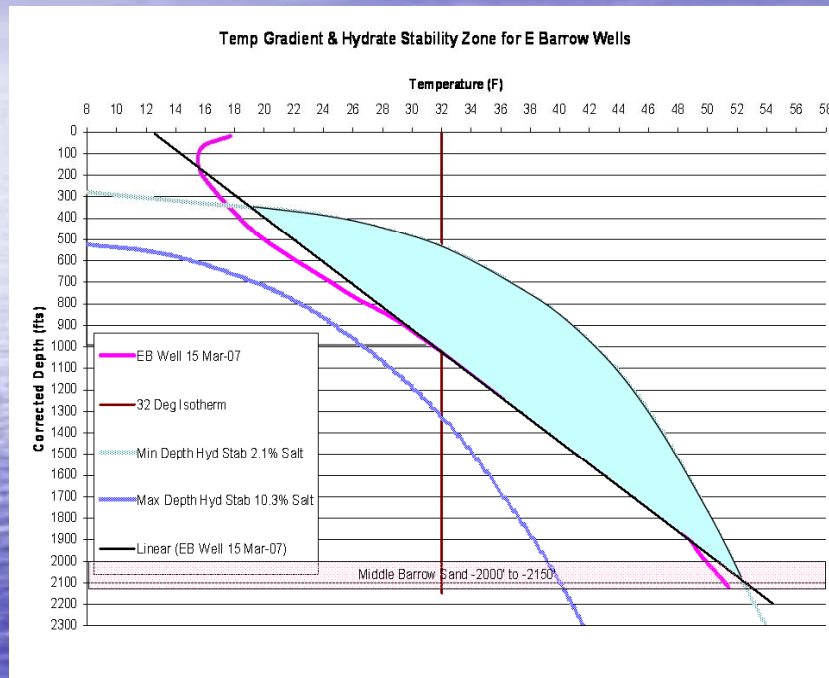
- Project start Nov. 14, 2006
- Phase 1A completed in July, 2007, with positive results from Hydrate Stability Model
- Phase 1B initiated August 1, 2007 and completed March 2008. Supported decision to proceed to Phase 2
- Phase 2 initiated December 1, 2008. Design and drill dedicated hydrate production test and observation well



# Phase 1A Results

- Temperature Gradients and Hydrate Stability Zone Modeling support Hydrate Stability Zone in East Barrow and Walakpa Fields
- Material Balance studies in East Barrow and Walakpa Field suggest external recharge but with no water production or breakthrough.
  - Suggests pressure support by methane hydrate dissociation
- Objectives for Phase 1A of the Study have been met, and support further reservoir study.

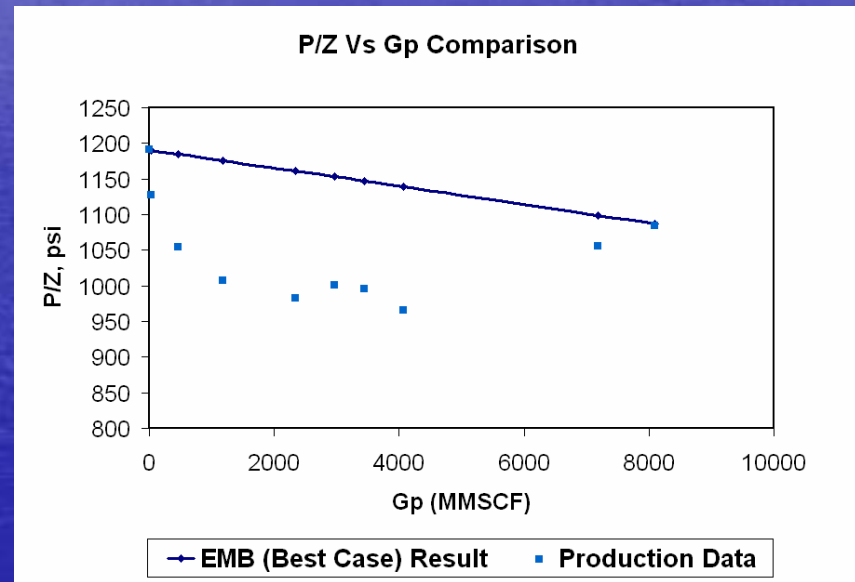
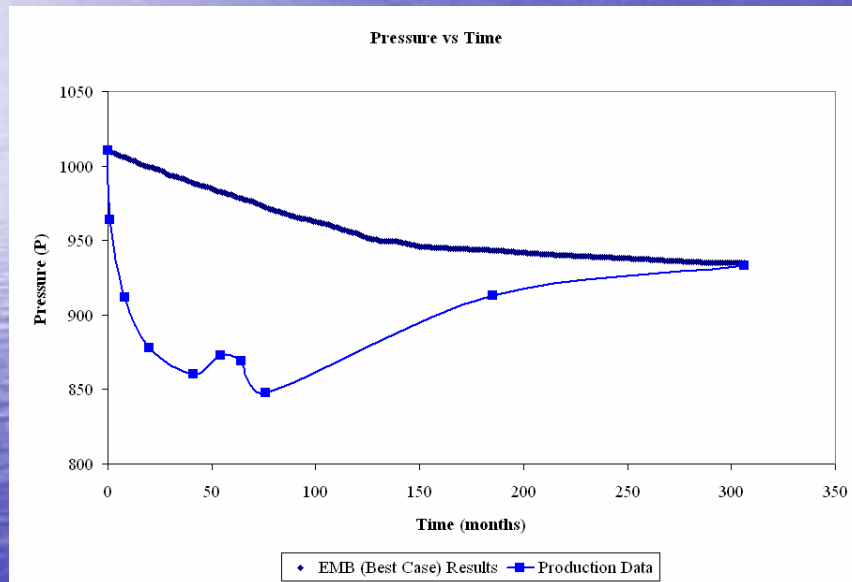
# Stability Zone Modeling



**Methane Hydrate Stability Zone Modeling for East Barrow and Walakpa Gas Fields**

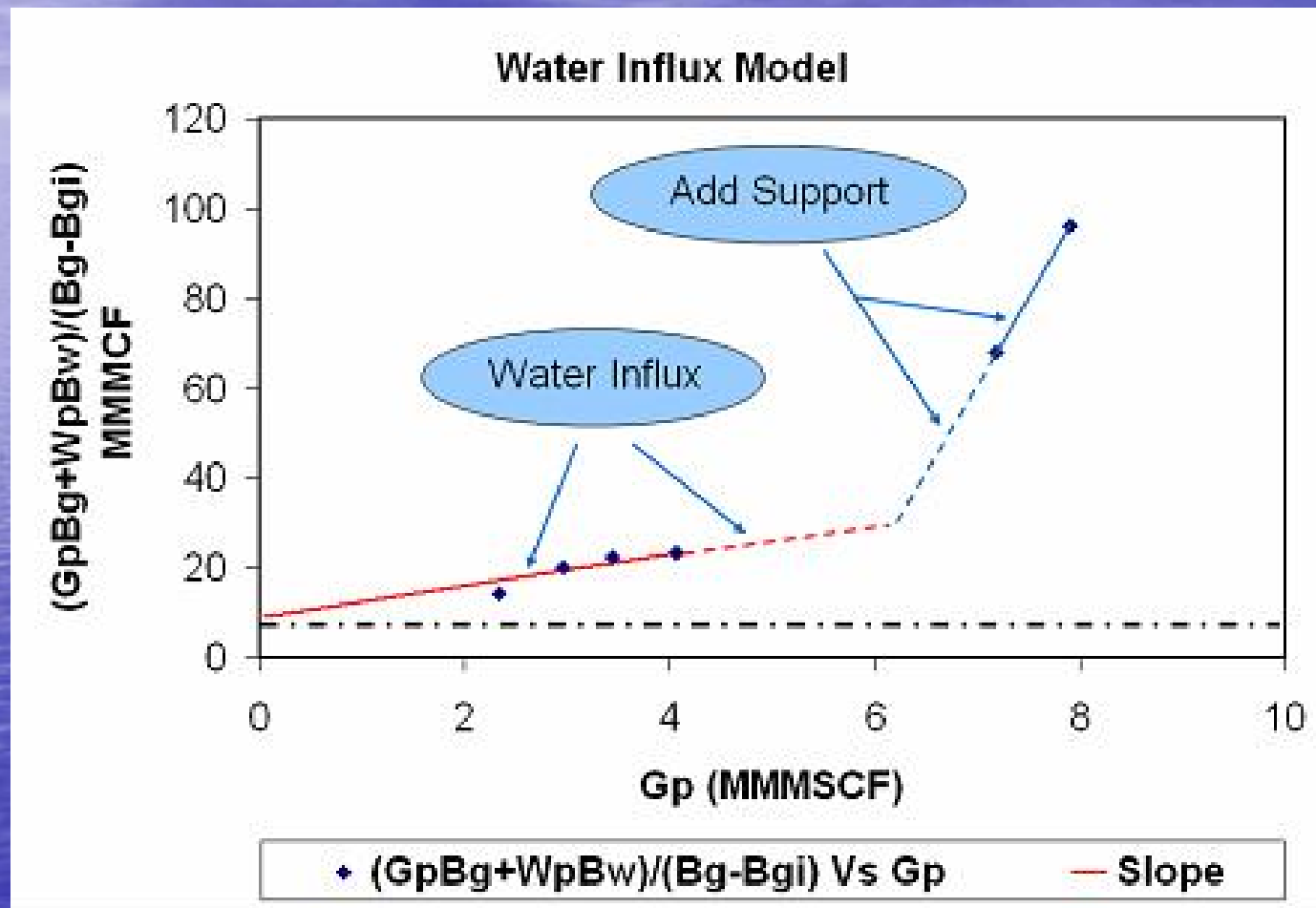


# Material Balance



**EMB Model – Pressure (P) vs. Time plot and P/Z vs. Gp plot for East Barrow gas reservoir**

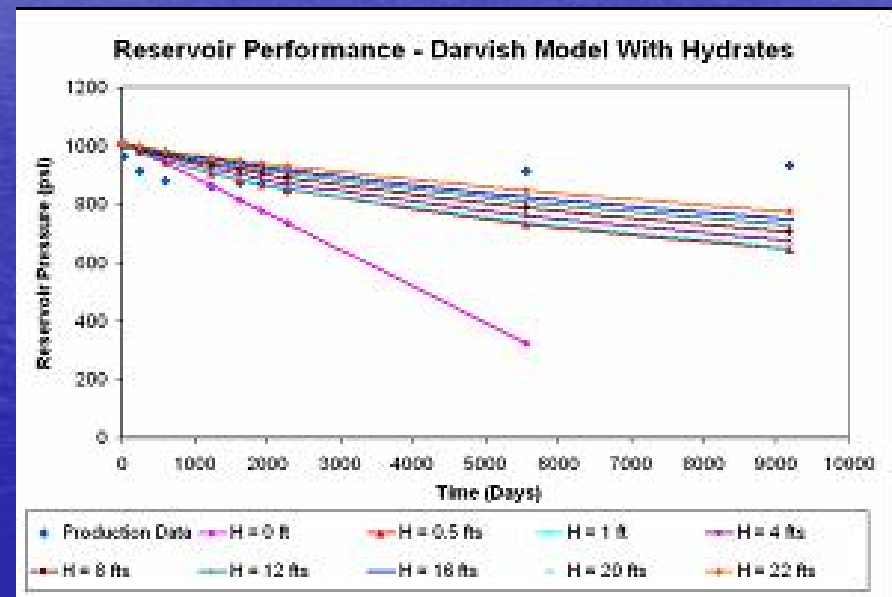
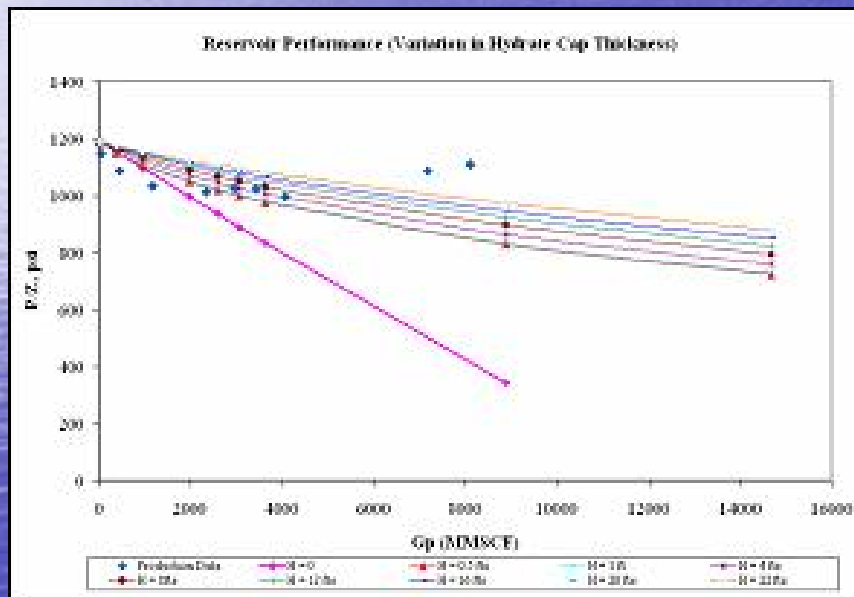
# Water Influx Model, E. Barrow



Water in Influx Model -  $(G_p B_g + W_p B_w) / (B_g - B_{gi})$  vs.  $G_p$  plot



# Material Balance, E. Barrow



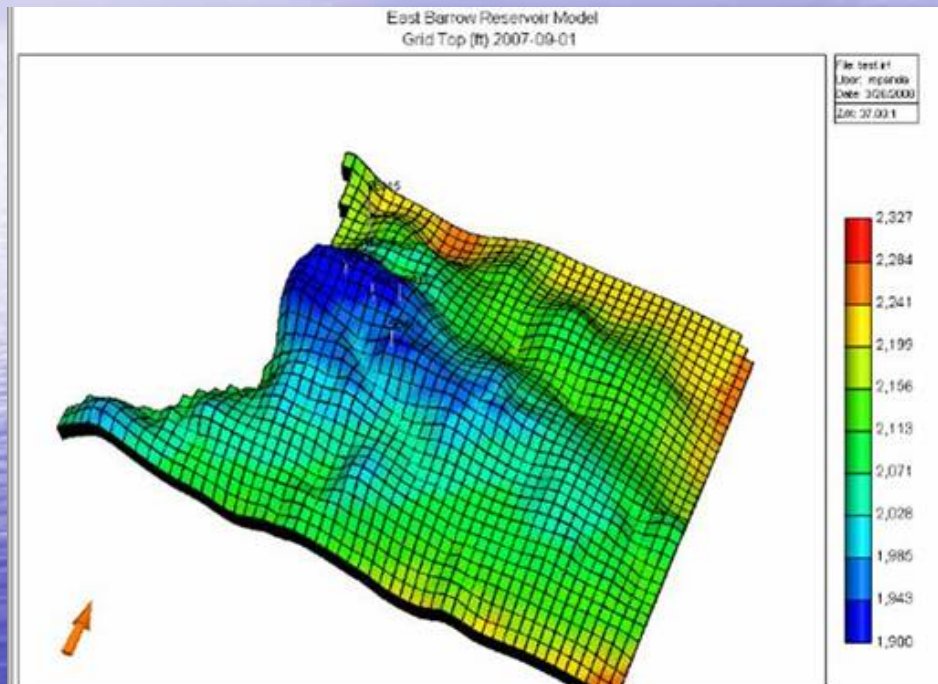
**Hydrate Model:  $P/Z$  vs.  $G_p$  and Pressure vs. Time comparison for Darvish model**

# Phase I B Results

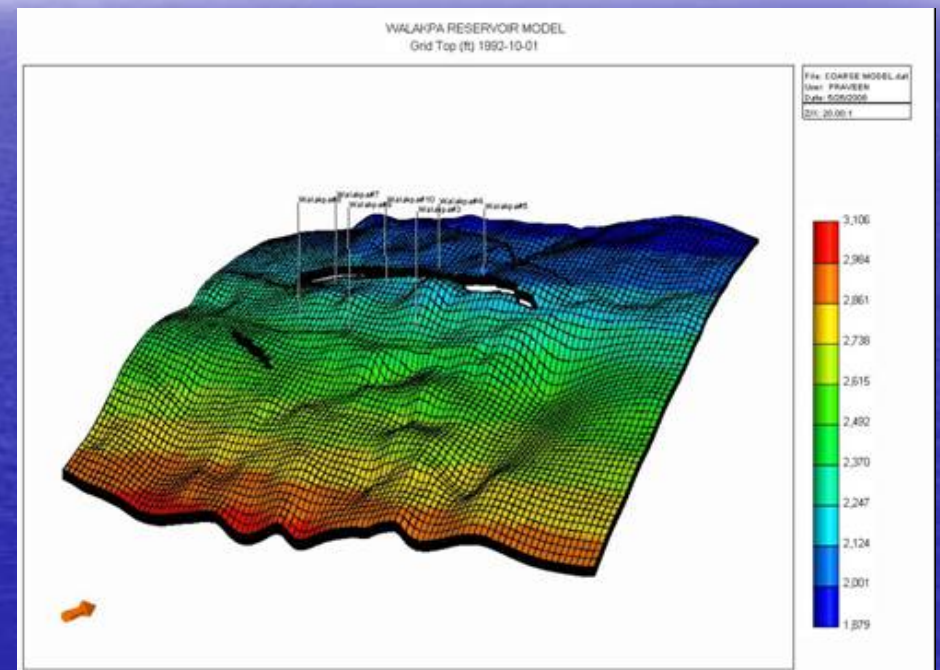
- Geologic Model
  - Completed mapping and log analysis of Walakpa, E&S Barrow Pool reservoirs
  - 3-D geostatistical model built for E. Barrow and Walakpa Fields
- Reservoir Modeling
  - Material balance and full-field reservoir simulation results support hydrate influence



# Depth Mapping

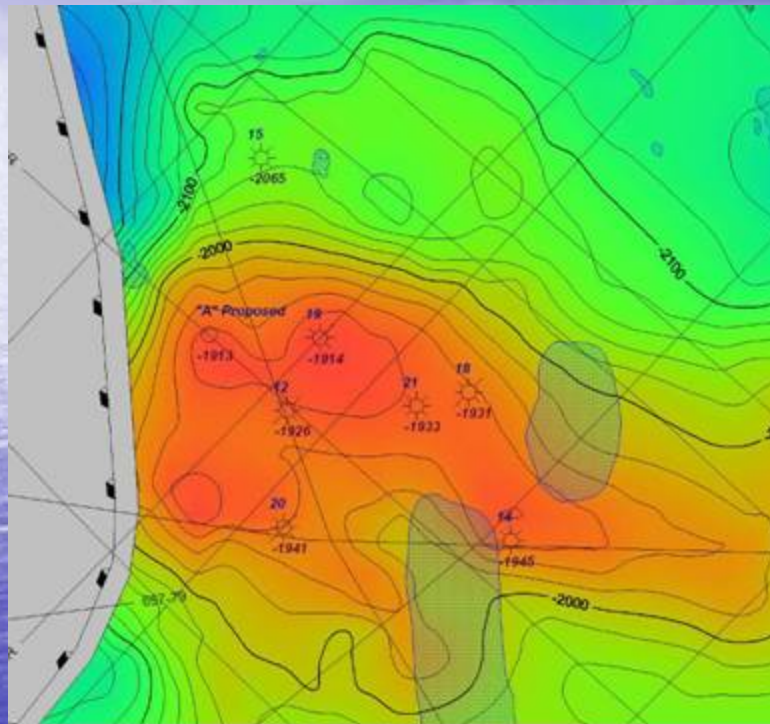
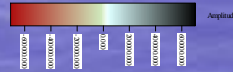


**Depth grid on Top Upper Barrow Sandstone,  
E Barrow Field**

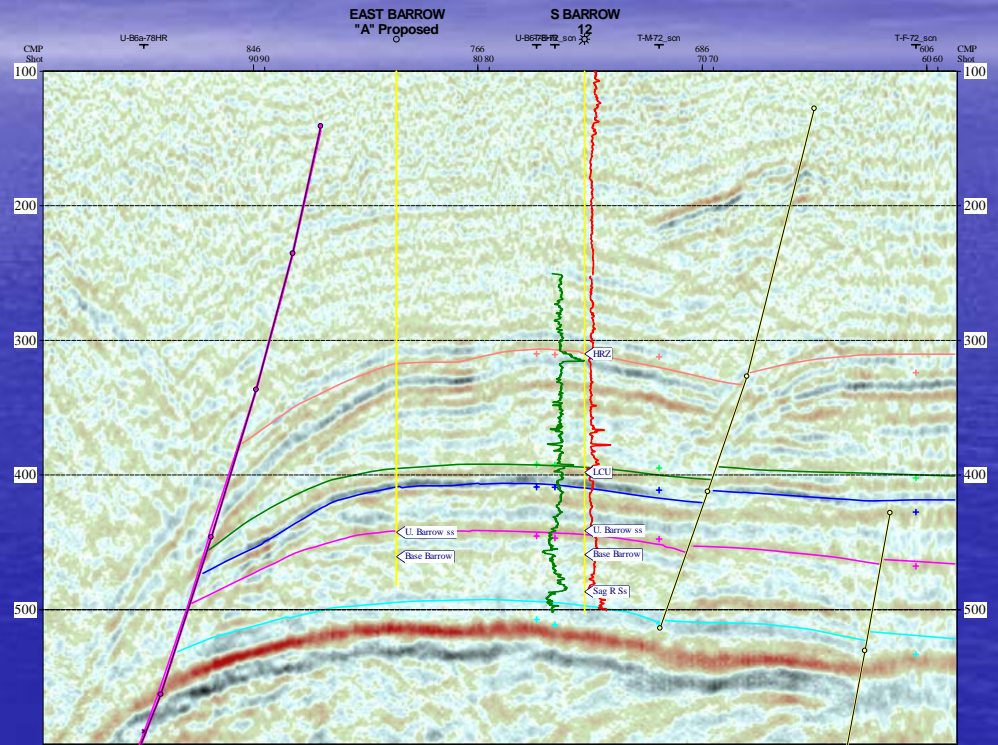


**Depth Grid on Top Walakpa Sandstone,  
Walakpa Gas Field**

# Seismic Interp, E. Barrow



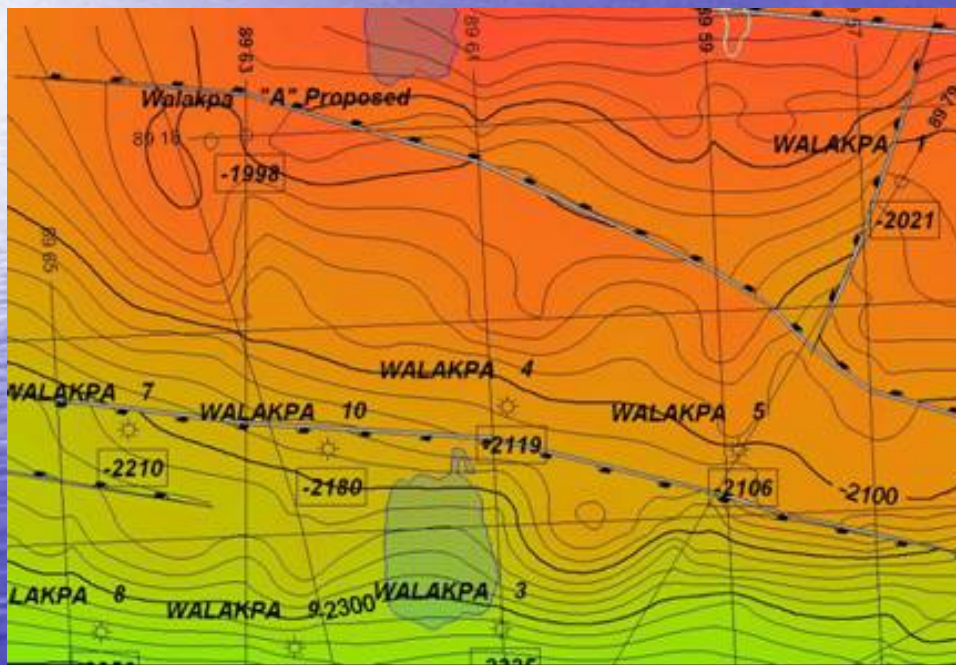
**Map of East Barrow Gas Field with Proposed Hydrate Test Well Location**



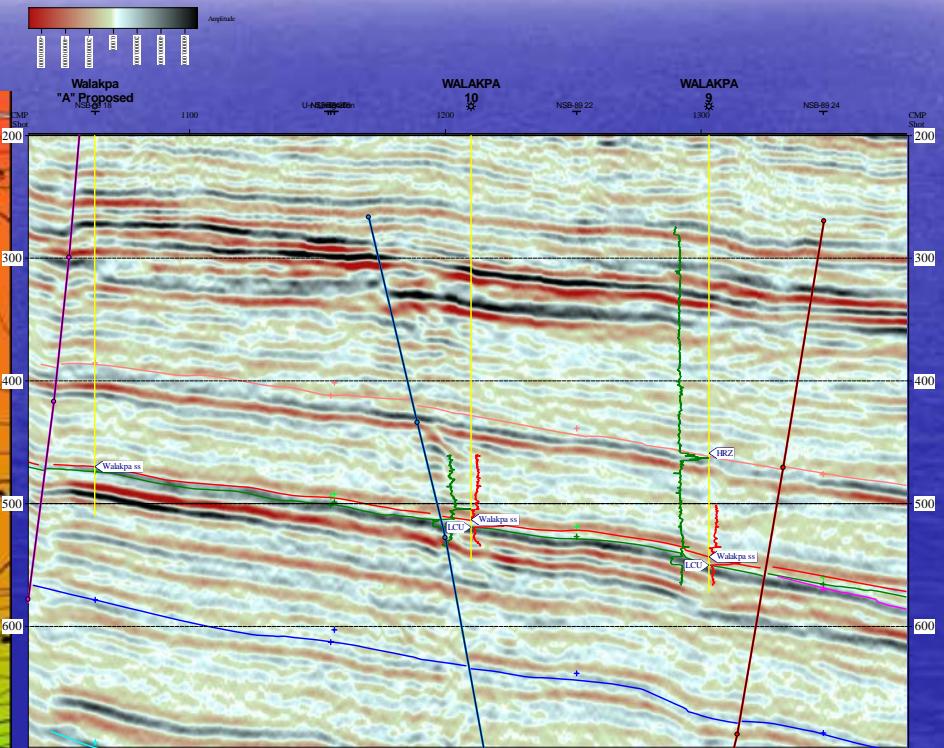
**Seismic Line through Proposed East Barrow Hydrate Test Well Location**



