CO₂ TRANSPORT AND DELIVERY: STATUS UPDATE ON OFFSHORE OIL AND GAS INFRASTRCUTURE RE-USE

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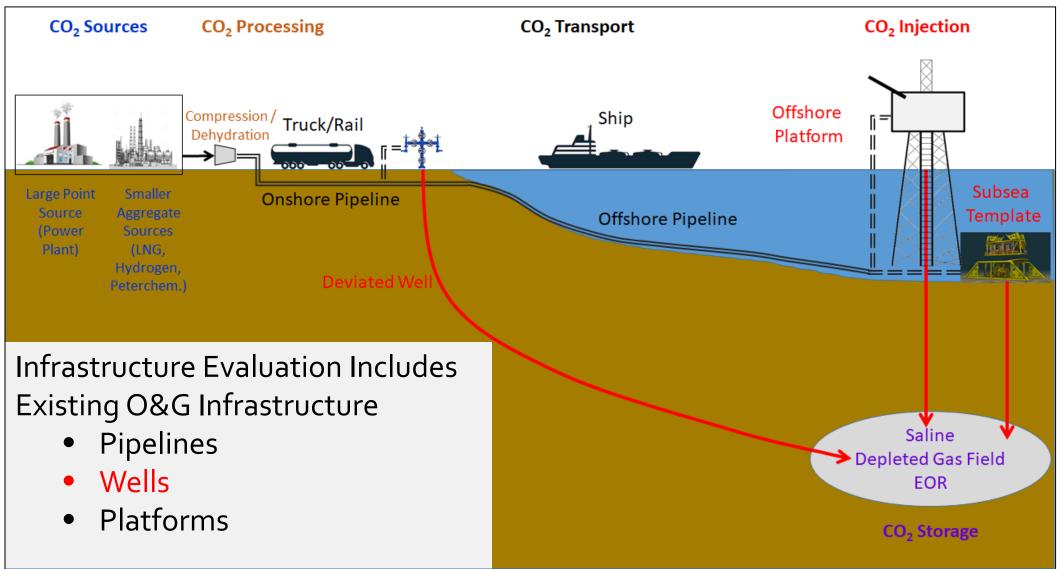








Task 5: Infrastructure, Operations, & Permitting



Wells



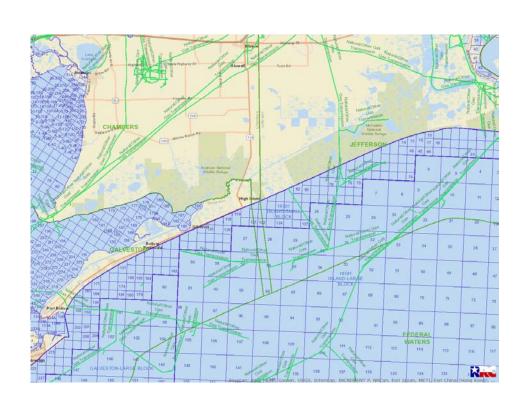






Scope & Status of Well Review

- Understand type & quality of data
- Develop process to assess/screen data
 - Wellbore status, completion date, well integrity reports
- Apply screening criteria to analog sites
 - HI-10L and HI-24L
- Developed well re-use evaluation "memo"











Data Sources

Texas Railroad Commission (Public)

- GIS map of O&G assets
- Oil and Gas Records Query
- Wells tracked by API number
 - API = 10 digit number

Subscription Databases (via UT BEG)

- IHS Enerdeq: Summary info. per well
- IHS Petra: State and federal waters
- Lexco OWL7: specific to GoM federal waters; source of info = BOEM, BSEE
- Wells tracked by UWI number
 - UWI = 14 digits; allows for tracking of individual wellbore for a single surface location
- Includes <u>access to well integrity reports</u>



