Approved: March 19, 2010
Date

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:30 a.m. on January 14, 2010, in Room 785 of the Docking State Office Building.

All members were present.

Committee staff present:
Matt Sterling, Office of the Revisor of Statutes
Mary Torrence, Office of the Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Iraida Orr, Kansas Legislative Research Department
Renae Hansen, Committee Assistant

Conferees appearing before the Committee:
Saibal Bhattacharya, Kansas Geological Survey
W. Lynn Watney, Kansas Geological Survey

Others attending:
Twenty-three including the attached list.

Chairman Holmes reminded the committee that we will meet on Tuesday, January 19, 2010 in room 783 of the Docking State Office Building.

1/14

Action On:
SB 298 - Requiring well identification signs be placed on or near certain oil or gas wells.

Representative Vern Swanson moved that we pass **SB 298** out of committee, Seconded by Representative Cindy Neighbor.

Discussion on **SB298** was made by Representative Annie Kuether.

The original motion was retracted.

Representative Annie Kuether moved to amend **SB298** to change on line 30 "statute book" to "Kansas Register", seconded by Mike Burgess. Motion passed.

Representative Vern Swanson moved to pass out of committee **SB298** as amended, Seconded by Representative Cindy Neighbor. Motion Passed Unanimously.

Representative Annie Kuether will carry **SB298** on the House floor.

Presentation on:

Lynn Watney together with Saibal Bhattacharya, Kansas Geological Survey, (Attachment 1), gave a presentation to the committee on The Evaluation of CO_2 sequestration potential in the Ozark Plateau Aquifer System (OPAS) in south-central Kansas focusing on depleted oil fields and the deep saline Arbuckle. Mr. Watney noted the amount of funds they have received the various sources for those funds, the project study area, and the project objectives. Mr. Watney spoke to the committee on the geological aspects of the project and Mr. Bhattacharya spoke on the engineering perspectives of the project. Mr. Bhattacharya spoke about the specifics of various CO_2 sequestration techniques.

Questions were asked and comments made by Representatives: Milack Talia, Rob Olson, Vern Swanson, Tom Moxley, Joe Seiwert, Cindy Neighbor, Carl Holmes, Vince Wetta, and Don Myers.

The next meeting is scheduled for January 19, 2010 at 9:15 a.m.

The meeting was adjourned at 10:43 a.m

HOUSE ENERGY AND UTILITIES COMMITTEE
GUEST LIST

DATE: January 14, 2010

NAME	REPRESENTING
TOM DAY	KCC
LON STANTON	NORTHERN NATURAL GAS Co
[illegible]	KMU
BRAD MEARS	KMU
[illegible]	Benchmark Communications
Tom Bruno	ELOGA
Bereal Koops	Hein Law Firm
Doug Smith	SWKROA
Kimberly Svaty	GBPA
Patrick Fuchs	Sprint
Scott Jones	KCPL
Michelle Peterson	Capitol Strategies
Chris Cardinal	Sierra Club
Mark Schreeder	Westar

Evaluate CO_2 sequestration potential in Ozark Plateau Aquifer System (OPAS) in south-central KS - depleted oil fields and the deep saline Arbuckle aquifer

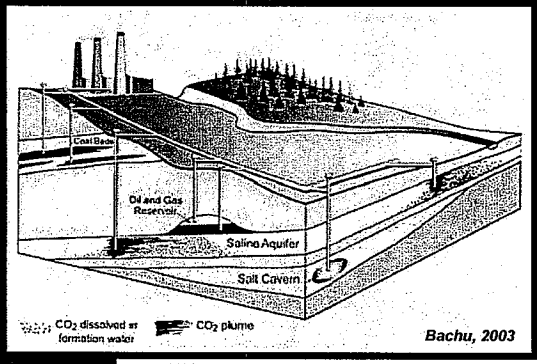
Saibal Bhattacharya & W. Lynn Watney
Kansas Geological Survey
Lawrence, KS 66047

