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Shale Development – Does Cheap Energy Really Mean Flaming Tap Water?

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Colorado School of Mines

Society of Petroleum Engineers
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Presentation Outline

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- Introduction
- Why is US shale development important?
- Aquifer protection
- Wattenberg study
- Summary
- Questions and answers

Longmont Panel Discussion Sept. 19, 2012

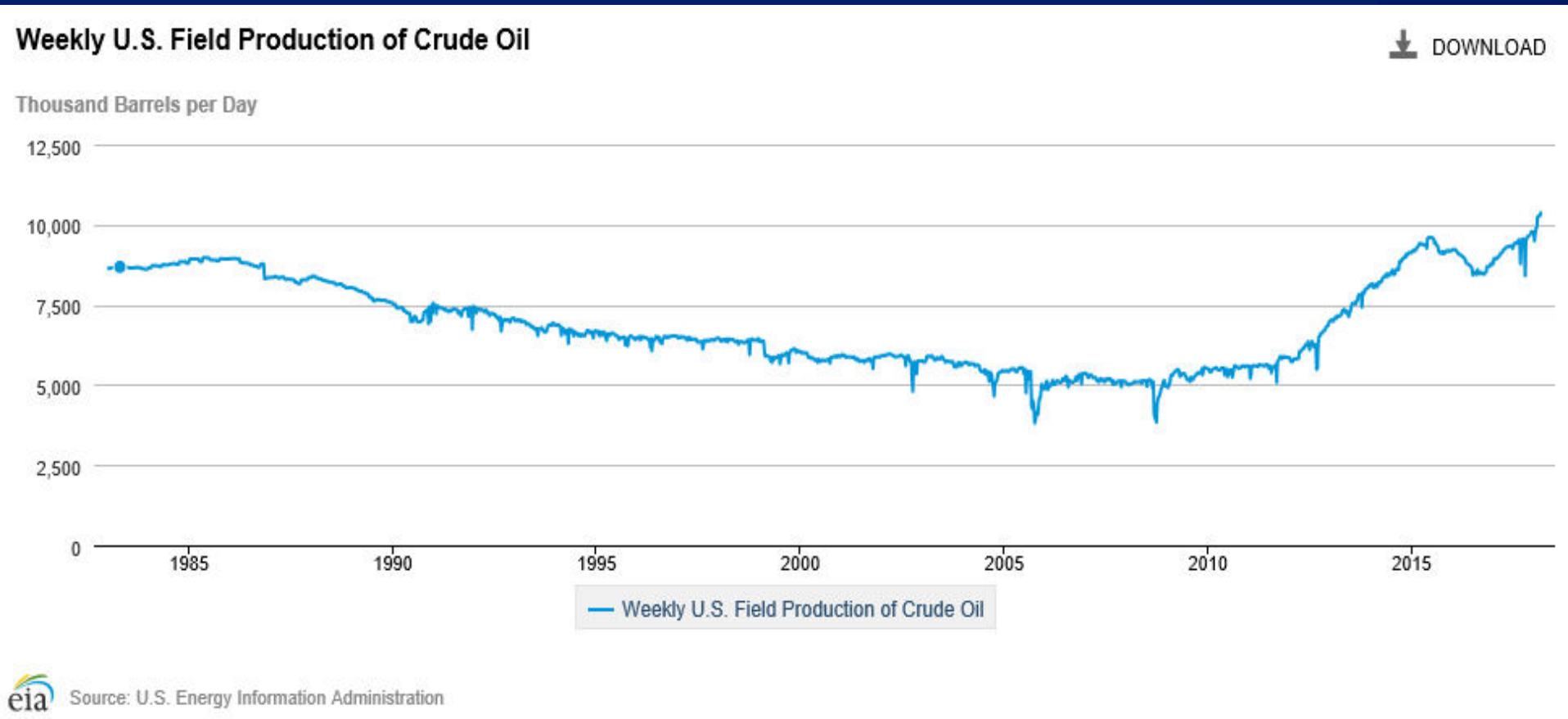
Introduction

- Shale development:
  - Controversial
  - Leakage estimates disputed

- This presentation provides a fact based estimate of leakage

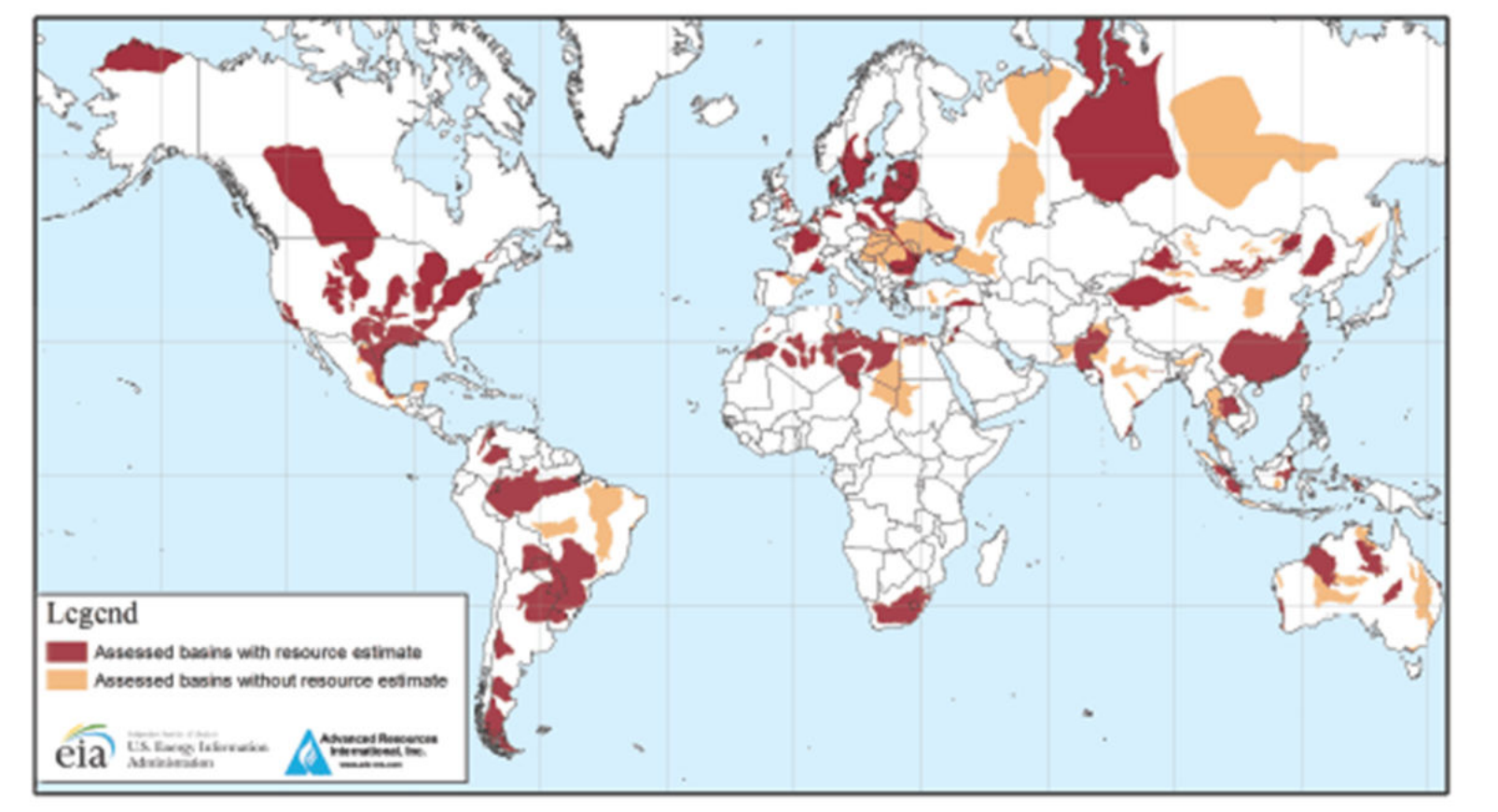
Images from “Gasland The Definitive Documentary on Fracking”

Why is US Shale Development Important?



