

Oil & Natural Gas Technology

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Quarterly Research Performance Progress Report (Period ending 12/31/2015)

A new approach to understanding the occurrence and volume of natural gas hydrate in the northern Gulf of Mexico using petroleum industry well logs

10/1/2012-3/31/2016 (with extension)

Submitted by:
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Office of Fossil Energy

EXECUTIVE SUMMARY

The main objective of the project is to significantly increase our understanding of the occurrence, volume and fine scale distribution of natural gas hydrate in the northern Gulf of Mexico using petroleum industry and Gulf of Mexico Gas Hydrate Joint Industry Project (JIP) well logs.

First Year

In the first quarter (October 1, 2012-December 13, 2012), the initial steps were to establish an estimate for the base of gas hydrate stability zone (GHSZ) for each industry well in the Gulf of Mexico and begin ordering industry well data. For the modeling side of the project, student Brian Tost completed a formation model for JIP2 wells in Alaminos Canyon, Gulf of Mexico. Ann Cook and Barbara Anderson began constructing formation models for the sand reservoir in Green Canyon, Gulf of Mexico.

In the second quarter (January 1, 2013-March 31, 2013) well orders were completed for each block in the Gulf of Mexico, by Cook, Urmi Majumdar (PhD student), Abby Crock (undergraduate hourly) and Samyra Ismail (undergraduate hourly). Eleven total DVDs were ordered from the Bureau of Safety and Environment Enforcement (BSEE). Student Brian Tost defended his master's thesis on the JIP Alaminos Canyon wells. Undergraduate senior Abby Crock completed her thesis on Alaminos Canyon industry wells in Block 857.

In the third quarter (April 1, 2013 - June 30, 2013) Urmi Majumdar and Samyra Ismail began working on well assessments by Gulf of Mexico Block. This involved opening each well log, noting the types of logs available in the GHSZ and analyzing the log for any signs of natural gas hydrate. By the end of June, Majumdar completed initial reports on all of the wells in East Breaks and Keathley Canyon. The plan is to produce reports of this type for all assessed Gulf of Mexico Blocks. At the end of May, Tost and Cook submitted a conference article entitled, 'Do Gas Hydrates Occur in Alaminos Canyon, Gulf of Mexico?' the Unconventional Resources Technology Conference, which will be presented in August 2013. Tost was moved to a part time hourly worker for the summer (June 1-August 16) so he can complete the manuscript on Alaminos Canyon for the Journal of Geophysical Research. Cook and Anderson worked on resistivity formation models for JIP2 Hole GC955-H. Unfortunately, some of the Schlumberger proprietary models have changed and do not match the well conditions in Hole GC955-H. Anderson is working on having Schlumberger reinstate the old models.

In the fourth quarter (July 1 - September 30, 2013) Majumdar continued working on assessments in the Gulf of Mexico, specifically focusing on Alaminos Canyon and Mississippi Canyon. The report for Alaminos Canyon can be found on pages 7-13 of this quarterly report. Tost presented his work at the Unconventional Resources technology conference. Tost and Cook continued to work on to work on the Alaminos Canyon Block 21 manuscript for submission to JGR. Anderson was able to fix the Schlumberger proprietary models, but we were not able to complete the resistivity formation models for GC955-H and WR313-G because of the delay.

The target completion date for the resistivity models was moved to December 31, 2013.

Second Year

In the first quarter of year two (October 1, 2013-December 31, 2013), Majumdar and Cook continued working on the Gulf of Mexico assessments. Over half of the large protraction areas have now been completed (see Figures 1 & 2); including East Breaks, Alaminos Canyon, Keathley Canyon and Garden Banks. The northern section of Mississippi Canyon has also been completed. Majumdar and Cook submitted abstracts to ICGH and the GRC. The ICGH abstract was accepted with an Oral presentation. Cook and Tost submitted the manuscript on Alaminos Canyon to JGR. In December, Cook and Majumdar held a phone conference with Matt Frye and Bill Shedd and discussed several of the prospects in mid-December.