House Energy and Utilities Committee Meeting
Topeka
Jan 14, 2010

Relevance of CO_2 Sequestration in Kansas

- Coal-fired power plants to produce for years
  - Need to address problem of CO_2 emissions
- DOE efforts to develop carbon capture and storage (CCS) infrastructure
- Initiatives of the *Midwestern Governors Association*
- CO_2-EOR – proven & reliable technology
  - Potential applications in many depleted KS fields
- Deep saline aquifers – has potential to sequester large volumes of CO_2
  - Arbuckle saline aquifer in KS
    - Is deep and thick
    - Underlies a large area in south-central KS
- Kansas centrally located to major CO_2 emitting states and cities
- With right incentives and government support CO_2 sequestration has the potential of becoming a major industry in KS

Geologic Sequestration of CO_2



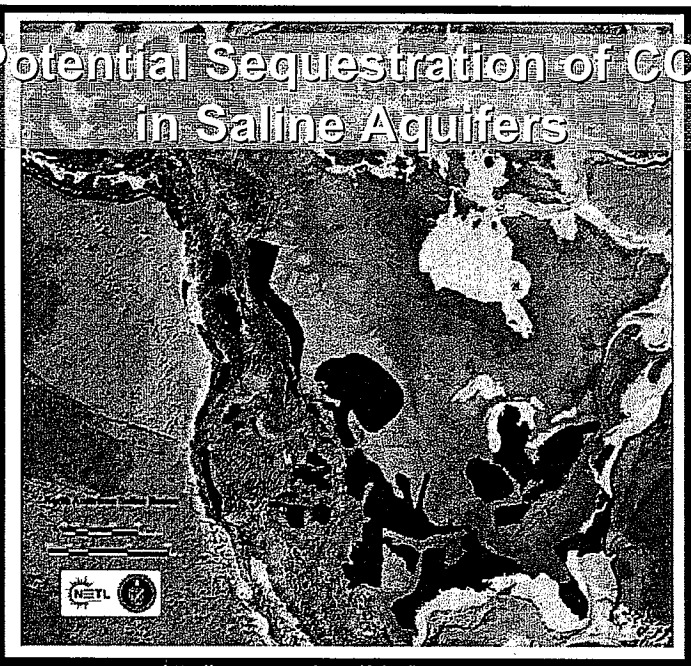
Bachu, 2003

Industry participation in infrastructure development possible if CO_2-EOR is viable

Formation Type	[illegible]	[illegible]
Saline Aquifers	3,297 – 12,618	91.8 – 97.5
Unmineable Coal Seams	157 – 178	4.4 – 1.4
Mature Oil & Gas Reservoirs	138	3.8 – 1.1
Total Capacity	3,592 – 12,934	100.0

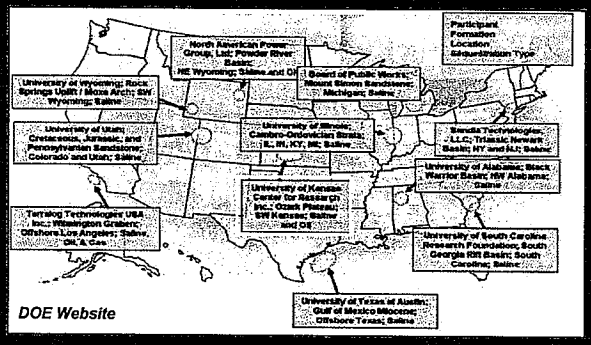
DOE & NETL, "Carbon Sequestration Atlas of the US and Canada", 2008

Potential Sequestration of CO2 in Saline Aquifers



http://www.natcarb.org/Atlas/ims_map.html

American Recovery & Reinvestment Act



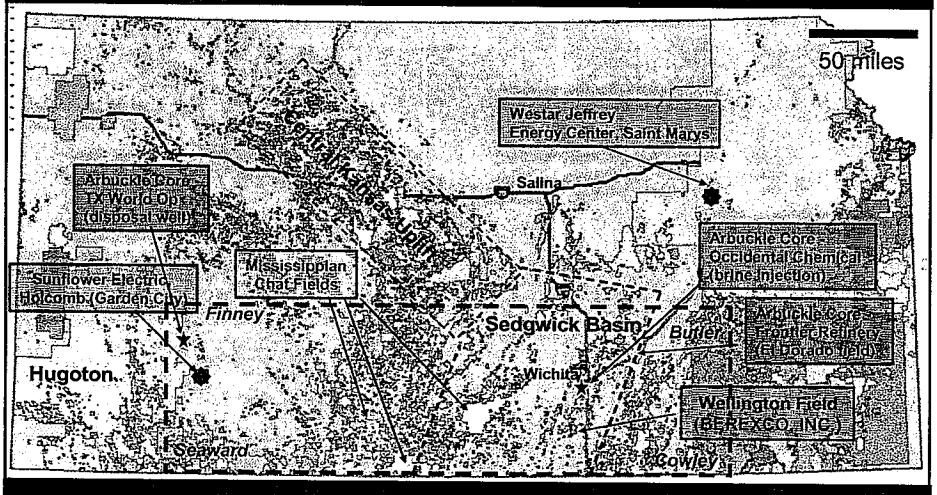
DOE share: $4,974,352
Cost match by KGS and partners: $1,251,422