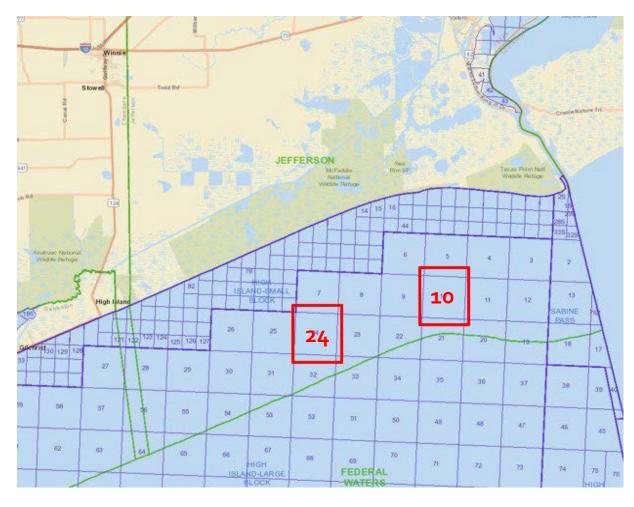






Regions of Review: HI-10L & HI-24L







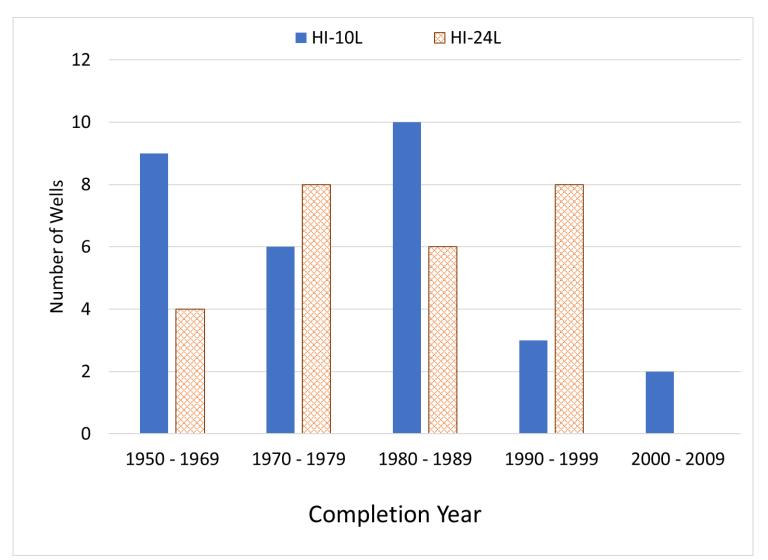






Wells – Age Distribution

- All wells > 20 years old
- < 1970 = "Old" wellconstruction methods
- Age distribution in these blocks loosely matches broader O&G infrastructure trends











Wells - Wellbore Status

- TX RRC Terminology:
 - Active
 - Plugged
 - Inactive wells unplugged well with no activity for > 12 months
 - Compliant/Non-compliant: w/ Section 14(b)(2) extension deadline for plugging
 - Orphaned: inactive > 12 mo & operator's organization report delinquent > 12 mo









Wells - Wellbore Status

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 - Active
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 - Inactive wells unplugged well with no activity for > 12 months
 - Compliant/Non-compliant: w/ Section 14(b)(2) extension deadline for plugging
 - Orphaned: inactive > 12 mo & operator's organization report delinquent > 12 mo
- Beware loose & inexact terminology
 - "Abandoned":
 - RRC: Purposefully <u>plugged</u> and abandoned
 - Colloquially: May refer to non-compliant well that has not been properly plugged
 - "Dry hole" (non-producing well):
 - RRC: Also indicates plugged
 - Colloquially: No association with plugging status



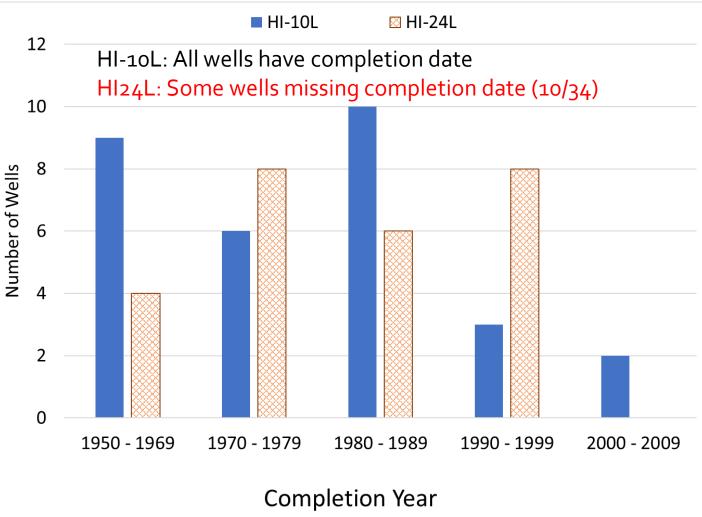






Wells - Wellbore Status

	HI-10L	HI-24L
Number of UWIs/APIs	34	39
Wellbore status		
Plugged	29	16
Permitted/ Cancelled	4	3
Unknown Status	1	2
Active: Producing	0	1
Inactive: Temp Abandoned	0	1
Inactive: Orphan	0	16