# Seismic Interp, Walakpa

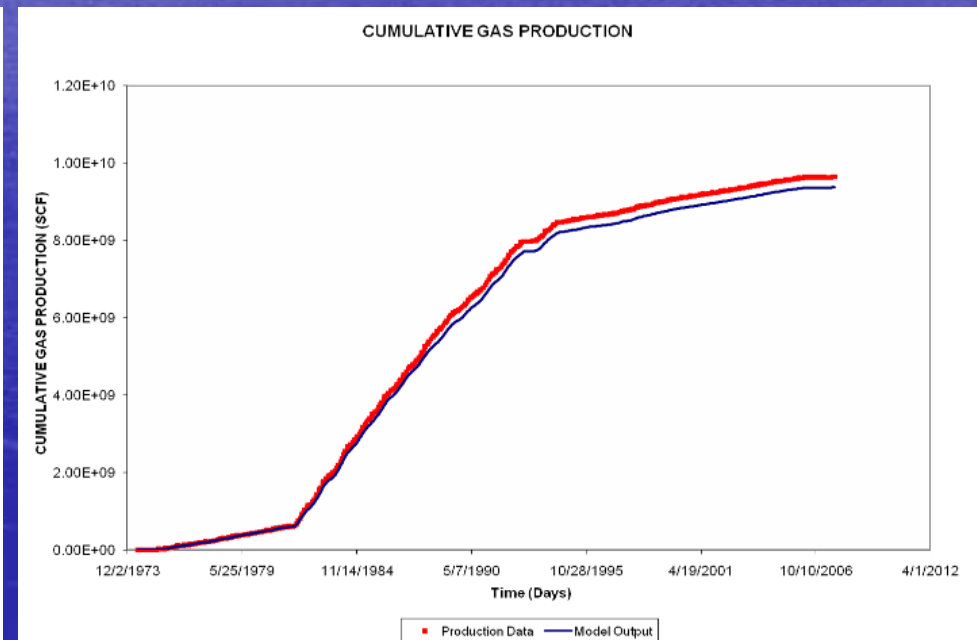
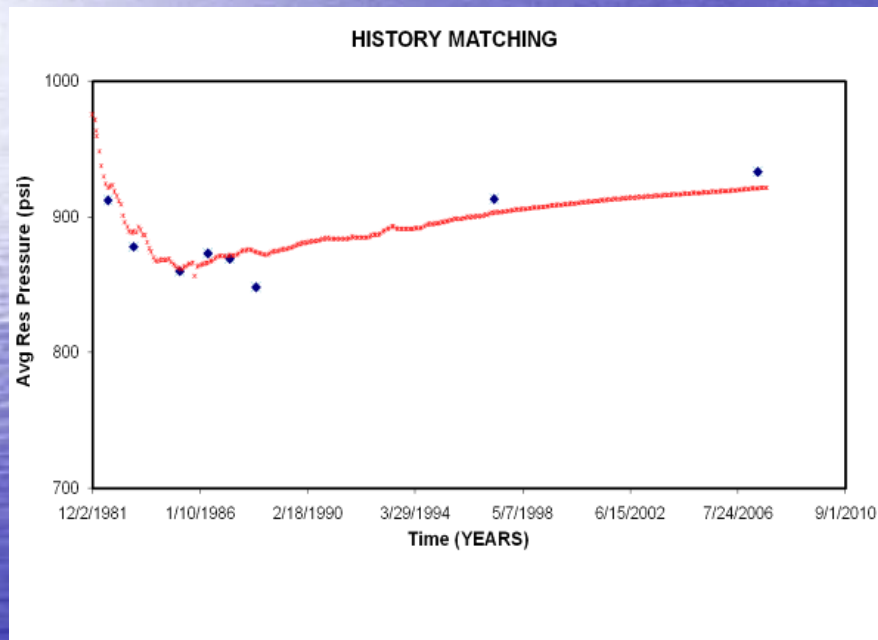


**Map of Walakpa Gas Field with Proposed Hydrate Test Well Location**



**Seismic Line through Proposed Walakpa Hydrate Test Well Location**

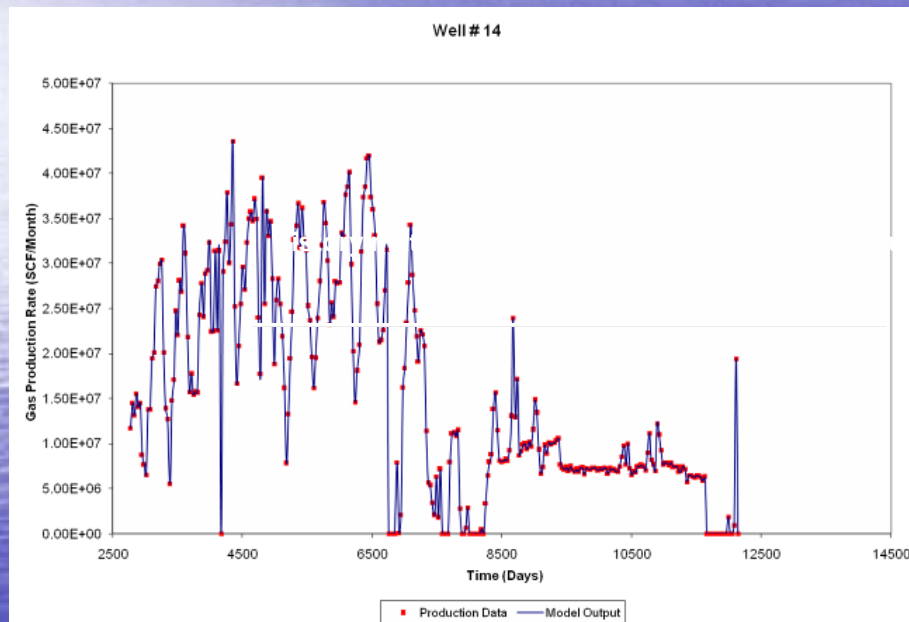
# Pressure and Production History Match, E. Barrow



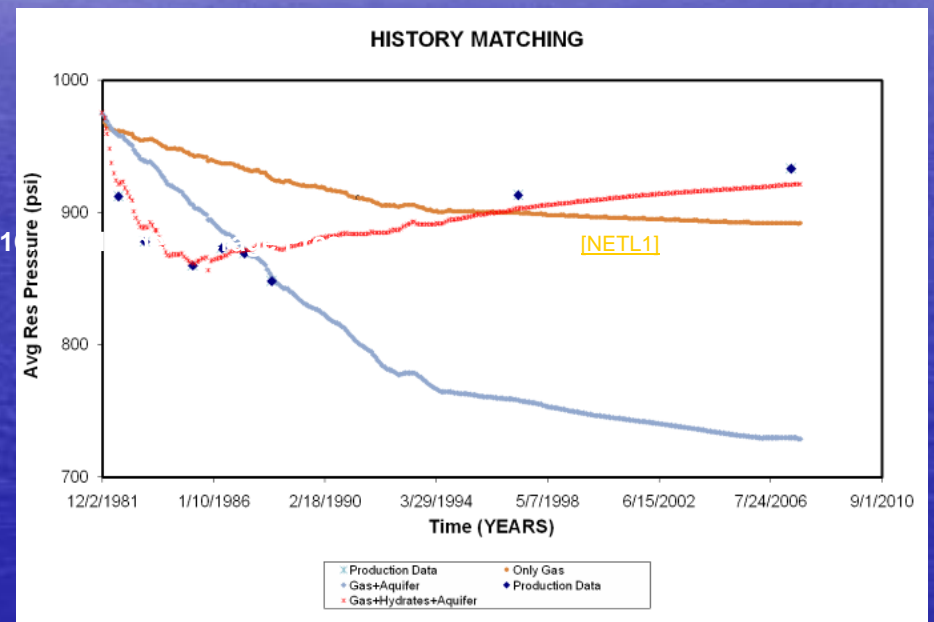
**Barrow Field Average Reservoir Pressure and Cumulative Production History Match**



# E. Barrow #14 History Match



History match EB# 14 well



Fieldwide Average Pressure History Match

## E. Barrow Best Case Model Input

- 5-24% Porosity
- 55% Bound water
- 45% Free gas saturation below BHSZ
- 31% Hydrate saturation above BHSZ
- 14% Free gas above BHSZ
- 1-50 mD permeability
- BHSZ 2050' sstvd
- GWC 2080' sstvd



# Conclusions of Modeling

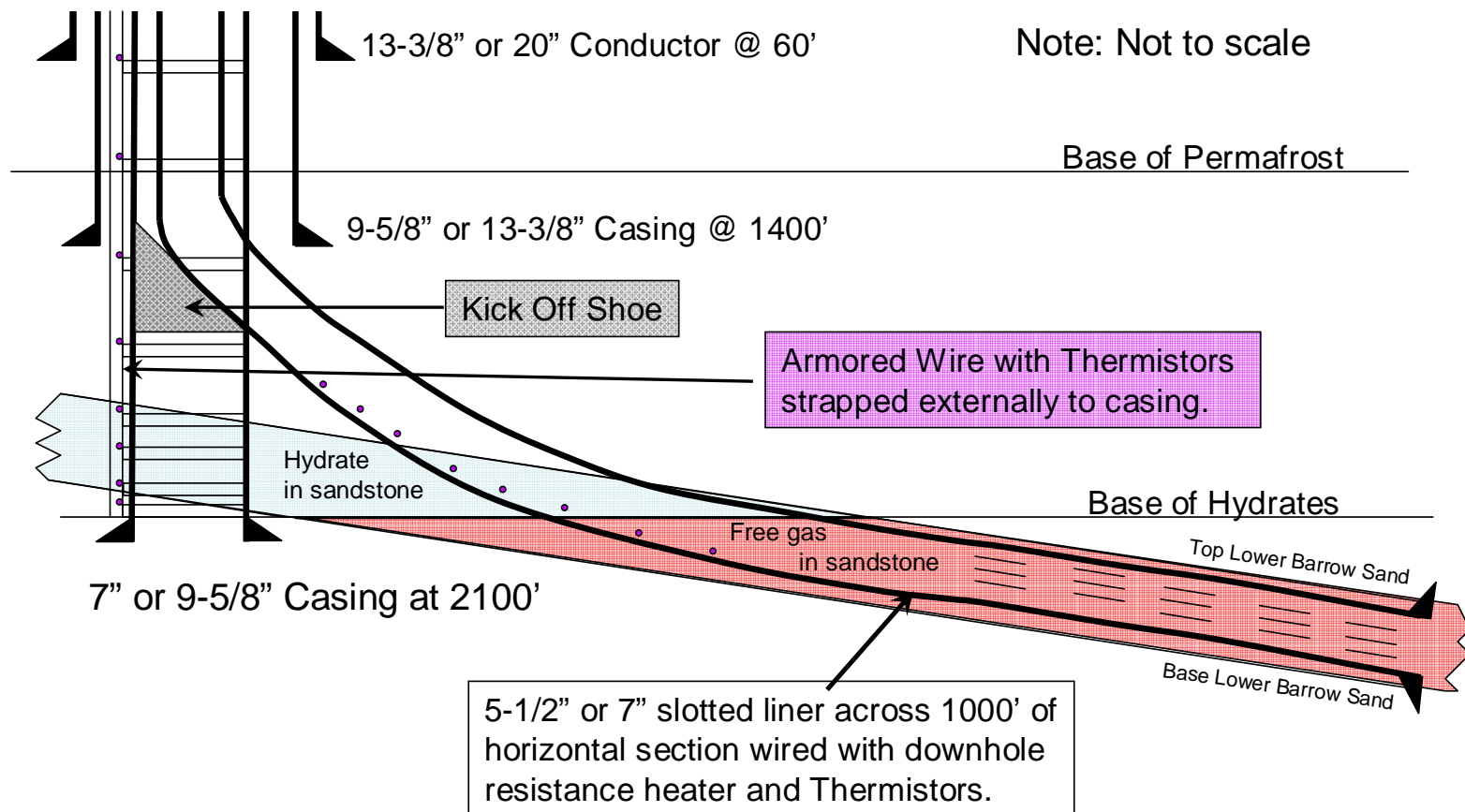
- 100% of 26 BSCF of MH will be produced in E. Barrow through depressurization from 1981-2037
- 20% of 284 BSCF (56BSCF) of MH will be produced in Walakpa from 1981-2037 assuming current well set and rates

# Phase II Objectives

- Prove existence of in situ methane hydrates
- Prove hydrate dissociation and production
- Design and drill methane hydrate production test well
  - E. Barrow in Q3-2010
    - If hydrates are encountered, complete and test
    - If no hydrates, move to Walakpa for hydrate test
  - Walakpa Well Q1-2011
    - If hydrates are encountered, complete and test



# E Barrow Hydrate Test Well Conceptual Design

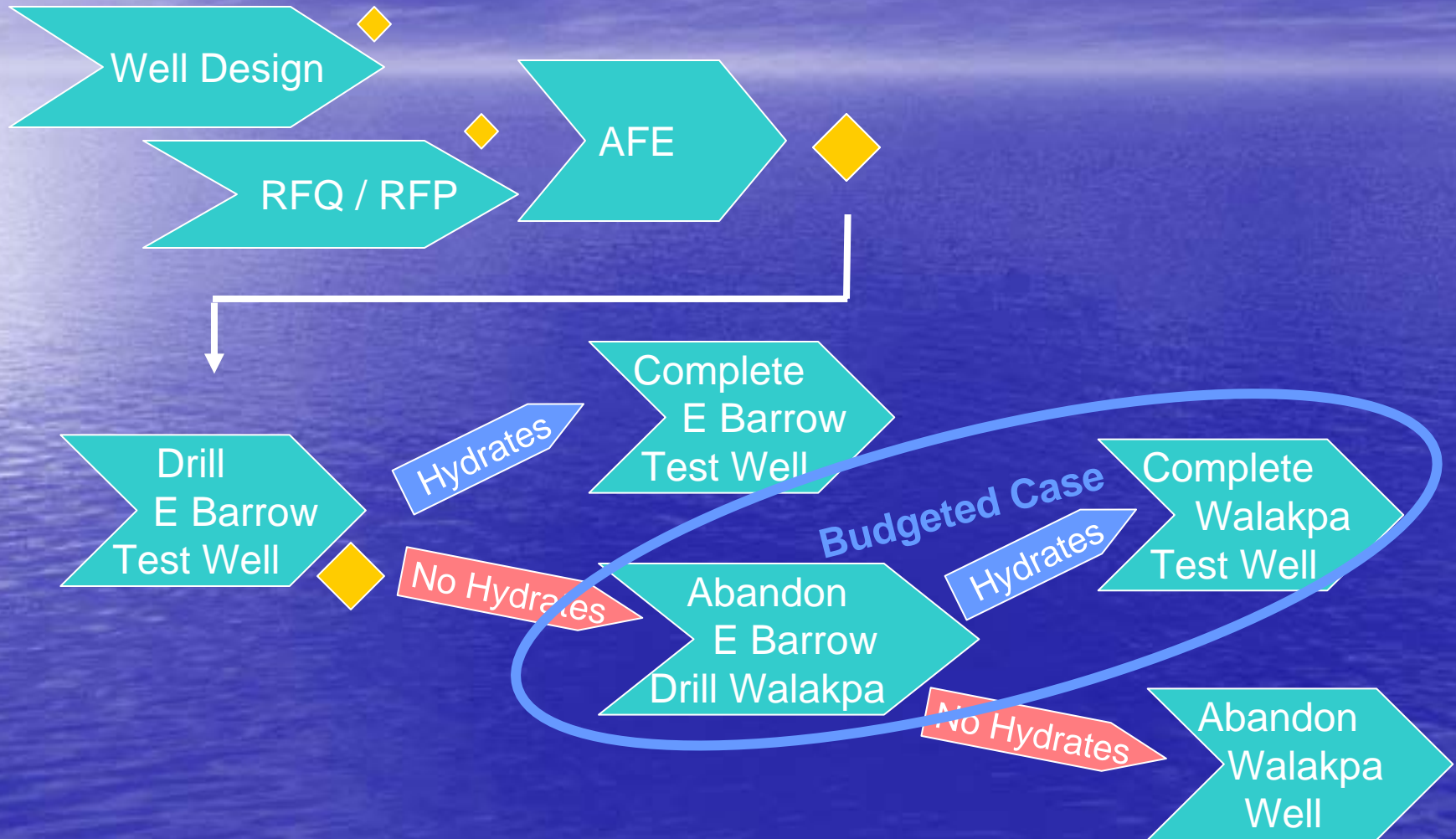


# Schedule

- Commence Phase 2 Dec. 1, 2008
- December '08 – September '09
  - Design well
  - Acquire permits
  - Select Contractors
- October '09-August '10
  - Secure contracts for operator, drilling contractor, rig, equipment spread
  - Plan and oversee logistics
- September '10 – April '11
  - Drill and complete hydrate test well(s)
  - Recover core in hydrate stability zone and analyze, make decision on program completion
- May '11 – September '13
  - Production surveillance of hydrate test well
  - Collect samples and data from well and analyze results



