Kansas CO2 Enhanced Oil Recovery History and Potential

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Improved Hydrocarbon Recovery, LLC, In collaboration with Kansas Geological Survey



KU KANSAS

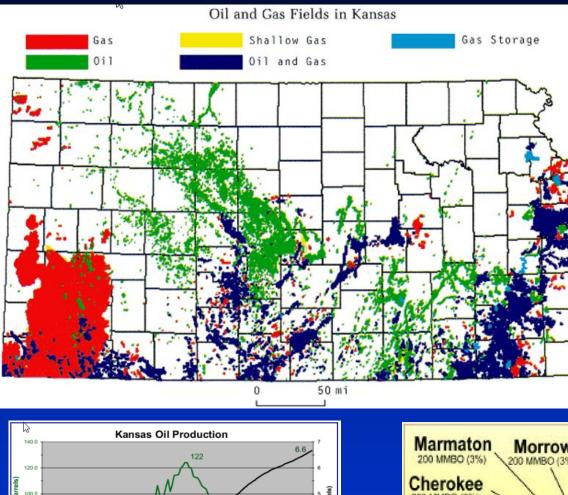
CCUS in Kansas, Sept 21, 2017, Wichita, KS

The Prize: 250 million barrels of oil

The Pathway:

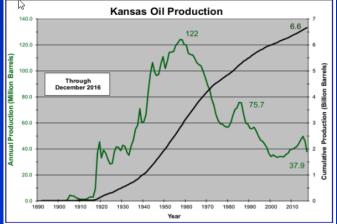
- Formative years 1999 2017
 - Analysis and pilot projects
 - Initial point-to-point from ethanol plants
- Post 45Q <u>or</u> \$80 oil price

Oil-rich state, but no appreciable CO2

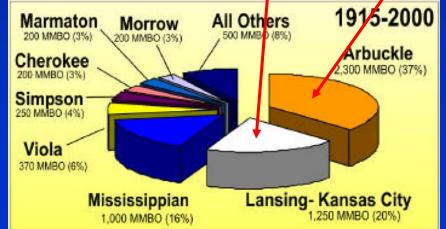


6.6 Billion barrelsNow at 36 mmbo/yrCO2 EOR +10 mmbo/yrpossible??

Most prolific are LKC and Arbuckle



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The Big Picture

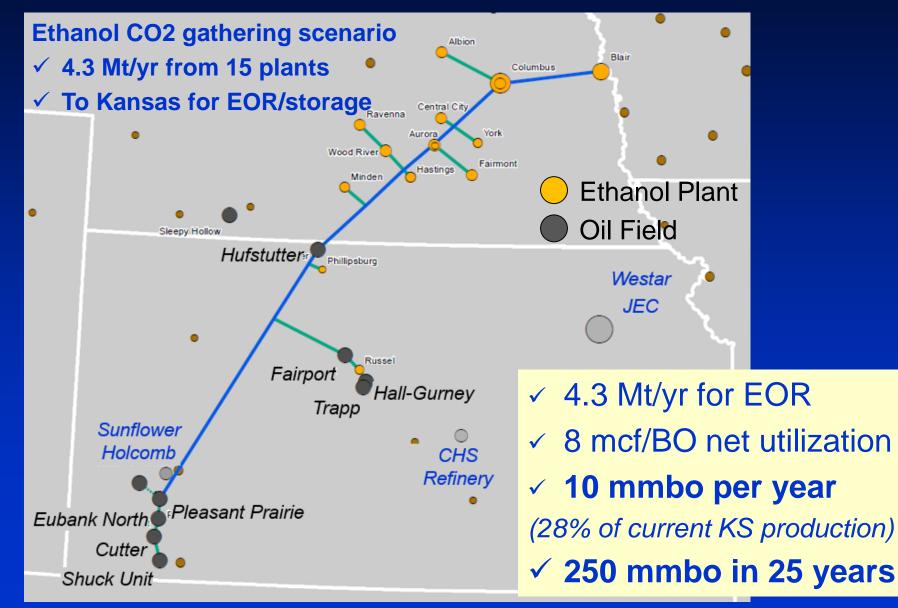
From the Midwest Governor's Association and ARI (2009)

- Kansas holds > 750 million barrels of technical CO2-EOR potential.
- Kansas has the largest oil resources in the MGA region.