In course of the second quarter of year two (January 1, 2014 – March 31, 2014), initial assessments for Garden Banks, Green Canyon, Walker Ridge, Atwater Valley and Mississippi Canyon. These wells will be double-checked before digital well data is ordered. Ismail compiled maps from the Year 2, Q1 assessments in addition to Garden Banks. In February, Cook and Majumdar presented a summary of the project and a request for project continuation to DOE, which was granted. In March, Cook, Majumdar and Ismail presented three posters on this project at the Gordon Research Seminar. Additionally, Majumdar presented a talk at the Gordon Research Seminar the weekend before the GRC.

Resistivity models for GC 955 and WR 313 are still behind. Cook has identified new models that may be used instead of Schlumberger's proprietary models and will be pursuing these in May.

During the third quarter of the second year (April 1, 2014- June 30, 2014), two additional undergraduate students were hired (Andrew Burchwell and Mackenzie Scharenberg) to double check all of the logs and spreadsheets for hydrate prospects in the Gulf of Mexico. In addition, we changed some of the criteria and the new students worked with Majumdar to update and correct any spreadsheet errors. We developed new criteria to rank each of the reservoirs:

Reservoir I: Resistivity > 5 ohm-m from established background
Reservoir thicker than 30 ft

Reservoir II: Reservoir meets only 1 of the conditions from Reservoir 1

Reservoir III: Resistivity greater than 0.5 ohm-m above background

Also during the third quarter, we calculated hydrate saturation in fracture accumulations in WR313 and GC955H using best-fit ANISBED models. Saturations ranged from ~2% to 20% in the fractured accumulations. Cook is looking into additional modeling methods to help constrain these estimates. Majumdar submitted a conference paper to ICGH on the project. Cook published a paper in the JMPG special issue on India including some of her work on GC955 and WR313 on the project.

In the fourth quarter of year two, July 1 – September 30, 2014, further refinement of reservoir rankings was established:

Reservoir 1: 5 ohm*m or above increase in resistivity above background for at least 30 ft.

Reservoir 2 :

2A – 2ohm.m or more (<5ohm.m) increase in resistivity above background and for at least 30 feet.

2B – 0.5 to 2 ohm.m increase in resistivity above background for at least 30 ft OR >5 ohm.m increase above background resistivity but < 30 feet.

Reservoir 3 – 0.5 to 2 ohm.m increase above background resistivity for < 30 feet.

With these new rankings, we hope to clearly convey the best reservoirs clearly to anyone interested in the data. When available during the summer, undergraduate students Sharenberg, Burchwell and Ismail continued to double check the results from the first round of well log assessments, fixed clerical errors and clarified sections of the spreadsheets. Majumdar presented the current results of the project at the International Conference on Gas Hydrates in Beijing, China.

Third Year

During the first quarter of the third year, Cook traveled to New Orleans to meet with BOEM colleagues Matt Frye and Bill Shedd to discuss and investigate potential gas hydrate sites in the Gulf of Mexico that were identified during the Ohio State assessment. Majumdar also planned to attend this meeting but was not able to travel due to illness. The Cook and Tost paper on Alaminos Canyon was published

in JGR. Reservoir rankings were changed again to letters (A, B & C) to avoid confusion with Class 1, 2 & 3 hydrate reservoirs used in production models. Majumdar and Cook traveled to the AGU 2014 fall meeting to present the current project results. Majumdar is working on a manuscript of the assessment.

During the second quarter, the contract and purchase of 74 wells from TGS was finalized and the digital well log data was delivered to Ohio State. Cook traveled to the University of Texas at Austin to meet with Dr. Carlos Torres-Verdin and his group to learn about their petrophysical models. True resistivity models of Walker Ridge 313 and Green Canyon 955 were completed for the gas hydrate filled sands. Majumdar and Cook continued to work on manuscripts of the Gulf assessment.

In the third quarter, Cook requested an extension on the project to continue the Monte Carlo work in more detail. The Monte Carlo work was delayed because the digital data was only obtained at the end of the previous quarter by TGS. In addition, Cook and Majumdar decided to make one final order of data that has become available over the project period (for example, a well that came out of moratorium in January 2014 will be added to the assessment). This means all assessments and publications from the project will be based off of data that was

released as of June 2015. Cook and Majumdar continue to work on manuscripts, and once the new data is received, will work quickly to add it to the database. Andrew Burchwell (undergraduate student) was rehired. He helped order the data and will work on the database once the final data is received.