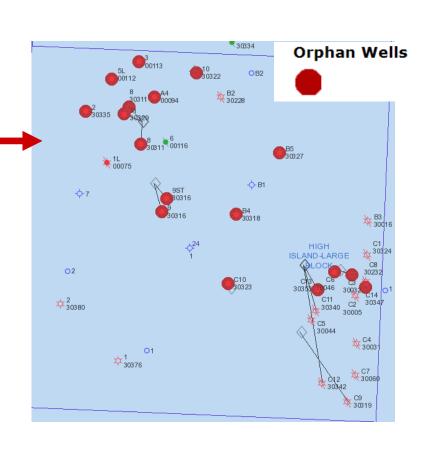






Orphaned Wells in Texas State Waters

- 113 Orphaned wells in Texas State waters
 - 12 different operators
- HI-LB: 25 orphaned wells
 - HI-24L: 16 orphaned wells
 - All with same operator X
 - Inactive periods from 36 260 months
 - HI-55L: 4 orphaned wells
 - All with same operator Y
 - HI-98L: 5 orphaned wells
 - All with same operator Y





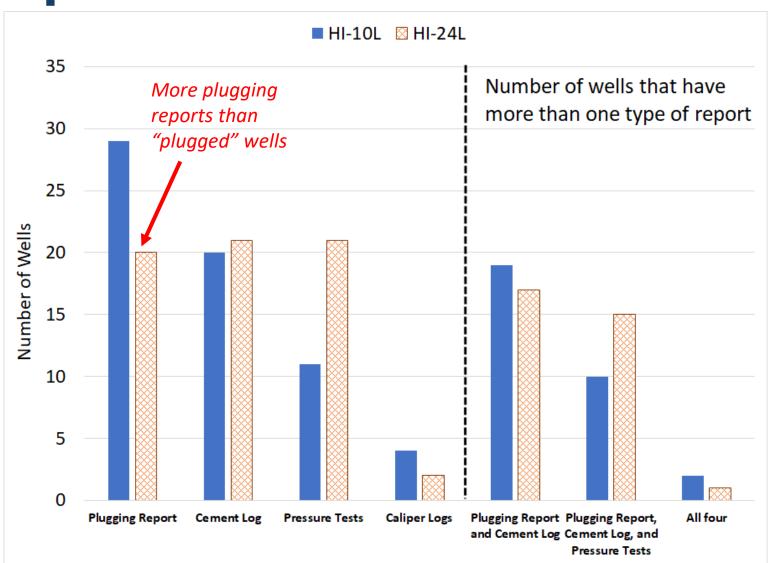






Wells - Integrity Reports

- Critical reports for assessing well condition
- Only 3 wells have all 4 reports











Analog Site Summary

- Re-use <u>opportunity</u> or <u>risk</u> for leakage?
 - Wells in HI-10L and HI-24L are > 20 years old
 - Orphaned wells can be substantial (~40% of wells in HI-24L)
 - Of 73 wells in this analysis, only 3 wells had all 4 key reports (plugging, cement logs, pressure tests, caliper logs)
- Publicly available well records are incomplete & inconsistent
 - Non-trivial effort to assess wells beyond a cursory level
 - Project developer will need access to owner's records



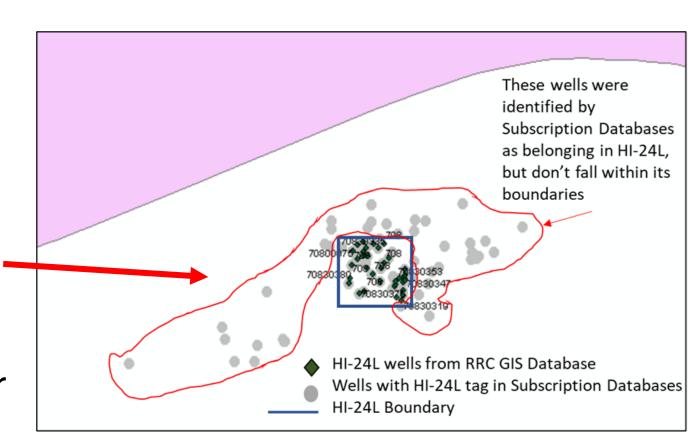






Data Challenges - Inconsistency b/t Sources

- Well numbering systems are different (API vs. UWI)
- Old wells in RRC do not have a full API number
- Subscription database tags wells not physically located in leasing block
- Some Subscription database wells are not in RRC GIS Viewer search (next slide)