Basin	EOR potential (Mil bbl)	Net CO ₂ Demand (MMT)	Direct Jobs Created
Illinois/Indiana	500	160 – 250	1, 5 50 - 3,100
Ohio	500	190 – 300	1, <mark>550 - 3</mark> ,100
Michigan	250	80 - 130	800 - 1,800
Kansas	750	240 – 370	2,300 – 4,600
TOTALS	2,000	670 – 1,050	6,200 – 12,400

Byrnes et al., 1999 (Kansas Geological Survey) 250 to 1,000 million barrels

What's required for 250 mmbo? 4.3 *M* tonne / yr CO2 (220 mmcfd) for 25 yrs



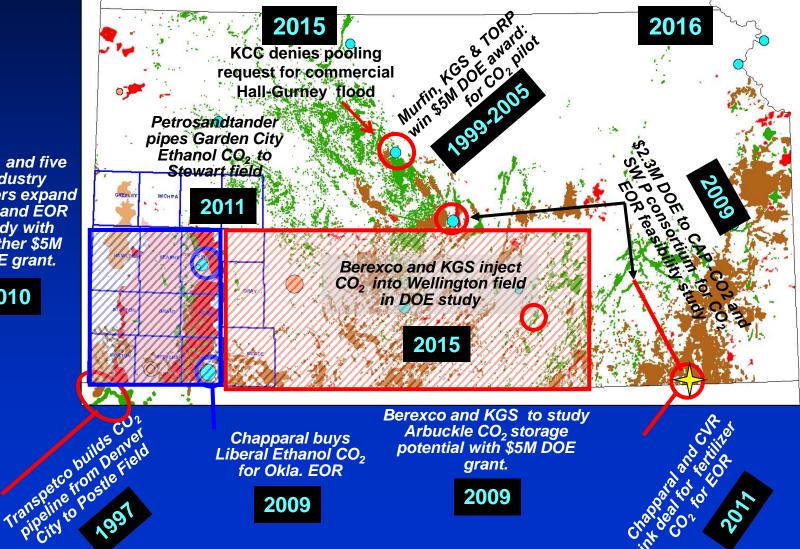
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CO2 EOR and CCUS Headlines (1997-present)

Kansas Ethanol Plants (2008)

Blue – active, Tan - planned

KGS and industry partners land \$1.5M for Phase I in DOE **CarbonSAFE** program



KGS and five industry partners expand CCS and EOR study with another \$5M DOE grant.

2010

"CO2 Ready" EOR candidates

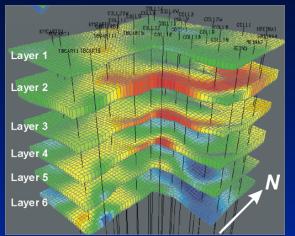
	CO2 EOR	Inject.	CO2	Primary &	CO2	
	Ready	Rate	Stored	Secondary	EOR	
	Level	(Mt/yr)	(Mt)	(mmbo)*	(mmbo	Basis for Estimate
Shuck	1	0.4	1.5	7.9	3.6	DE-FE000256
Cutter	1	0.5	1.3	5.4	2.8	DE-FE000256
N Eubank	1	0.6	1.5	7.4	4.6	DE-FE000256
Pleasant Prairi	1	0.3	0.5	4.7	2.2	DE-FE000256
Hall Gurney	1	1	11.3	62.5	26.8	DE-AC26-00BC15124 PILOT & C12 Ener
Trapp	2	0.5	4.3	31.3	10.3	KGS reports
Wellington	1	0.6	2.2	16.2	5.3	DE-FE0002056 and PILOT
		3.9	22.8	135.4	55.7	