In the fourth quarter, Burchwell and Majumdar worked to add over 100 new wells to the database, most of them drilled in 2012-2014, but a few 2015 wells were also already available. Models and maps were updated with these new wells in late September. Majumdar and Cook shared a manuscript draft with Bill Shedd and Matt Frye for comments. All participants submitted an abstract to AGU, which was accepted and will be presented by Majumdar in December. Burchwell has also submitted an abstract with some of his work on nuclear well logs, which was also accepted for AGU. Work continues on the Monte Carlo estimate of gas hydrates and the BSR manuscript.

Year Four (Six Month Extension)

From October 2015 to the end of December 2015, Bill Shedd worked on checking the dataset for the BSR paper, and communicated the results with Cook and Majumdar. Majumdar and Cook began a manuscript on the database that we have constructed as part of this project. Work continued on the Monte Carlo simulation. We also added a new undergraduate, Judith Straathoff to help analyze digital log data.

Majumdar, Burchwell, Scharenberg and Cook presented their work on the project at the AGU Fall meeting. In the next three months, we hope to finish up the work and submit the two manuscripts.

PROGRESS, RESULTS AND DISCUSSION

See Table 1 for Project Timeline on each task and subtask.

Task 1.0 – Project Management Plan

During October and November, the Cook worked with Skip Pratt to develop the PMP for the project. It was completed on November 27, 2012.

Cook participated in a project kickoff conference call with DOE on November 7, 2012. In June of 2015, Cook requested a 6th month extension of the project.

Task 2.0: Evaluation of gas hydrate occurrence in petroleum industry well logs ***Subtask 2.1: Calculate the depth of the GHSZ depth in the Gulf of Mexico using ArcGIS.***

Gas hydrate stability zone models for the Gulf of Mexico were received from Matt Frye, BOEM. These models contain minimum, mean and maximum estimates as well as breakdowns from P10-P90. The Frye models were assessed and by Cook and students, and compared to a blanket GIS calculation based only on bathymetric depth. We decided Frye models were likely more accurate, and decided to use the P90 gas hydrate stability zone depth as a cutoff for the log order. Thus, wells that contains only logs depths deeper than P90 will not be ordered.

Students Tost and Ismail worked on outputting spreadsheet data from the GIS to make the industry well log orders. Some GIS issues, including missing wells, were encountered and hopefully fixed.

The first well data order from BSEE was on December 7, 2012 and ordering continued through the end of Q2. Two undergraduate students, Crock and Ismail, PhD student Majumdar, and Cook ordered well data and compiled spreadsheets on each well (Subtask 2.2). In total, 11 DVDs were ordered full of logging data from the Gulf of Mexico. This task was completed at the end of Q2.

Subtask 2.2: Well log evaluation and database development.

Spreadsheets were developed for each block in the Gulf of Mexico for wells drilled in water column greater than 1400 ft. Orders were then compiled on the BSEE website using their well query system. Each well was queried using the API number. The BSEE seafloor depth at each well was crosschecked with GIS bathymetry data to make sure hydrate stability zone calculations were reasonably valid. Well logs that were above the P90 cutoff were ordered in each well, including (but not limited to) gamma ray, resistivity, velocity, density, neutron porosity and caliper. Most frequently, wells only contained resistivity and gamma ray logs. Additionally, we will not know how shallow some of the logs were recorded until the log data is analyzed. Typically the top of logged interval is only reported for the top of any log and typically does not represent the top of logged interval for all logs.

Each well that was ordered will be analyzed completely through the Mean GHSZ estimate and anything of interest was noted through the P90 GHSZ estimate. We note year of logging and operator for each well. Logs available through the Mean GHSZ are noted, as well as mud type in the Mean GHSZ, and any well deviation in the GHSZ. Initial well assessment spreadsheets and reports were completed for East Breaks and Keathley Canyon in Q3, and Alaminos Canyon in Q4. Green Canyon was completed in January 2014. Initial assessments of all protraction areas were completed by the end of Year 2, Q2.