# NSB Hydrates Phase 2 Plan

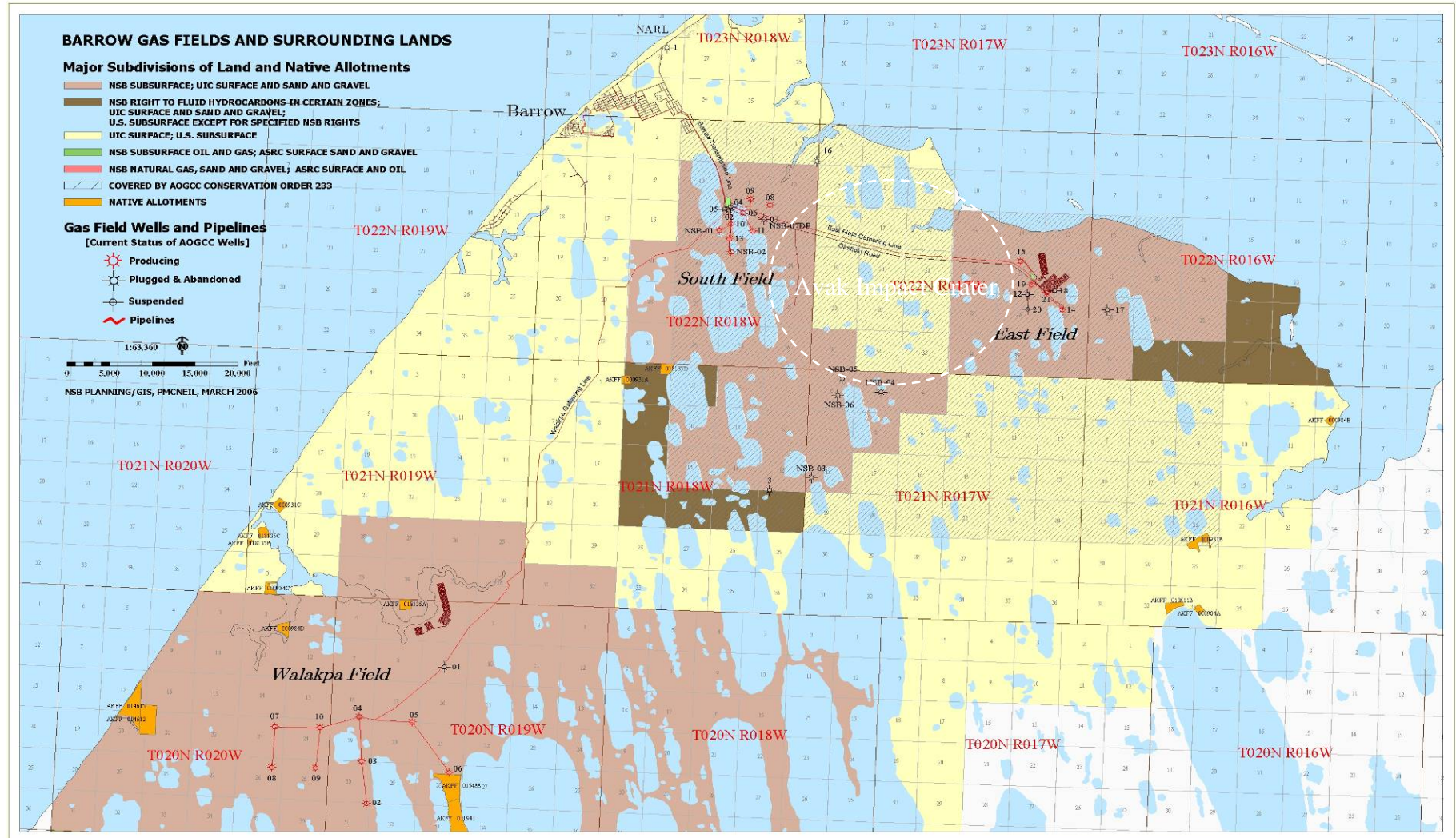


# Well Modeling Simulation

- Background
- Simulation Results
- Impacts on Well Location/Design

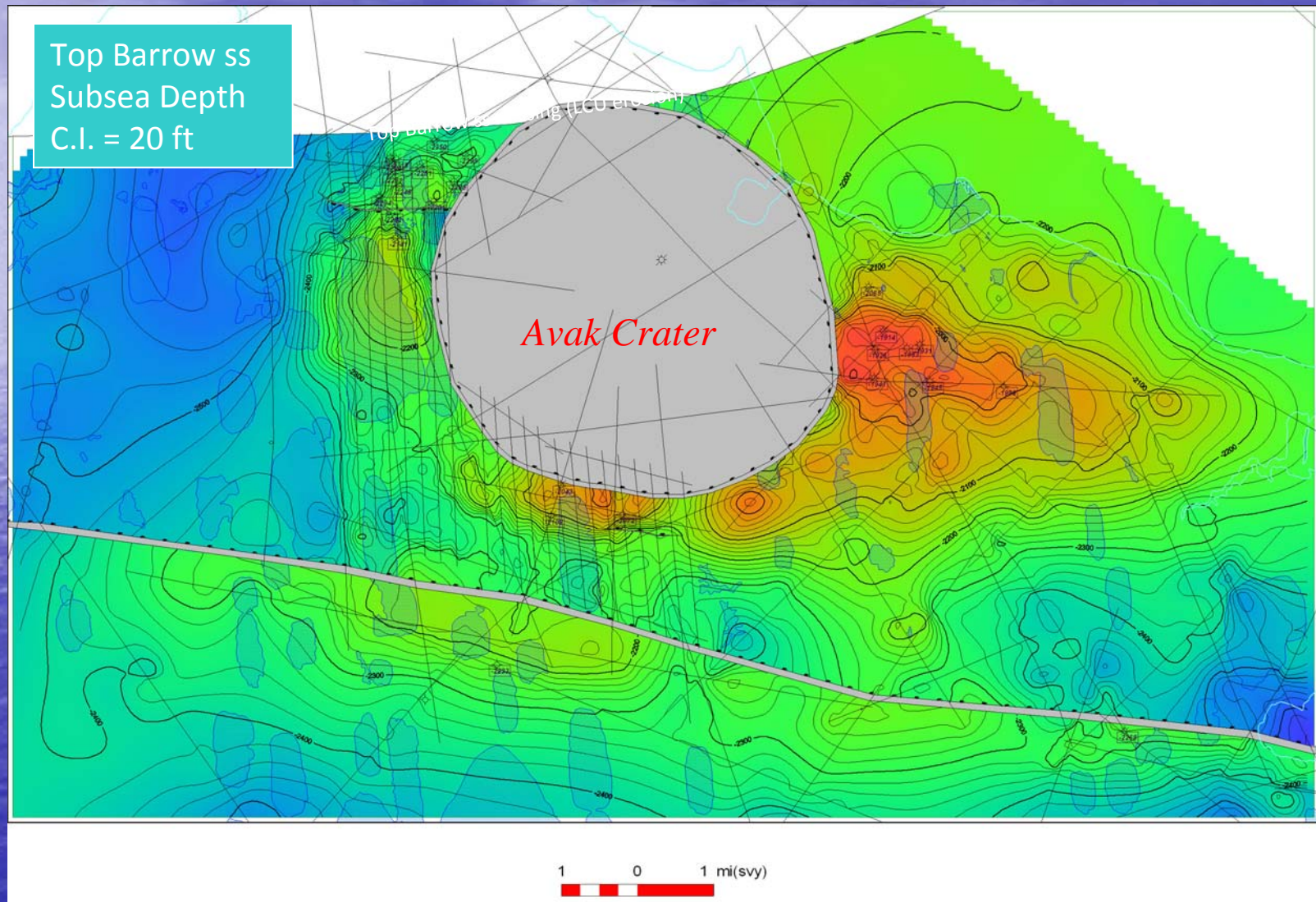


# Barrow Gas Fields





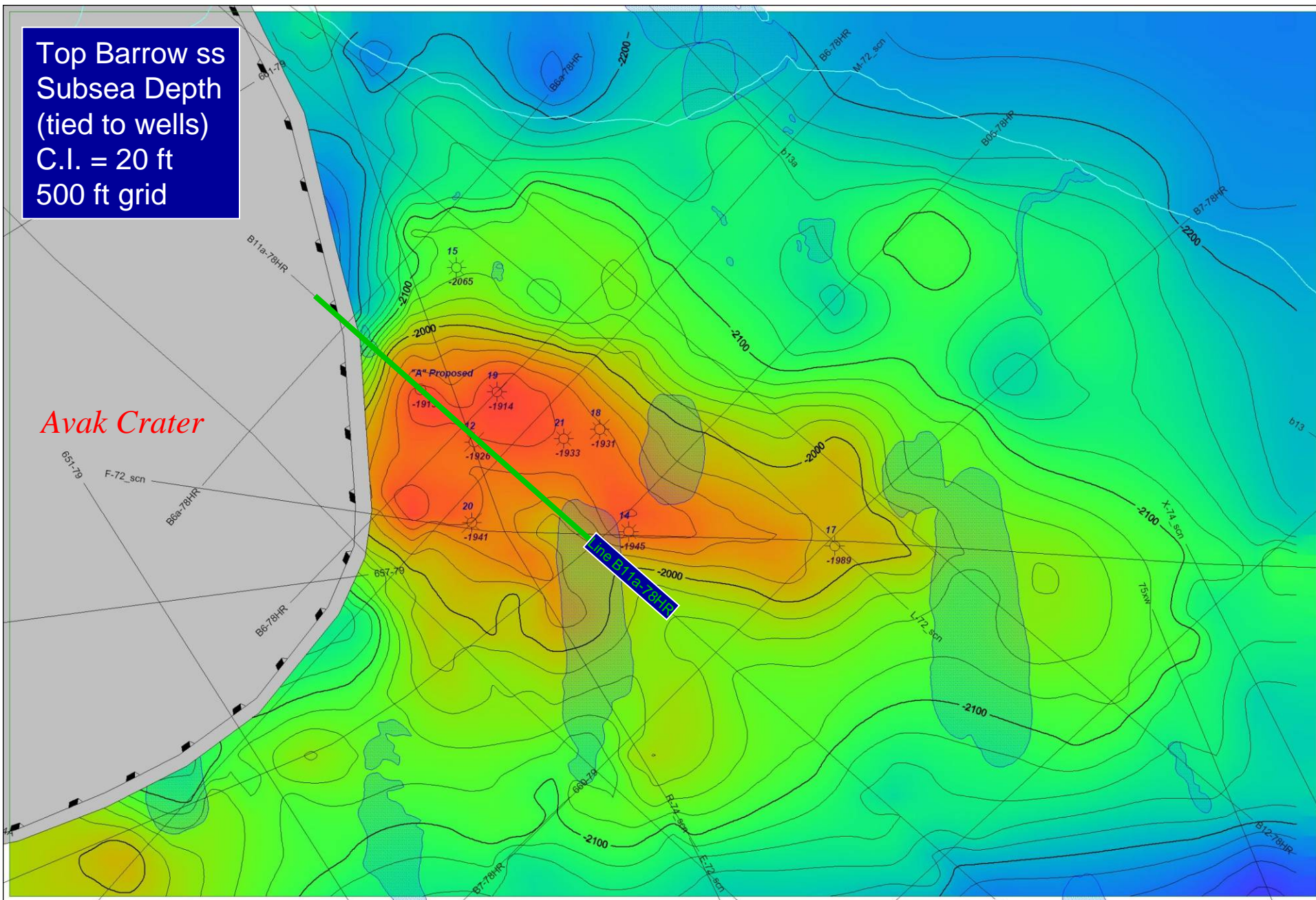
# Structure Map Top Barrow Sand





Top Barrow ss  
Subsea Depth  
(tied to wells)  
C.I. = 20 ft  
500 ft grid

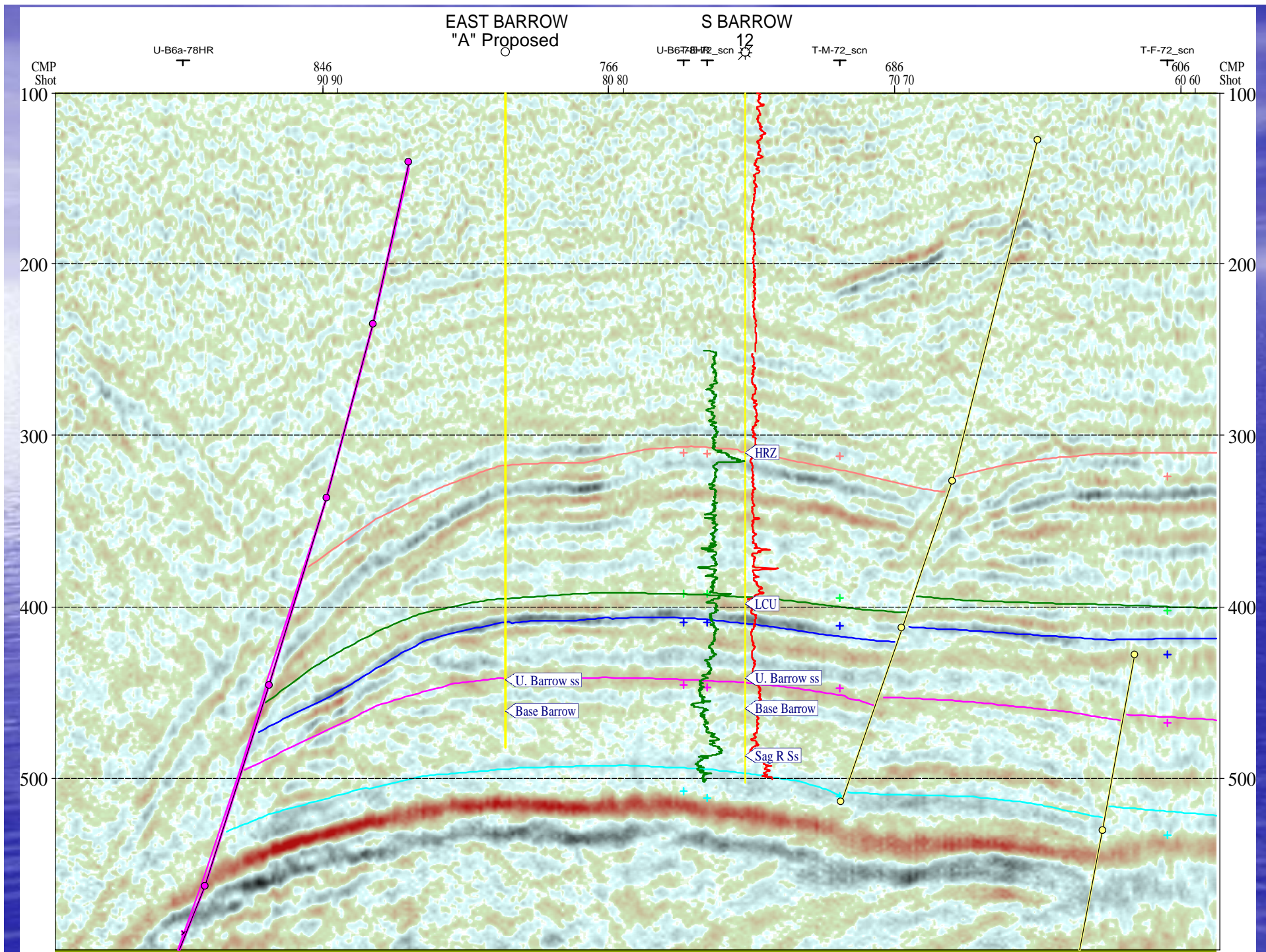
*Avak Crater*



**East Barrow Field Area**

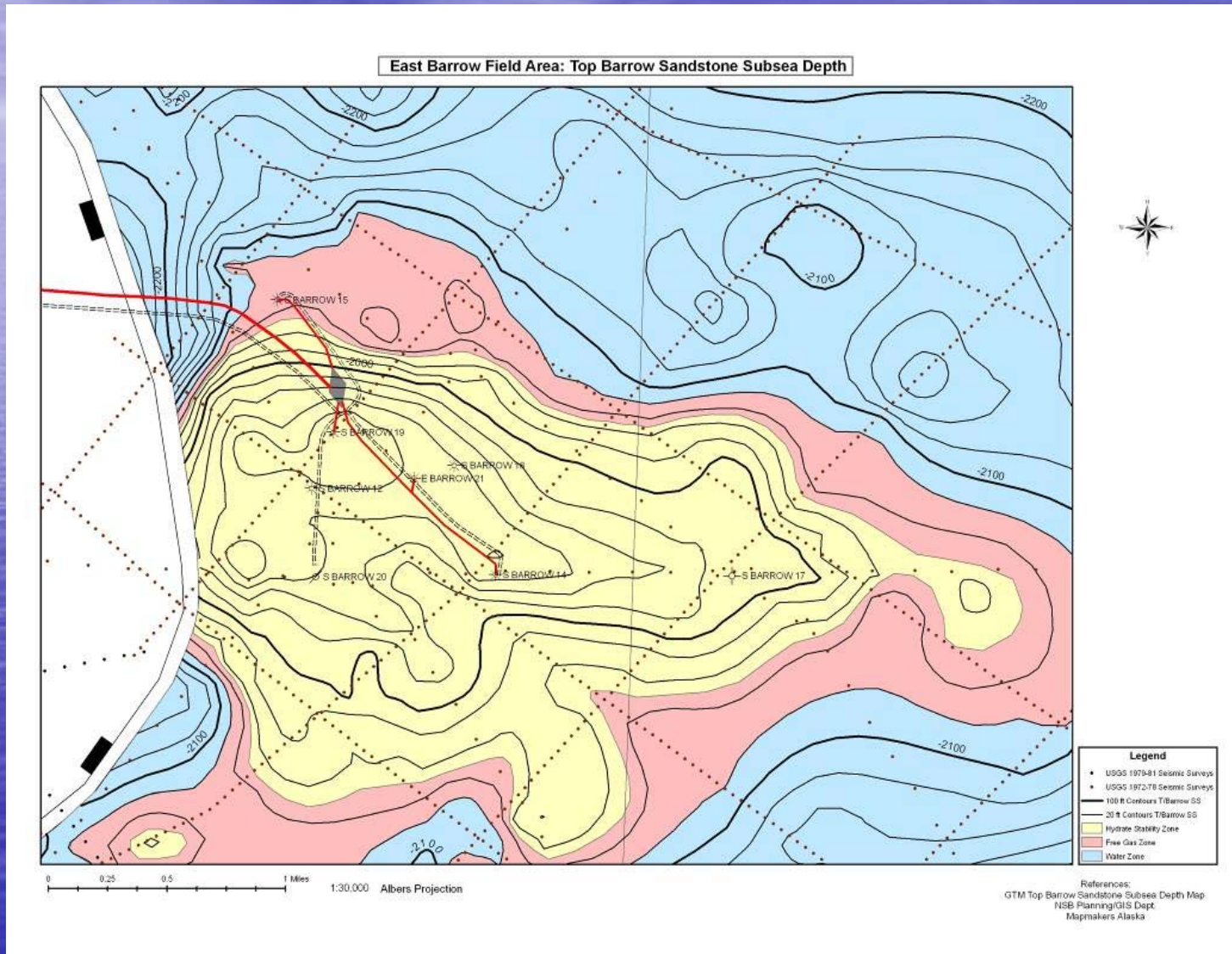




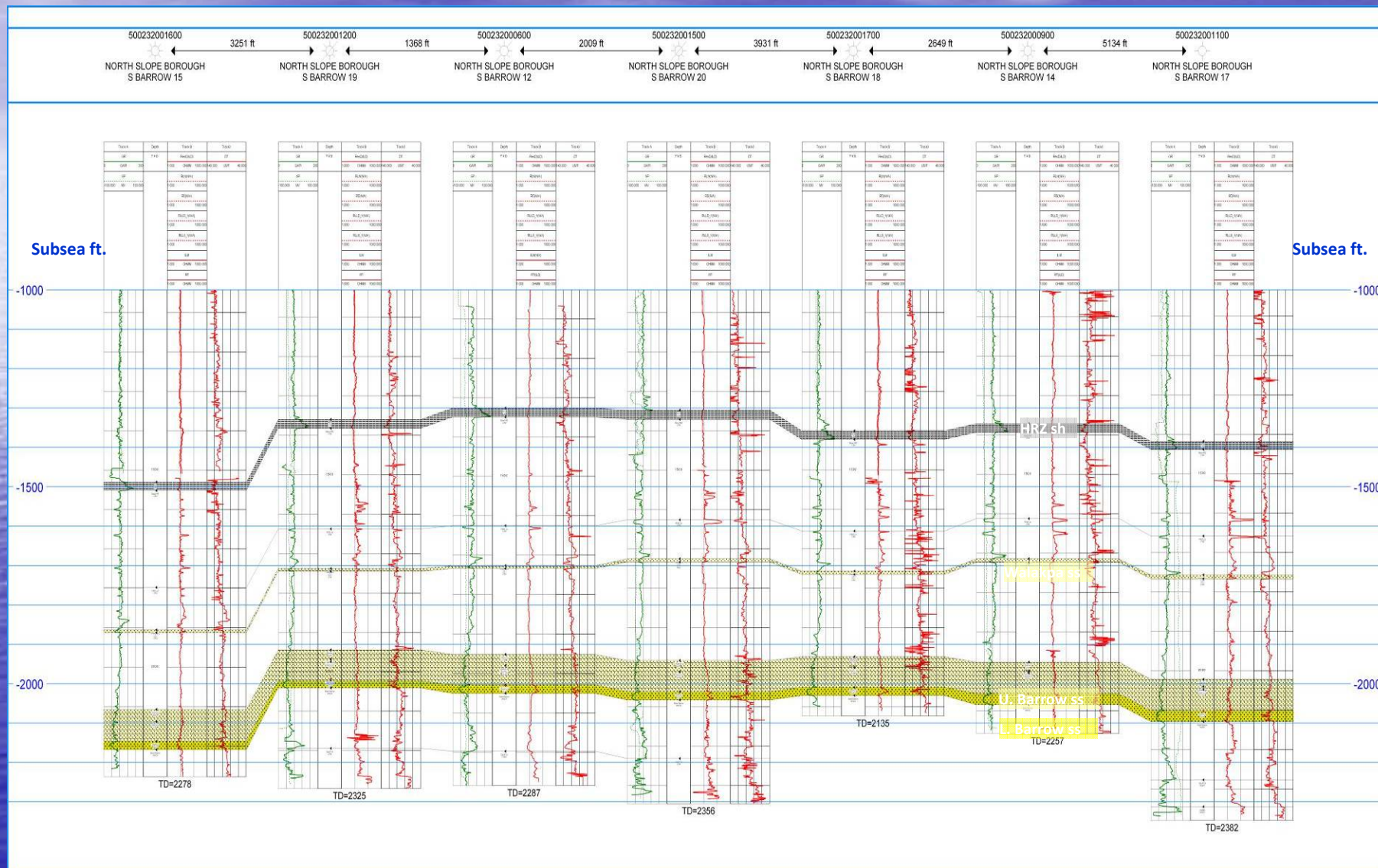




# Modeled most likely hydrate stability zone depth in East Barrow Field



# East Barrow Field Structural Cross-Section (no horizontal scale)

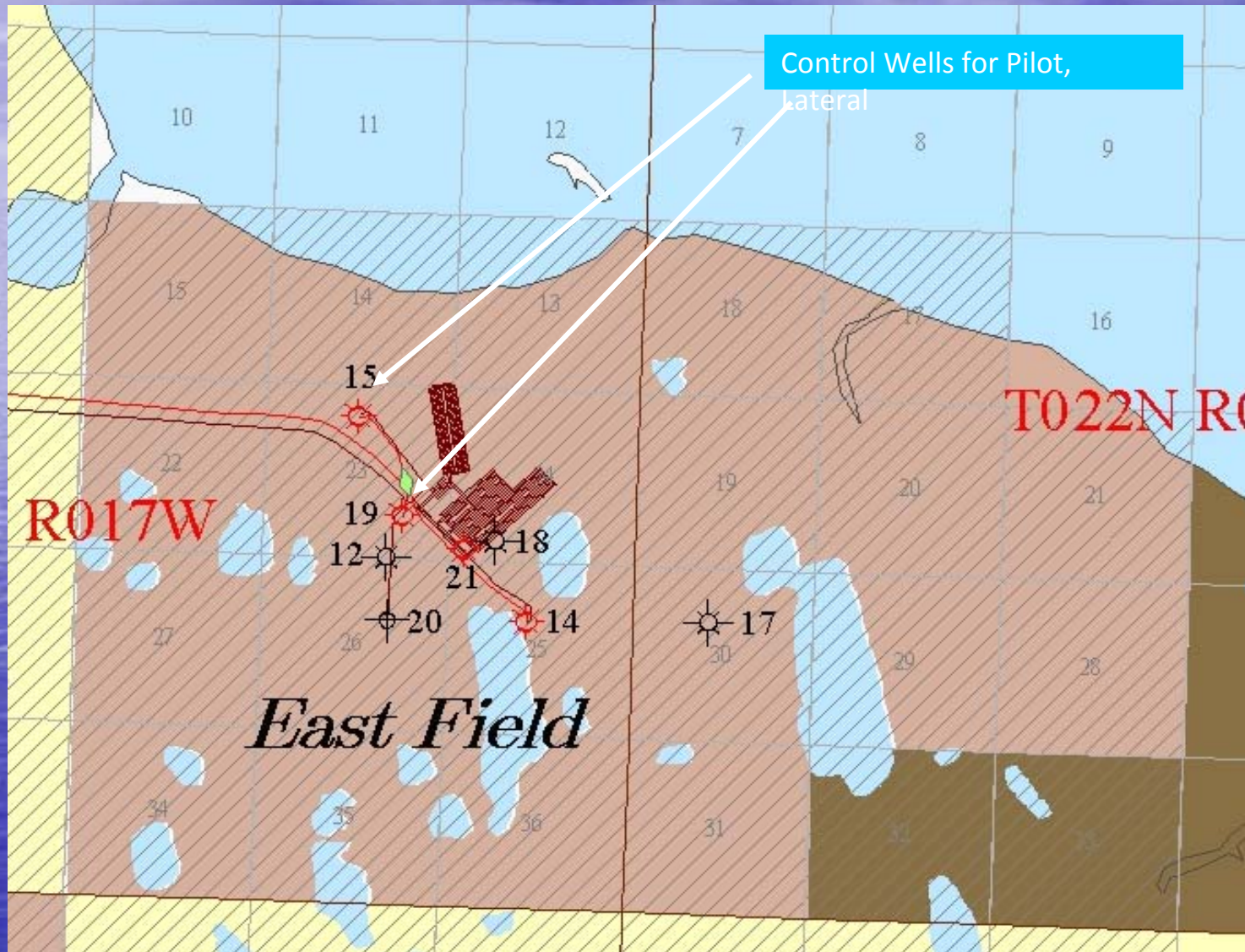




# Results from Phase I B

- Material Balance modeling in E. Barrow indicates the pressure response can not be explained with conventional pressure depletion and/or aquifer support. Explanation: the free gas zone is being recharged by hydrates.
- Geologic mapping and analyses was performed resulting in a robust geologic (static) model for reservoir simulation.
- Full Field reservoir simulation with CMG STARS was performed with a history match on production and pressure, confirming likelihood of methane hydrates in E. Barrow and Walakpa fields.
- Narrowed the selection of locations for hydrate test wells in E. Barrow and Walakpa.

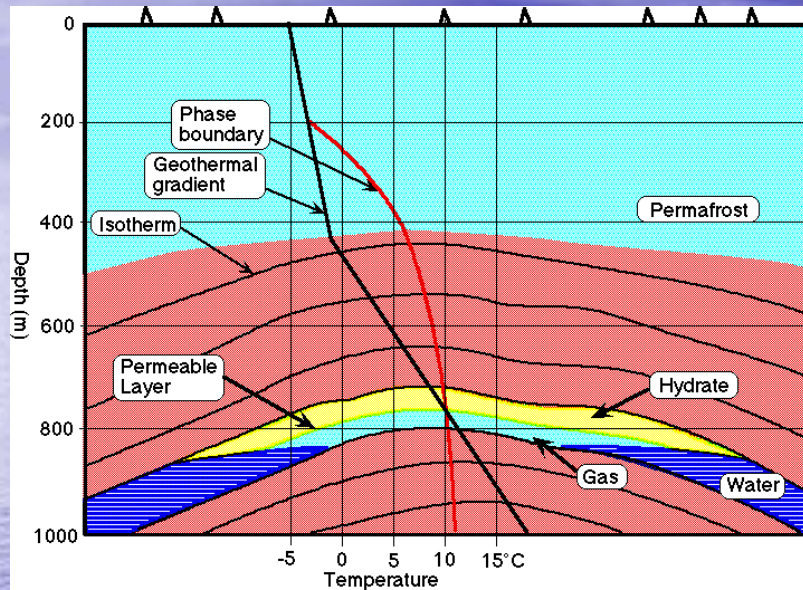
# East Barrow Infrastructure and Well Control



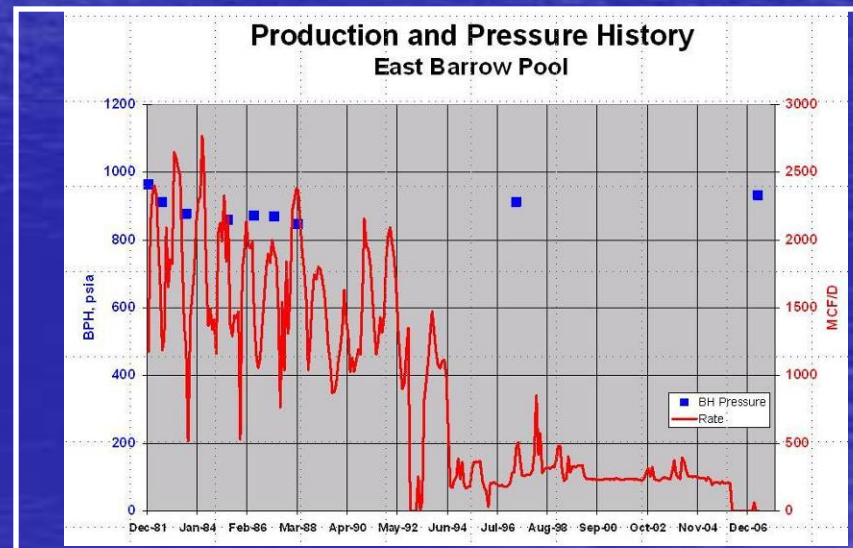
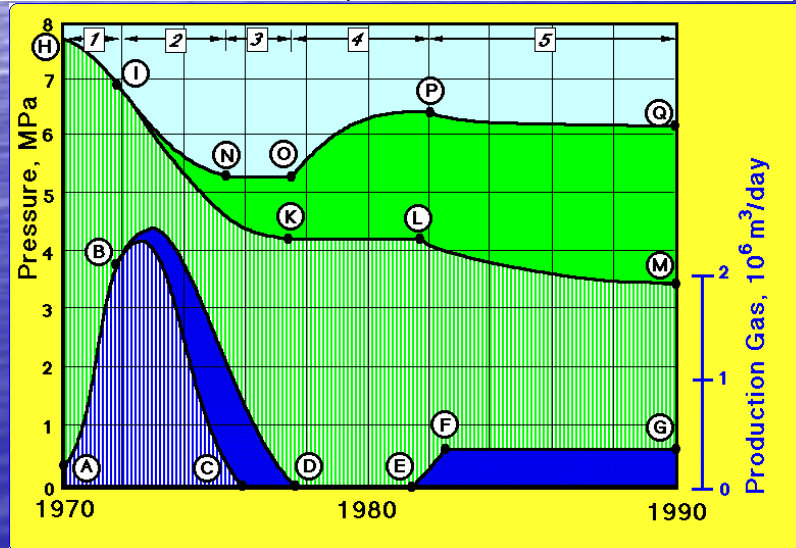
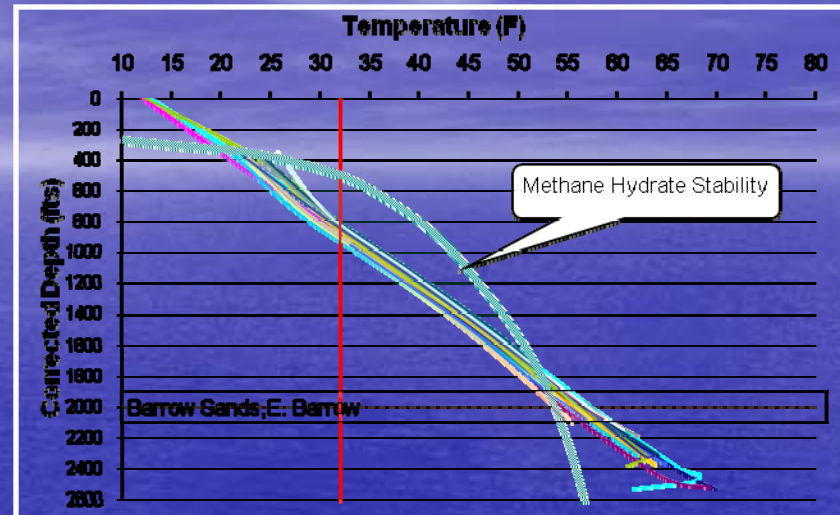