Principal Investigators: Dr. Lynn Watney & Saibal Bhattacharya

Duration: December 8, 2009 to December 7, 2012

Project Study Area

Wellington Field (Sumner County) + 17 Counties



Project Objectives

- Build 3 geomodels
  - *Mississippian oil reservoir at Wellington field (Sumner County) - depleted*
  - *Arbuckle saline aquifer underlying Wellington field*
  - *Regional Arbuckle saline aquifer system over 17+ counties*
- Conduct simulation studies to estimate CO_2 sequestration potential in
  - *Arbuckle saline aquifer underlying Wellington field*
  - *Miscible CO_2 flood in Wellington field (along with incremental oil recovery)*
- Identify potential sites for CO_2 sequestration in Arbuckle saline aquifer - 17+ county area
- Estimated CO_2 sequestration potential of Arbuckle saline aquifer – 17+ county area
- Risk analysis related to CO_2 sequestration
- Technology transfer

No CO_2 will be injected in this project

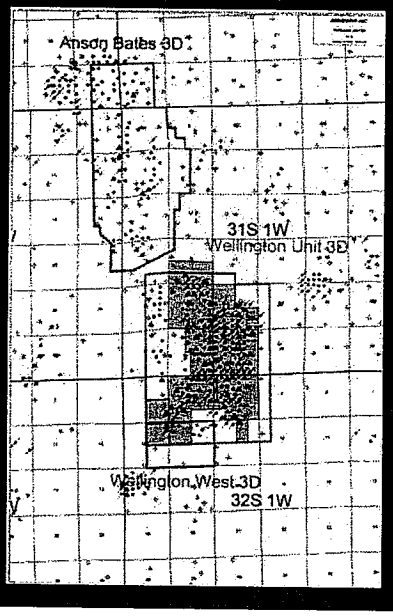
Subjects Outside the Purview of this Project

- CO_2 capture from point sources
- CO_2 transmission – from source to injection sites

Other DOE projects, ongoing and future, relate to CO_2 capture and transportation.

KS companies are working on proposals including demonstration projects related to CO_2 sequestration by CO_2-EOR and injection into underlying saline aquifers.

Wellington field, Sumner CO

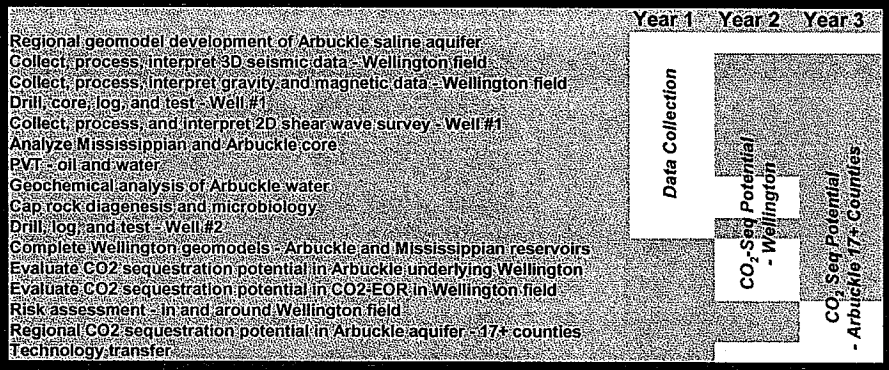


- Discovered in 1922 (134+ total wells)
- 44 active wells, 20.5 MM bbls (oil)
- Field owned by BEREXCO – unitized
- Excellent waterflood performance (no gas) – great CO_2-EOR candidate
- Arbuckle aquifer – 1050 ft thick (Mississippian top ~ 3650 ft, Arbuckle top ~ 4150 ft, Granite wash ~ 5100 ft)
- Considered for CO_2-EOR using CO_2 from Coffeyville plant
- Anson and Bates - 6 MM bbls oil (Mississippian Chat), 3D seismic donated by Noble Energy Corp
- All three fields together could sequester ~ 30 MM tons of CO_2