New data was ordered in June of 2015, and was added to the database in August 2015.

Task 3.0: Modeling of resistivity measurements from JIP Leg 2

Subtask 3.1: Develop true resistivity models for sand reservoirs for JIP Leg 2 Holes

A resistivity model that incorporates the measured resistivity and the seismic trace in for JIP2 Holes AC-21A and AC-21B has been developed by Tost and Cook.

The completion date for the resistivity models was moved until March, 2015, because Barbara Anderson lost access to the models needed to develop these models. Cook will use a new model available through Carlos Torres Verdin at UT Austin. This task was completed in January 2015 (middle of Year Three, Quarter 2).

Subtask 3.2: Determine hydrate saturation using best-fit ANISBED models.

This task was completed on time. Cook is looking into additional models to validate the estimates obtained. Burchwell is working on UTAPWELS models from UT Austin for the JIP Leg 2 wells.

Task 4.0: Determining volume of methane in gas hydrate in the northern Gulf of Mexico

Subtask 4.1: Calculate hydrate saturation curves for Gulf of Mexico Industry wells where gas hydrate occurs in sand reservoirs.

Gas hydrate saturation in sands are being calculated using Archie's quick look equation and a range of saturation exponents from 1.5-2.5. This task was completed at the end of Year 3, Q1.

Subtask 4.2: Additional ANISBED modeling in holes with gas hydrate in clay sediment that have unique background resistivity or very high resistivity accumulations.

This subtask is complete. Two additional ANISBED models were run during Q1 of year 2.

Subtask 4.3: Estimate methane volume at STP in Gulf of Mexico gas hydrates using Monte Carlo models

This subtask is currently in process.

Task 5.0: Publication, presentation and dissemination of results.

- A conference paper was submitted for the Unconventional Resources Technology Conference, 'Do Gas Hydrates Occur in Alaminos Canyon, Gulf of Mexico?' with authors Tost and Cook. Tost presented this work in August 2013.
- Cook, Ismail and Majumdar attended the gas hydrate GRC and presented results from the project.
- The ICGH conference abstract was accepted with oral presentation. Majumdar traveled to Beijing to present this work.
- Cook published an article along with Dave Goldberg and Alberto Malinverno in a JMPG Special Issue on Gas Hydrates India, 'Natural gas hydrates occupying fractures: A focus on non-vent sites on the Indian

continental margin and the northern Gulf of Mexico’ that includes some work on this project for the hydrate reservoirs in WR313 and GC955H.

- A Fire and Ice article was submitted and published on the project, ‘Gas Hydrate Assessment in the Northern Gulf of Mexico: Preliminary Results Reveal New Prospects’ with Majumdar as lead author.
- A paper on the gas hydrate prospect in Alaminos Canyon was published in JGR by authors Cook and Tost.
- Majumdar and Cook presented additional results with coauthors Matt Frye and Bill Shedd at the Fall 2014 AGU conference.
- Majumdar, Cook, Frye, and Shedd are authors of an AGU abstract to be presented at the 2015 Fall Meeting, titled, ‘The Role of Bottom Simulating Reflectors in Gas Hydrate Assessment’.
- Burchwell and Cook are authors of an AGU abstract to be presented the 2015 Fall Meeting titled, ‘Nuclear Well Log Properties of Natural Gas Hydrate Reservoirs.’
- Cook will present at the Gordon Research Conference with work related to the project.