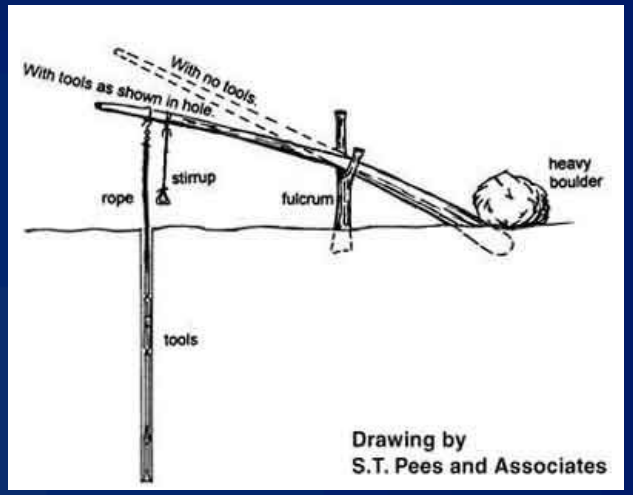
US EIA

Shale Plays Around the World



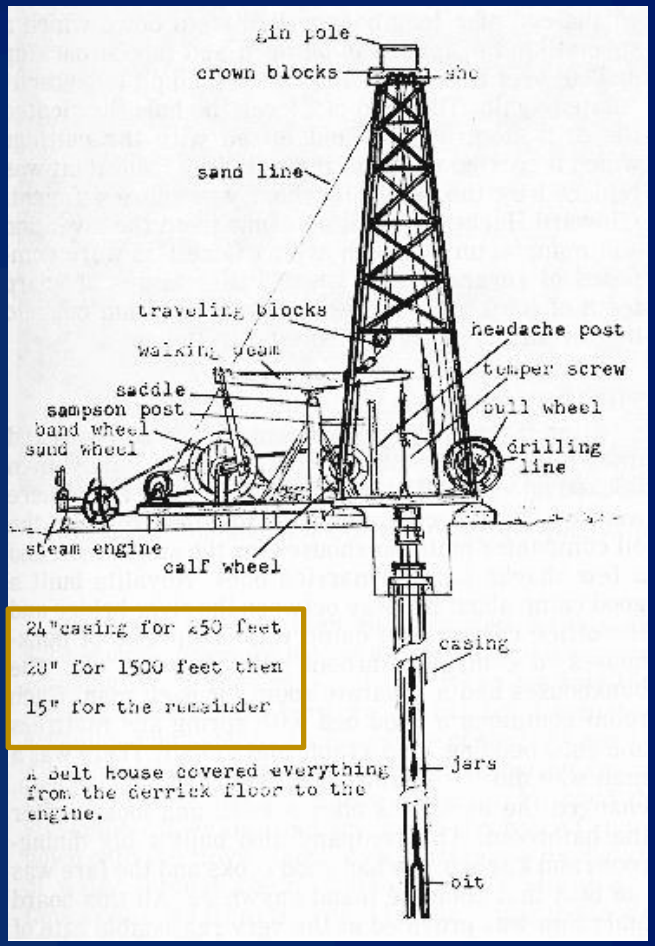
Historical Well Construction

- The first recorded salt well in China
  - 2,250 years ago
- Persian oil development
  - 8 centuries ago
- Baku hand-dug holes to 35 meters
  - 4 centuries ago



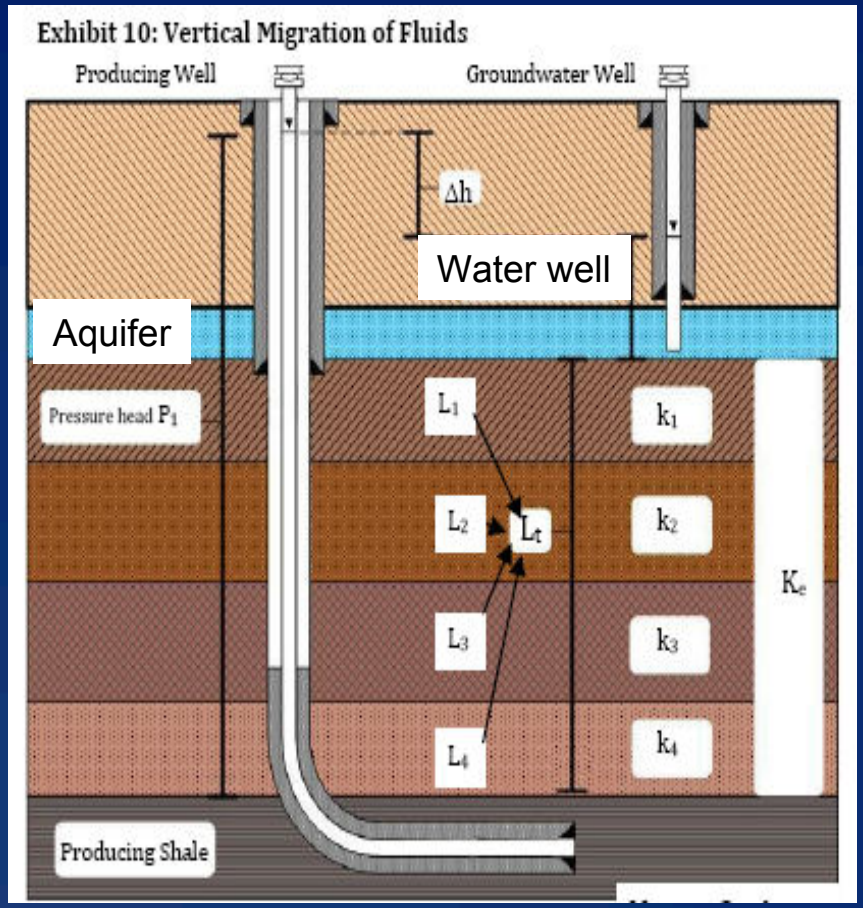
More “Modern” Drillers

- To access the subsurface you need a hole.
- To drill a hole, typically an aquifer is encountered.
- Early drillers recognized the need to case aquifers but:
  - How deep?
  - Good cement job?
  - Legacy wells?



http://drakewell.org

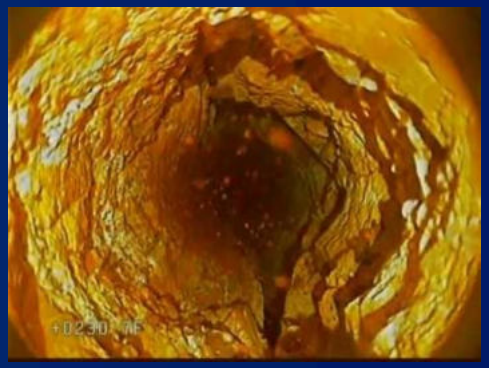
Aquifer Protection



R.A. Freeze and J.A. Cherry. 1979. *Groundwater*. Prentice Hall. 604pgs.

- Aquifer protection:
  - Drill through the aquifer to an impermeable formation
  - Run surface casing and cement

Simple?



Denver Basin Aquifers

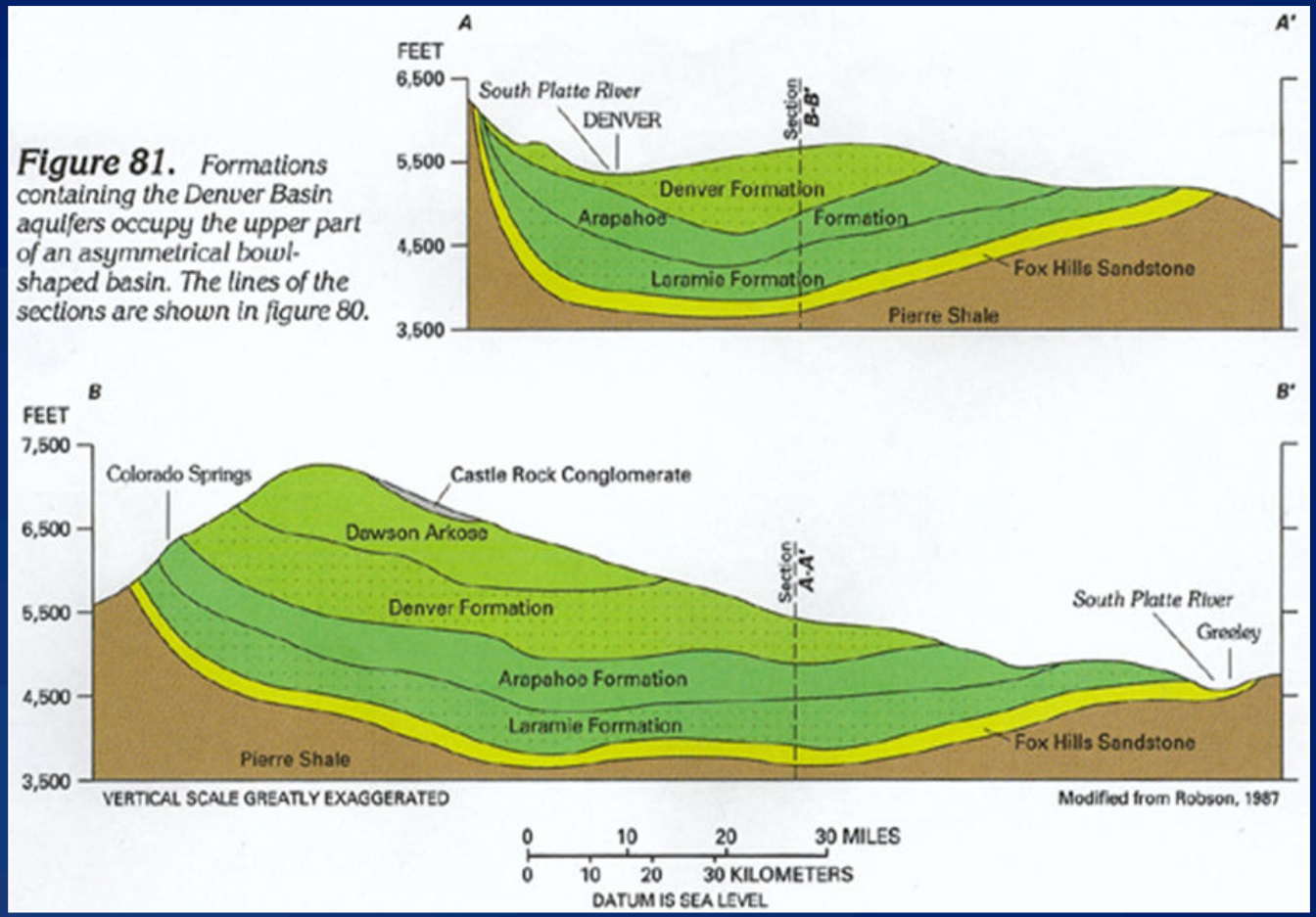
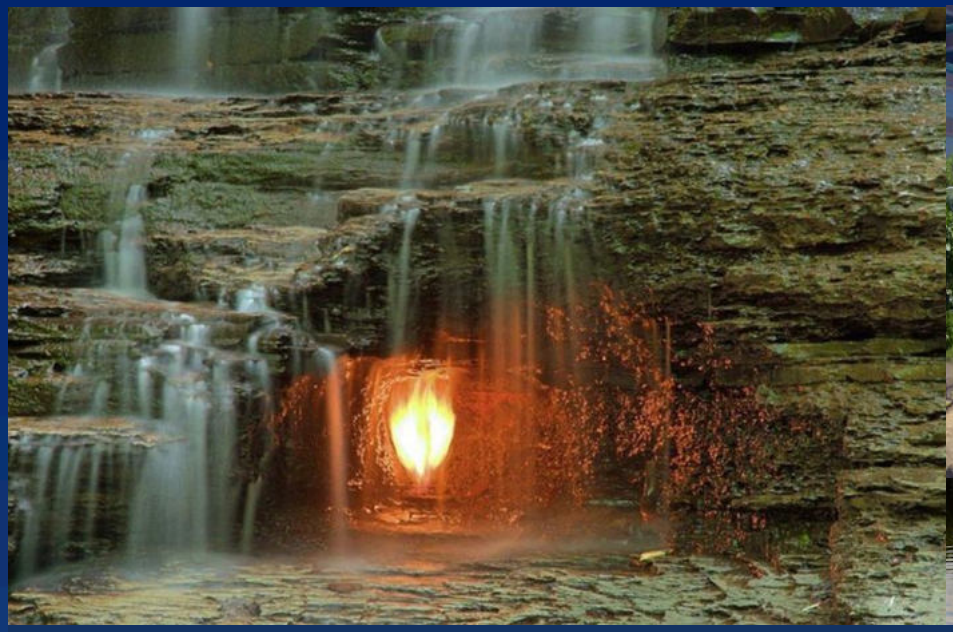


