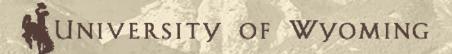
High-Priority Geologic Formations and Sites with CO₂ Storage Potential



Ronald C. Surdam State Geologist

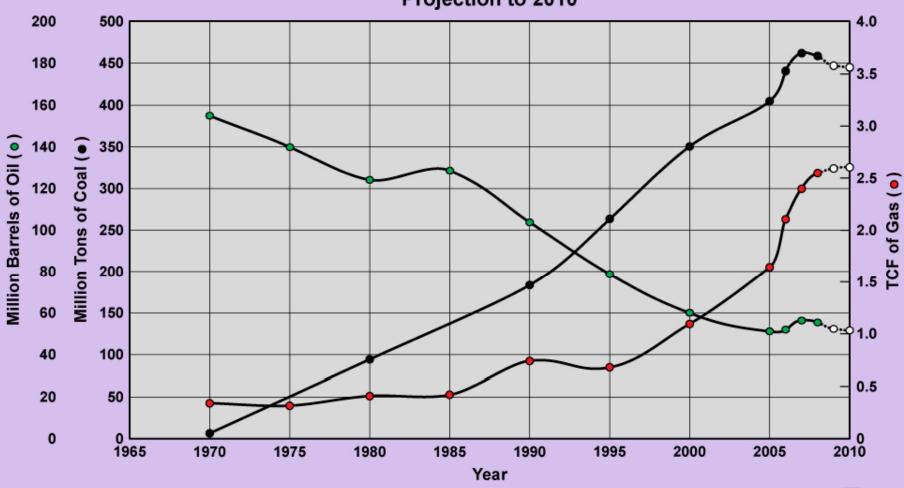




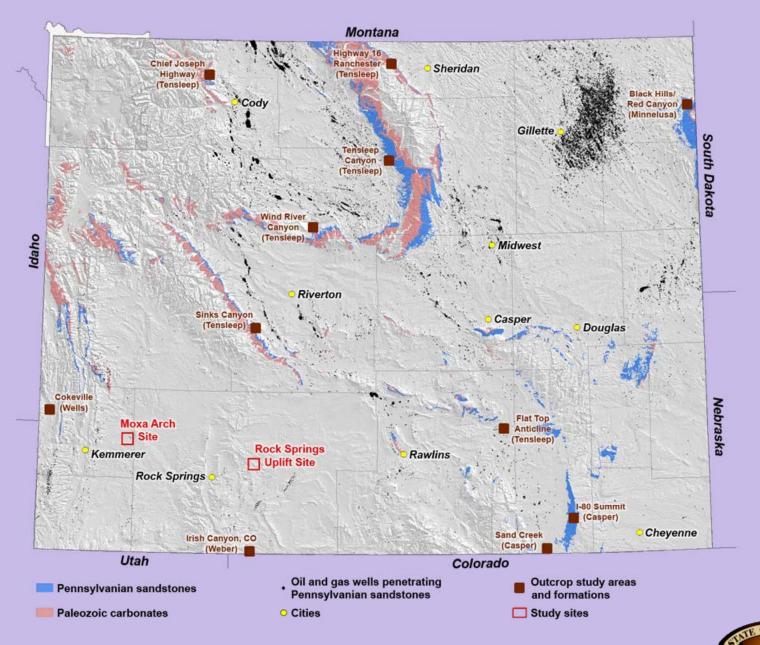




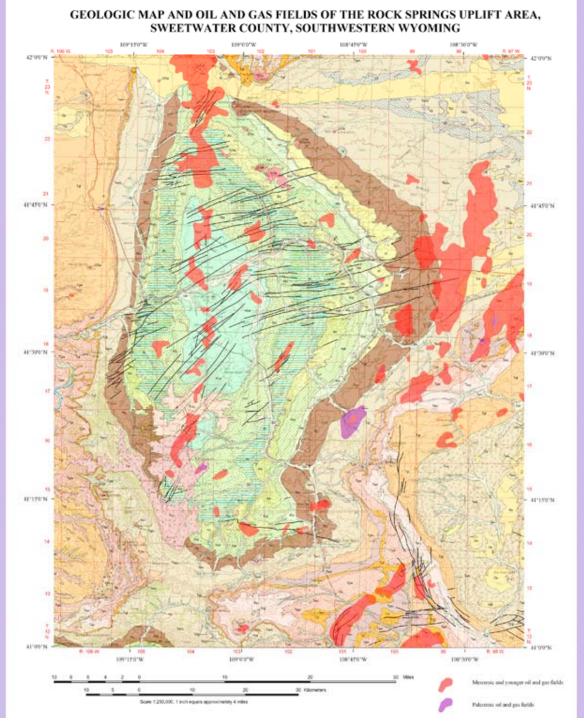
Wyoming Oil/Coal/Gas Production (1970-2008) Projection to 2010

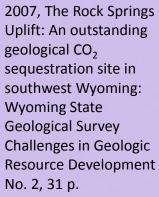


Modified from Surdam, R.C., 2008, Wyoming energy development in the context of the global economy: Wyoming State Geological Survey Challenges in Geologic Resource Development No. 6, 38 p.



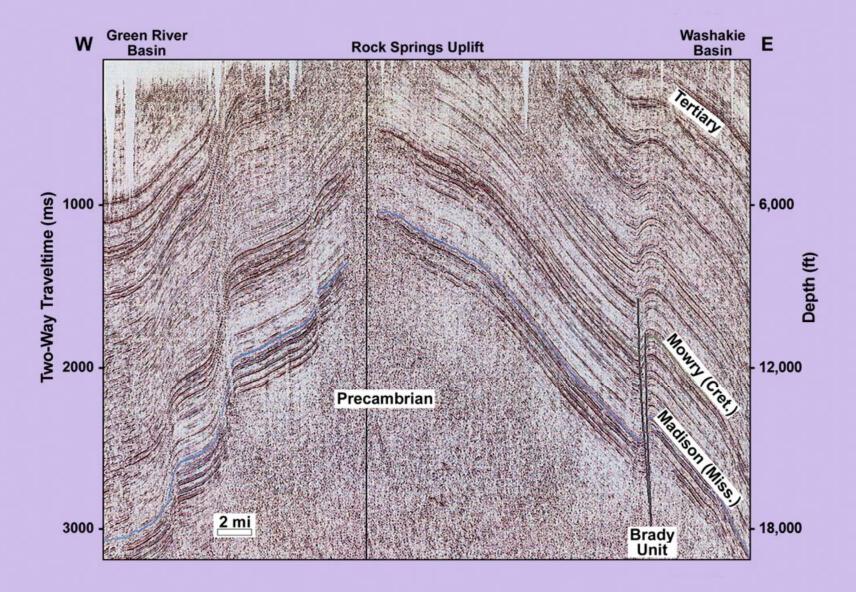
Modified from Surdam, R.C., Jiao, Z., Stauffer, P., & Miller, T., 2009, An integrated strategy for carbon management combining geological $\rm CO_2$ sequestration, displaced fluid production, and water treatment: Wyoming State Geological Survey Challenges in Geologic Resource Development No. 8, 25 p.





Surdam, R.C. & Jiao, Z.,

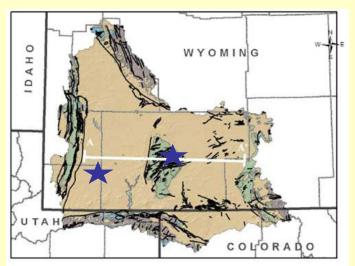




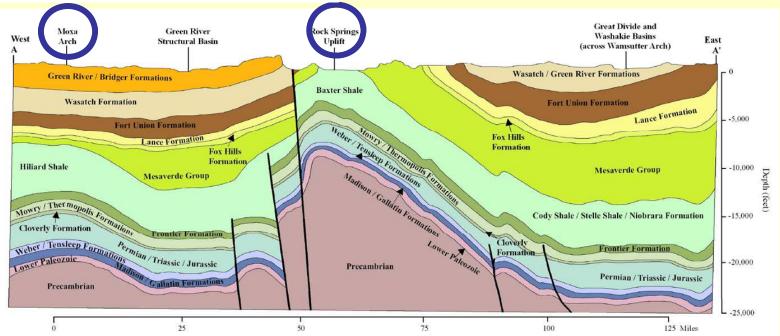
Surdam, R.C. & Jiao, Z., 2007, The Rock Springs Uplift: An outstanding geological CO_2 sequestration site in southwest Wyoming: Wyoming State Geological Survey Challenges in Geologic Resource Development No. 2, 31 p.