* P&S production is for portion of field that could be flooded

"CO2 Ready" fields could take 3.9 million tonnes /year (200 mmcfd) And recover 56 mmbo

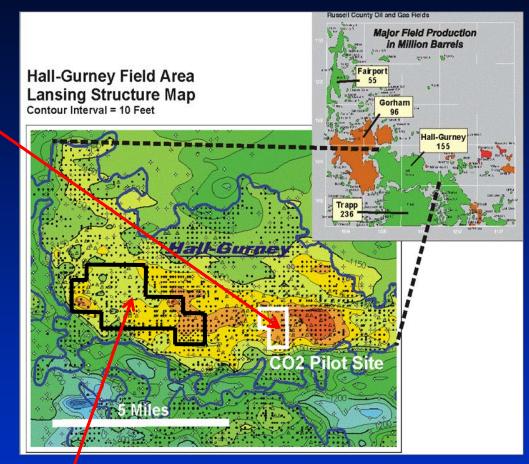
Murfin's (and KGS) Hall-Gurney Pilot

LKC "C" Zone model



Murfin's Hall Gurney (Russell) Pilot (2005)

- Trucked CO2 from USEP Russell ethanol plant
- Injected 140 mmcf (7400 tonnes CO2)
- Produced an estimated 27.9 mbo incremental oil
- Gross Utilization: 5
 mcf/BO



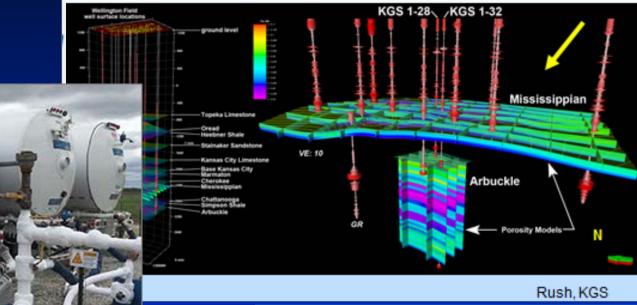
C12 Energy (2015)

- Projected 10.7 MBO recovery from proposed Unit
- KCC denied pooling application

Berexco's (and KGS) Wellington Pilot (2016)

DOE-FE-006821

Mississippian Oil Reservoir & Arbuckle Saline Aquifer Showing Newly Drilled Wells and Wells with Modern Logs

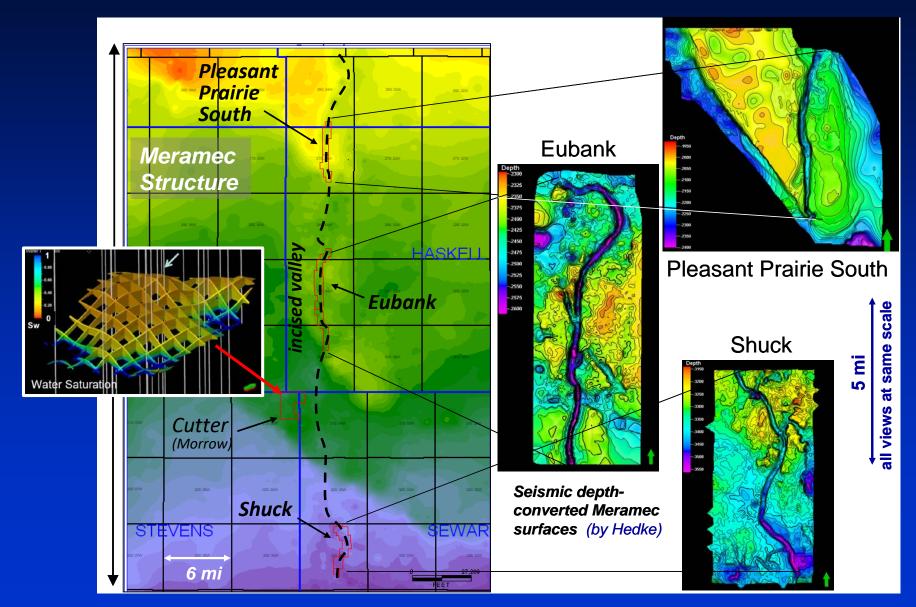


- Injected 374 mmcf CO2 (19,800 tonnes) over 165 days through June 2016
- Projected Incremental oil 32.4 mbo
- Projected Gross utilization: 11.5 mcf/BO