Figure 81. *Formations containing the Denver Basin aquifers occupy the upper part of an asymmetrical bowl-shaped basin. The lines of the sections are shown in figure 80.*

Cross section of the Denver Basin aquifer system (USGS 1995)

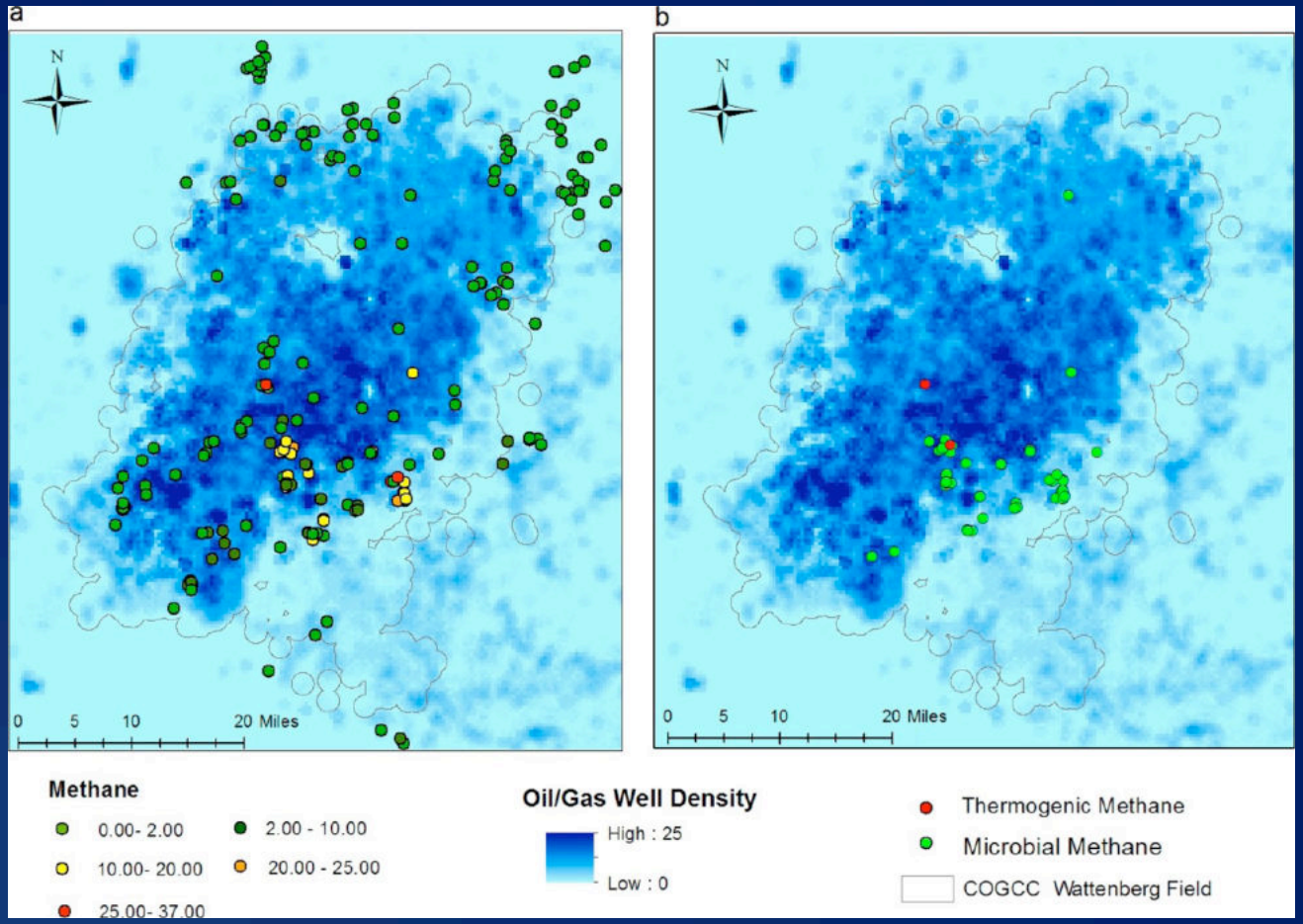
Does Methane Exist in Fresh Water Aquifers?



Biogenic gas, having a microbial origin, is naturally occurring in aquifers (think swamp gas).

Thermogenic gas is associated with deeper oil and gas maturation – may be from oil and gas development or the source may be natural seepage, as shown here.

Aquifer Methane

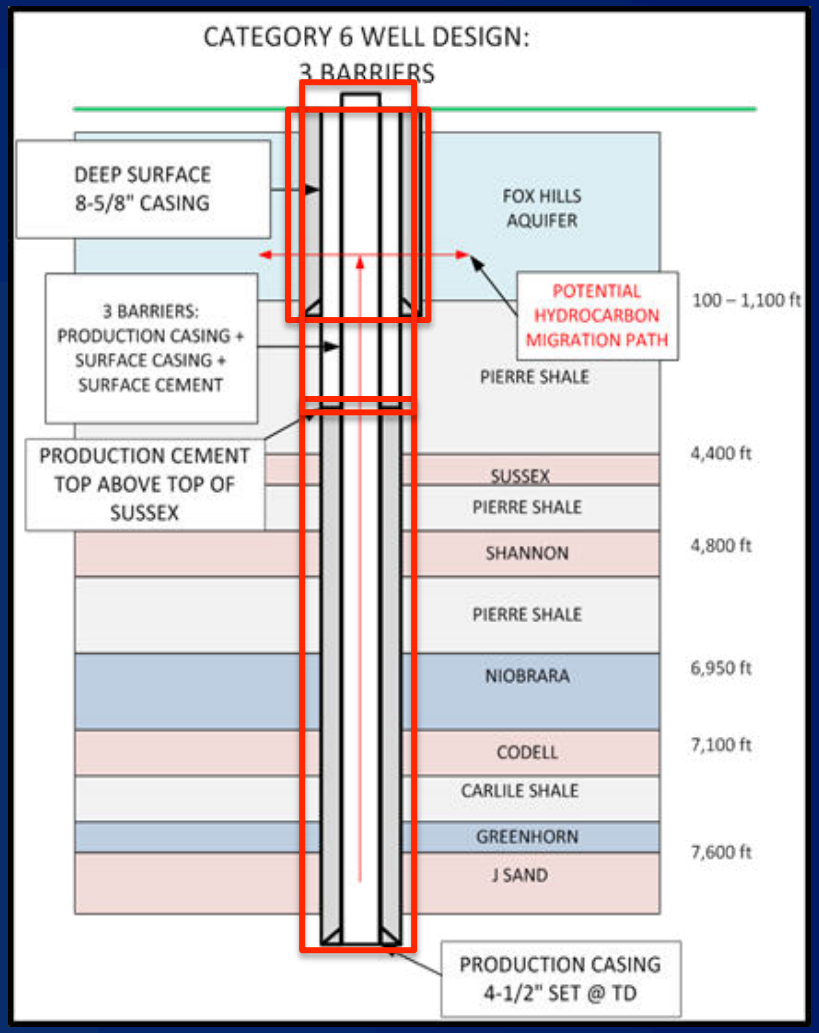


Distribution and Origin of Groundwater Methane in the Wattenberg Oil and Gas Field of Northern Colorado - Li and Carlson 2014

Aquifer Protection

Wellbores should have at least three barriers in place

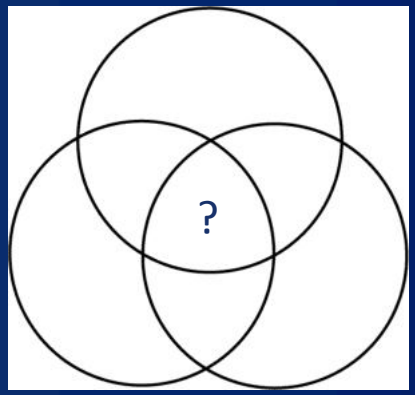
1. Cemented surface casing
2. Cemented prod. casing
3. Annular hydrostatic head



Contamination Probability Hypothesis

Multiplication rule for independent events can be used to estimate aquifer contamination.

$$P=\prod i=1\uparrow N \blacksquare P(Ai)$$



What if a barrier failure probability is 5% or 1/20?