Data Collection & Analysis

- Geophysical surveys at Wellington field
  - *3D, Gravity/Magnetic, 2D shear*
- Drill, core, log, and test Well #1 to basement – Wellington field
  - *Collect water samples from different Arbuckle intervals*
- Drill, log, and test Well #2 to basement – Wellington field
  - *Collect water samples from different Arbuckle intervals*
- Analyze Mississippian and Arbuckle core (Well #1) & PVT
  - *Integrate core data with previously taken cores*
- Geochemical studies on Arbuckle water – KSU Geology Dept.
- Analysis over 17 county area – Regional geomodel of Arbuckle system
  - *Satellite imagery*
  - *Gravity and magnetic*
- Cap rock integrity and micro-biological studies – KU Geology Dept.

Project Time Line

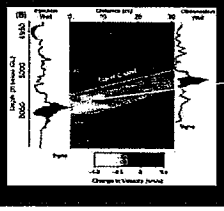


No CO_2 injection will take place in this project

What happens when super-critical CO_2 is injected into a saline aquifer?

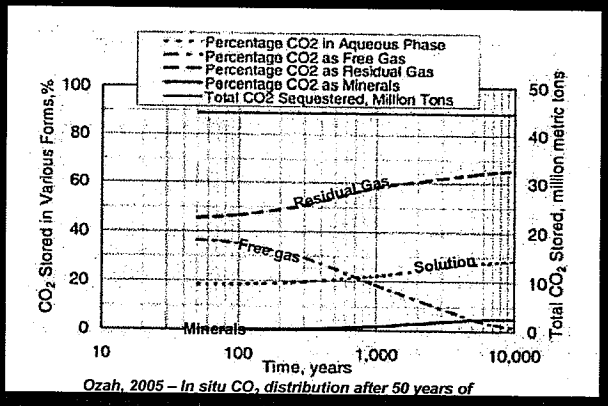
1. Part of the injected CO_2 dissolves in the surrounding brine under pressure - solution
2. Part of injected CO_2 remains as free-phase (gas) CO_2
   - *Free-phase (gas) CO_2 rises to the top of the formation (being lighter)*
3. As free-phase (gas) CO_2 rises, additional CO_2 gets trapped in fine pores in the rock – residual gas saturation
4. Natural movement of water in the aquifer dilutes CO_2 in solution and in free phase
5. Over long term (100s and 1000s of years), some of the injected CO_2 gets trapped as mineral precipitates in the aquifer

Frio Pilot CO_2 injection Project, Texas



CO_2 plume visualized by cross-well seismic tomogram

In situ entrapment of injected CO_2



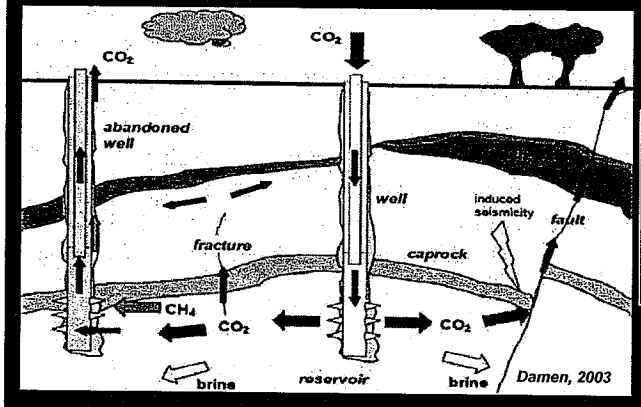
Ozah, 2005 – In situ CO_2 distribution after 50 years of

Our study will estimate the amount of CO_2 (tons) that will sequestered in various states using site-specific geology, rock, and water properties

Majority of injected CO_2 gets trapped as residual gas saturation followed by CO_2 dissolved in brine solution.

CO_2 mineralization is a slow process.