	Phase 1								Phase 2			
	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Task 1	[Tan bar spanning all 12 quarters]											
Task 2	[Tan bar spanning all 12 quarters]											
Subtask 2.1	[Green bar from Q1 to Q2, with a black dot in Q2]											
Subtask 2.2	[Green bar from Q2 to Q4, with a black dot in Q4]											
Task 3	[Tan bar spanning all 12 quarters]											
Subtask 3.1	[Green bar from Q1 to Q3, with a black dot in Q3]											
Subtask 3.2	[Green bar from Q2 to Q4, with a black dot in Q4]											
Task 4	[Tan bar spanning all 12 quarters]											
Subtask 4.1	[Green bar from Q3 to Q4, with a black dot in Q4]											
Subtask 4.2	[Green bar from Q2 to Q3]											
Subtask 4.3	[Green bar from Q3 to Q4, with a black dot in Q4]											
Task 5	[Tan bar spanning all 12 quarters]											

Table 1. Project timeline by task (tan bars) and subtask (green bars). Total project time is 2, 18 month-long phases (3 years). Milestones are indicated by a black dot. Tasks 2 and 3 have been completed. Tasks 1, 4 and 5 will continue through the end of the project. As of June 2015, the project was extended for two quarters into a fourth year. Subtask 4.3 and Task 5 will end in March 2016.

PARTICIPANTS

Name: Ann Cook

Project Role: PI

Contribution: Managing student time, editing manuscripts and abstracts

Person Months: 0.5

Name: Urmi Majumdar
 Project Roll: Graduate student
 Contribution: Writing manuscripts and presenting at AGU.
 Person Months: 3

Name: Andrew Burchwell
 Project Roll: Undergraduate student
 Contribution: Working with petrophysical modeling and presenting modeling work.
 Person Months: Paid hourly.

COSTS

During this quarter, charges to the project mainly include the cost of salary or pay for Majumdar, Cook and Burchwell.

Department: 06560		The Ohio State University - Office of Sponsored Programs				Project: 60036410	
Principal Investigator: Cook, Ann Elizabeth		Project Financial Summary				Award: GRT00028365	
Sponsored Program Officer: Port, Jared Austin						Sponsor: US Department of Energy	
Facilities & Administration Rate: 52.50 %		For the Month Ending: DEC 31, 2015				Grant/Contract: DE-FE0009949	
		Project Period: 10/01/2012 to 03/31/2016					
Project/Award Title: New approach to understanding the occurrence and volume of natural gas hydrate in the northern Gulf of Mexico using petroleum industry well logs							
		Sponsor					
Category	Budget	Expenses This Month	Expenses To Date	Commitments	Balance		
Salaries and Wages	106,854.00	2,572.22	99,876.24	6,231.67	746.09		
Fringe Benefits	12,094.00	317.49	12,721.34	710.41	-1,337.75		
GA Tuition and Fees	48,391.00	0.00	34,167.00	3,975.00	10,249.00		
Total Personnel Costs	167,339.00	2,889.71	146,764.58	10,917.08	9,657.34		
Other Direct Costs	2,000.00	0.00	1,000.00	0.00	1,000.00		
Materials and Supplies	0.00	0.00	9,311.00	400.00	-9,711.00		
Domestic Travel	20,000.00	3,980.77	19,234.57	0.00	765.43		
Foreign Travel	0.00	0.00	5,142.86	0.00	-5,142.86		
Purchased Services	15,000.00	0.00	0.00	0.00	15,000.00		
Total Direct Costs	204,339.00	6,870.48	181,453.01	11,317.08	11,568.91		
Facilities and Administrative	81,873.00	3,607.01	77,325.22	3,854.60	693.18		
Total	286,212.00	10,477.49	258,778.23	15,171.68	12,262.09		
		Cost Share					
Category	Budget	Expenses This Month	Expenses To Date	Commitments	Balance		
GA Tuition and Fees	0.00	0.00	51,860.00	0.00	-51,860.00		
Total Personnel Costs	0.00	0.00	51,860.00	0.00	-51,860.00		
Materials and Supplies	0.00	0.00	0.00	3,600.00	-3,600.00		
Total Direct Costs	0.00	0.00	51,860.00	3,600.00	-55,460.00		
Facilities and Administrative	0.00	103.05	1,678.94	1,944.00	-3,622.94		
Total	0.00	103.05	53,538.94	5,544.00	-59,082.94		
		Third Party					
Category	Budget	Expenses This Month	Expenses To Date	Commitments	Balance		
Other Direct Costs	22,500.00	0.00	0.00	0.00	22,500.00		
Purchased Services	52,000.00	0.00	30,030.00	0.00	21,970.00		
Total Direct Costs	74,500.00	0.00	30,030.00	0.00	44,470.00		
Total	74,500.00	0.00	30,030.00	0.00	44,470.00		

Table 2. Total costs through Year 4, Quarter 1.