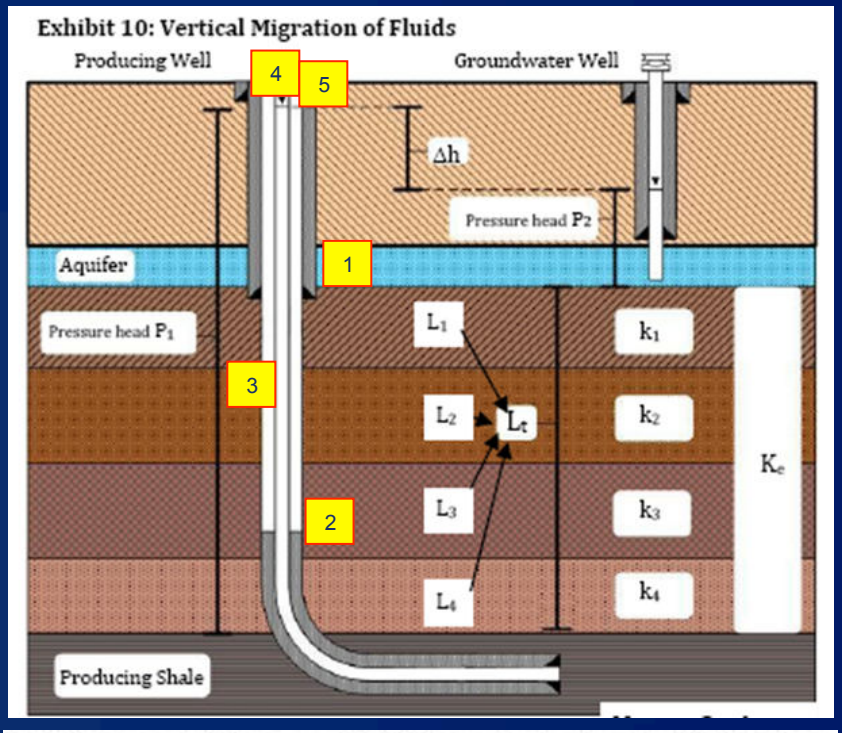
Hypothesis:
5% Individual Barrier Failure

During production:
three independent failures

1. Cemented surface casing
2. Cemented production casing
3. Annular hydrostatic head

During fracturing: two more:

4. Frac string pressure monitoring
5. Annular pressure monitoring



R.A. Freeze and J.A. Cherry. 1979. *Groundwater*. Prentice Hall. 604pgs.

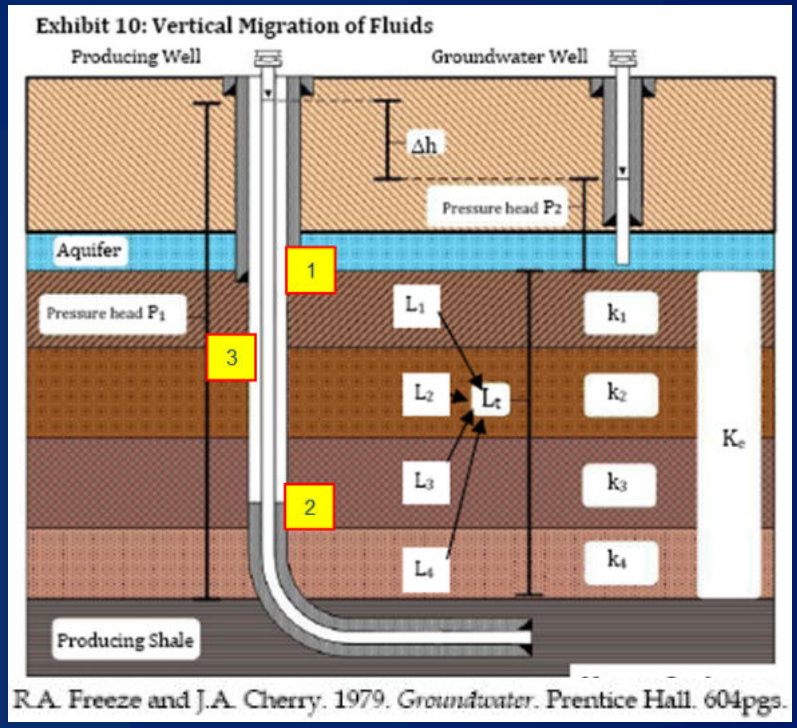
Contamination Probability Hypothesis - Production

Probability of hydrocarbon migration:

$$P=\prod_{i=1}^{N} P(Ai)$$

$$P=0.05^{3}$$

1 per 8,000 wells.



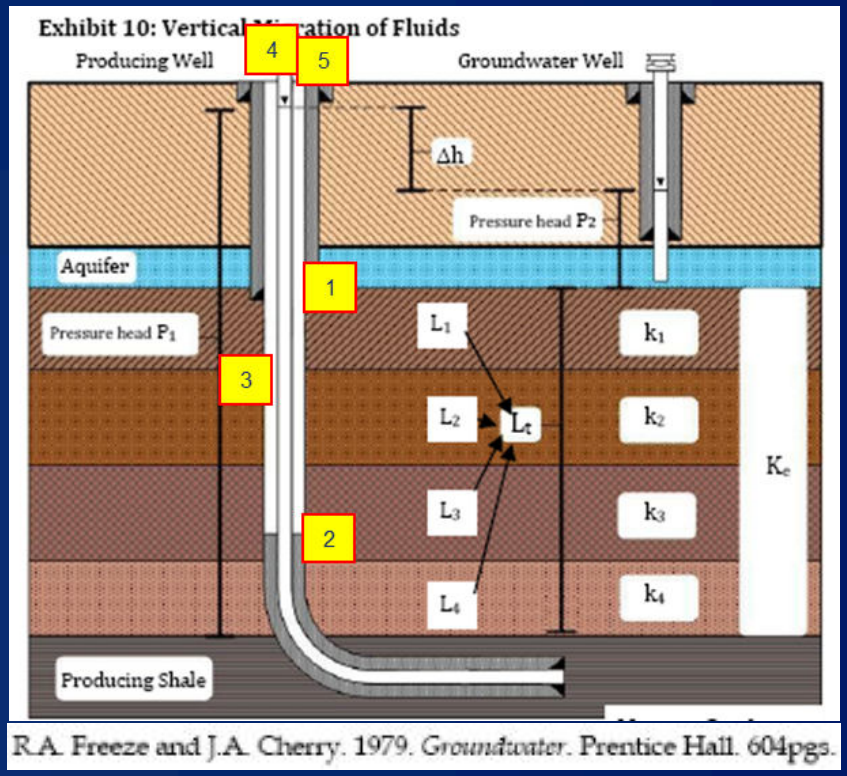
Contamination Probability Hypothesis - Fracturing

- Probability of frac fluid migration:

$$P=\prod i=1\uparrow N\blacksquare P(Ai)$$

$$P=0.05\uparrow 5$$

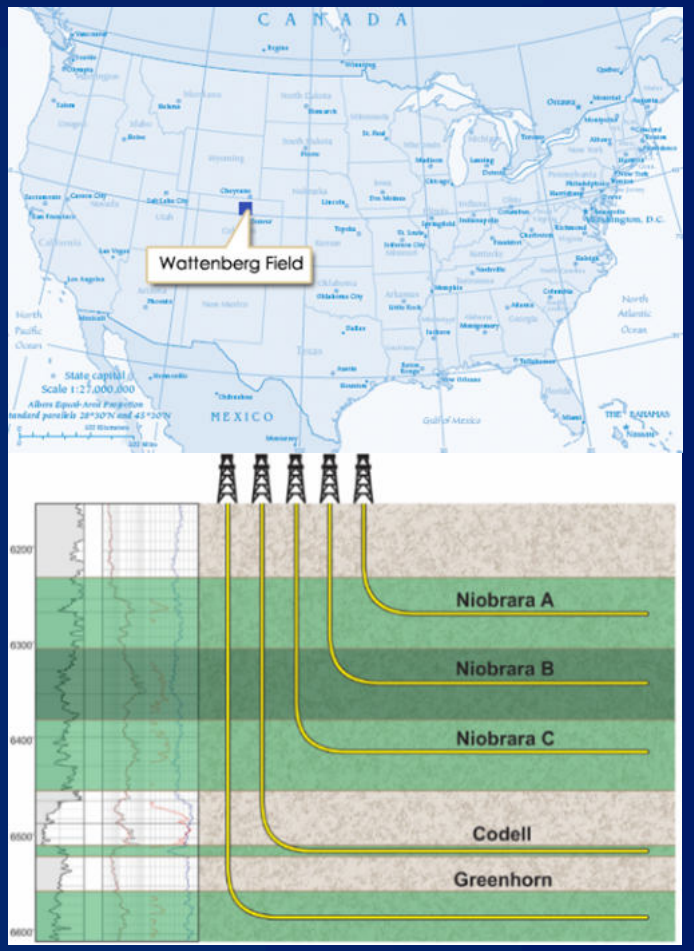
- 1 per 3,200,000 wells.