# Producing Class I Deposits: Analogs

Messoyakha Field<sup>1</sup>



E. Barrow Field<sup>2</sup>



# Objectives of Phase 2

- Support hydrate production with additional simulation
  - Well level modeling. Preliminary results presented here.
- Confirm physical presence of hydrates
  - Drill a stratigraphic test well; core and log
- Produce free gas below the interface, monitor hydrates, prove that gas production is supported by hydrate disassociation
  - Transect Hydrate/Free gas interface with 1<sup>st</sup> or 2<sup>nd</sup> pilot hole
  - Produce methane through conventional techniques at rates that will disassociate hydrate in the observation well in less than 5 years.
  - Conduct periodic and ongoing production surveillance
    - Real-time temperature/pressure changes – history match
    - Time-lapse Neutron and Sonic logging to monitor change in hydrate
    - Water/gas ratio changes
    - Water/gas compositional changes

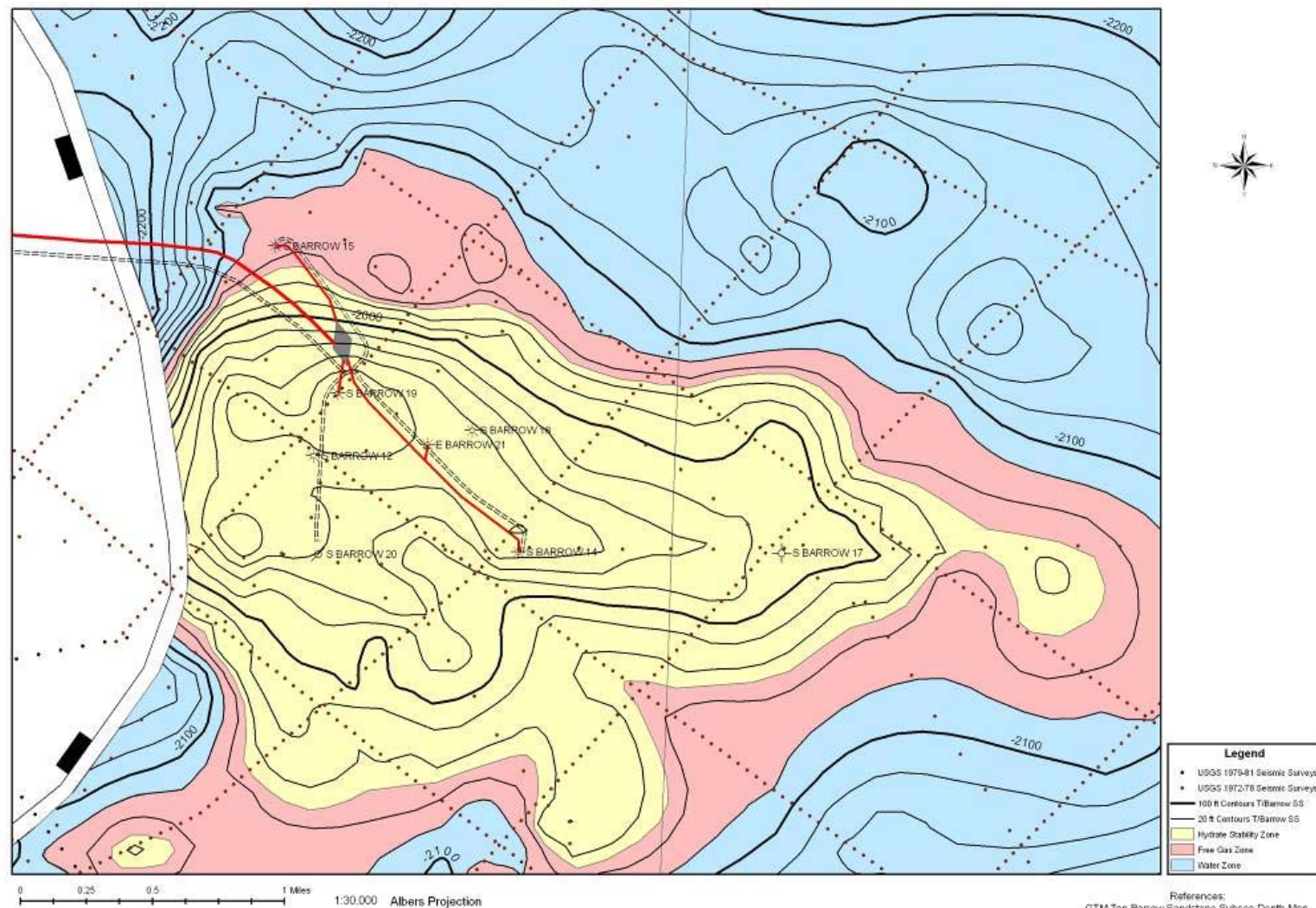


# Fine Grid Simulation Work Plan

## Objectives:

1. Use fine grid simulation to determine optimal location of observation well and production well, and
  2. Estimate the response at the observation well due to production (pressure reduction) from the high angle producer.
- Task 1 – Pick a general area that is best suited to see a movement or change in the hydrate as gas is removed down dip.
    - Result: the area around wells #15 and #19 were chosen due to adequate well & seismic control and relatively high dip angle.
  - Task 2 - apply local grid refinement around the area between wells #15 and #19 and simulate the hydrate layer at time 0 and current time over a broad area. Run the expected case and create "artificial cases" to account for other possible scenarios.
  - Task 3 – Simulate the response at the observation well, due to production from a high angle producer in the free gas leg.

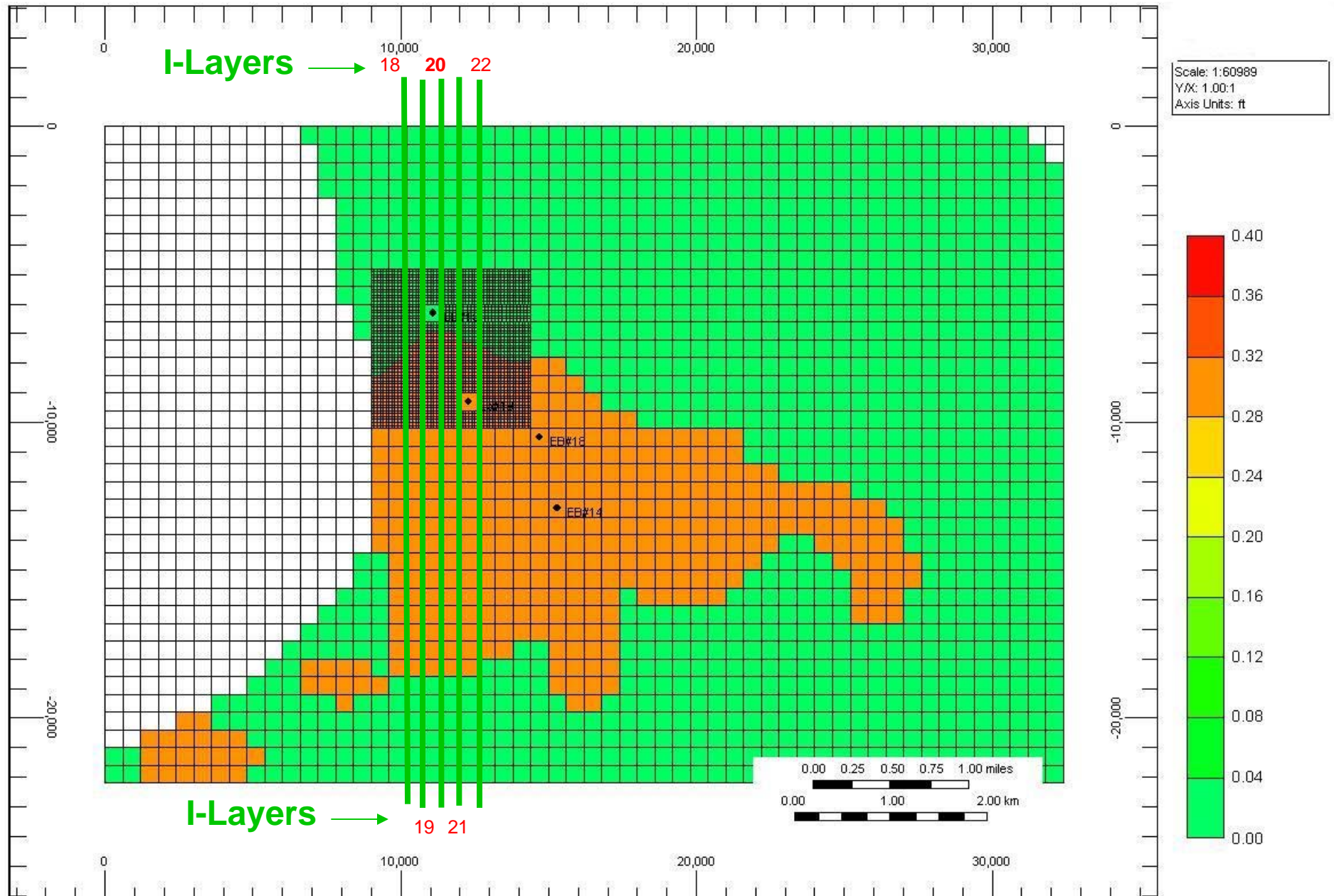
# East Barrow Field Area: Top Barrow Sandstone Subsea Depth





FOR ALL CASES

East Barrow Reservoir Model  
Oil Saturation 1981-12-01 K layer: 1



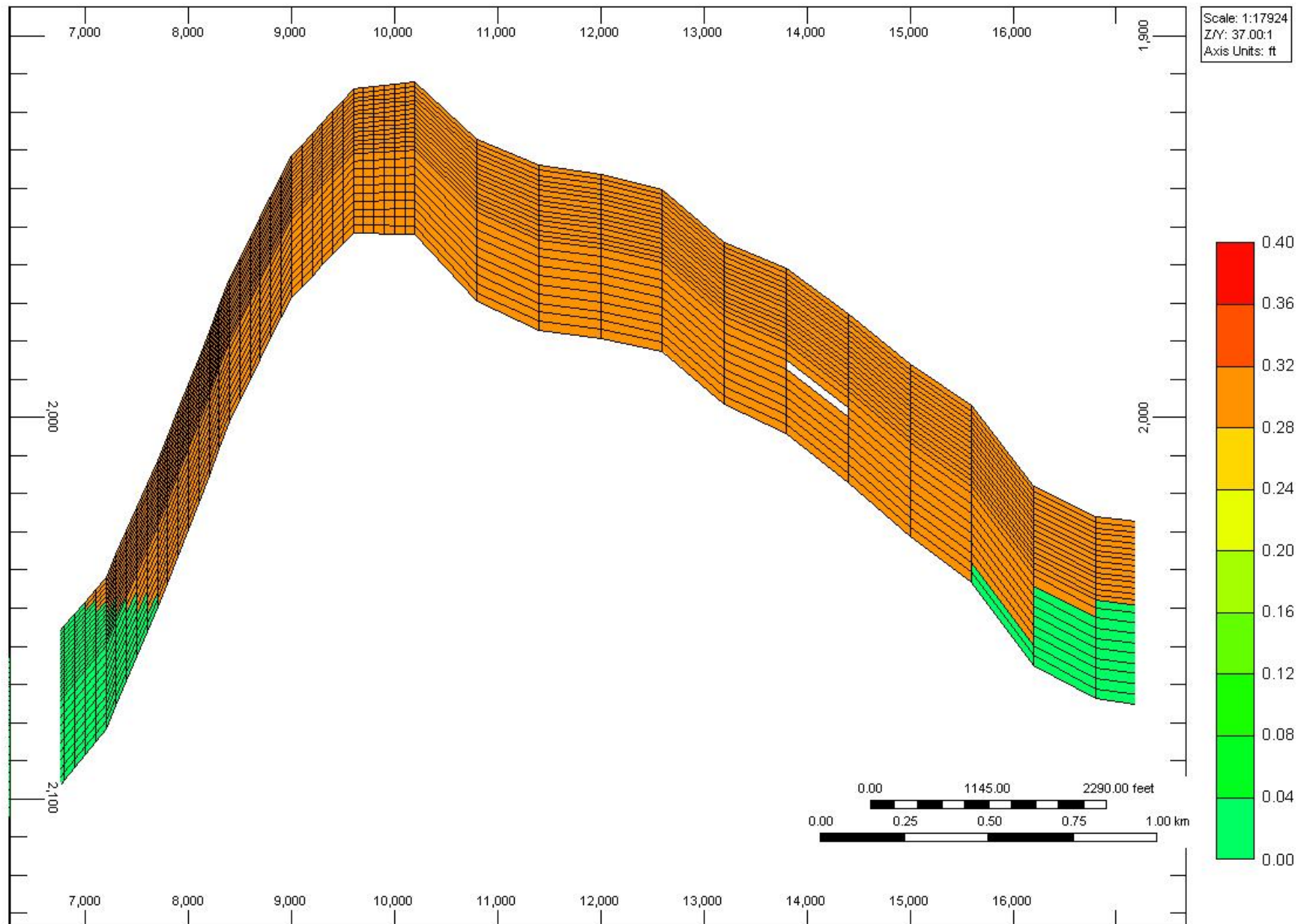
## Fine Grid Simulation Work Summary – Task 2

- The history matched full field coarse gridded (600' X 600') model was used as the basis for fine-gridded (100' X 100') , well level model.
- Time 0 is field start-up. Time 1 is proposed time of completion of observation well.
- Production ongoing with well EB#14 continuing to produce at a constant rate of 625 MSCF/Day
- Case A is the **expected case** with all history matched properties assumed.
- Case B is an “artificial case” to depict a scenario with a full column of hydrate still intact at the location of the observation well. Note: This does not history match.
- Case D is an “artificial case” to depict a scenario where the hydrate column is almost gone at the location of the observation well. Note: This does not history match.



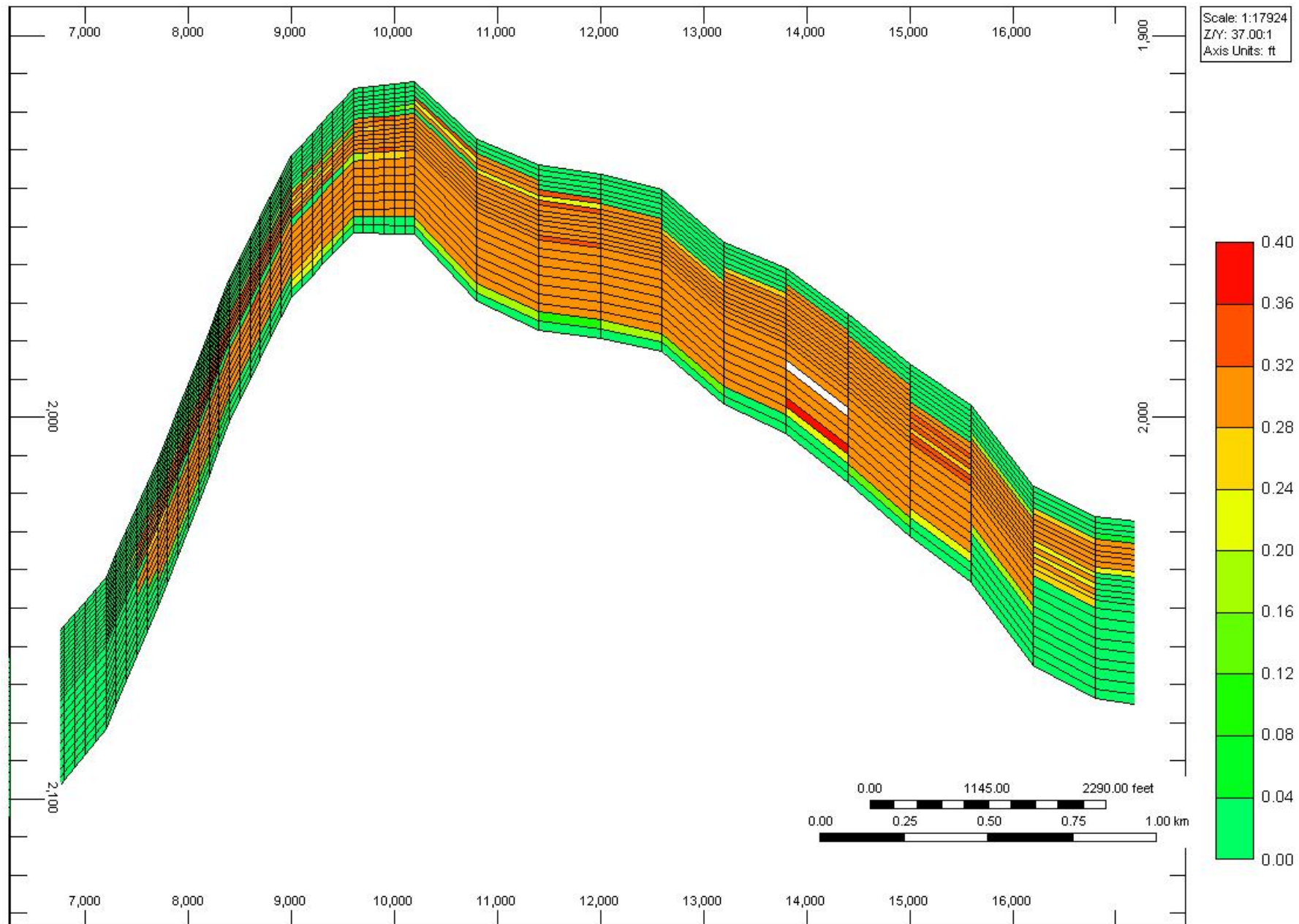
# CASE-A (Base Case: Time 0)

East Barrow Reservoir Model  
Oil Saturation 1981-12-01 | layer: 20



# CASE-A (Base Case: Time 1)

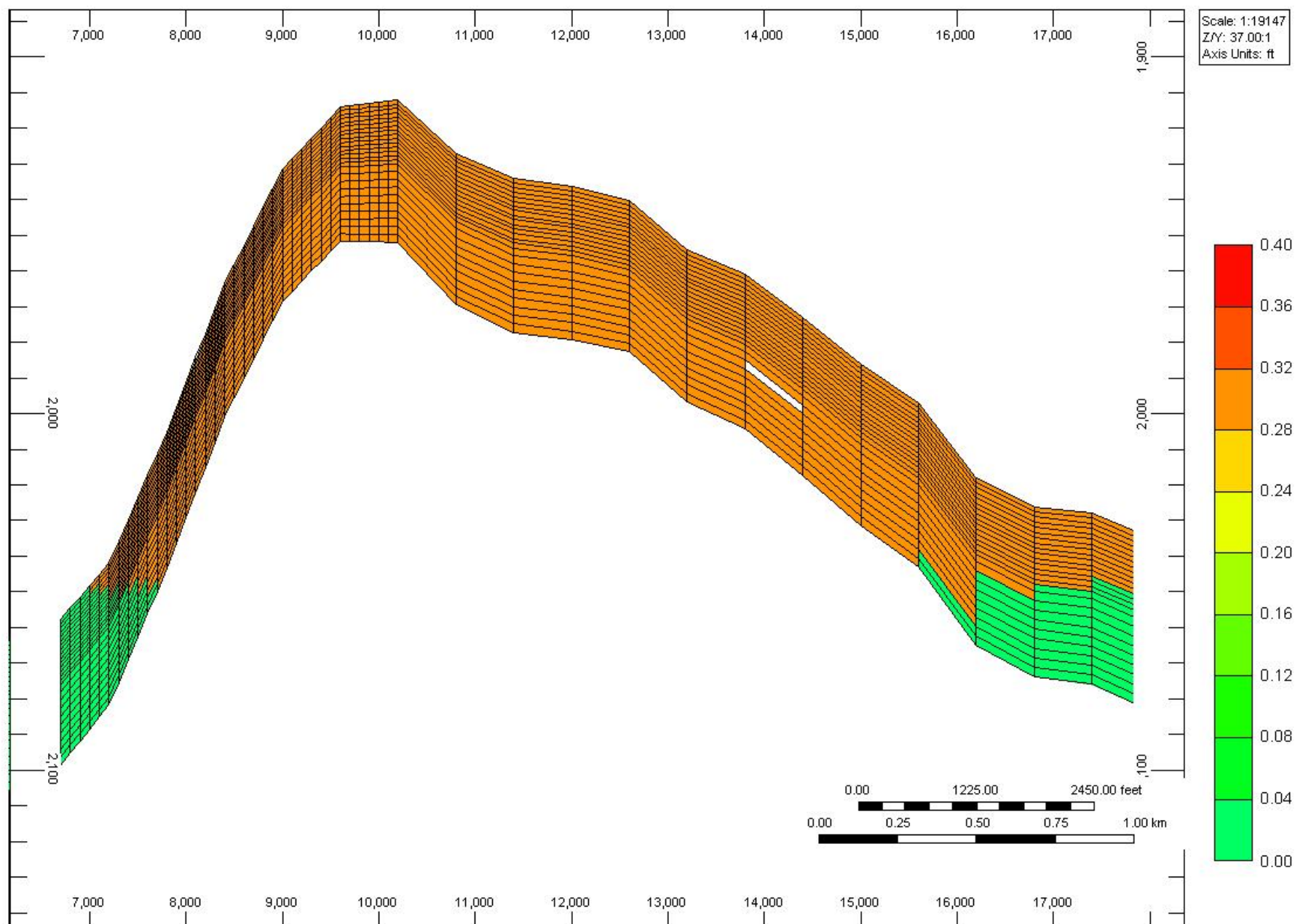
East Barrow Reservoir Model  
Oil Saturation 2010-10-01 I layer: 20





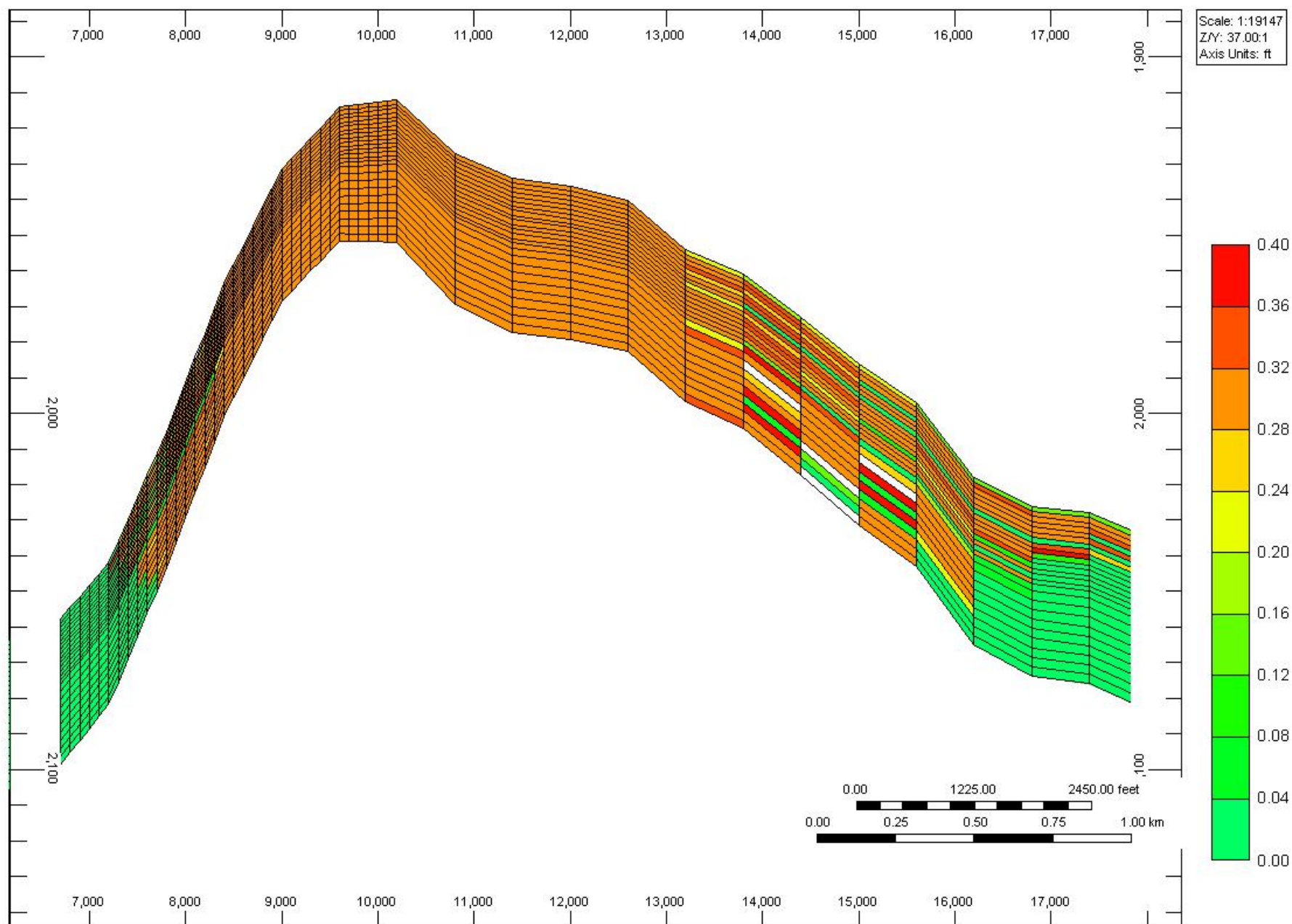
## CASE-B: Time 0

East Barrow Reservoir Model  
Oil Saturation 1981-12-01 | Layer: 20



## CASE-B: Time 1

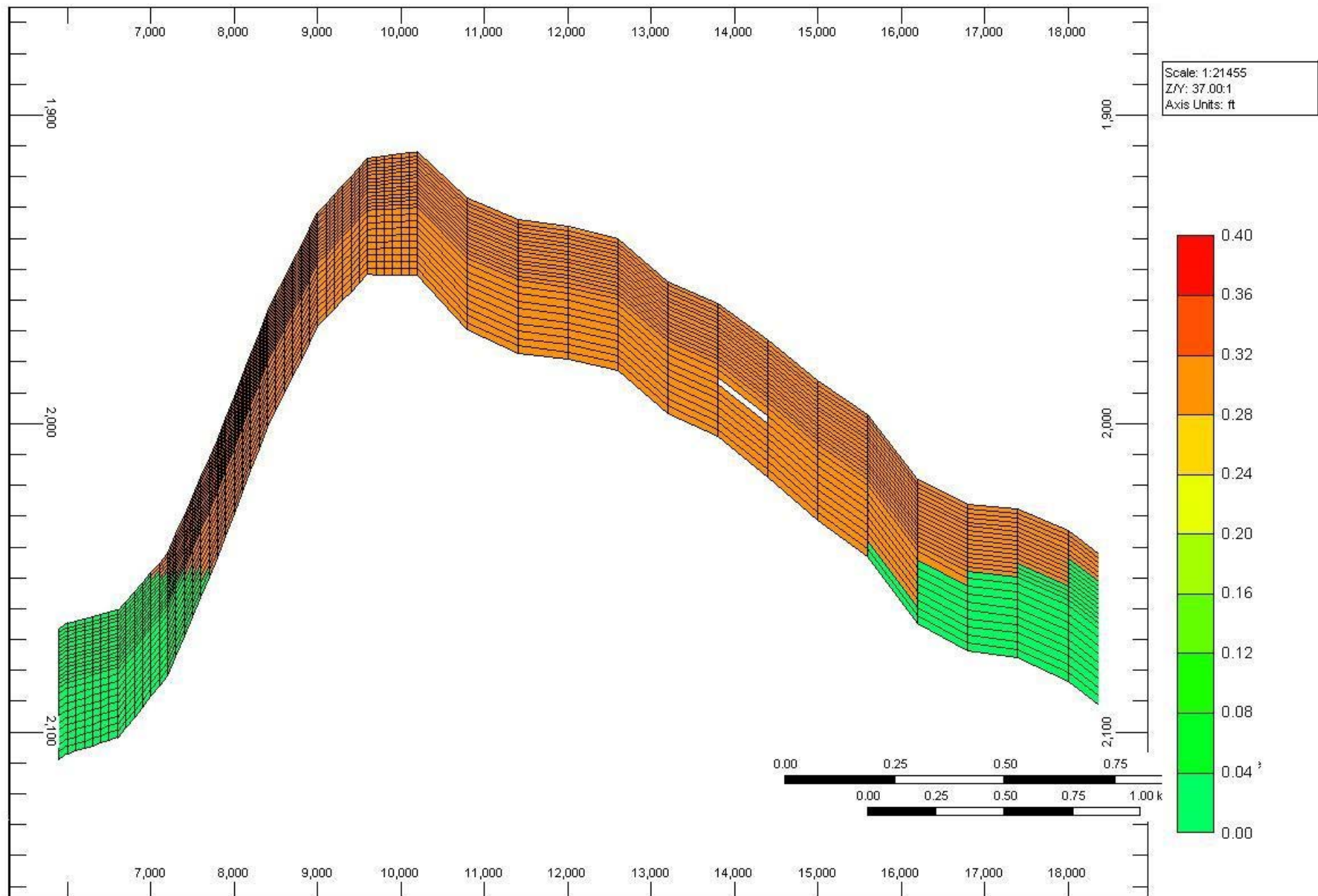
East Barrow Reservoir Model  
Oil Saturation 2010-10-01 I layer: 20