Risk Analysis – Potential leakage pathways

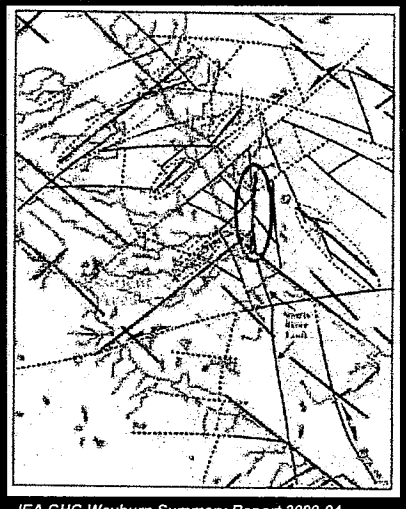


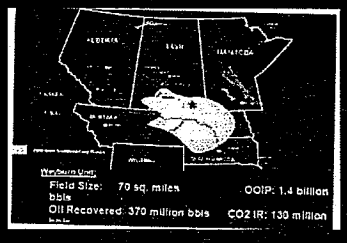
Faults and fractures will be mapped in the 17+ county study area:

1. Satellite imagery
2. Gravity/Magnetic
3. Structure maps

Site selection critical to minimize risks associated with CO_2 injection
Not all fractures/faults reach the surface – some do and need to be identified
Inventory of all plugged wells critical – REPLUG if needed.

Weyburn CO_2-EOR - Canada





Solid Green – fault trends from seismic & HRAM

Broken Green – trends from HRAM

Purple – surface lineaments

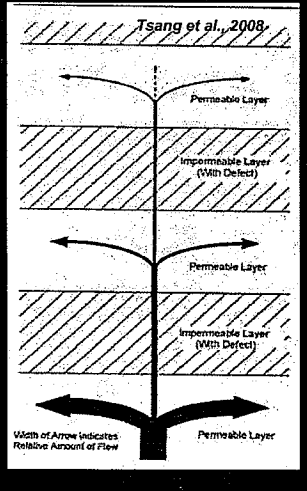
Red oval – Souris Valley fault (fault identified by seismic and HRAM coincide)

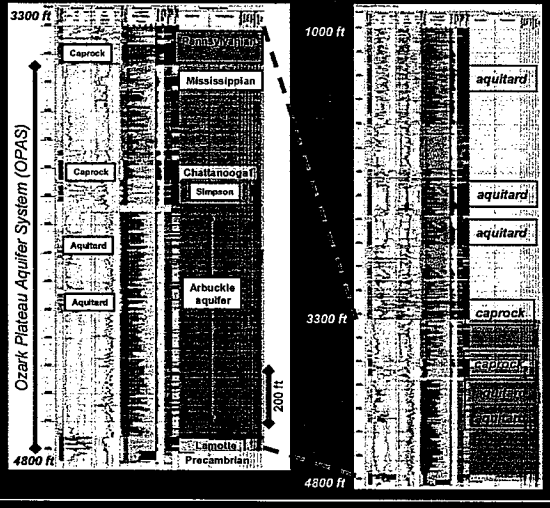
Broken Red – weak correlations between data sets

IEA GHG Weyburn Summary Report 2000-04

Not all Sub-surface faults/fractures reach the surface

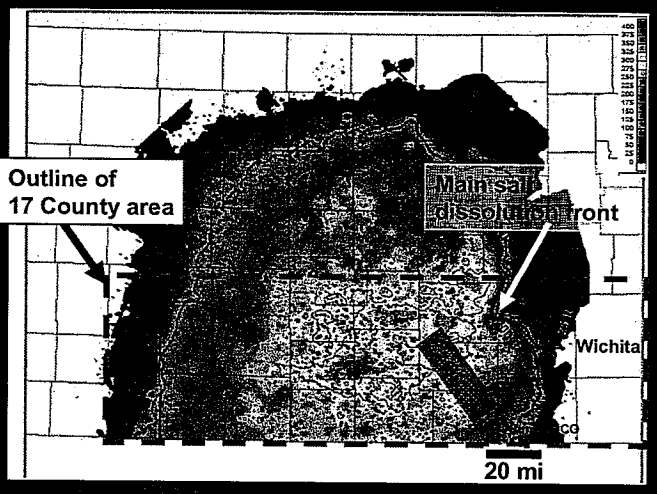
Risk Analysis
Leakage Retardation – Multiple Caprocks & Aquitards





CO_2 plume undergoes pressure reduction and is trapped in the fine pores of caprocks and/or aquitards.