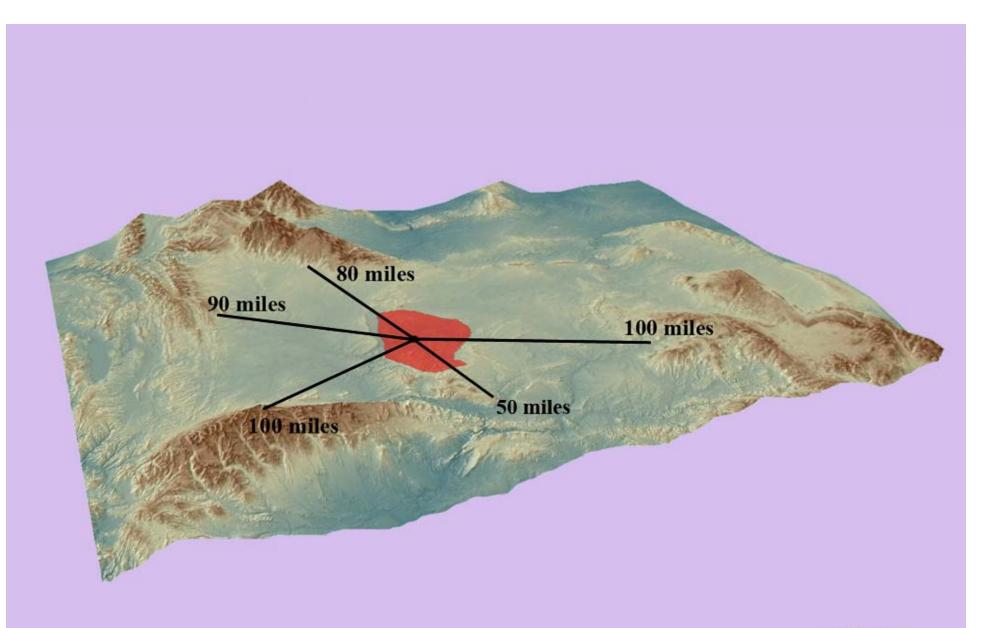
Background – Past Research



WSGS, UW, State, and DOEfunded research identified two high-capacity sites in southwest Wyoming: Rock Springs Uplift & Moxa Arch

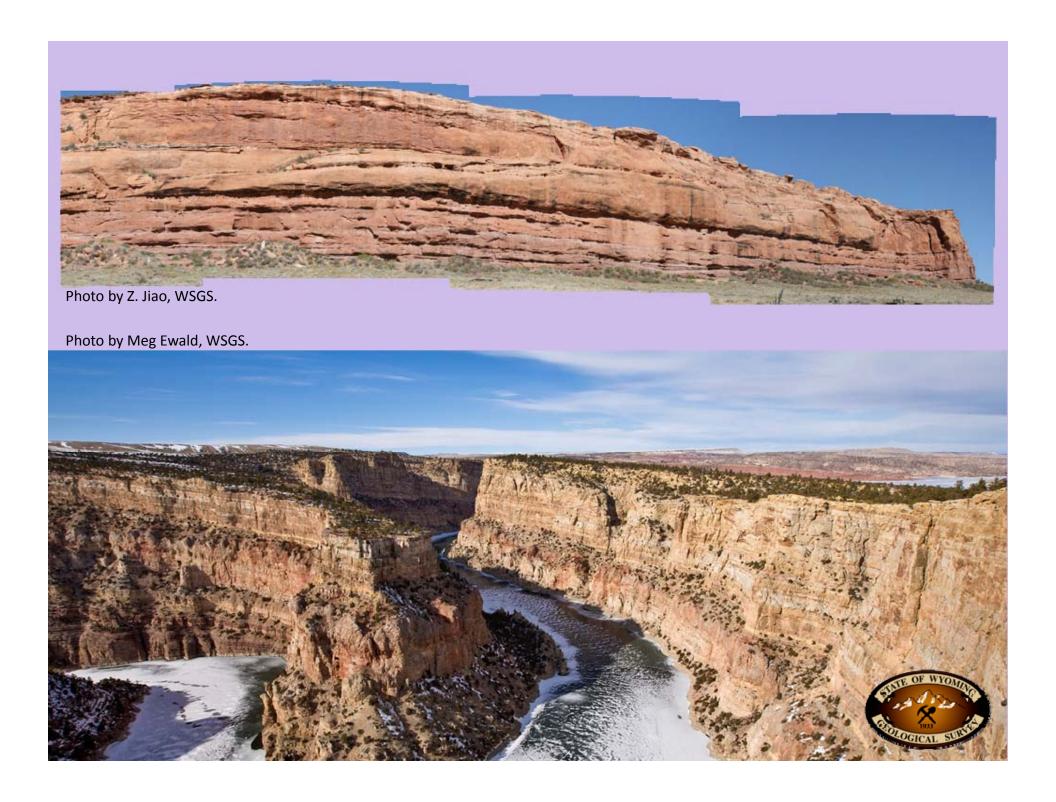


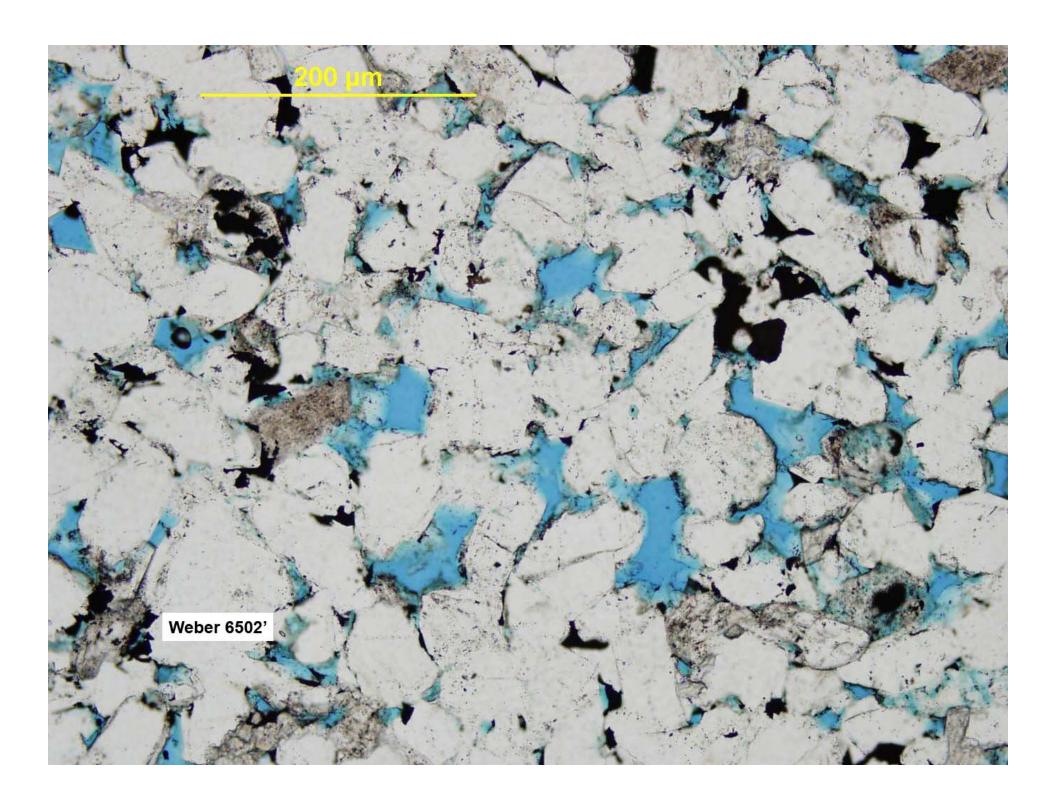




Modified from Surdam, R.C., Jiao, Z., Stauffer, P., & Miller, T., 2009, An integrated strategy for carbon management combining geological CO₂ sequestration, displaced fluid production, and water treatment: Wyoming State Geological Survey Challenges in Geologic Resource Development No. 8, 25 p.