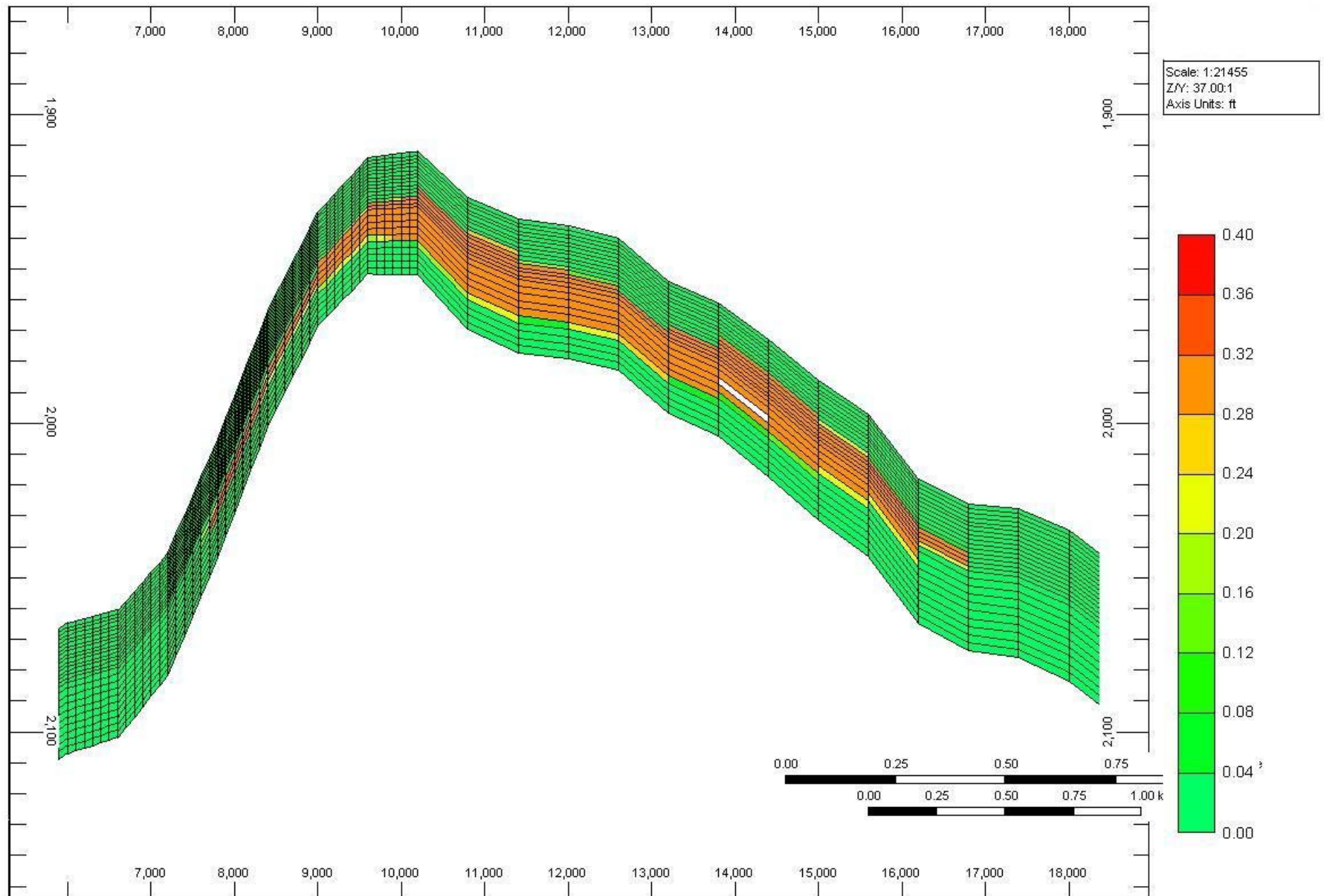
## CASE-D: Time 0

East Barrow Reservoir Model  
Oil Saturation 1981-12-01 I layer: 20



## CASE-D: Time 1

East Barrow Reservoir Model  
Oil Saturation 2010-10-01 I layer: 20





## Observations of Task 2 - Simulation Work to Pick Well Location based on Time 0 and Current Time

- The expected case shows hydrate decomposition from below (from the original free gas/hydrate interface), and from the overburden and underburden. At the time the observation well is drilled, at least one interface is expected.
- As a practical matter, other possible scenarios may be found at the observation well including 2.) a full column of hydrate, with no interface. Or, 3.) very little to no hydrate.
- The full column of hydrate case was artificially created by turning off thermal properties of the overburden and underburden. This could have also been created by tweaking other input values.
- The smaller column of hydrate was created by using a higher temperature of overburden and underburden, leading to more hydrate dissociation.
- This work suggests that an observation well near EB#19 is a good location and is expected to see adequate hydrate and an interface to monitor. However, the best placement of the producer well, and/or relocation of the observation well is dependent on what is found in the pilot (stratigraphic) hole.

## Work Scope of Fine-Grid Simulation Task 3

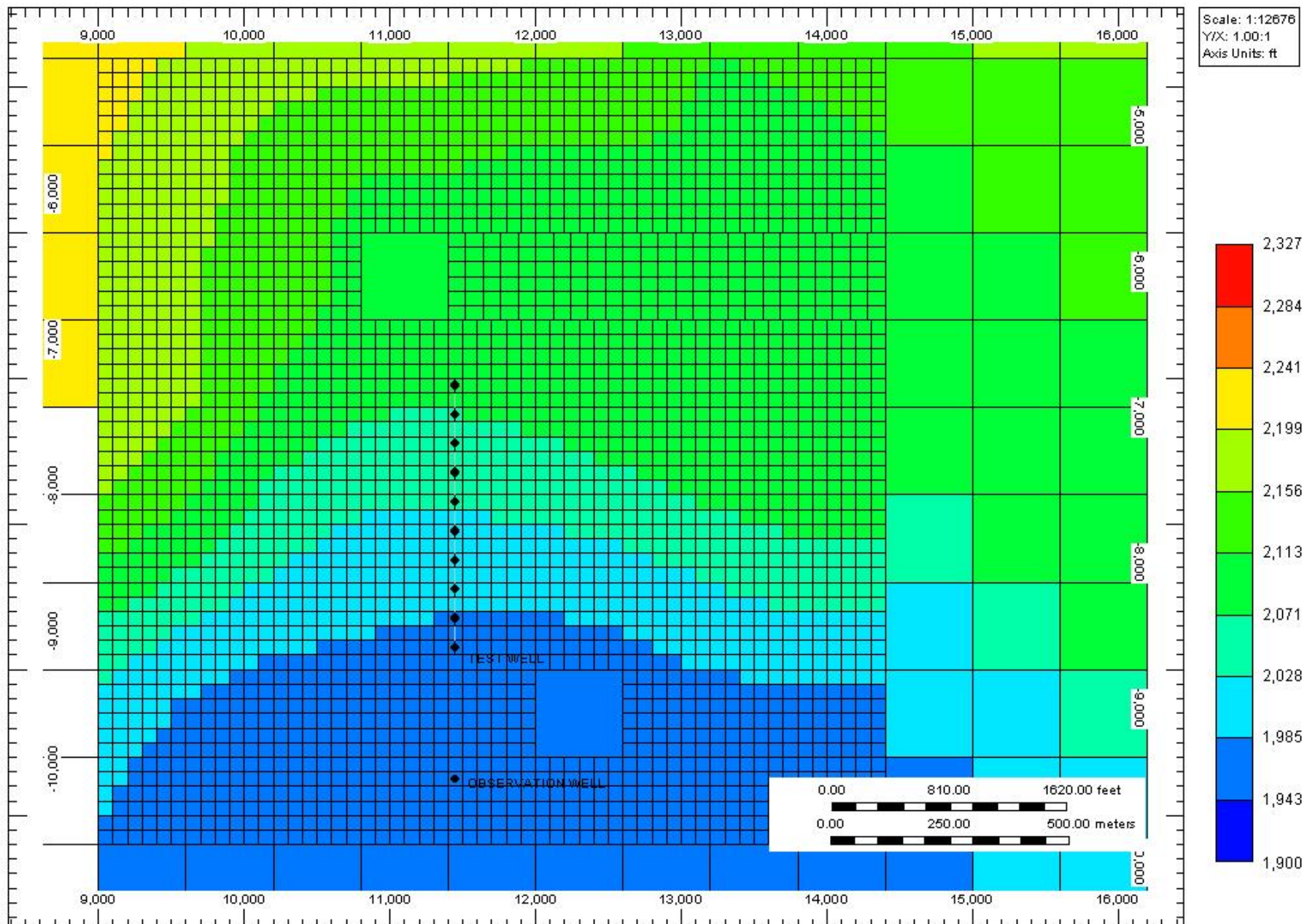
- Uncertainty and actual location of hydrate column/interface must be acknowledged.
- Create simulation models with two sets of an observation well and a producer well to account for these uncertainties.
- Run the simulation out 5 years (duration of surveillance program) to show the response in the observation well due to downdip production in the free gas leg.
- Use simulation results and observations to plan the well design.



# CASE-A

## WELL IJ PLANE VIEW

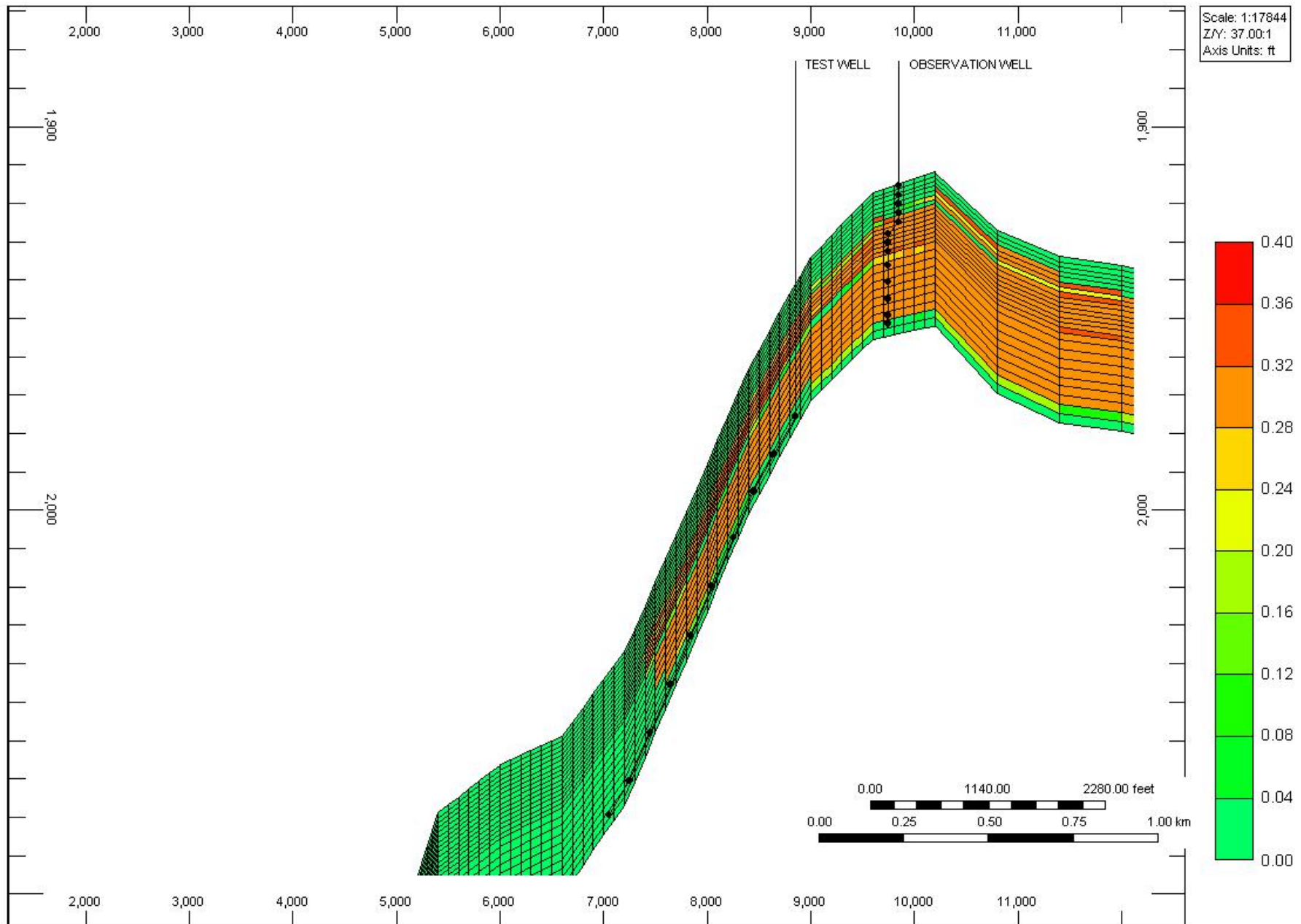
East Barrow Reservoir Model  
Grid Top (ft) 2010-10-01 K layer: 24



## CASE-A

(HYD SATURATION @ TIME  $t = 0$ )

East Barrow Reservoir Model  
Oil Saturation 2010-11-01 1 layer: 20

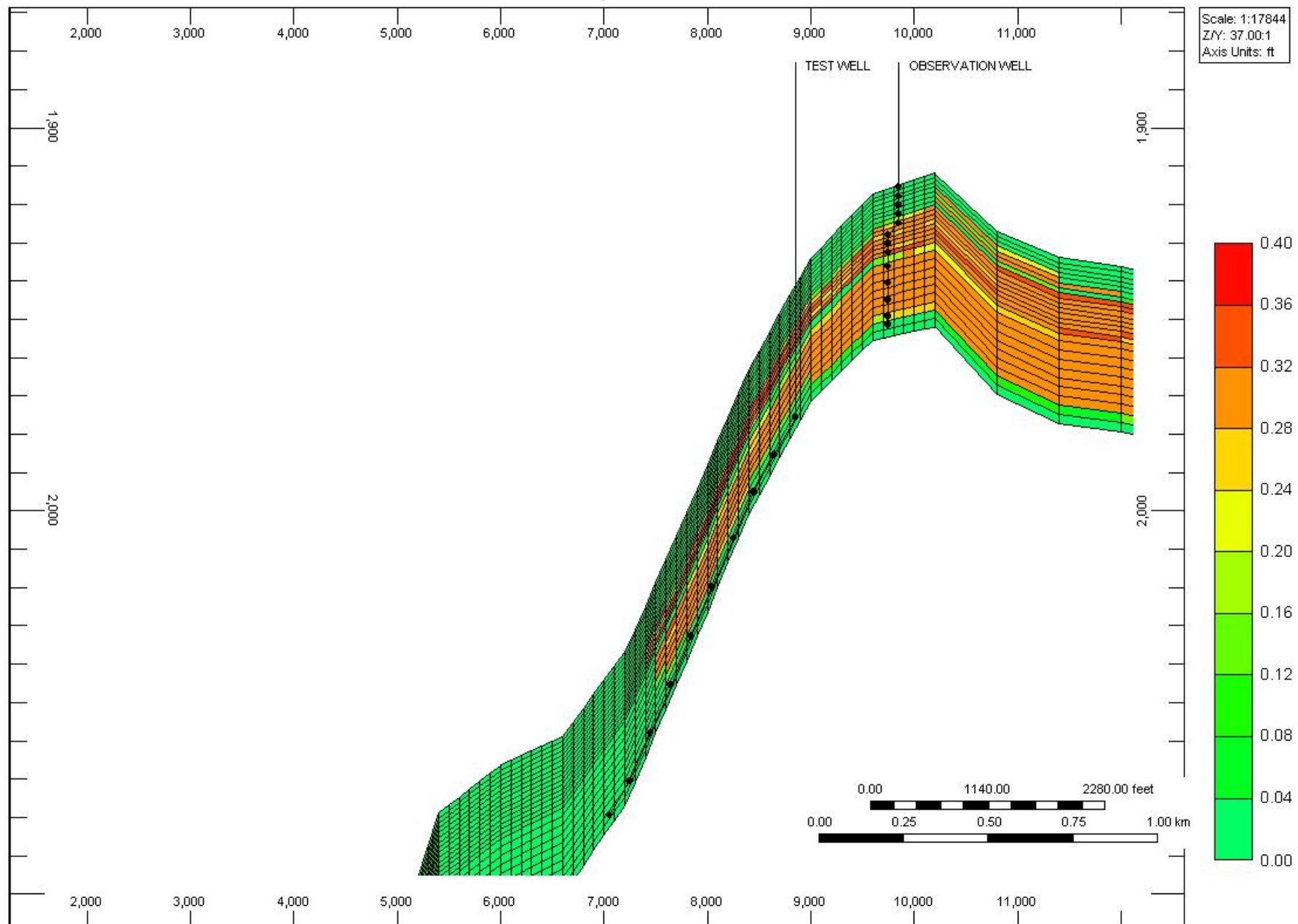




## CASE-A

(HYD SATURATION @ TIME  $t = 1$  year)

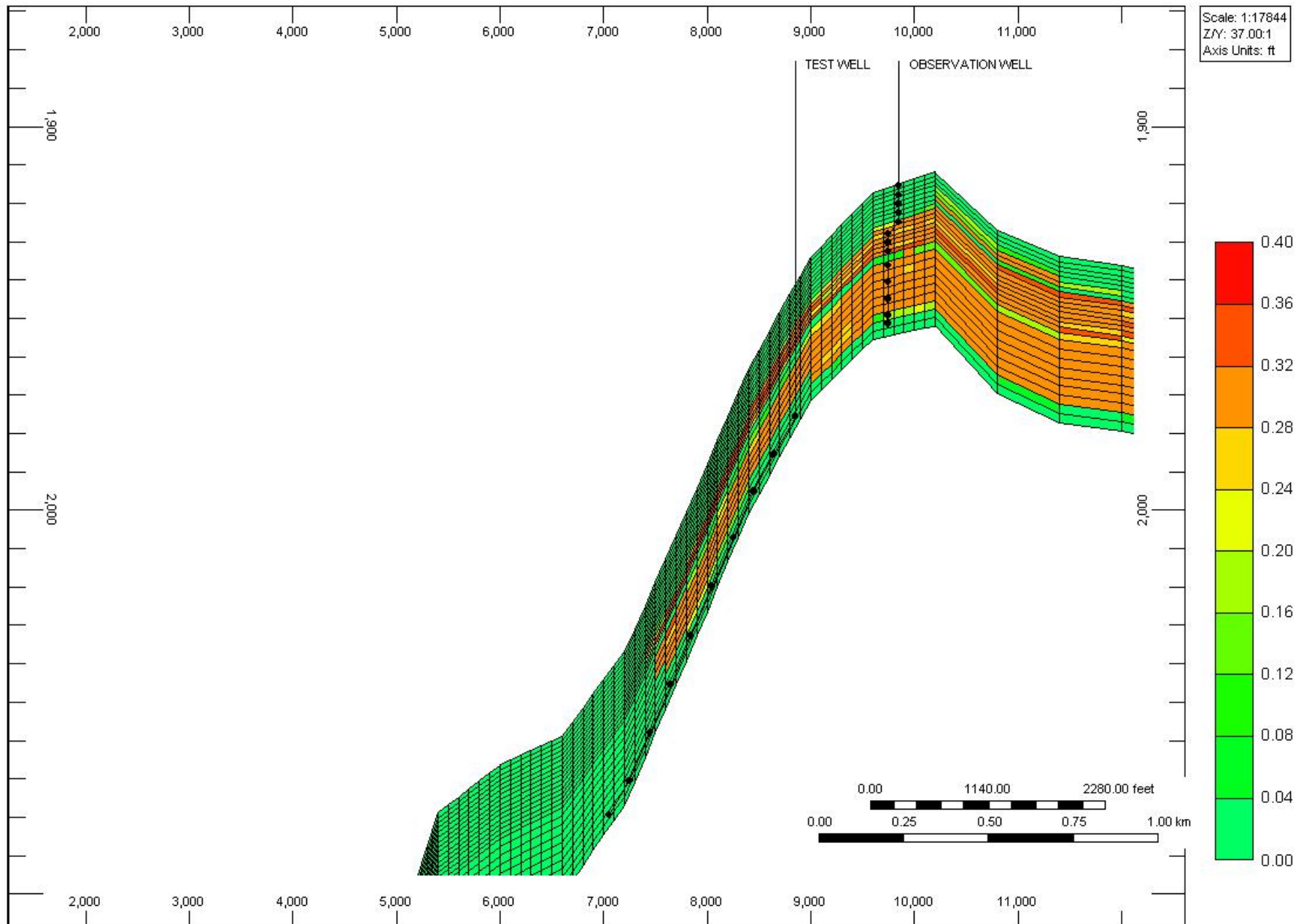
East Barrow Reservoir Model  
Oil Saturation 2011-11-01 1 layer: 20



## CASE-A

(HYD SATURATION @ TIME  $t = 2$  years)