R.A. Freeze and J.A. Cherry. 1979. *Groundwater*. Prentice Hall. 604pgs.

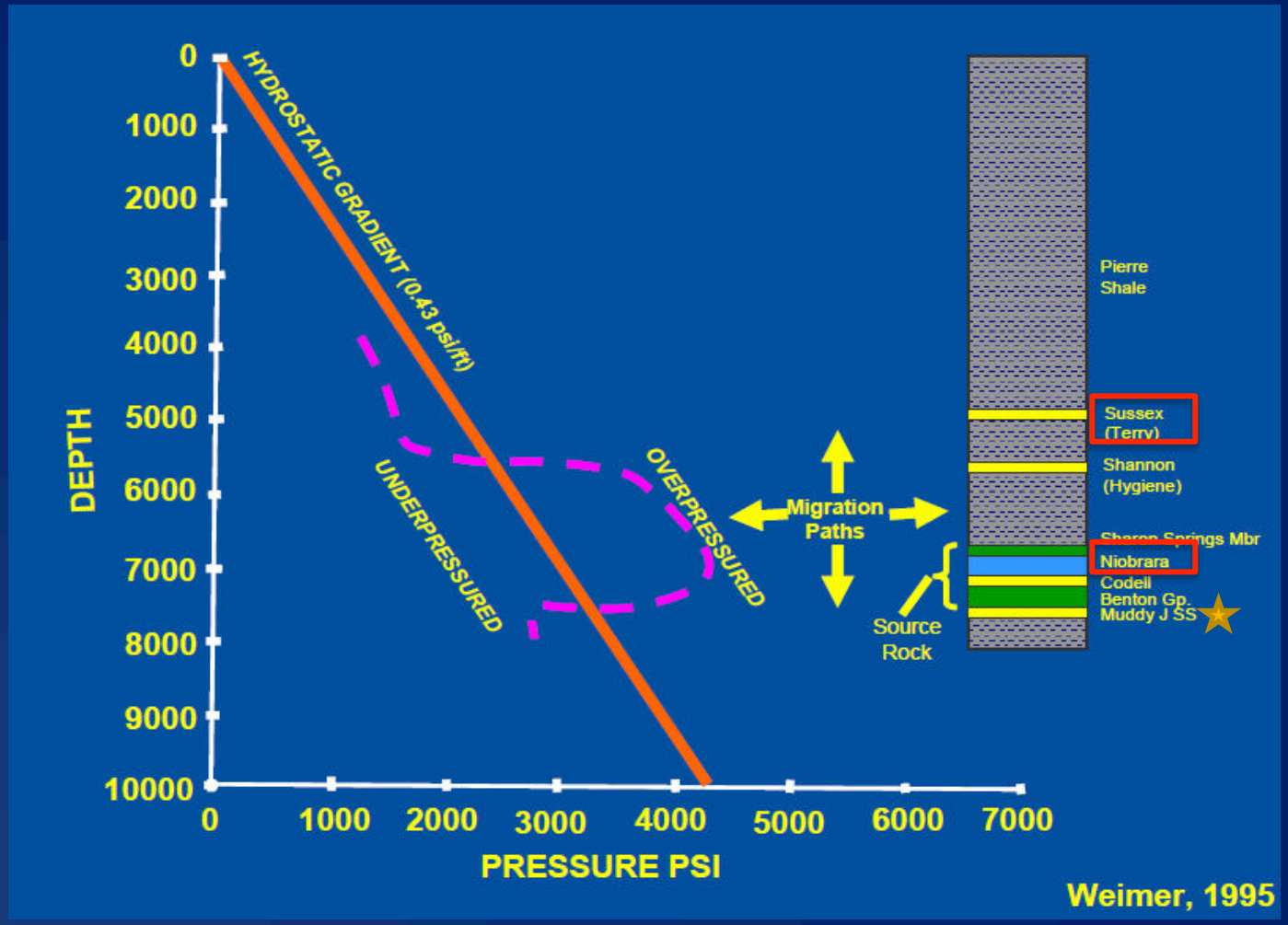
Aquifer Protection Case Study

- The Wattenberg Field near Denver, CO.
- Data from 17,948 oil wells (1970 – 2013).
- Wells were classified by construction types.
- **Possible barrier failures**:
  - Remedial cementing below the surface casing
  - Possible presence of Sustained Annular Pressure
- **Catastrophic barrier failures**:
  - Thermogenic gas detected in offset water wells combined with barrier failure in an adjacent well.



Bonanza Creek

Wattenberg Pressure Profile



Surface Casing Setting Depths

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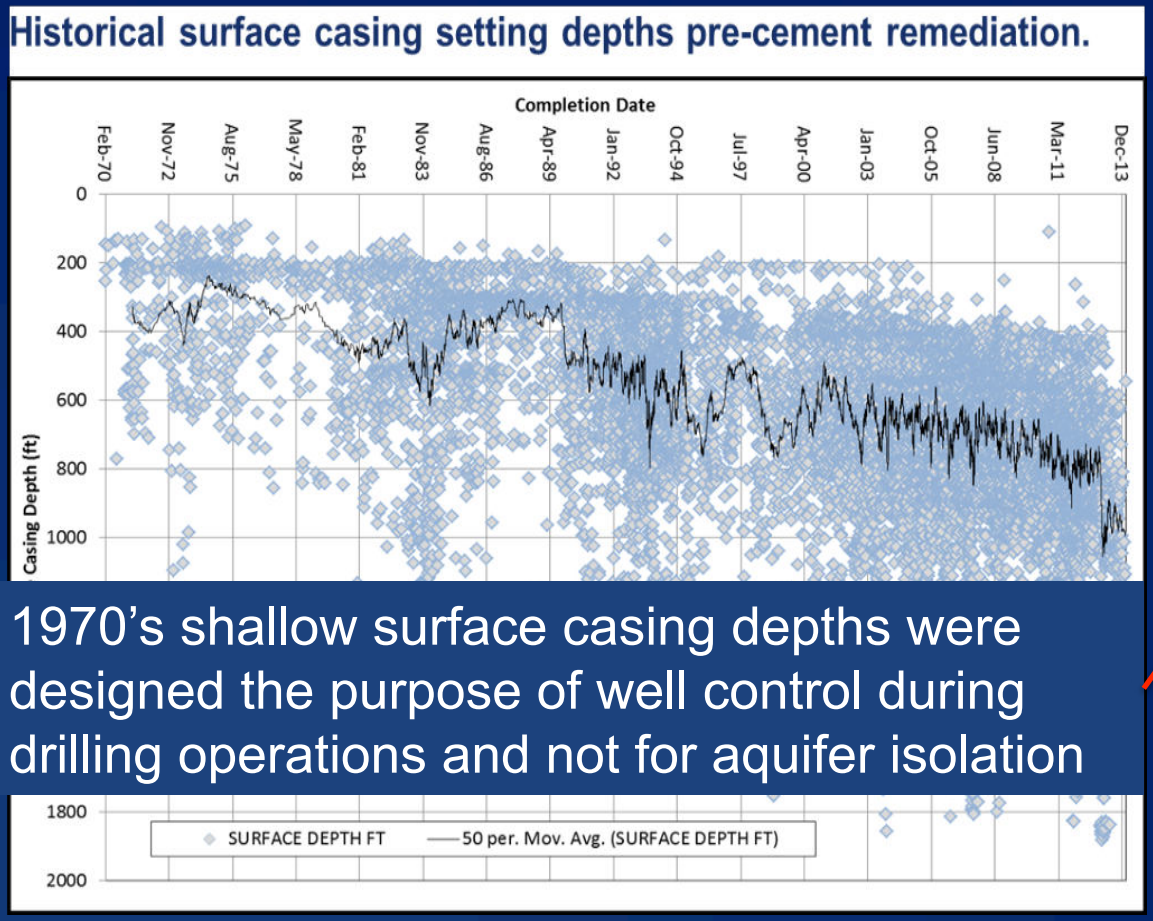
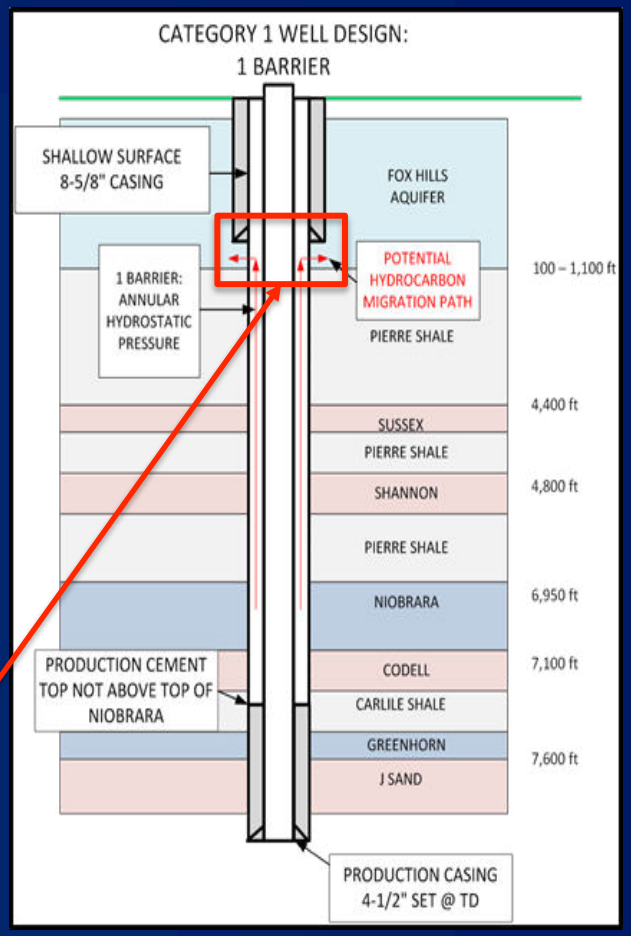