Rock Springs Uplift: an outstanding geological CO₂ sequestration site in southwestern Wyoming

- Thick saline aquifer sequence overlain by thick sealing lithologies.
- Doubly-plunging anticline characterized by more than 10,000 ft of closed structural relief.
- Huge area (50 x 35 mile).
- Required reservoir conditions; including, but not limited to fluid chemistry, porosity (pore space), fluid-flow characteristics, temperature and pressure (i.e., regional burial history).

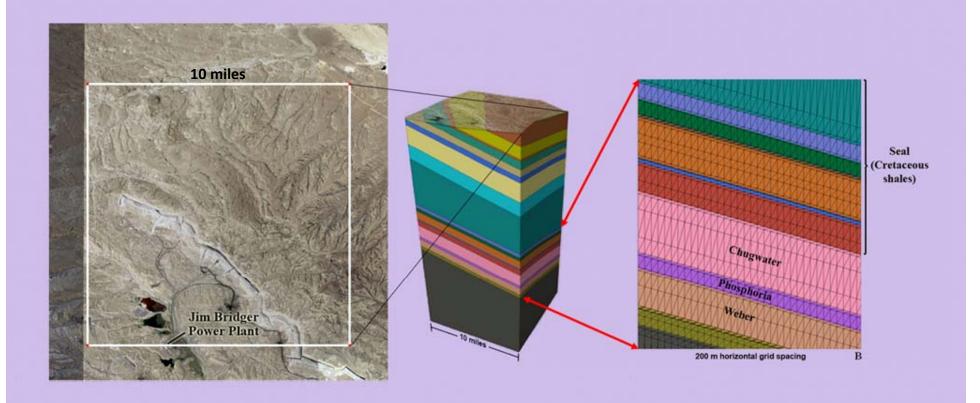




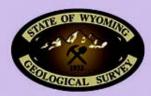
Rock Springs Uplift, Wyoming Green River Fort Union Lance Fox Hills Almond Ericson **Rock Springs** Baxter Frontier Muddy Morrison Nugget Chugwater Phosphoria Weber Amsden Madison 8000 4000 Elevation, -8000 10 miles

Surdam, R.C. & Jiao, Z., 2007, The Rock Springs Uplift: An outstanding geological CO_2 sequestration site in southwest Wyoming: Wyoming State Geological Survey Challenges in Geologic Resource Development No. 2, 31 p.

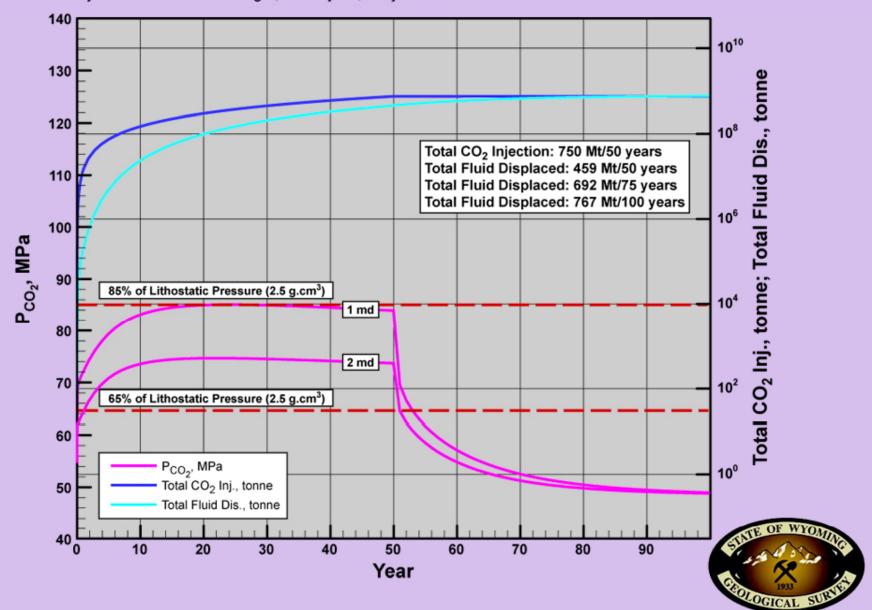




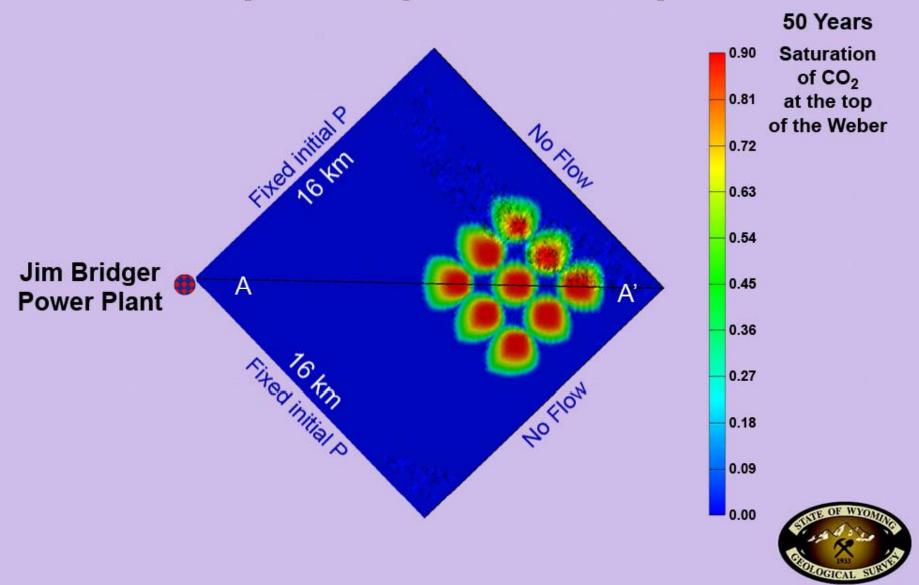
Modified from Surdam, R.C., Jiao, Z., Stauffer, P., & Miller, T., 2009, An integrated strategy for carbon management combining geological CO₂ sequestration, displaced fluid production, and water treatment: Wyoming State Geological Survey Challenges in Geologic Resource Development No. 8, 25 p.



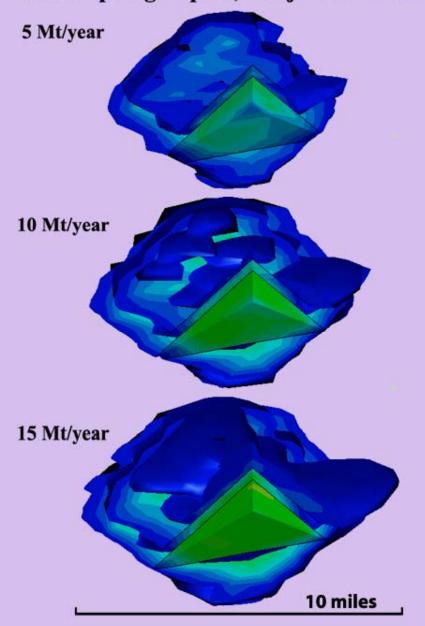
CO₂ Injection Simulation Results from FEHM for the Weber Sandstone, Rock Springs Uplift Injection Interval 700 ft, Porosity 10%, Relative Permeability 1 - 2 md, Injection Rate 17.61x27 kg/s, 15 Mt/year, 9 Injection Wells