East Barrow Reservoir Model  
Oil Saturation: 2012-11-01 1 layer: 20

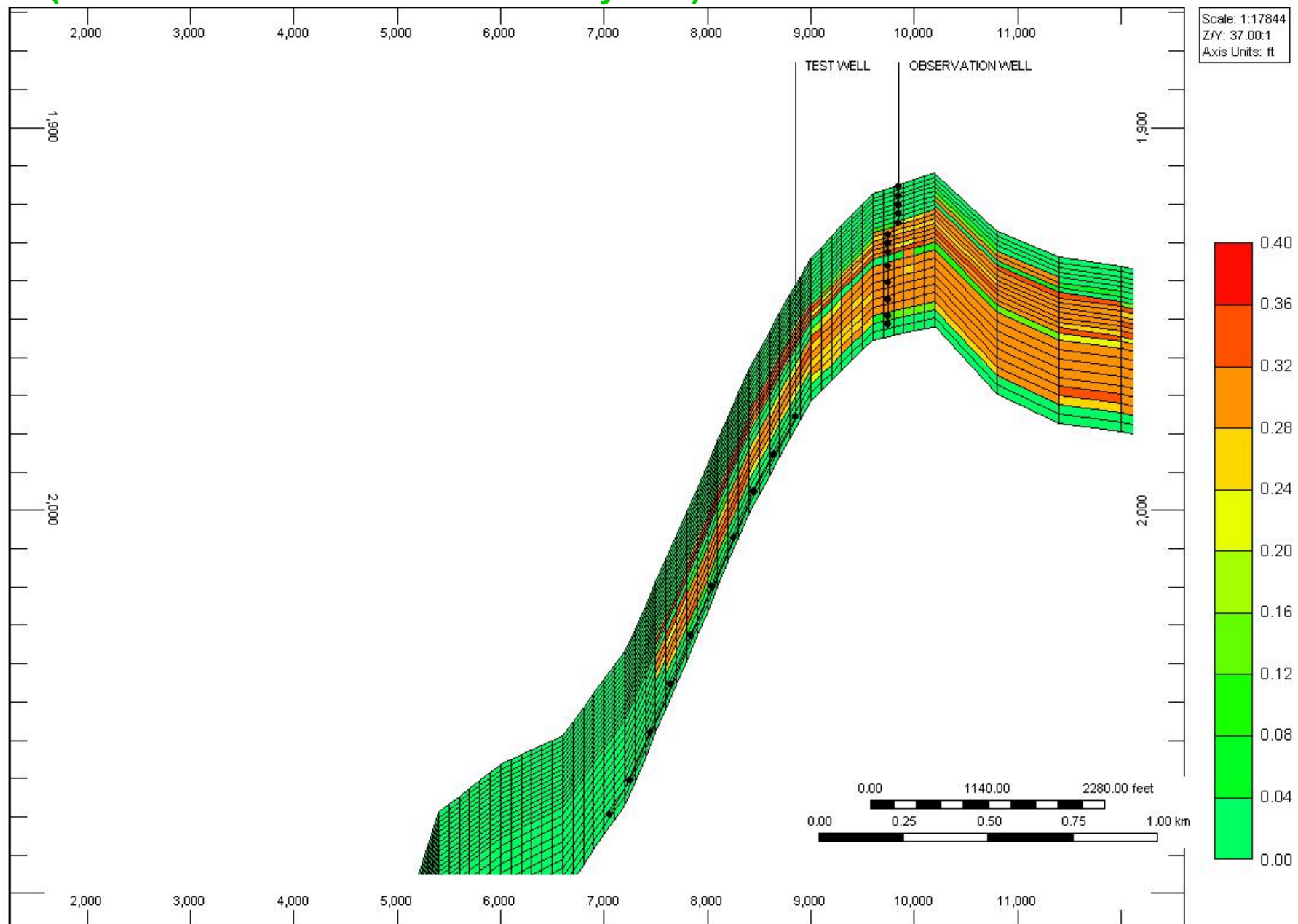




## CASE-A

(HYD SATURATION @ TIME  $t = 3$  years)

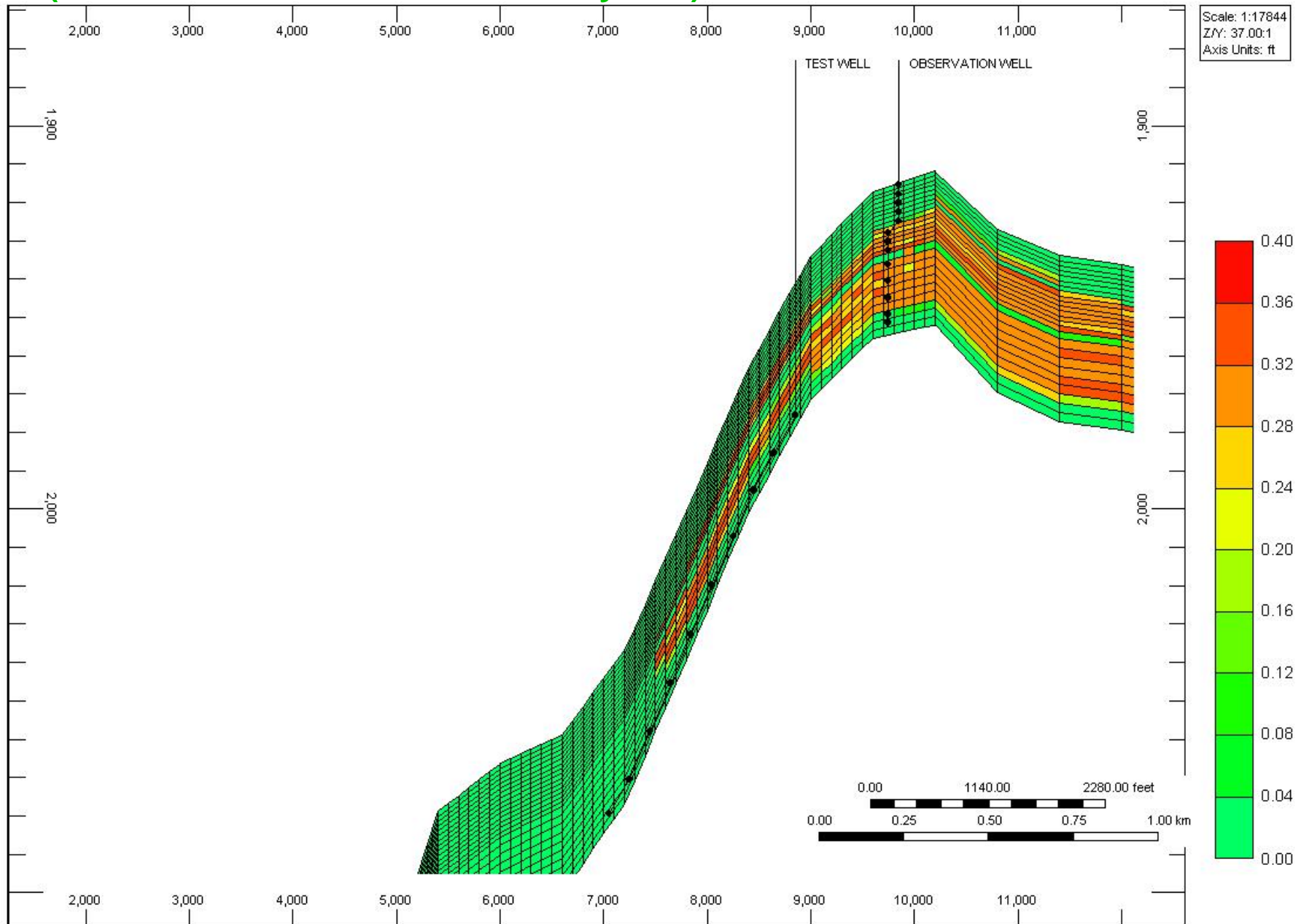
East Barrow Reservoir Model  
Oil Saturation 2013-11-01 1 layer: 20



## CASE-A

(HYD SATURATION @ TIME  $t = 4$  years)

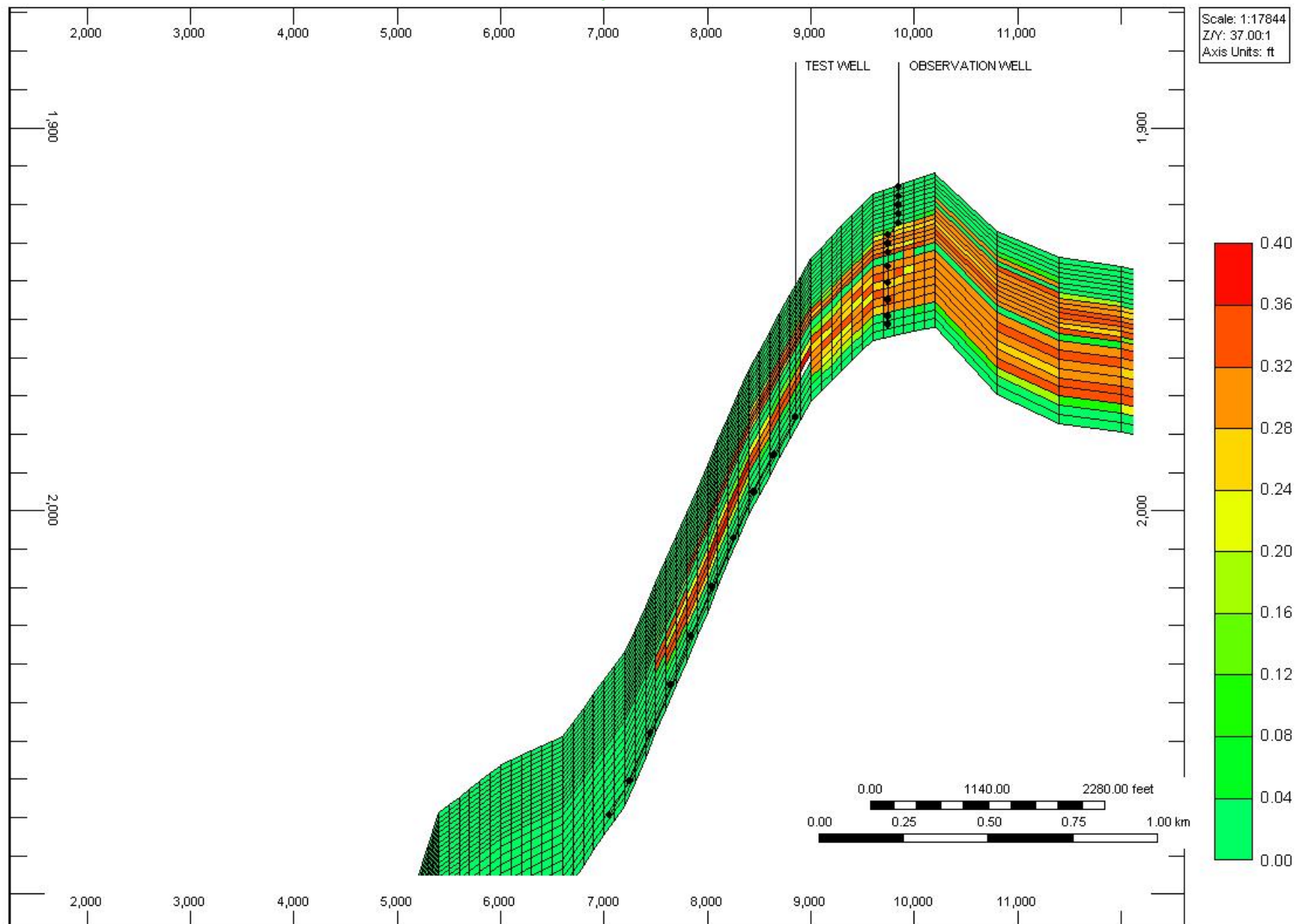
East Barrow Reservoir Model  
Oil Saturation 2014-11-01 1 layer: 20





# CASE-A (HYD SATURATION @ TIME $t = 5$ years)

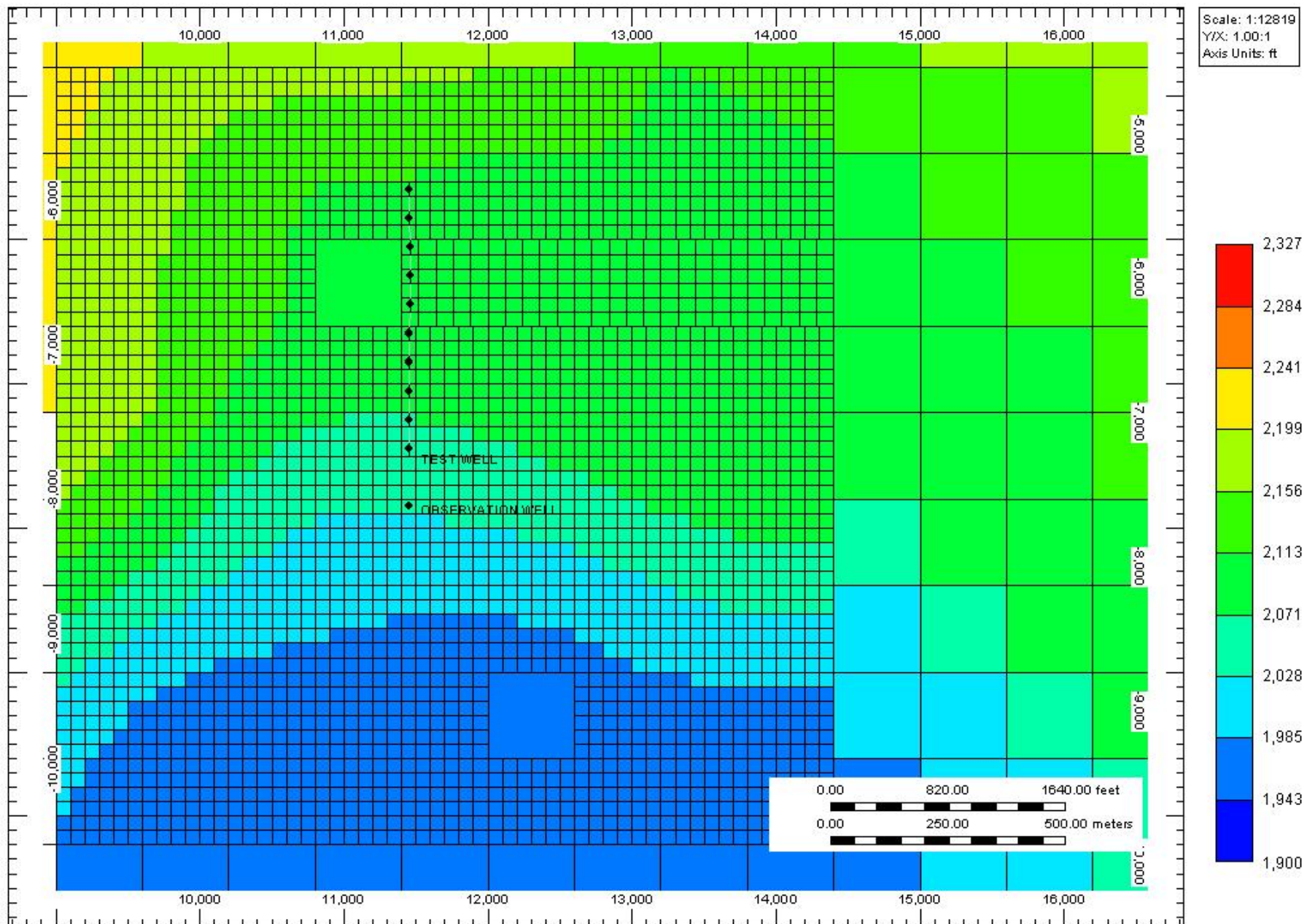
East Barrow Reservoir Model  
Oil Saturation: 2015-10-01 I layer: 20



# CASE-B

## WELL IJ PLANE VIEW

East Barrow Reservoir Model  
Grid Top (ft) 2010-10-01 K layer: 24

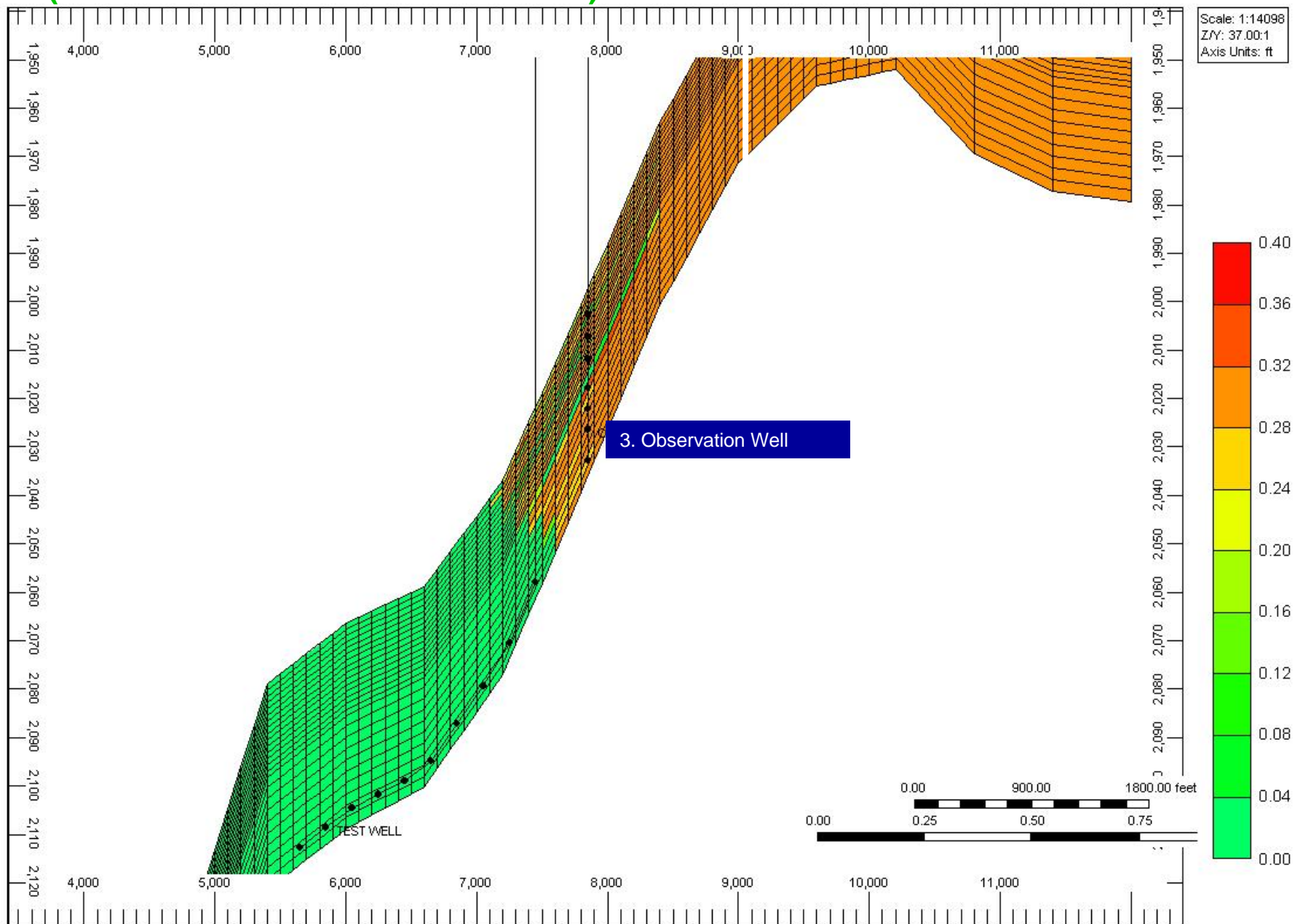




## CASE-B

(HYD SATURATION @ TIME  $t = 0$ )

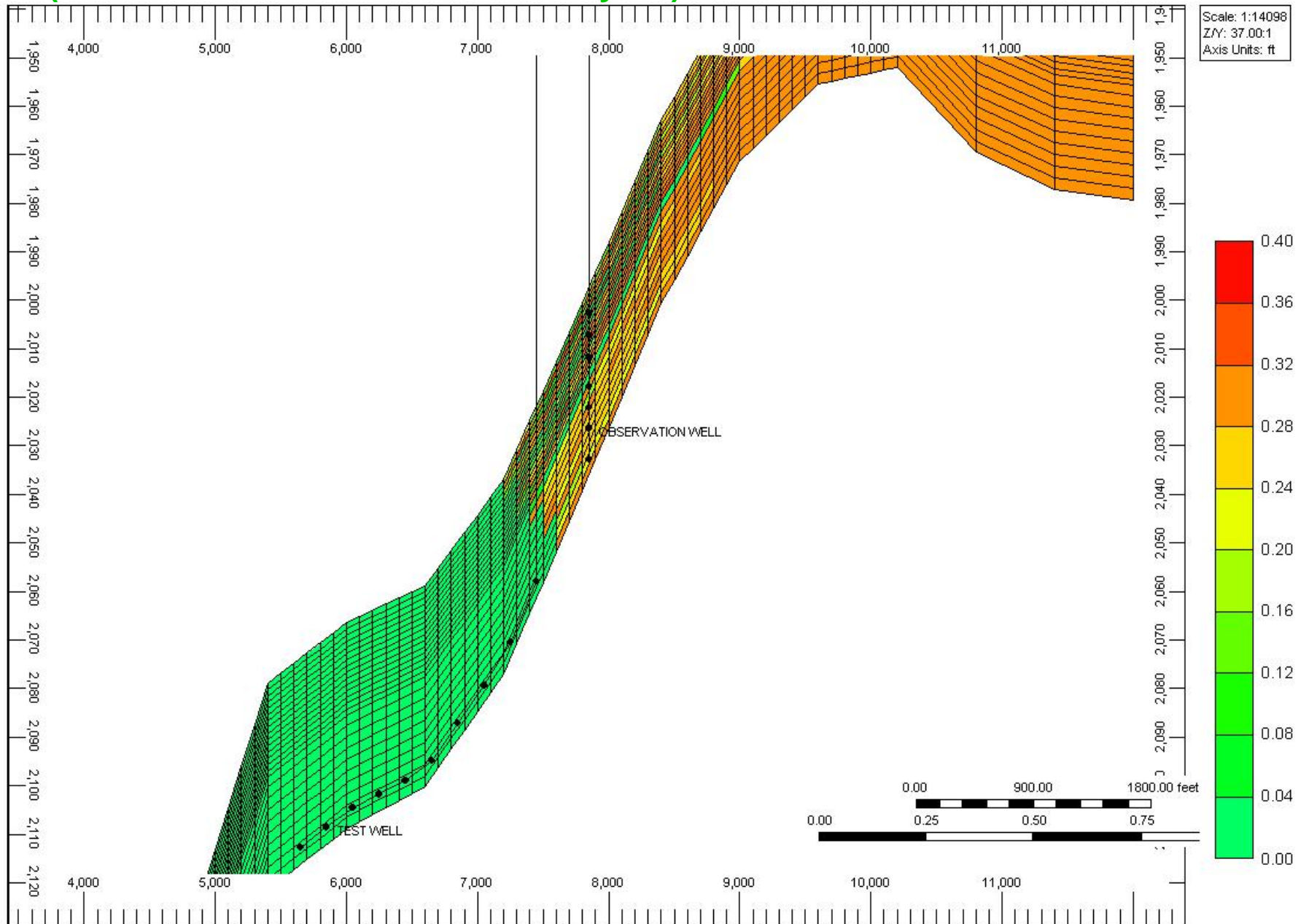
East Barrow Reservoir Model  
Oil Saturation 2010-11-01 1 layer: 20



## CASE-B

(HYD SATURATION @ TIME  $t = 1$  year)

East Barrow Reservoir Model  
Oil Saturation 2011-10-01 1 layer: 20

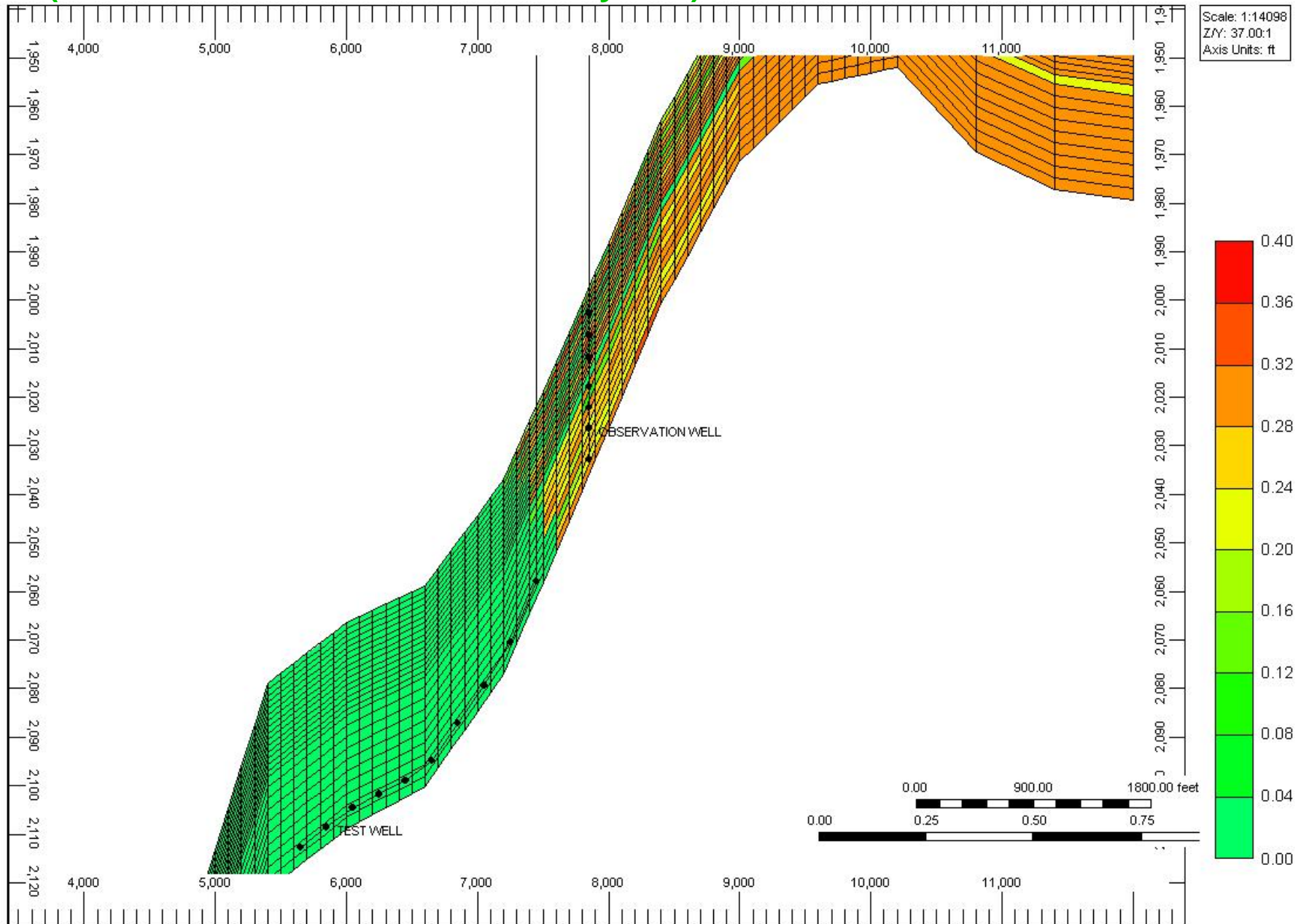




## CASE-B

(HYD SATURATION @ TIME  $t = 2$  years)