1970's shallow surface casing depths were designed the purpose of well control during drilling operations and not for aquifer isolation



SPE-175401-MS • An Assessment of Risk of Migration to Fresh Water Aquifers: • Fleckenstein

Cementing Practices

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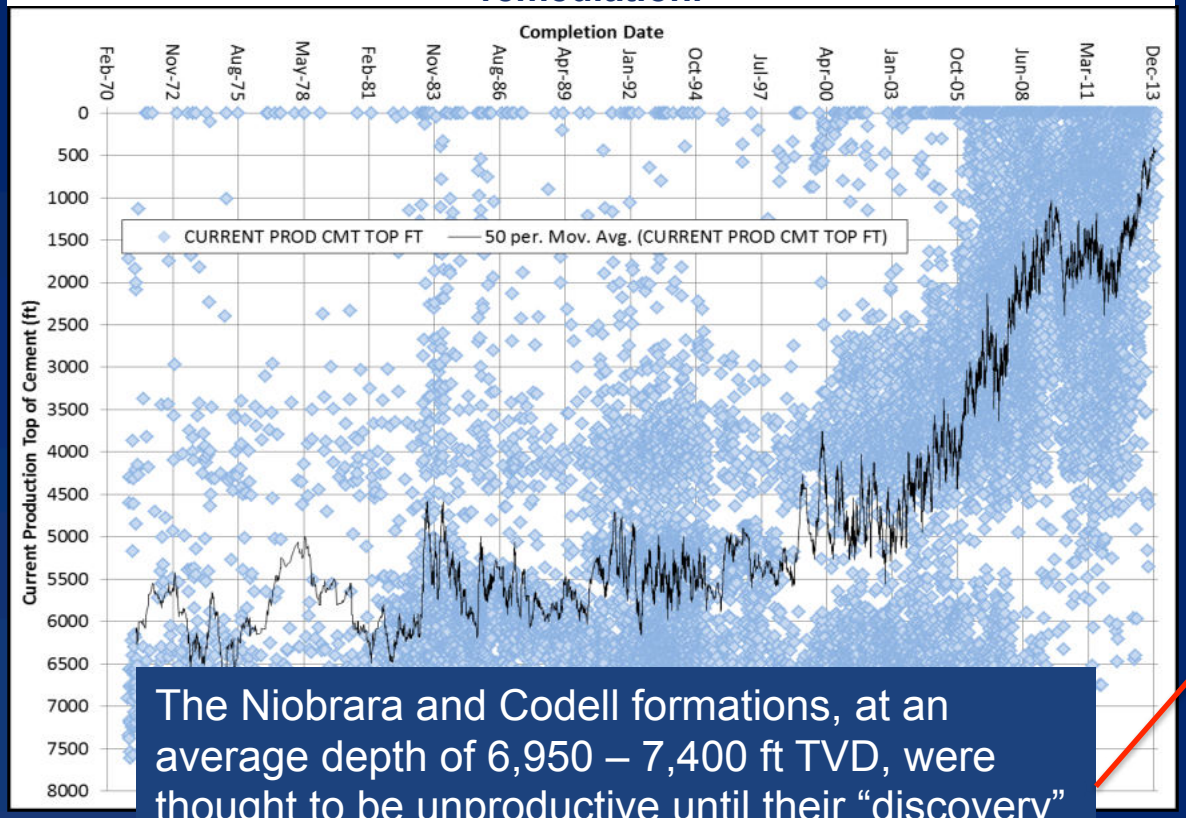
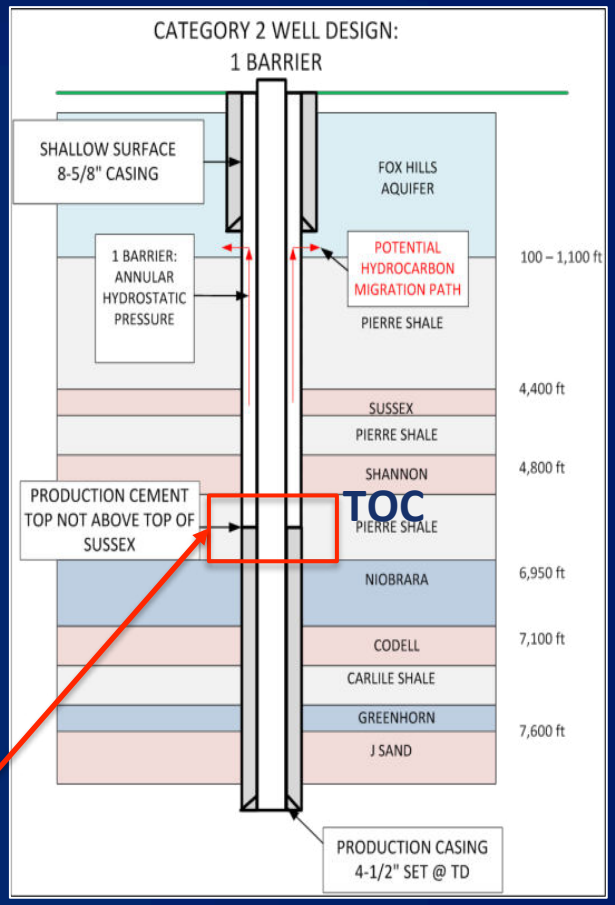
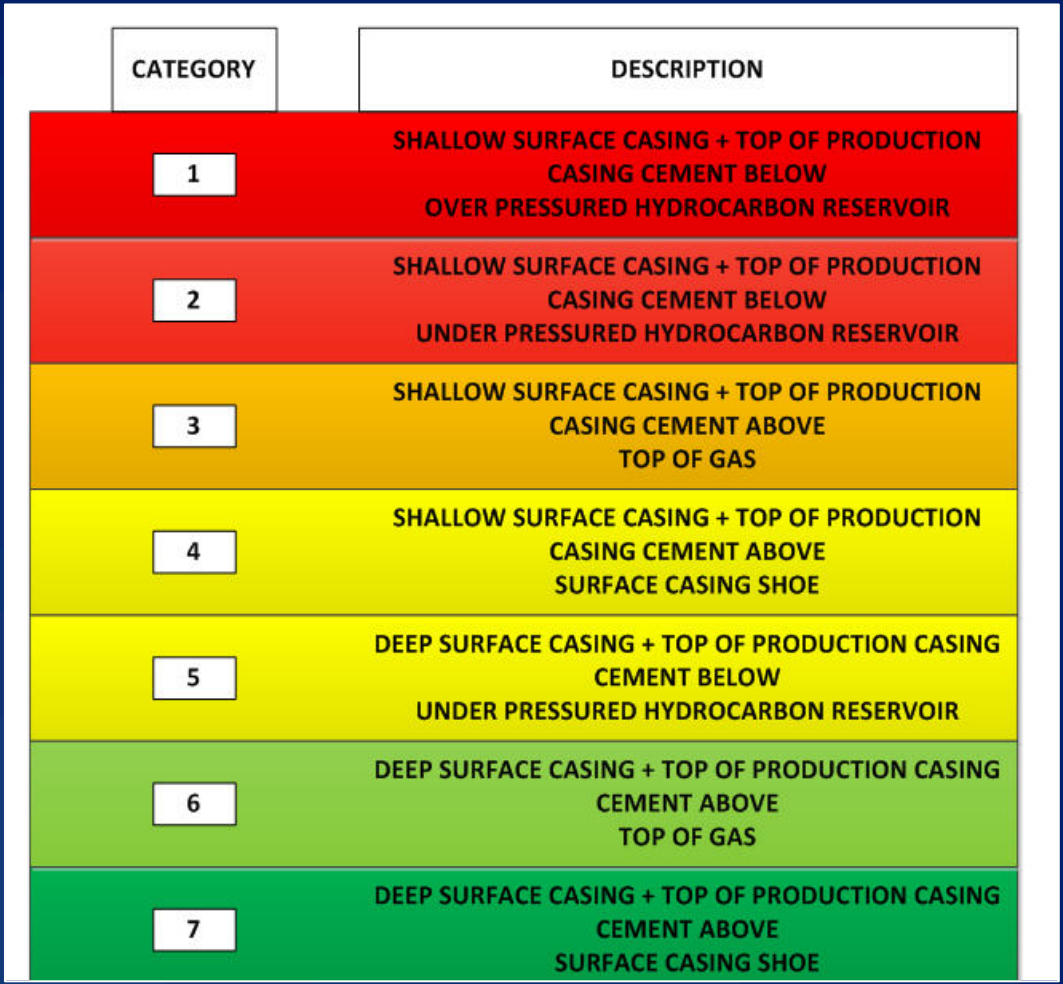
Historical production top of cement (TOC) depths post-cement remediation.