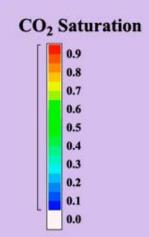


Nine point injector example

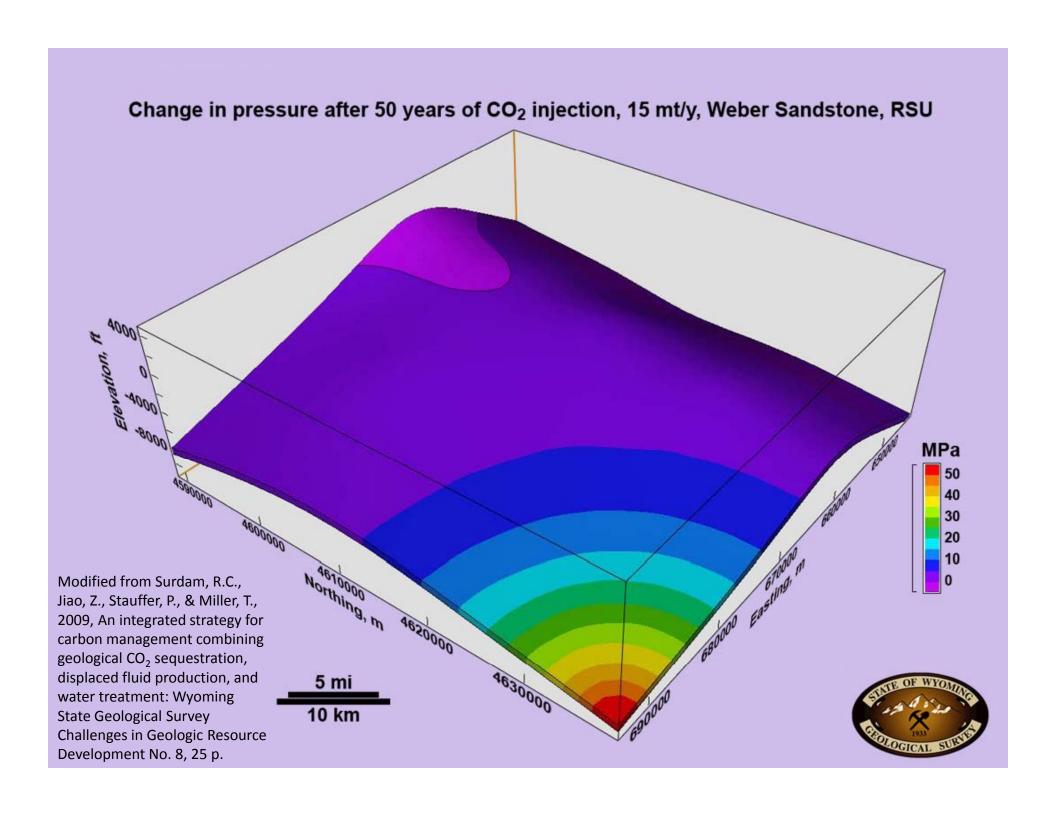


Geological CO₂ Sequestration, after 50 Years Injection, Weber Sandstone Rock Springs Uplift, 9 Injection Wells

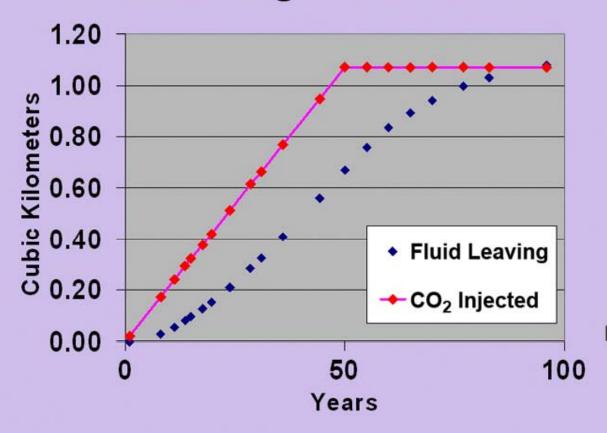








Injected CO₂ versus fluid leaving the domain



Scale:

750 Mt of CO2 displaces ~1 cubic kilometer.

1 cubic kilometer of displaced fluids is ~6,000,000,000 barrels

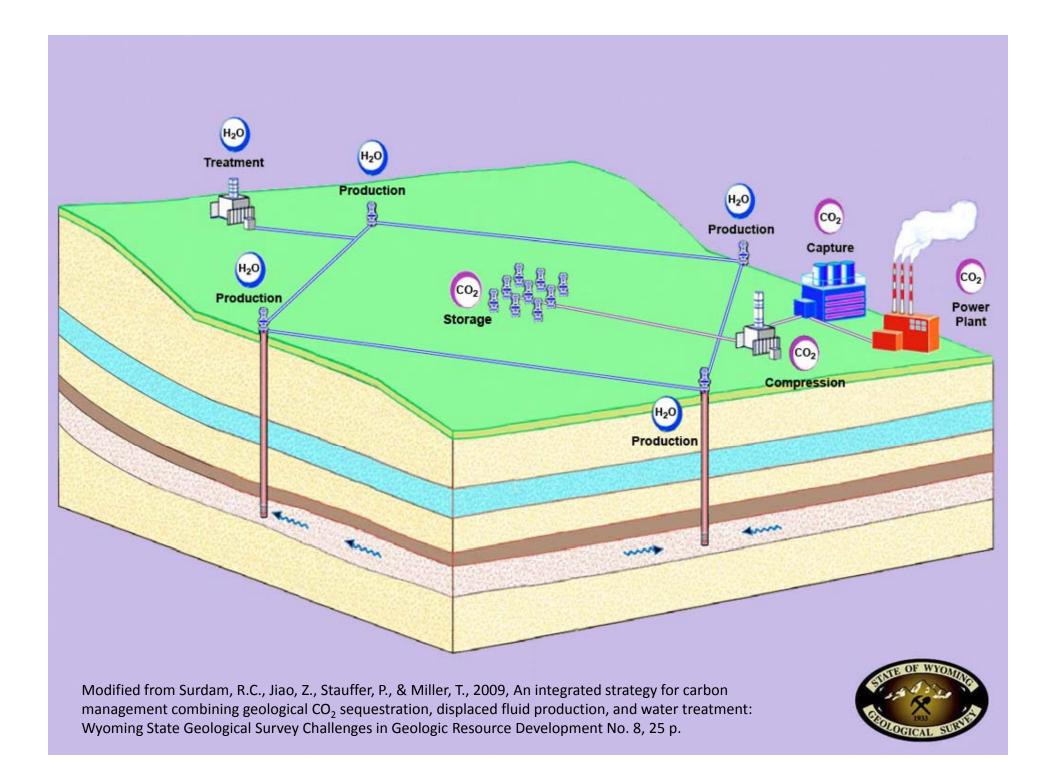
Salt Creek Oil production (the largest oil field in Wyoming) is ~680,000,000 barrels (120 yrs)

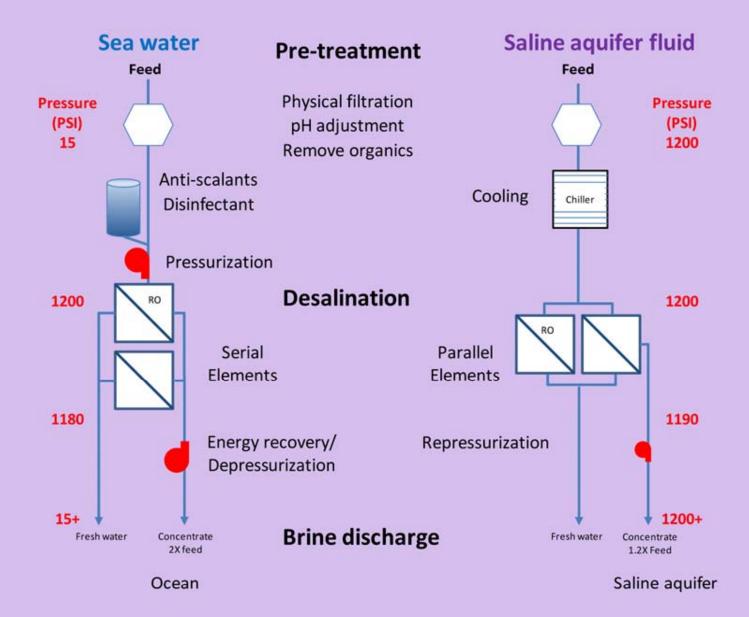
1 cubic kilometer of water is ~710,000 acre-feet.

Boysen Reservoir is 792,000 acre-feet.

Modified from Surdam, R.C., Jiao, Z., Stauffer, P., & Miller, T., 2009, An integrated strategy for carbon management combining geological CO₂ sequestration, displaced fluid production, and water treatment: Wyoming State Geological Survey Challenges in Geologic Resource Development No. 8, 25 p.







Wolery, T.J., Aines, R.D., Hao, Y., Bourcier, W., Wolfe, T., and Haussman, C., 2009, Fresh Water Generation from Aquifer-Pressured Carbon Storage: Annual Report FY09. Lawrence Livermore National Laboratory Report LLNL-TR-420857, 44 p.