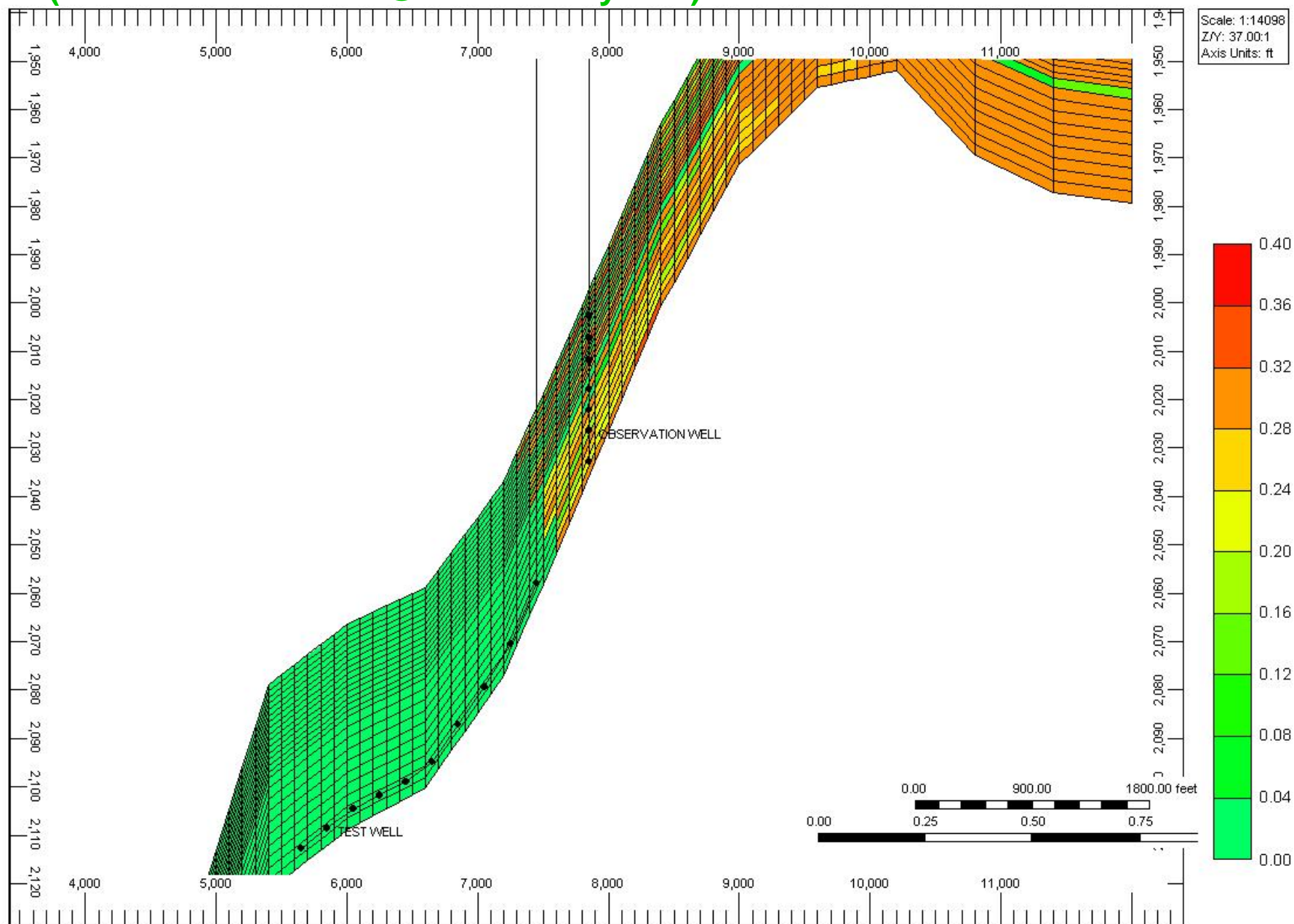
East Barrow Reservoir Model  
Oil Saturation 2012-10-01 1 layer: 20



## CASE-B

(HYD SATURATION @ TIME  $t = 3$  years)

East Barrow Reservoir Model  
Oil Saturation 2013-11-01 1 layer: 20

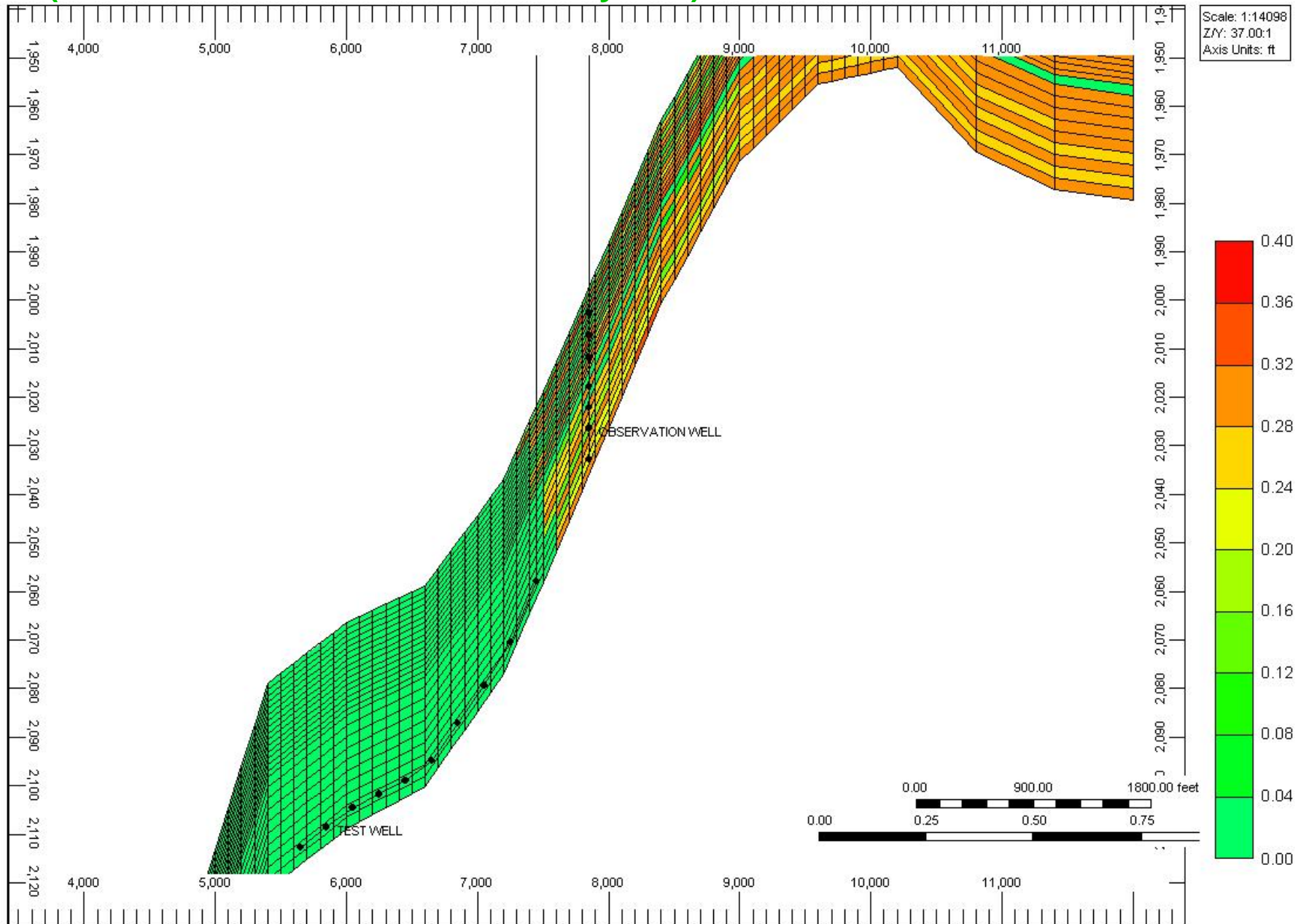




## CASE-B

(HYD SATURATION @ TIME  $t = 4$  years)

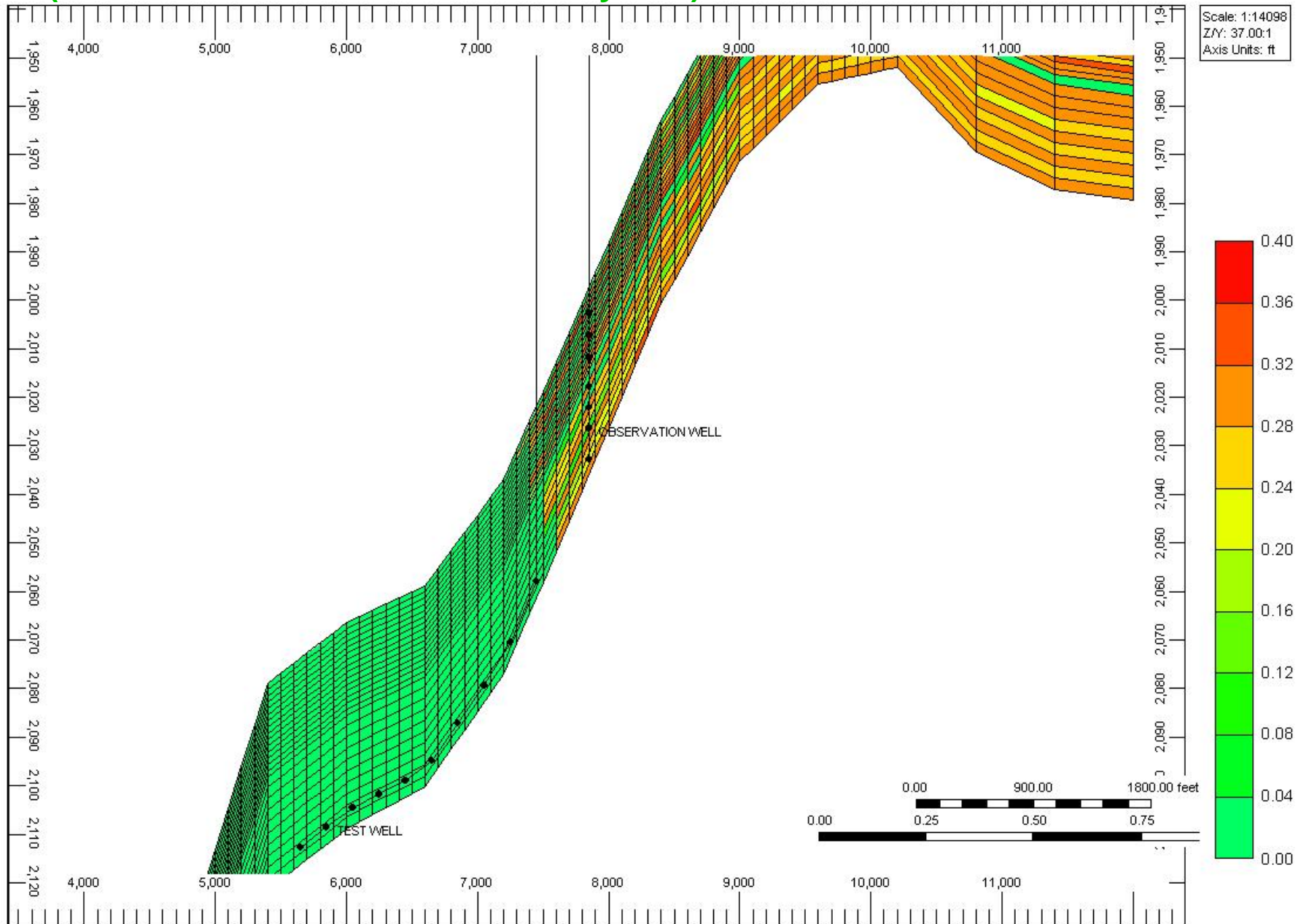
East Barrow Reservoir Model  
Oil Saturation 2014-11-01 1 layer: 20



## CASE-B

(HYD SATURATION @ TIME  $t = 5$  years)

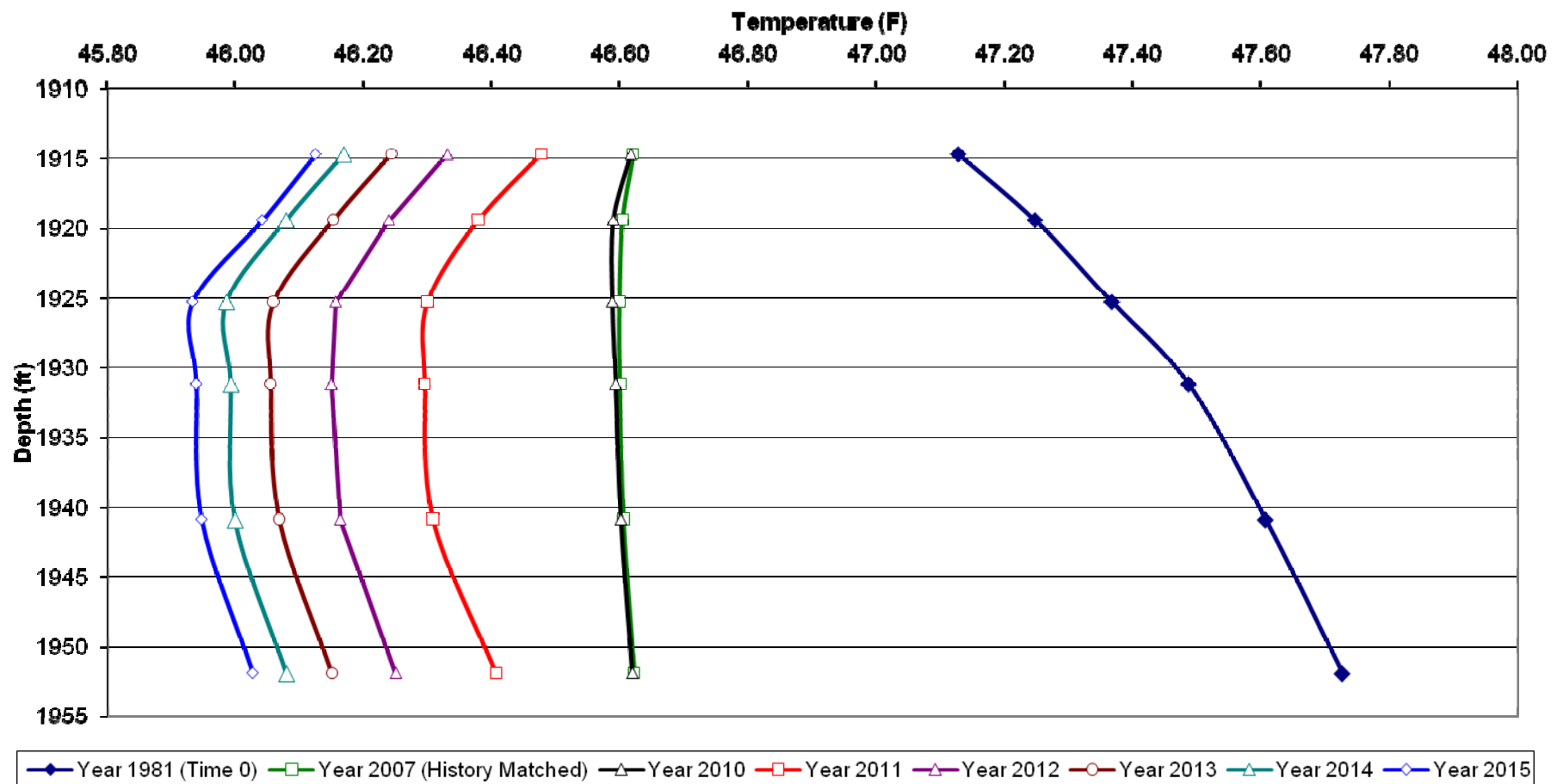
East Barrow Reservoir Model  
Oil Saturation 2015-10-01 1 layer: 20



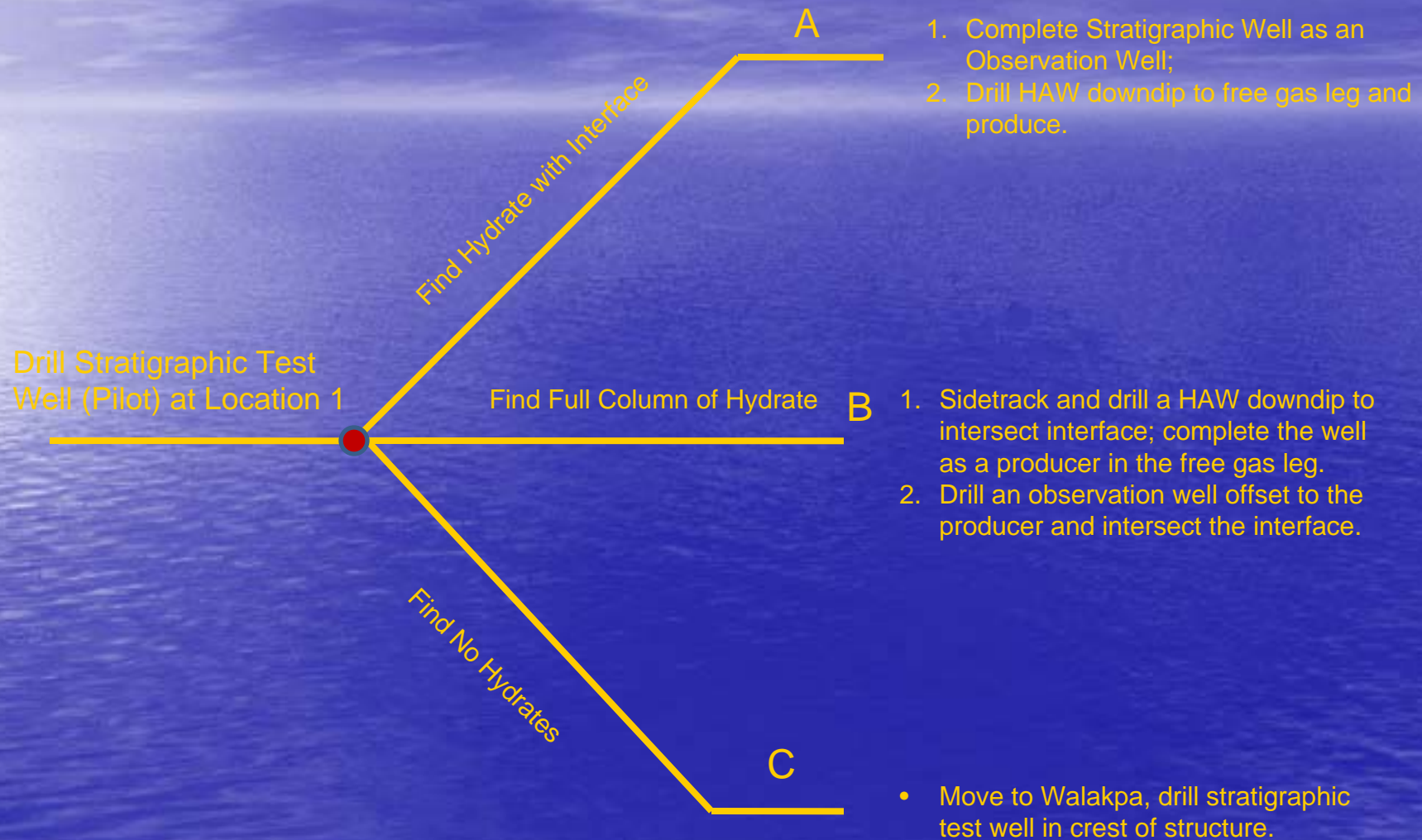


# Temperature Response in Observation Well

**CASE -A**  
**Temperature Profile (Cells Containing Vertical Observation Well)**



# Decision Tree from Results of Stratigraphic Test Well





# Well Design Objectives

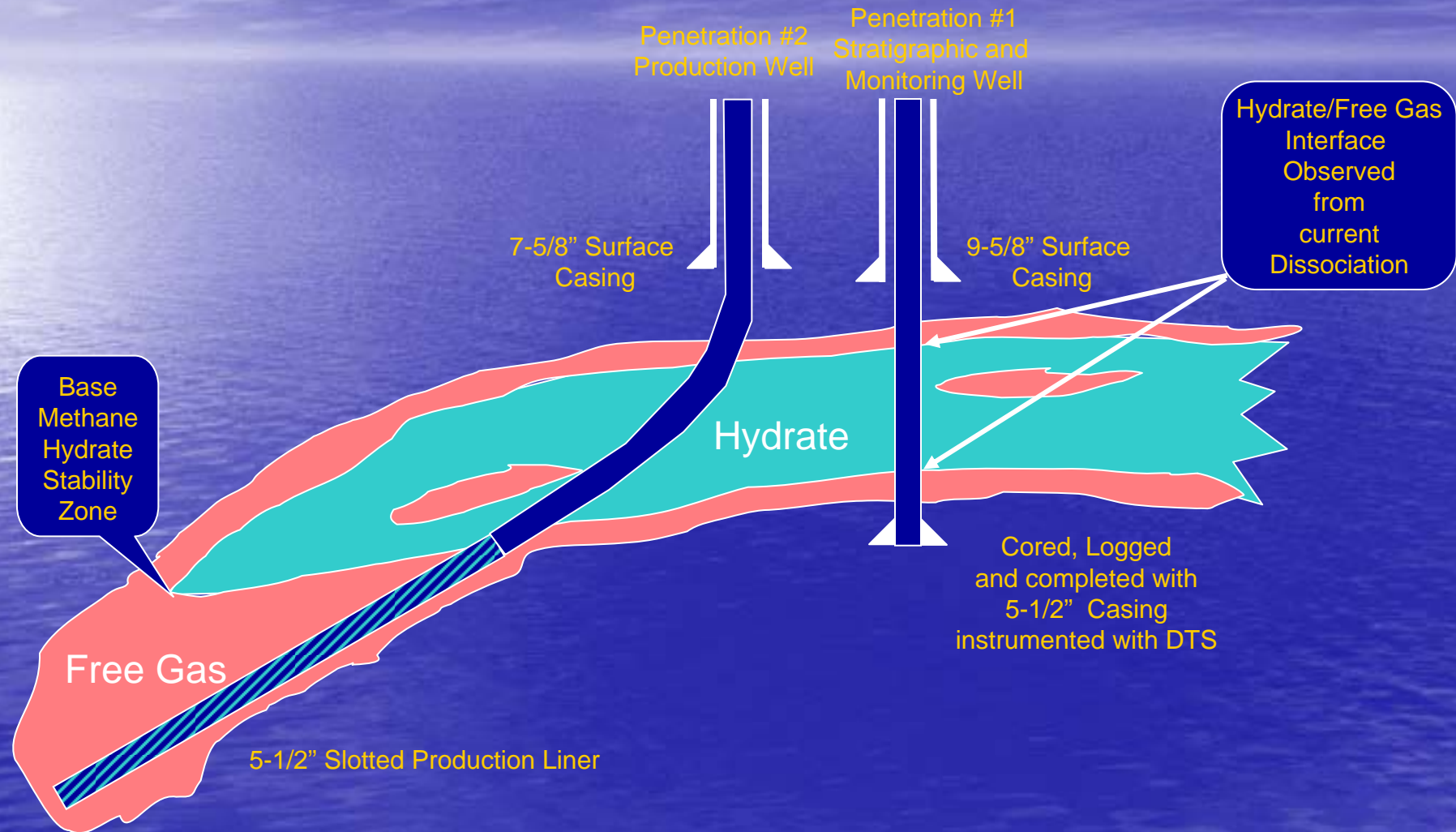
- Producer can produce at sufficient rates to change the hydrate layer at the observation well.
- The response at the observation well should not be affected by near wellbore production affects.
- Conclusion – Dedicated single wells, producer drilled as a high angle or horizontal well.