The Niobrara and Codell formations, at an average depth of 6,950 – 7,400 ft TVD, were thought to be unproductive until their “discovery” in the early 1980’s.

Well Design Risks



CATEGORY	DESCRIPTION
1	SHALLOW SURFACE CASING + TOP OF PRODUCTION CASING CEMENT BELOW OVER PRESSURED HYDROCARBON RESERVOIR
2	SHALLOW SURFACE CASING + TOP OF PRODUCTION CASING CEMENT BELOW UNDER PRESSURED HYDROCARBON RESERVOIR
3	SHALLOW SURFACE CASING + TOP OF PRODUCTION CASING CEMENT ABOVE TOP OF GAS
4	SHALLOW SURFACE CASING + TOP OF PRODUCTION CASING CEMENT ABOVE SURFACE CASING SHOE
5	DEEP SURFACE CASING + TOP OF PRODUCTION CASING CEMENT BELOW UNDER PRESSURED HYDROCARBON RESERVOIR
6	DEEP SURFACE CASING + TOP OF PRODUCTION CASING CEMENT ABOVE TOP OF GAS
7	DEEP SURFACE CASING + TOP OF PRODUCTION CASING CEMENT ABOVE SURFACE CASING SHOE

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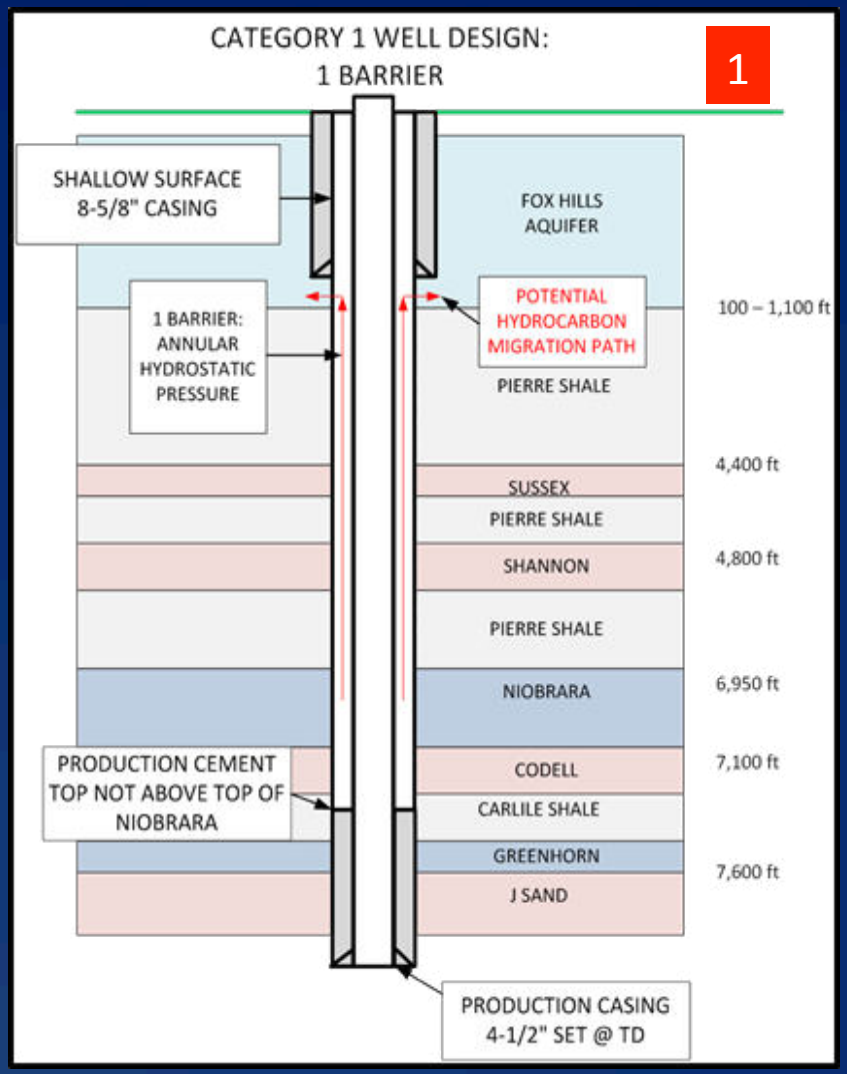
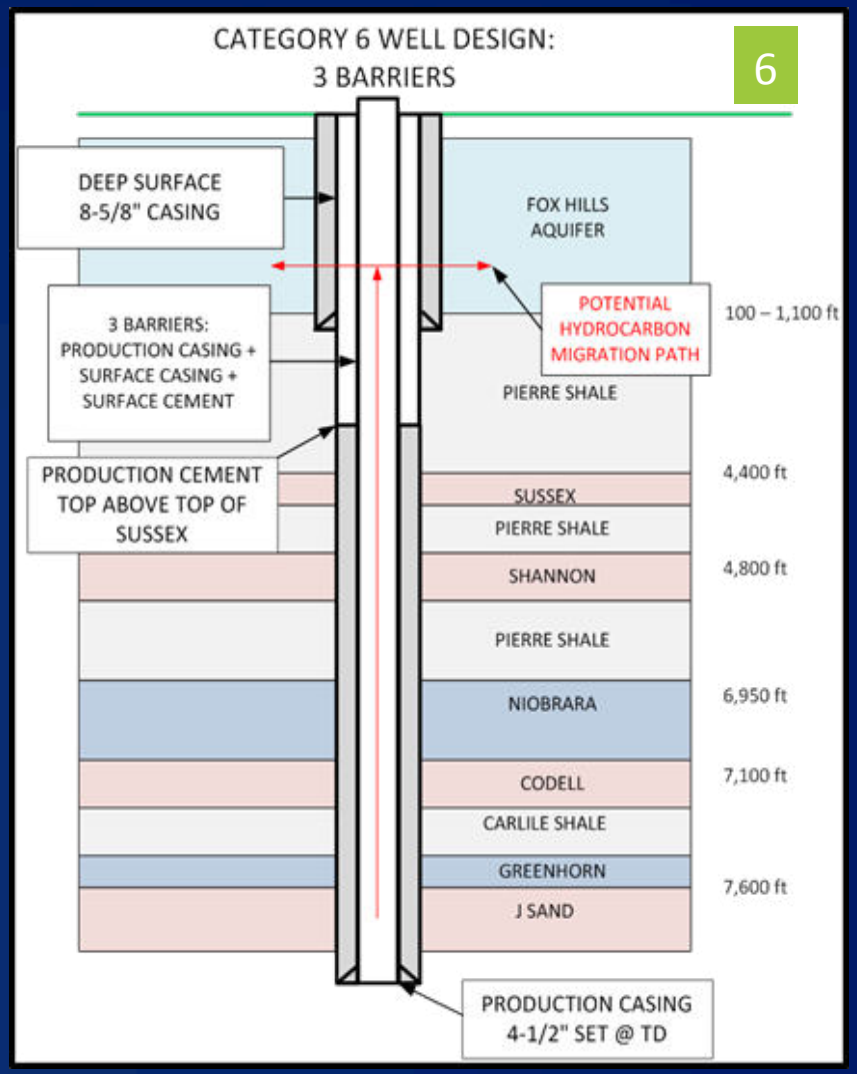
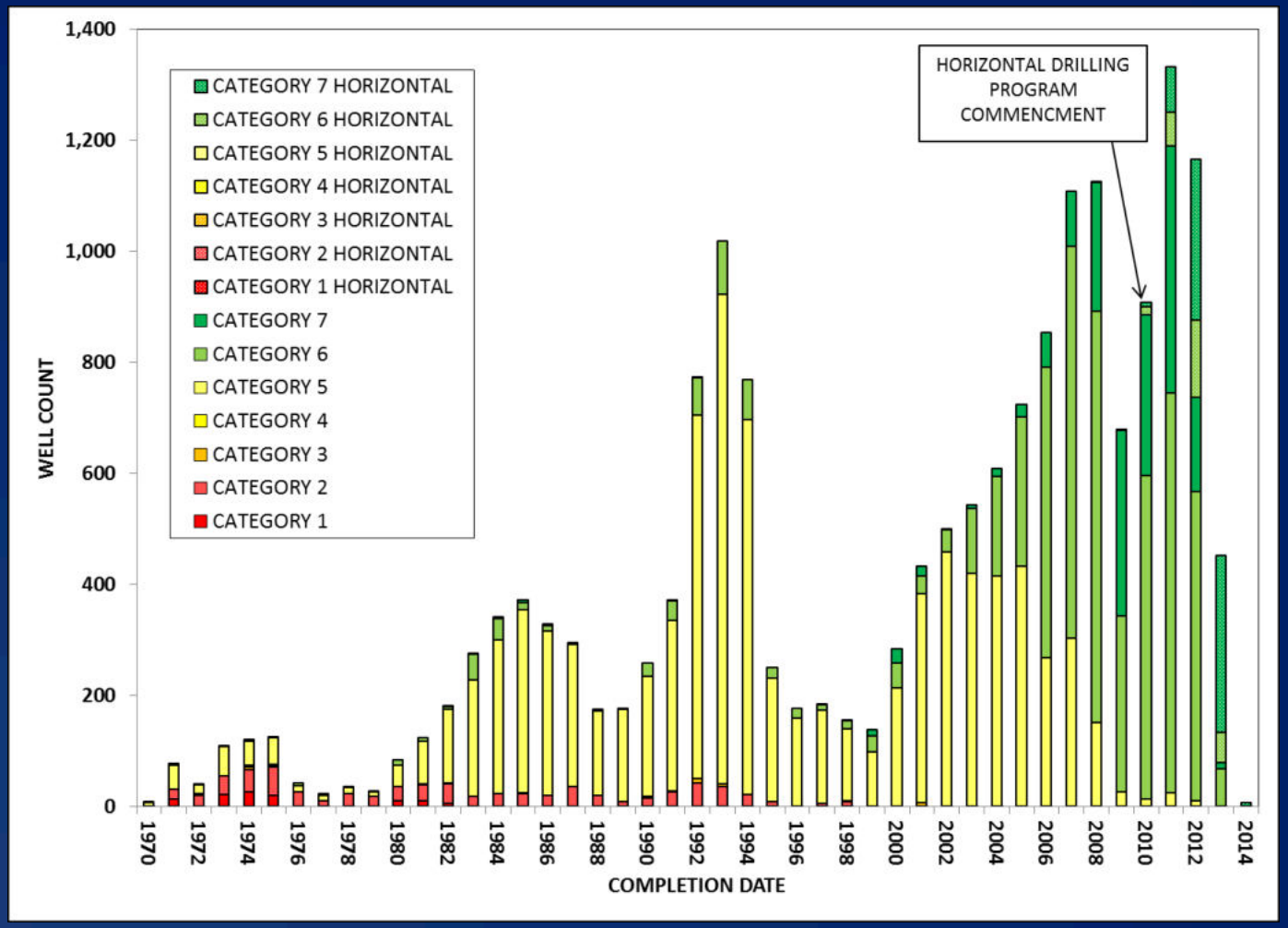
Wellbore Design Impacts