One Year Average Water Production

Amount of CO ₂ Sequestrated	-		Treatment Cost		80% Recovery		Value	
Million ton	Million ton	Acre-foot	\$450/Acre-ft	\$600/Acre-ft	Million ton	Acre-foot	Agricultural, \$240/Acre-ft	Residential, \$1270/Acre-ft
15	9.2	7,474	\$3,363,120	\$4,484,160	7.4	5,979	\$1,434,931	\$7,593,178
10	6.0	4,871	\$2,191,860	\$2,922,480	4.8	3,897	\$935,194	\$4,948,733
5	2.8	2,268	\$1,020,600	\$1,360,800	2.2	1,814	\$435,456	\$2,304,288

75 Year Water Production

Amount of CO ₂ Sequestrated	Amount of Water Produced		Treatment Cost		80% Recovery		Value	
Million ton	Million ton	Acre-foot	\$450/Acre-ft	\$600/Acre-ft	Million ton	Acre-foot	Agricultural \$240/Acre-ft	Residential, \$1270/Acre-ft
750 Mt (15 Mt/year)	692	560,520	\$252,234,000	\$336,312,000	554	448,416	\$107,619,840	\$569,488,320
500 Mt (10 Mt/year)	451	365,310	\$164,389,500	\$219,186,000	361	292,248	\$70,139,520	\$371,154,960
250 Mt (5 Mt/year)	210	170,100	\$76,545,000	\$102,060,000	168	136,080	\$32,659,200	\$172,821,600



Conclusions

- The most critical problem with commercial scale geological CO₂ sequestration is management of displaced fluids. To solve this problem, the Wyoming State Geological Survey proposes a strategy that includes integration of fluid production/water treatment with injection of CO₂.
- The greatest uncertainty in numerically simulating CO₂ sequestration processes is characterizing geological heterogeneity in 3 dimensions.

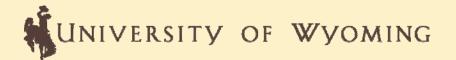
The WY-CUSP Partnership

SER – WSGS – UW is conducting one of the DOE sequestration characterization studies on the Rock Springs Uplift, Wyoming.

The Primary Objectives of this study are

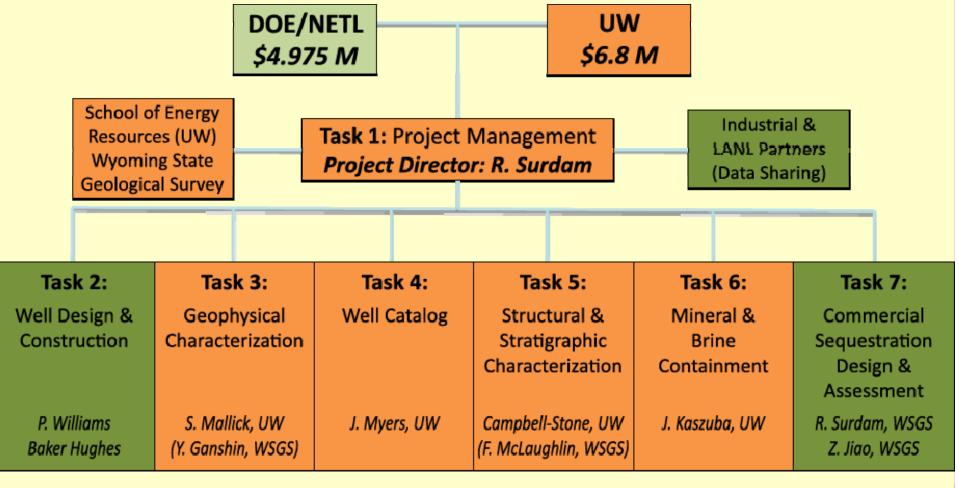
- 1) to design the water treatment facility required to solve the displacement fluid problem, and
- 2) to significantly reduce the numerical simulation uncertainty by documenting the geological heterogeneity in 3-D.



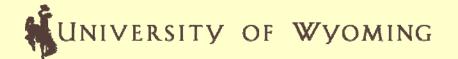




Project Structure



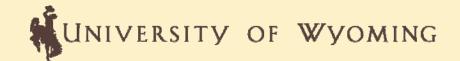






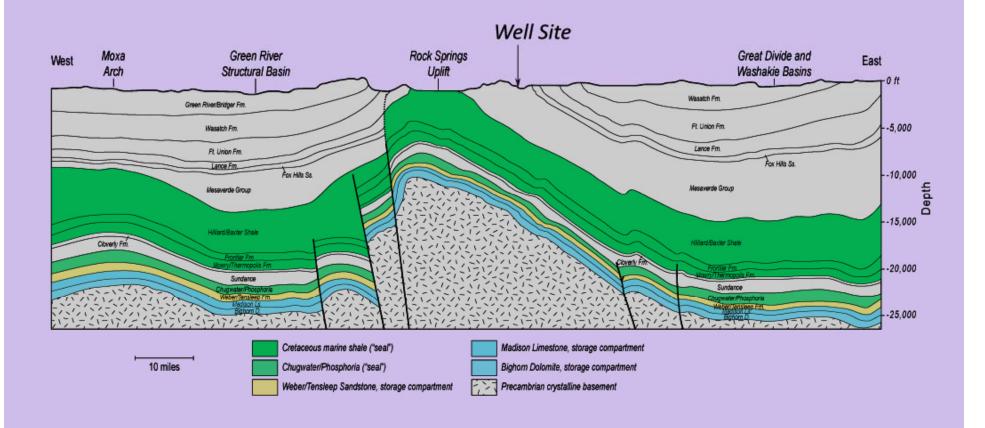
Basic elements of the Rock Springs Uplift characterization project are the acquisition of a 3D seismic survey and a stratigraphic test at the selected geological CO2 sequestration site.



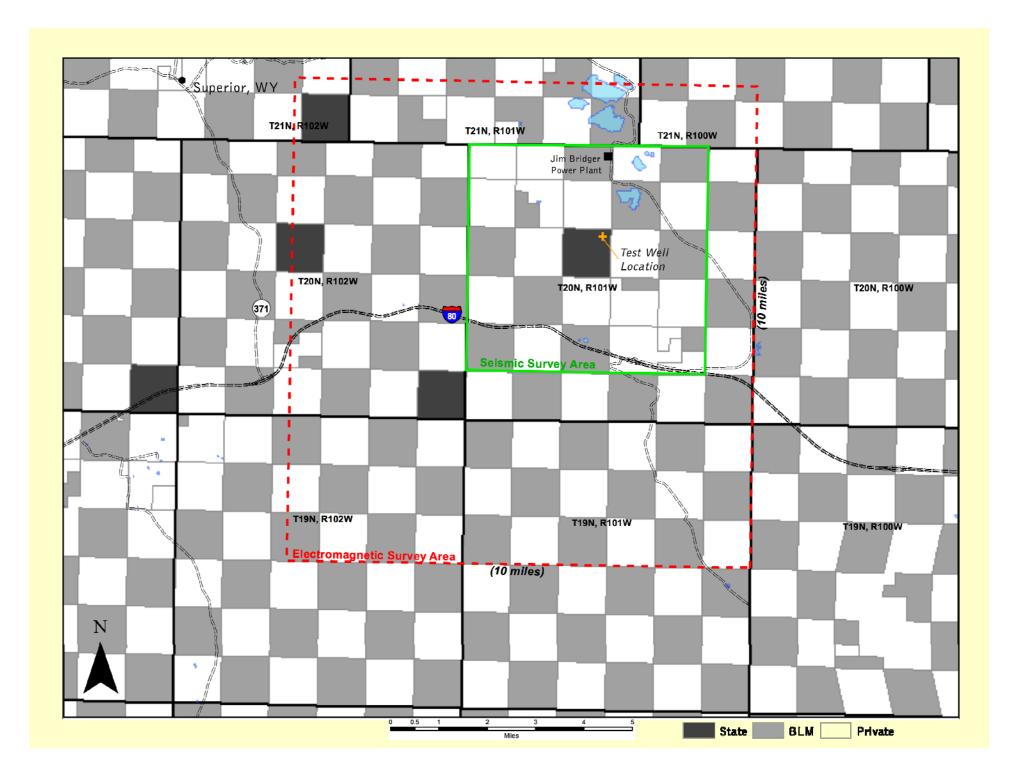












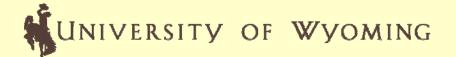
Future Directions

Wyoming Governor Freudenthal's letter to the 60th (2010) Legislature:

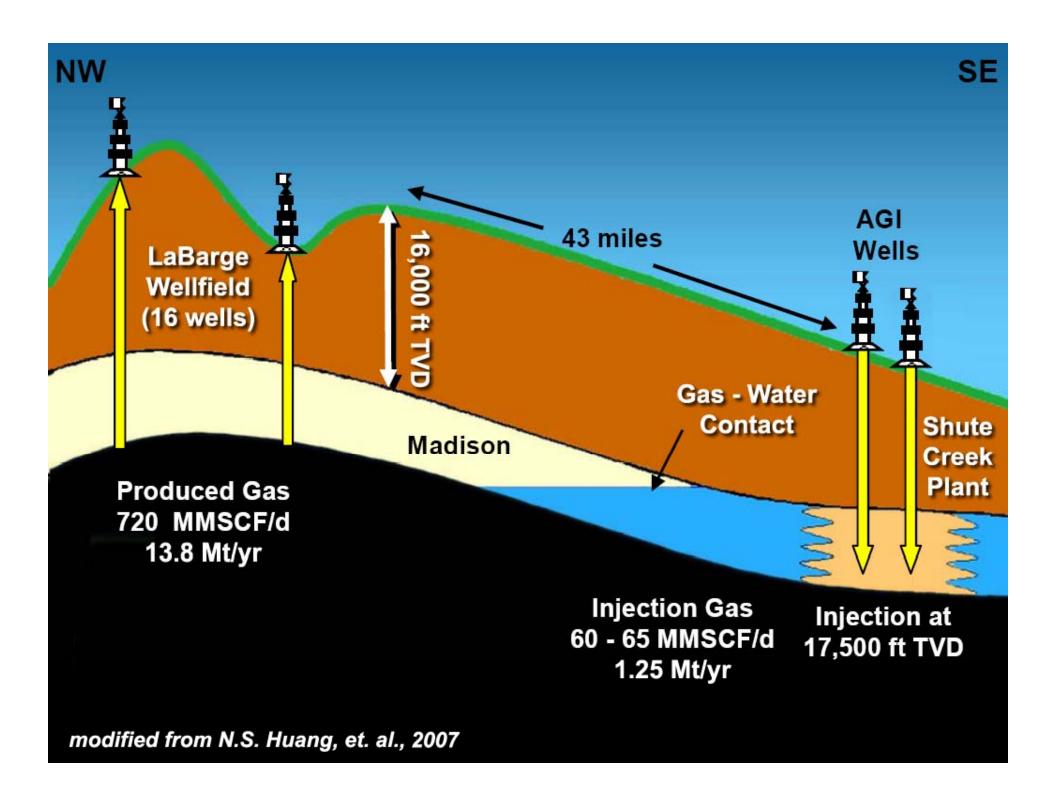
"Other . . . recommendations in the University of Wyoming budget include \$45 million for continuation and acceleration of carbon sequestration research . . ."

With this and other funds, UW hopes to develop a commercial-scale CO₂ sequestration site by 2016 that will be able to inject >>1 million tons of CO₂/year