# Coring and Data Acquisition

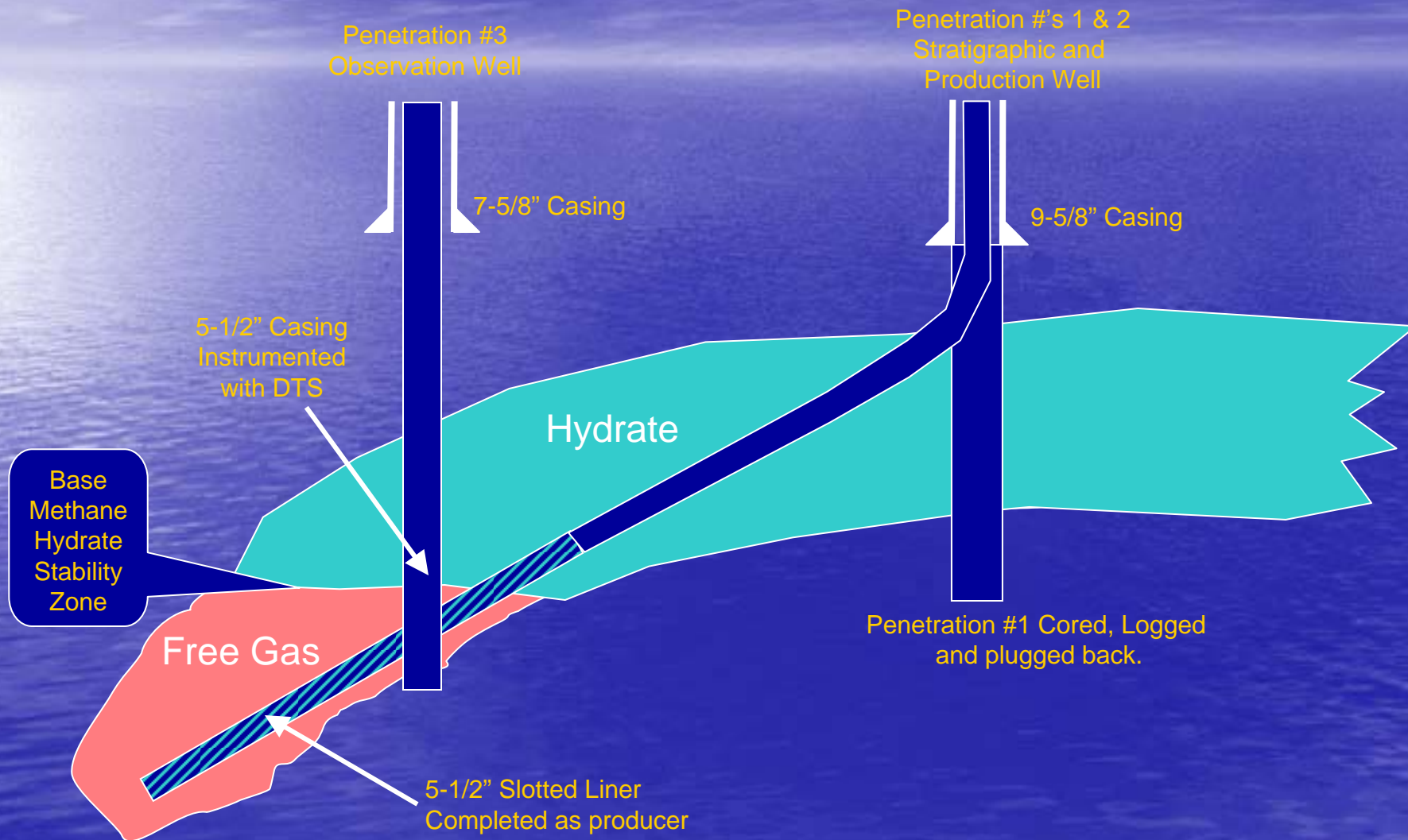
- Logging: LWD and Wireline
- Coring best practices from Mallik and Mt. Elbert
  - TAG member(s) to be selected from those involved
  - Interviewing of technologists for state of art
  - Lead and support functions to be worked



# E Barrow Methane Hydrate Well Drilling/Completion Sequence Scenario A



# E Barrow Methane Hydrate Well Drilling/Completion Sequence Scenario B





# Well Design Alternatives

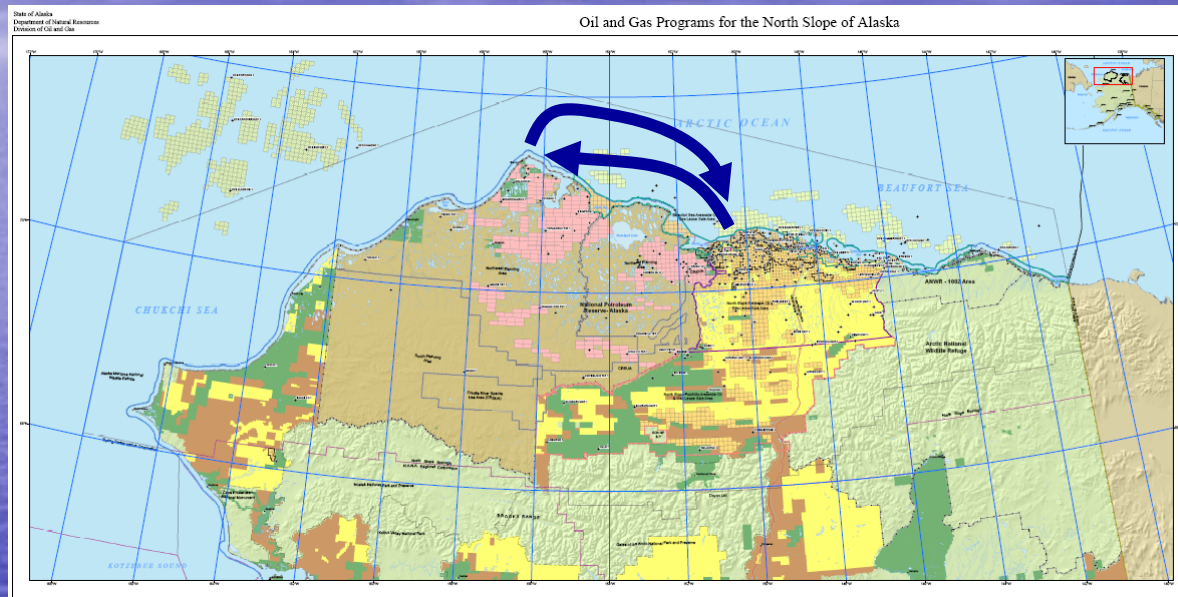
A very high level cost and economic evaluation suggests that two wells are required, one to produce and one to observe and to find hydrate interface.

The state of art of multilateral technology is still being investigated to see what is possible.

It is likely at this shallow depth, the cost and simplification of completion may suggest two wellbores are preferred to one well with multilateral completions.

# Program 2010 -2011

## Operations/Logistics Profile



- Stage Rig and Support Services in Prudhoe Bay
- Barge operating Spread to Barrow
- Mobilize to E. Barrow
- Ice/Snow road to Walakpa (if necessary)
- Demob rig and support back to Prudhoe Bay



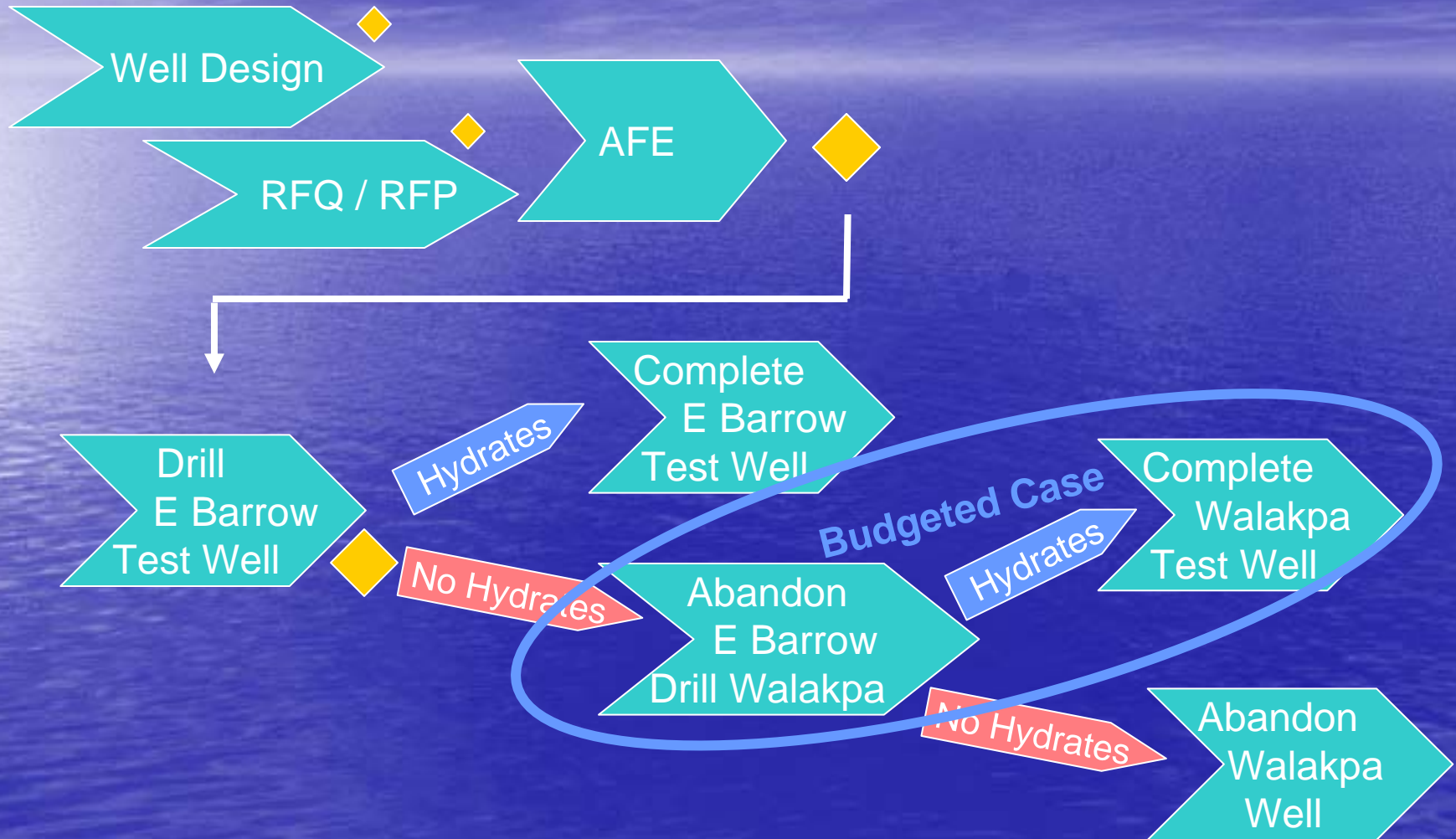
# Methane Hydrate - East Barrow Gas Field

## Logistics Supply Chain Management

### ➤ Critical Planning Elements

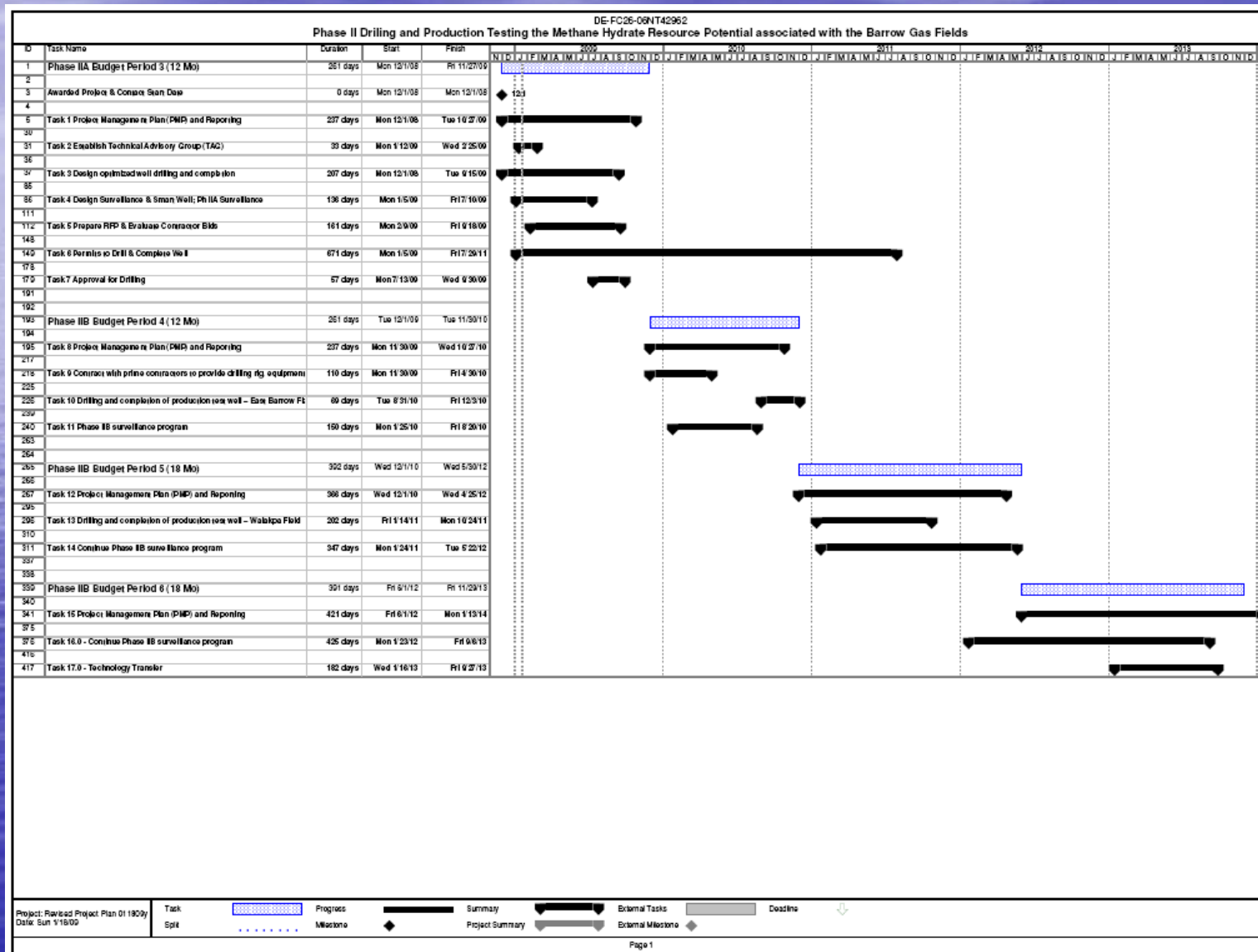
- Beaufort Sea - seasonal barging transit period from PRB to Barrow, Ak
- Federal/BLM and State of Alaska Tundra travel access limitations
- Remote Arctic drilling, completions, testing operations requiring continuous logistical support.
- Logistics operations assets will include barges, aircraft, helicopter & vehicles – air/land/sea.
- Service sector representation to approach 23-25 different companies with varying logistics support requirements
- Need for identifying logistic synergies among service providers and ensuring proper integration from point of manufacture to end user
- Logistics support equipment inventory will be non static. Assets will be de-mobilized as required back to PRB
- Fuel burn management : rig/camp/vehicles/lighting/heaters
- Well Construction supply chain inventory management
- Walakpa access : snow pak trail vs. ice road
- Field Environmental Coordination (FEC) monitoring and reporting of tundra travel routes

# NSB Hydrates Phase 2 Plan

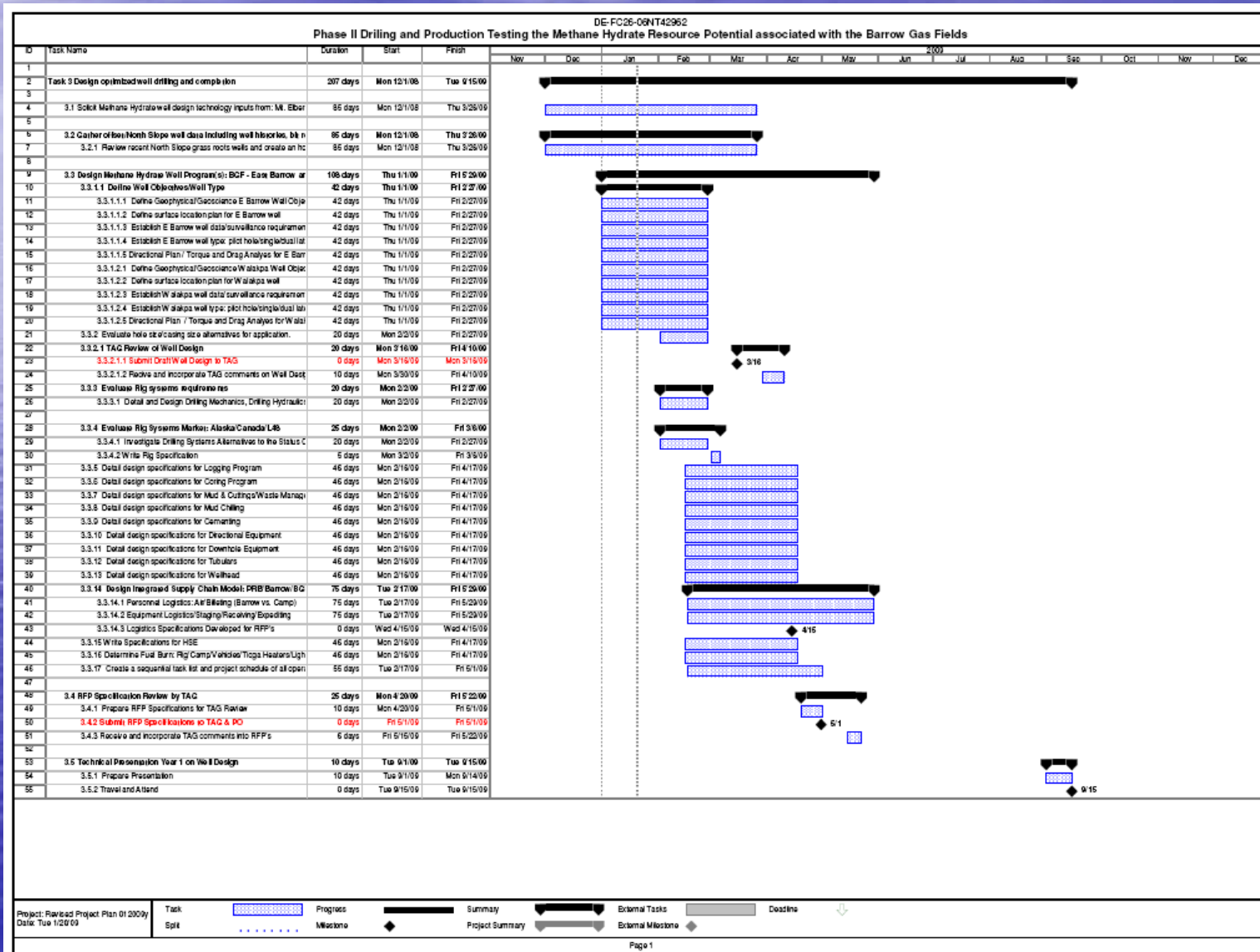




# NSB Hydrates Phase 2 PMP Gantt

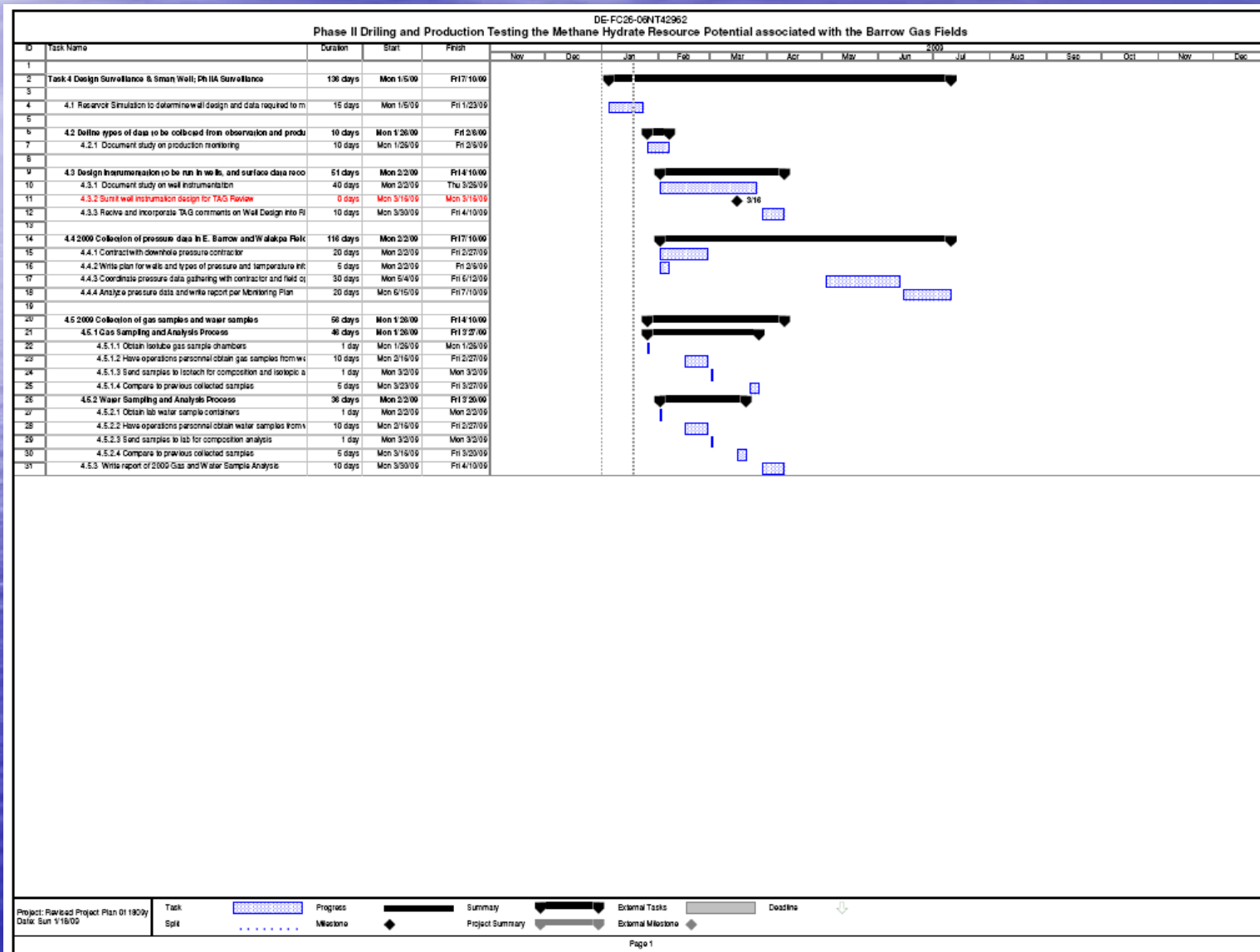


# Task 3: Well Design Gantt

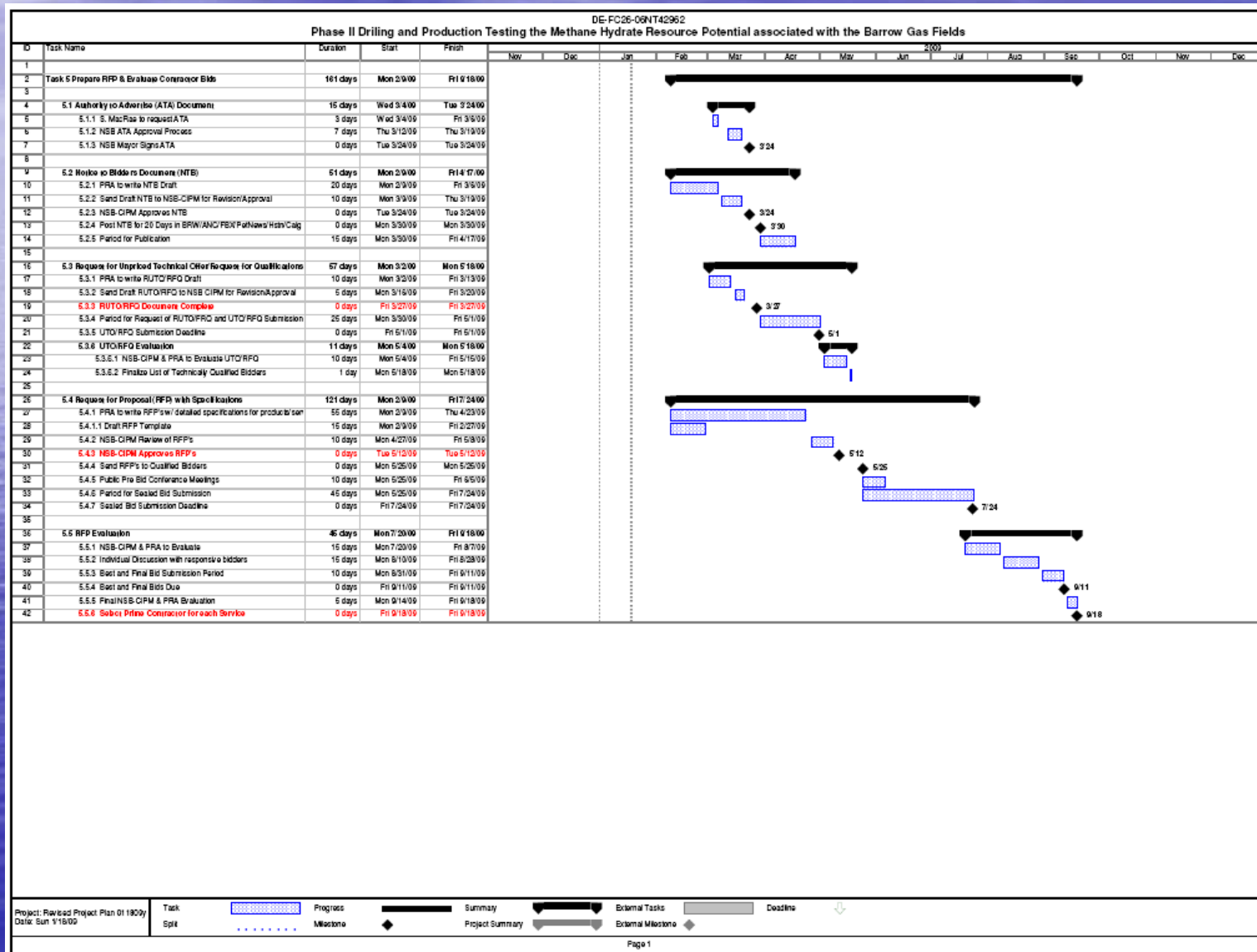




# Task 4: Monitoring / Surveillance Gantt



# Task 5: Procurement Gantt





# Task 6: Permitting Gantt