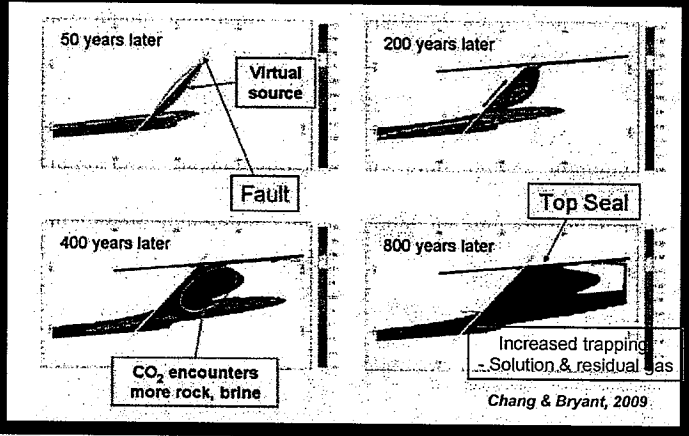
Net Halite (salt) Isopach (thickness)



Additionally, KGS maps show that total evaporite thicknesses range from 400 to 2000 ft in south-central KS. These evaporites serve as ideal cap rocks.

Risk Analysis

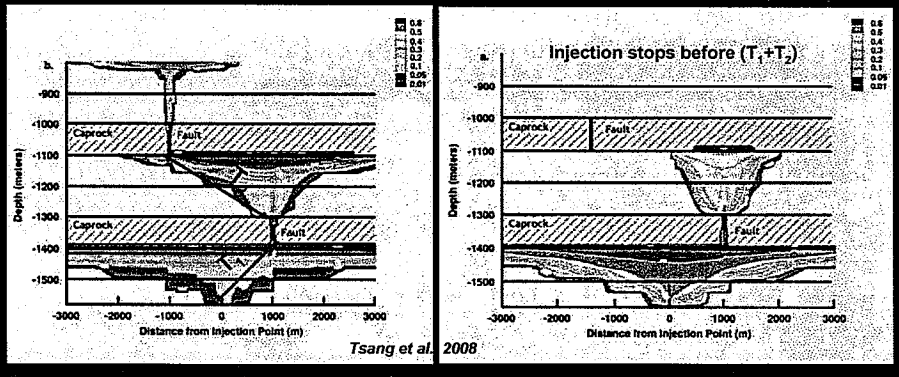
Plume Intersects Inclined Fault – does not extend to surface



CO_2 leaks into fault and creates a "virtual CO_2 source".

CO_2 migrates updip and gets attenuated – additional trapping in solution and as residual gas

Risk Analysis
Plume Intersects Inclined Conductive Fault



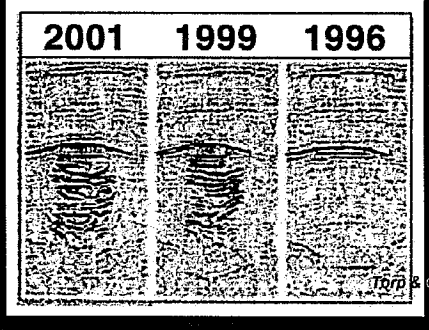
Tsang et al. 2008

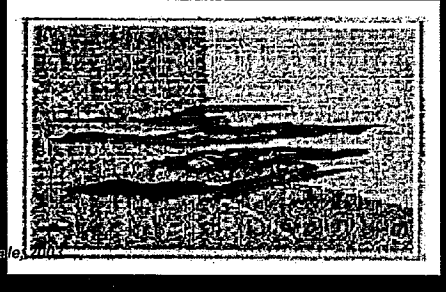
If injection stops before plume reaches fault – then no leakage occurs.

How much CO_2 can be sequestered before plume reaches fault?

Is CO_2 sequestration tonnage economic?