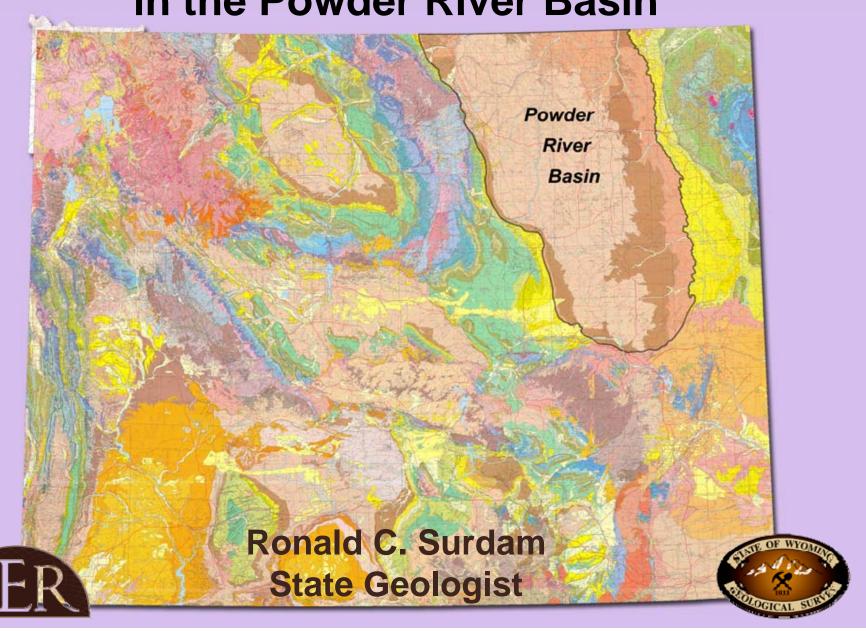




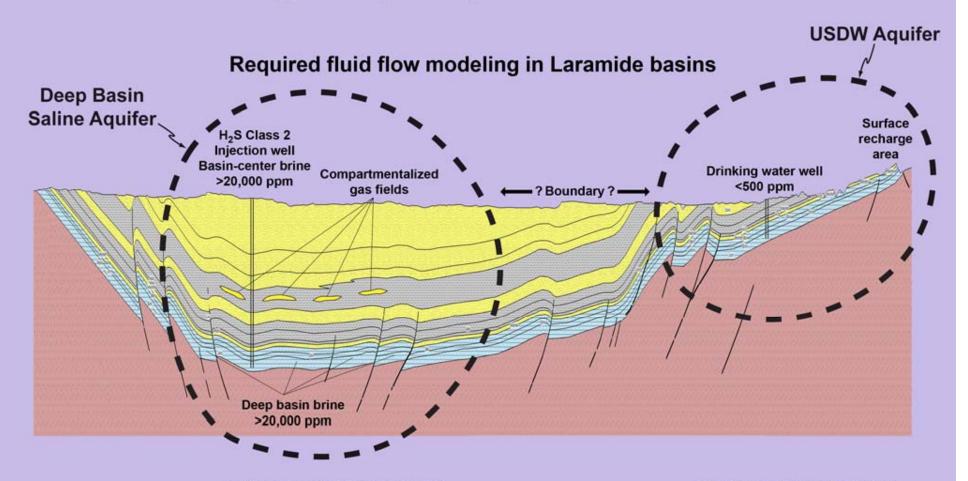




Geologic Carbon Sequestration in the Powder River Basin



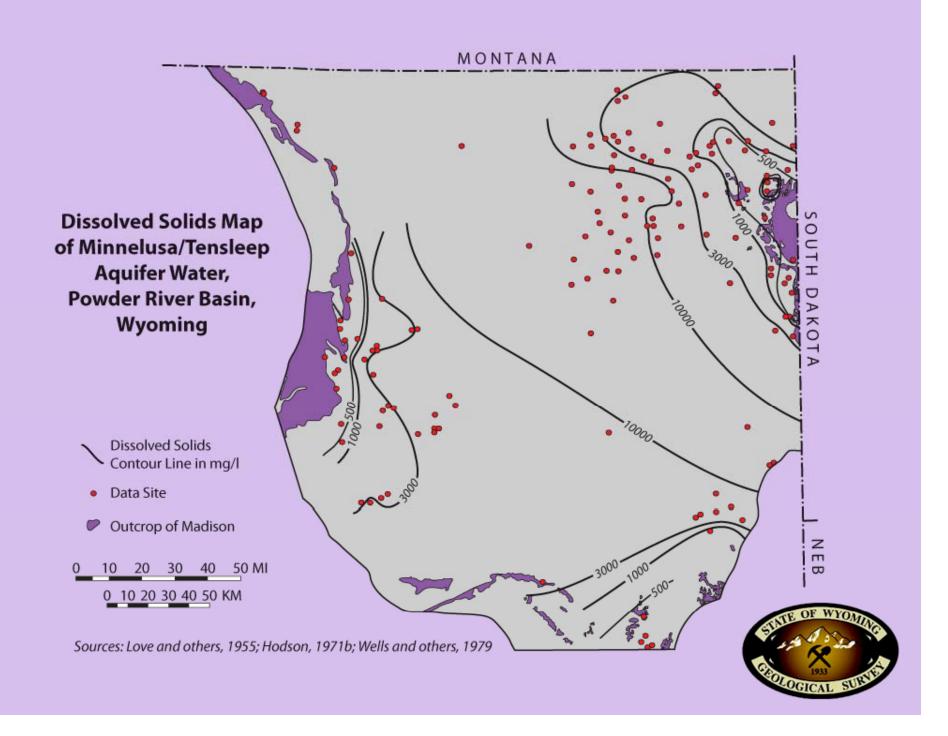
Typical Wyoming Laramide Basin

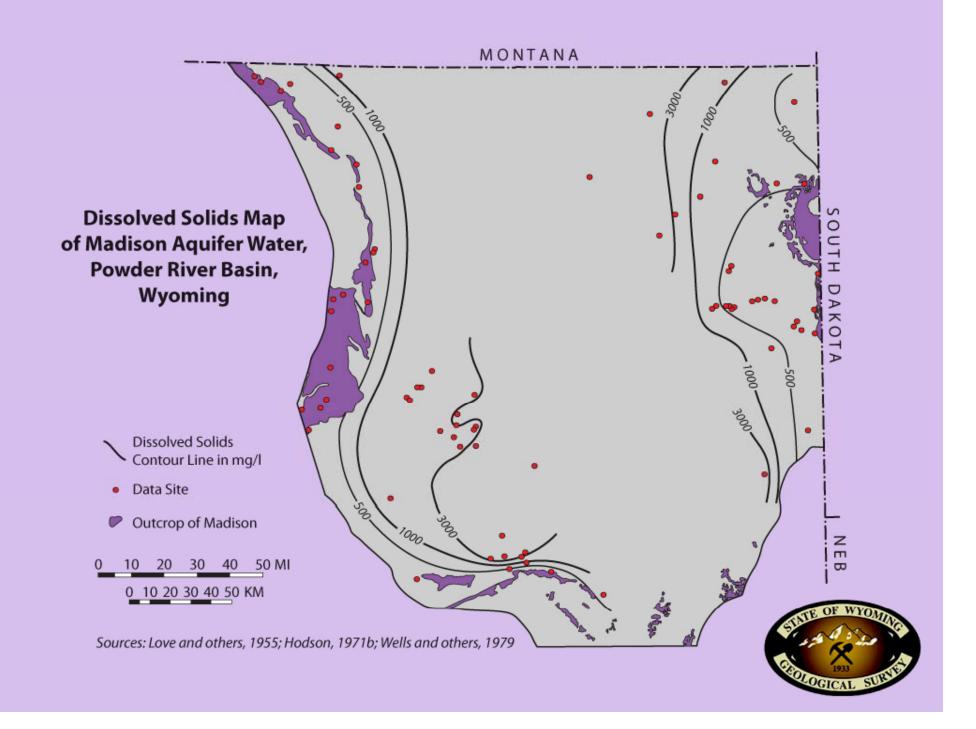


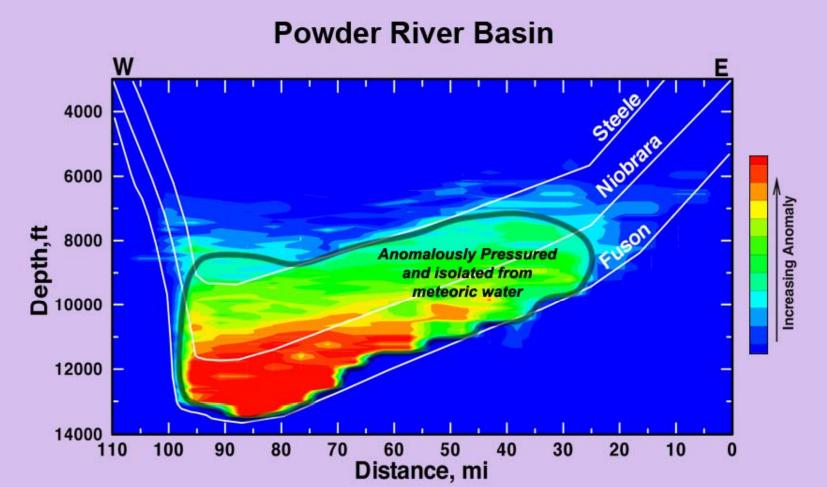
Brines resulting from original depositional environment and subsequent digenesis during burial.

Flushed by Meteoric Water

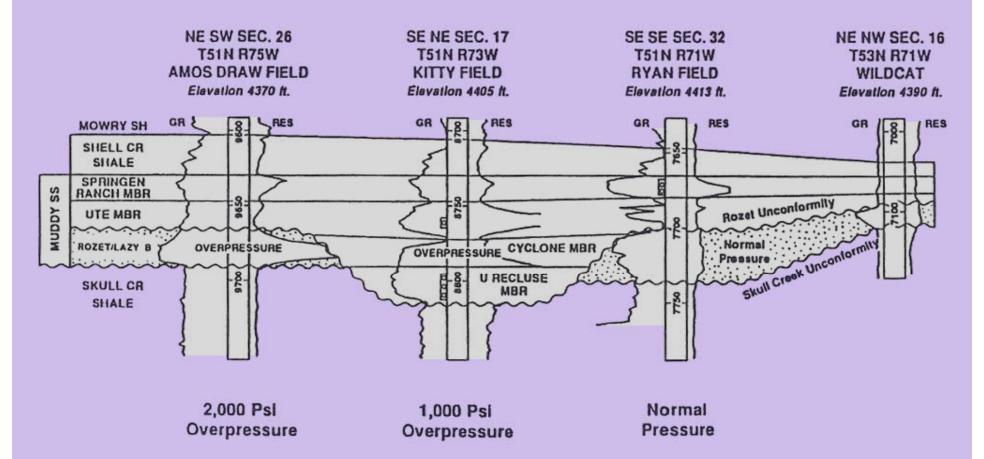






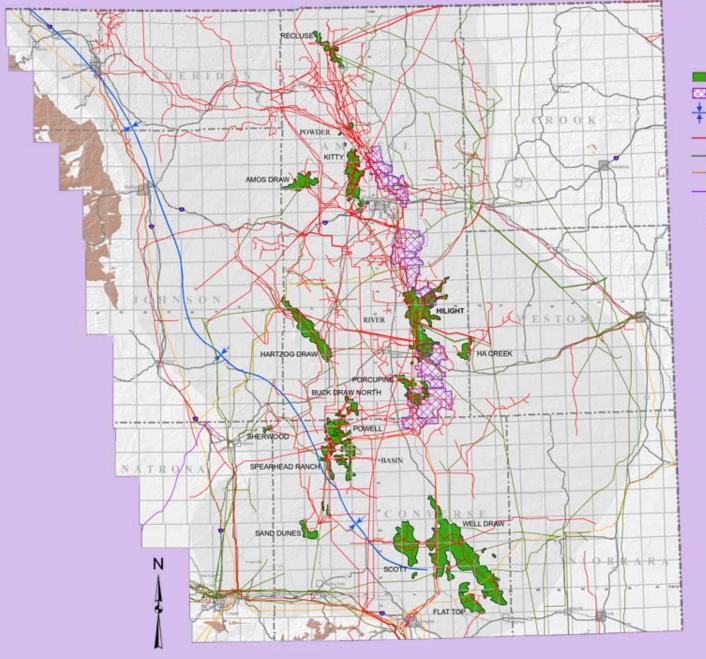












Explanation

Oil and gas fields with sequestration potential

Active coal mine permit area

Approximate location of Powder River Basin synclinal axis

Natural gas pipeline

— Crude oil pipeline

Refinery or gas plant product pipeline

Carbon dioxide pipeline

0 3 6 12 18 24 Miles



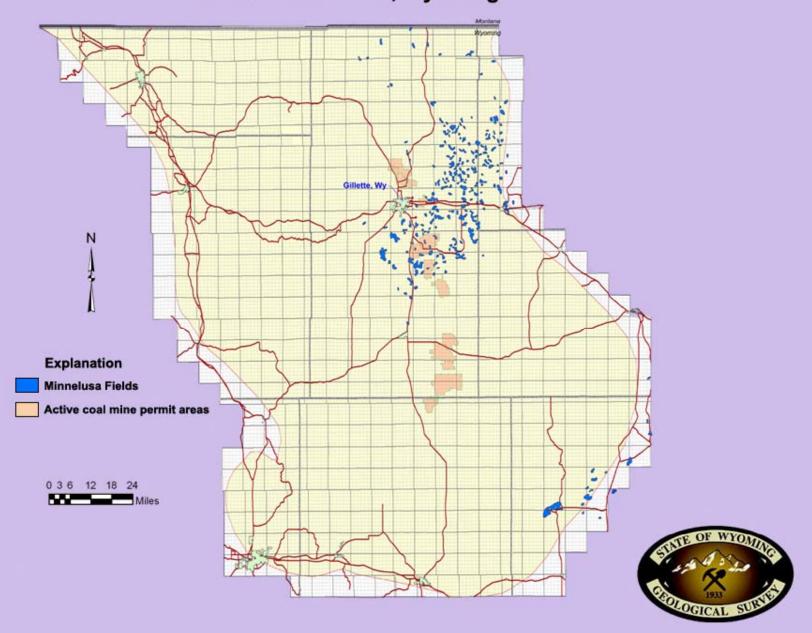
CO₂ Sequestration Potential in Depleted Gas Fields, Powder River Basin, Wyoming