Department: 06560		The Ohio State University - Office of Sponsored Programs				Project: 60036410	
Principal Investigator: Cook,Ann Elizabeth		Detail of Expenses				Award: GRT00028365	
Sponsored Program Officer: Port,Jared Austin						Sponsor: US Department of Energy	
		For the Month Ending: DEC 31, 2015				Grant/Contract: DE-FE0009949	
		Project Period: 10/01/2012 to 03/31/2016					
Project/Award Title: New approach to understanding the occurrence and volume of natural gas hydrate in the northern Gulf of Mexico using petroleum industry well logs							
Account	Account Description						Sponsor Expense
60092	Graduate Research Associate						2,077.22
60135	Under Enrolled/Non Fee Pd Stdt						495.00
Salaries and Wages						2,572.22	
60292	Bnft-Graduate Research Assoc						236.80
60335	Bnft-Under Enrl/NonFee Pd Stdt						80.69
Fringe Benefits						317.49	
Total Personnel Costs						2,889.71	
63405	Out of State - Univ Employee						2,328.51
Journal ID	Purchase Order	Voucher ID	Invoice ID	Vendor	Transaction Description		
AP04378652		16TRRIJX	T000380908-1	COOK,ANN ELIZABETH	Reimb		\$2,328.51
63407	Out of State - Student						1,652.26
Journal ID	Purchase Order	Voucher ID	Invoice ID	Vendor	Transaction Description		
AP04368620		16TRRHU	T000386563-1	SCHARENBERG,MACKENZIE LEE	Reimb		\$776.06
0004351734					T375699 Majumdar, Urmi		\$876.20
Domestic Travel						3,980.77	
Total Direct Costs						6,870.48	
66701	Indirect Costs						3,607.01
Facilities and Administrative						3,607.01	
Total F&A Costs						3,607.01	
Total Project Costs This Month						10,477.49	
Account	Account Description						Cost Share Expense
66701	Indirect Costs						103.05
Facilities and Administrative						103.05	
Total F&A Costs						103.05	
Total Project Costs This Month						103.05	

Table 3. Detail of expenses Year 3, Quarter 4.

Department: 06560		The Ohio State University - Office of Sponsored Programs				Project: 60036410	
Principal Investigator: Cook,Ann Elizabeth		Detail of Payroll Expenses				Award: GRT00028365	
Sponsored Program Officer: Port,Jared Austin						Sponsor: US Department of Energy	
		For the Month Ending: DEC 31, 2015				Grant/Contract: DE-FE0009949	
		Project Period: 10/01/2012 to 03/31/2016					
Project/Award Title: New approach to understanding the occurrence and volume of natural gas hydrate in the northern Gulf of Mexico using petroleum industry well logs							
Account	ID	Employee Name	Journal ID	Journal Date	Pay Type	Description	Sponsor Expenses This Month
60092	200299301	Majumdar,Urmi	0004372413	12/31/2015	HR Monthly	Payroll Expense	2,077.22
Total for Account							2,077.22
60135	100142812	Burchwell,Andrew Edward	0004372409	12/24/2015	HR Bi-Weekly	Payroll Expense	275.00
60135	100142812	Burchwell,Andrew Edward	0004372409	12/24/2015	HR Bi-Weekly	Payroll Expense	220.00
Total for Account							495.00
60292			BNRF700733	12/31/2015	Other	OSURF BENEFIT RATE 5	236.80
Total for Account							236.80
60335			BNRF401608	12/31/2015	Other	OSURF BENEFIT RATE 4	80.69
Total for Account							80.69
Total for Project							2,889.71

Table 4. Detail of payroll expenses for Year 3, Q3.

CONCLUSION

Most tasks are completed, and an extension of the project was requested to complete the Monte Carlo simulations and complete publications. We look forward to completing the project and distributing the results.