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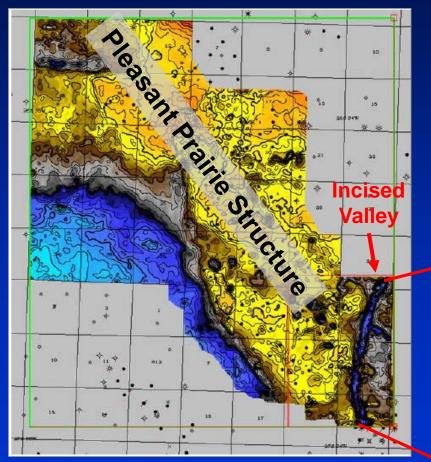


Four fields in KGS/DOE study "CO2 Ready" Could take **2 Mt/yr** + **13.2 mmbo** from EOR



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Pleasant Prairie So. Chester IVF



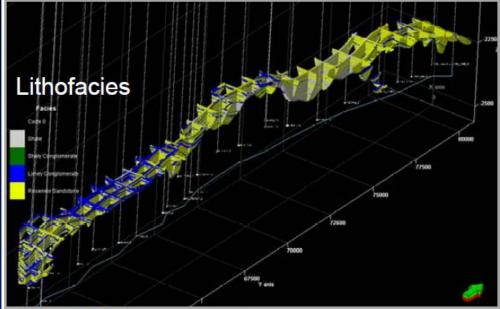
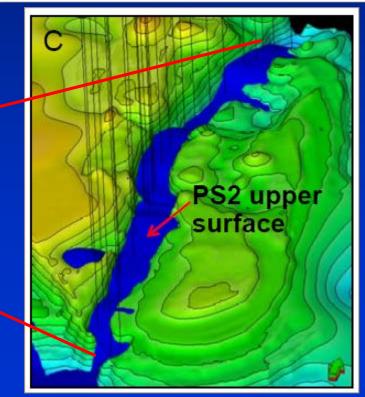
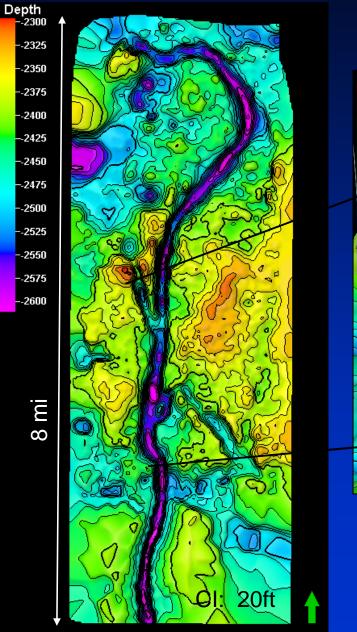
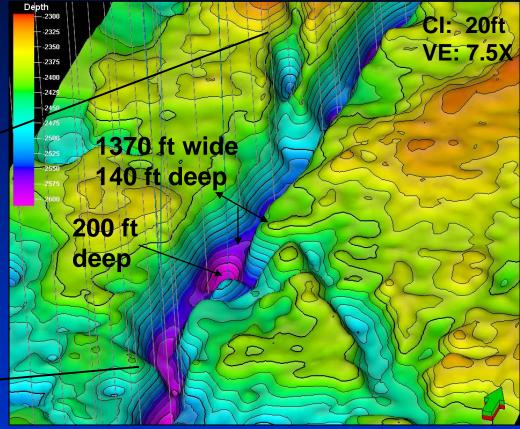