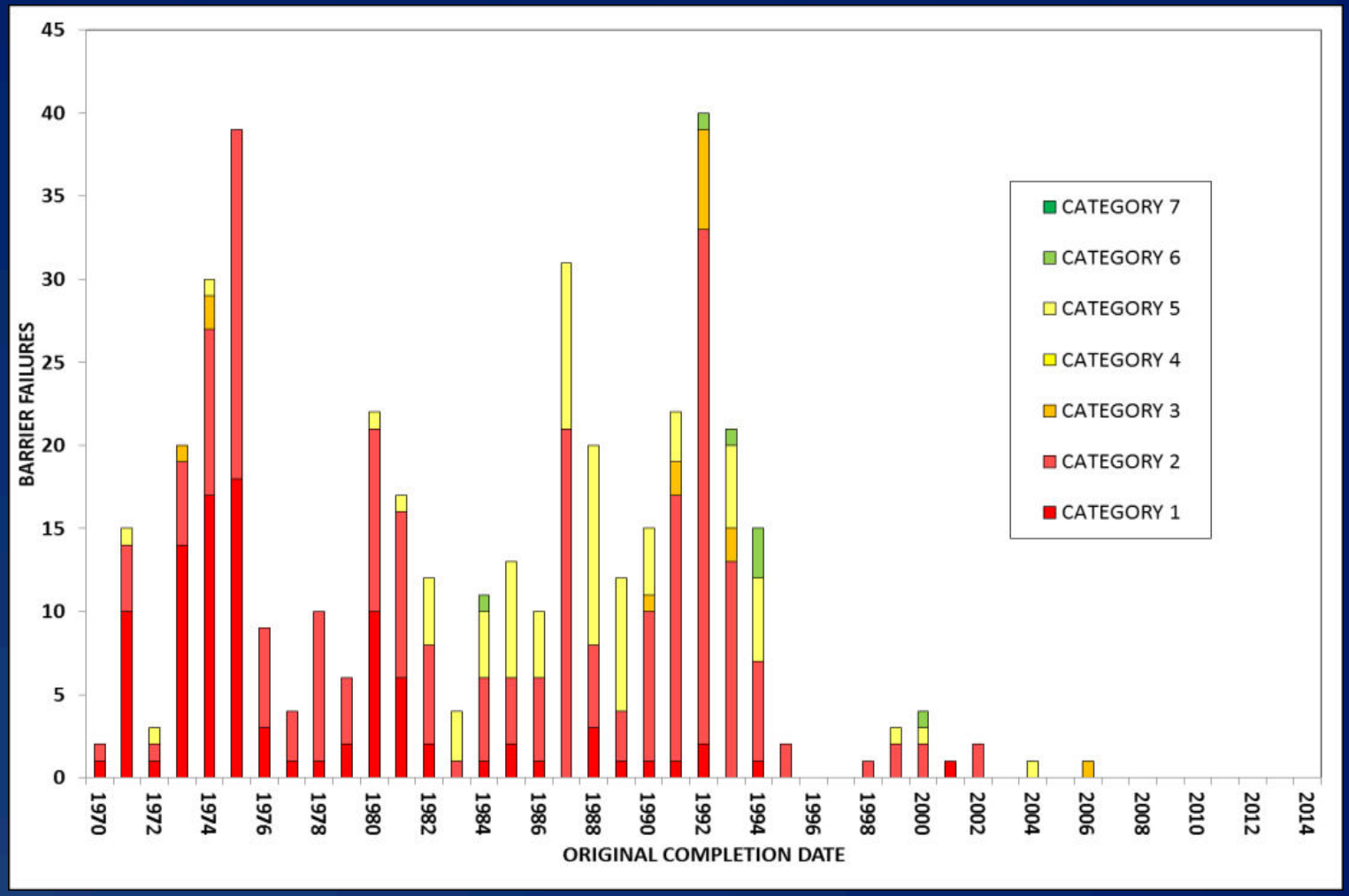




Well Designs in Use



Well Barrier Possible Failures



Potential and Catastrophic Barrier Failures

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VERTICAL AND DEVIATED WELLS

	ORIGINAL WELL COUNT	POTENTIAL BARRIER FAILURES	POTENTIAL BARRIER FAILURE %	CATASTROPHIC BARRIER FAILURES	CATASTROPHIC BARRIER FAILURE %	AVG COMPLETION DATE	P&A WELL COUNT	CURRENT WELL COUNT	ORIGINAL AVG SURFACE CASING DEPTH (FT)	ORIGINAL AVG TOP OF PRODUCTION CEMENT (FT)
CATEGORY 1	166	100	60.24%	3	1.81%	1979	57	15	253	7,334
CATEGORY 2	621	219	35.27%	5	0.81%	1983	138	301	306	6,566
CATEGORY 3	46	16	34.78%	1	2.17%	1987	14	31	321	4,008
CATEGORY 4	7	0	0.00%	0	0.00%	1982	1	15	222	125
CATEGORY 5	8,789	77	0.88%	1	0.01%	1995	782	6,140	559	6,111
CATEGORY 6	5,433	6	0.11%	0	0.00%	2007	105	7,181	712	2,816
CATEGORY 7	1,766	0	0.00%	0	0.00%	2009	8	2,040	719	534
TOTAL	**16,828**	**418**	**2.48%**	**10**	**0.06%**		**1,105**	**15,723**		
D&A	**147**									

SPE-181696 • An Assessment of the Probability… • Fleckenstein

973 horizontal wells (Categories 6 and 7) have had neither potential or catastrophic barrier failures

Contamination Probability Hypothesis – Did it work?

Probability of hydrocarbon migration

$P = 0.05 \uparrow 3$ $Pact = 0.024 \uparrow 3$

1 per 8,000 wells – original hypothesis

10 per 17,950 wells (1 per 1,795)

– actual (4 times larger) – Why??

9 per 833 *poorly* constructed wells

1 per 15,995 *well* constructed wells

Summary

1. Aquifers can be protected against “fracking”.

2. Migration of natural gas in wellbores occurs, but infrequently.

3. The probability of potential and catastrophic failure of one or more barriers increases with poor well construction methods.

4. *Most* of the failures occur on wells with *shallow surface casing* set above the base of the aquifer.

5. Horizontal wells for shale development benefit from the historical improvement in well construction methods.

Acknowledgments

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