Field	Formation	CO ₂ Capacity (million tons)		
Amos Draw Complex	Muddy	13.8		
Kitty	Muddy	18.8		
Hartzog Draw	Shannon	18.5		
Buck Draw North	Dakota	15.6		
Powell	Frontier	38.0		
Spearhead Ranch	Frontier	6.9		
Sand Dunes	Muddy	12.4		
House Creek	Sussex	8.2		
Scott	Parkman	5.4		
	Total = 137.6 millio			

Preliminary results based on volumetric calculations using USGS protocol.



Minnelusa Fields with Enhanced Oil Recovery Potential Powder River Basin, Wyoming

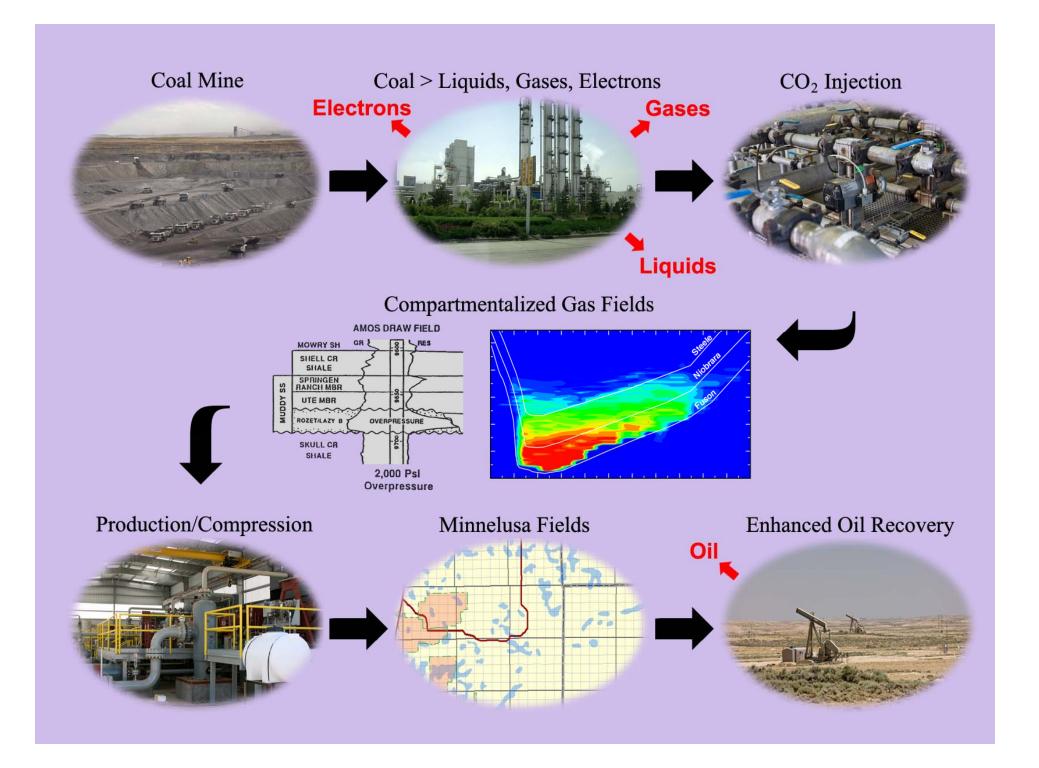


Enhanced Oil Recovery Opportunities in Powder River Basin - Minnelusa

- Approximately 150 candidate Minnelusa oil fields. Many have gone through the secondary recovery waterflood stage and appear ideal for CO₂ miscible flooding
- 1.2 Billion barrels of Original Oil in Place (OOIP), CO₂ flooding adding 10% additional production, 120 million barrels @ \$65/barrel = \$7.8 Billion
- Final sequestration available in field after flooding complete

CO₂ Flood Enhanced Oil Recovery Returns and CO₂ Requirements

Recovery 10% OOIP (barrels)	120 million barrels			
Value @ \$65/barrel	\$7.8 billion			
CO ₂ required @ 10 mcf/barrel	1.2 billion mcf (1.2 TCF)			
Tonnes of CO ₂ needed (19.3 mcf/tonne)	62 million tonnes			
CO ₂ Cost @ \$2/mcf	\$2.4 billion			



U.S. Energy Imports 2006

Rank	Country or State of Origin	Crude Oil		Natural Gas		Coal		Total
		Production Million Bbl/year	Quadrillion Btu	Production Trillion Cubic ft/year	Btu	Production million tons/year	Quadrillion Btu	Quadrillion Btu
1	Wyoming	52.93	0.28	1.75	1.77	446.74	7.96	10.01
2	Canada	648.97	3.41	3.59	3.63	1.49	0.04	7.08
3	West Virginia	1.83	0.01	0.22	0.22	152.37	3.91	4.14
4	Mexico	575.61	3.02	0.01	0.01	0.00	0.00	3.04
5	Saudi Arabia	519.40	2.73	0.00	0.00	0.00	0.00	2.73
6	Venezuela	416.83	2.19	0.00	0.00	3.07	0.08	2.27
7	Nigeria	378.51	1.99	0.06	0.06	0.00	0.00	2.05
8	Alaska	270.47	1.42	0.42	0.43	0.00	0.00	1.85
9	Iraq	201.85	1.06	0.00	0.00	0.00	0.00	1.06
10	Angola	187.25	0.98	0.00	0.00	0.00	0.00	0.98
	Total	3,253.61	17.08	6.05	6.12	603.67	11.99	35.19

Note: Total may not equal sum of components because of independent rounding.

Coal imports include coal to Puerto Rico and the Virgin Islands.

Source: Bureau of the Census, U.S. Department of Commerce, Monthly Report IM 145.

EIA, U.S. Natural Gas Imports by Country EIA, U.S. Crude oil Net Imports by Country

EIA, Gross Heat Content of Coal Production, Most Recent Annual Estimates, 1980-2006



Why is geological CO₂ sequestration so important? Implications of Federal Legislation and EPA rule making! Consider the following:

- April 2007 In Massachusetts v. EPA, Supreme Court finds that EPA does have authority to regulate GHGs under the Clean Air Act.
- GHGs fall within the Act's definition of "air pollutant."
- Supreme Court ruled EPA would have to determine if these pollutants pose a danger to public health and welfare before EPA could regulate them.
- December 8, 2009 EPA declares there is compelling scientific evidence that global warming from green-house gases emitted from cars, power plants and factories endangers American's health.
- EPA's view is once an air pollutant is subject to an emission limitation or control requirement under any part of the Act, that pollutant automatically becomes subject to NSR.
- New and modified plants must have "best available control technology" (BACT) for GHG emissions.

EPA likely will begin by suggesting efficiency improvements, but environmental groups and some state/federal permitting authorities will argue that BACT should be more stringent:

- Fuel switching?
- CCS?
- IGCC?

EPA is pursuing the development of new source performance standards (NSPS) and existing-source guidelines for CO₂ and other GHG emissions from power plants.

- Work on these rules will accelerate in 2010.
- W-M/K-B would establish performance standards for new coal-fired power plants.
- 50% reduction for new plants started after 2008, subject to CCS availability, but no later than 2020.
- 65% reduction for new plants started after 2020.
- Geological CO₂ sequestration must work if these reduction standards are to be met by 2020.
- W-M/K-B and EPA have common goals; survival of up-stream and downstream coal to electrons/chemical industries depend on geological CO₂ sequestration.

Background material: Joseph C. Stanko

Scott J. Stone

Hunton & Williams LLP