Fig. 6.14 Lithofacies model

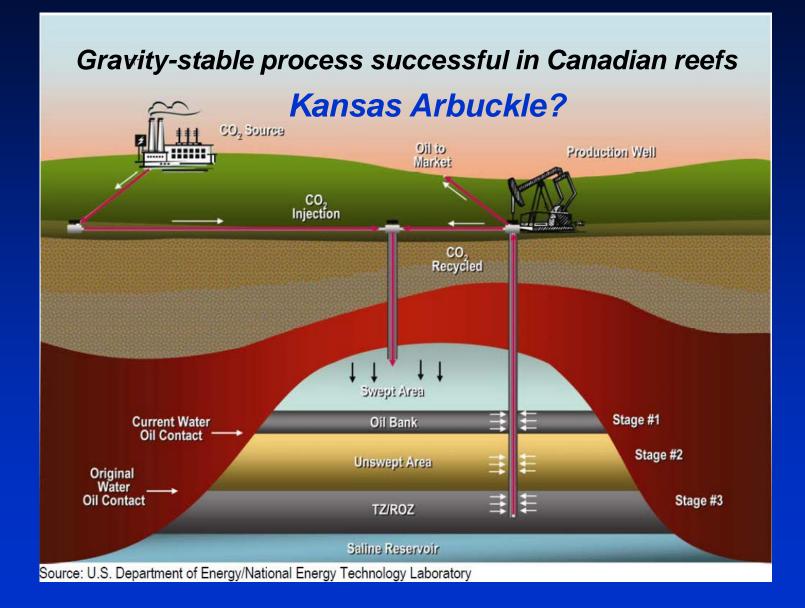


Eubank North Unit Chester IVF





Here's the upside potential: Arbuckle

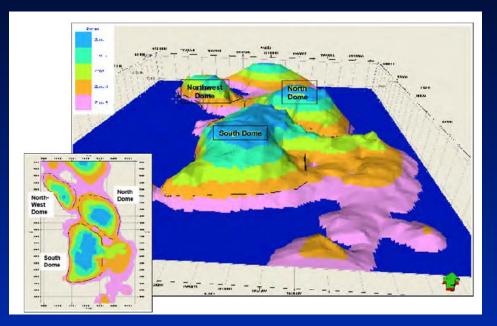


Capturing Value from Biogenic CO2, Aug 2, 2017, Des Moines, IA

Geneseo-Edwards study

Kansas Ethanol, LLC (Lyons, KS) and CAP CO2, LLC, 2010

- 55 MGY plant 15 miles to Geneseo-Edwards oilfield
- Did not go forward
 - 1. Not funded in DOE Phase II
 - 2. Drop in oil prices
 - 3. Geologic risk



		Cumulative Oil (mmbo)		CO2 stored			
* ?		Gross	Arbuckle	CO2 EOR	mmcf	Million Tonnes	Ethanol plant years
Geneseo- Edwards Ellsworth Co.	DOE Project	30.2	26.3	6.1	9,613	0.50	3.5
PHASE W PROJECT	Balance Geneseo-Edwards	59.2	47.4	11.0	17,311	0.90	6.3
	Stoltenberg	55.1	44.1	10.2	16,112	0.84	5.9
	Bloomer	55.8	44.6	10.4	16,316	0.85	6.0
	Kraft-Prusa	137.8	110.2	25.6	40,294	2.09	14.7
10 mi	Chase-Silica	280.6	224.5	52.1	82,050	4.26	30.0
16 km		618.7	497.1	115.3	181,695	9.4	66.4

Capturing Value from Biogenic CO2, Aug 2, 2017, Des Moines, IA

Summary

- Kansas' resource base supports large scale CO2 EOR
- 4.3 Mt/yr for 25 yrs and 250 mmbo (conservative) is a very big deal
- **\$12.5 Billion** in oil at \$50/BO

Discussion

- We need 5X the resource base identified today for a 25-yr project
- Question for you: Where is it?

Later today in open discussion

- Sometime, we (you) will need to work together (COOP model??) to justify pipeline and ethanol plant infrastructure.
- Can this happen?