Risk Analysis
Seismic Monitoring Results - Sleipner field (North Sea)





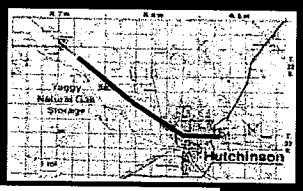
Torp & Gale, 2004

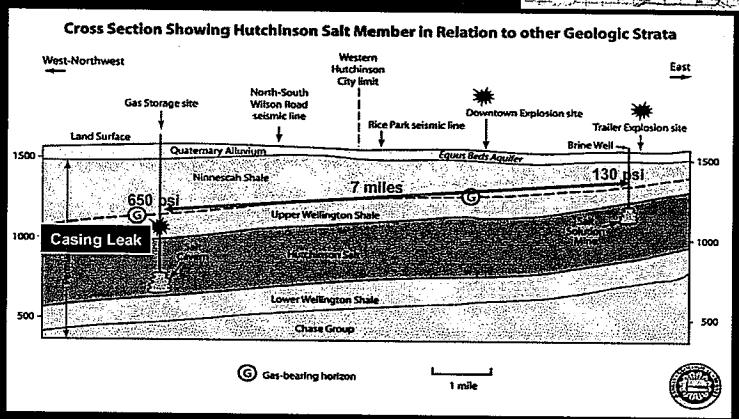
Every time the CO_2 plume met a thin shale layer, it spread out laterally. This lateral dispersion resulted in CO_2 dissolving into brine and getting trapped in fine pores of the rock.

Presence of similar thin shale layer (stratification) and aquitards are expected to be present in the Arbuckle aquifer system.

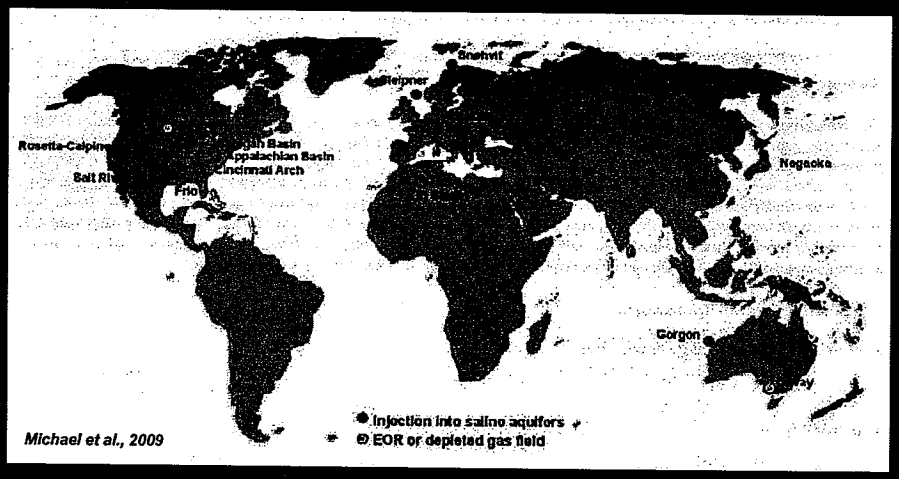
Yaggy Gas Storage Leak - 2001

Site selection for CO_2 sequestration CRITICAL, because all wells drilled in the area have to be accounted for and properly completed before onset of CO_2 injection.



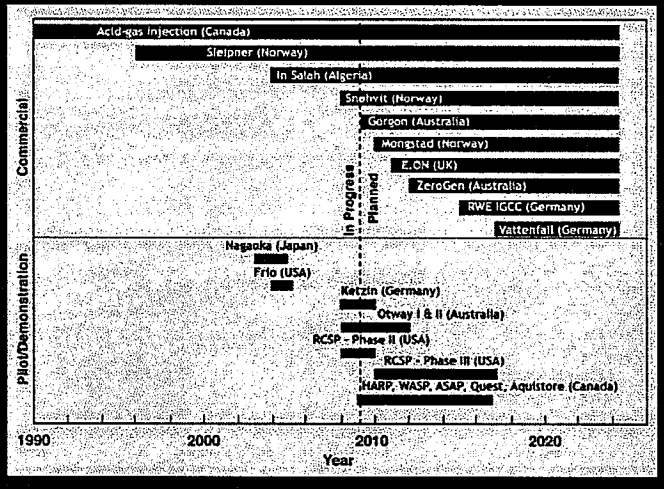


CO_2 Sequestration Projects Worldwide
Deep Saline Aquifers



Michael et al., 2009

CO_2 Sequestration Projects Worldwide
Deep Saline Aquifers



Cap CO_2 & Univ. of Utah will submit proposal to DOE for field scale CO_2-EOR in Apr 2010 with KGS as a partner