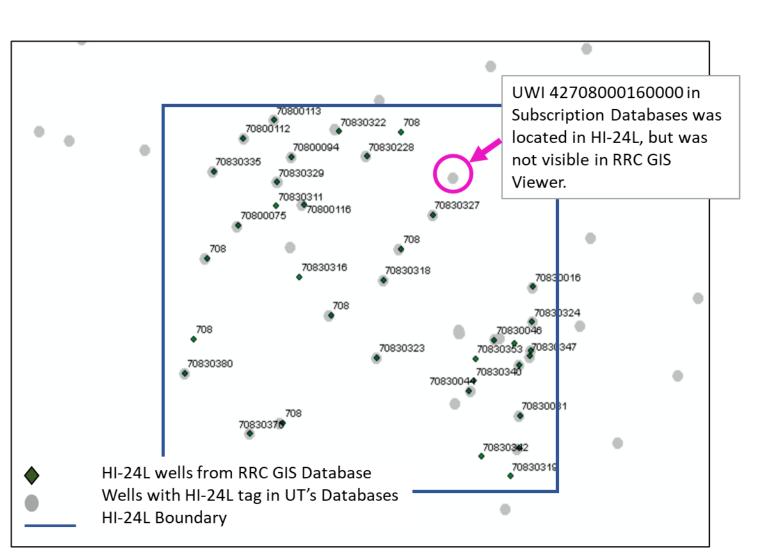




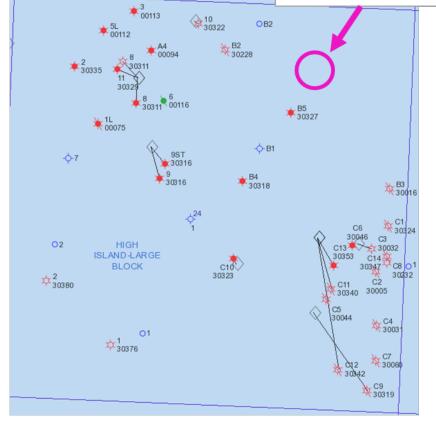




Data Challenges - Inconsistency b/t Sources



GIS Viewer does not indicate any features in vicinity of UWI 42708000160000



30334









Synergy with Other DOE/Federal Efforts

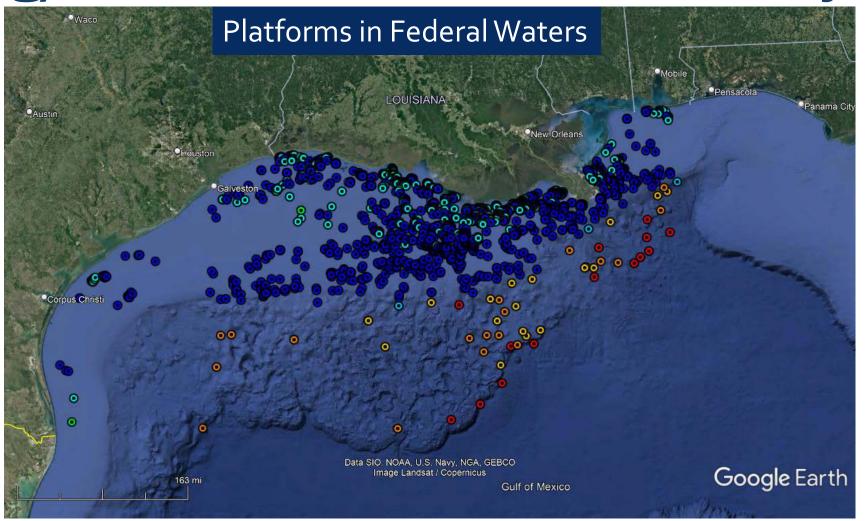
- DOE Workshop: Undocumented Orphaned Wells
 - DOE focused on unknown wells (up to 800,000 undocumented wells)
 - DOI focused on known orphaned wells (up to 130,000 wells)
- Federal interest in repurposing these orphaned wells to offset costs
- Common themes with GoMCarb:
 - Inconsistent well terminology between sources, states, etc.
 - Basic well information difficult to find, may be proprietary
 - No single best source of information no national database (in the works?)
- Onshore can be much more challenging due to age/# of wells









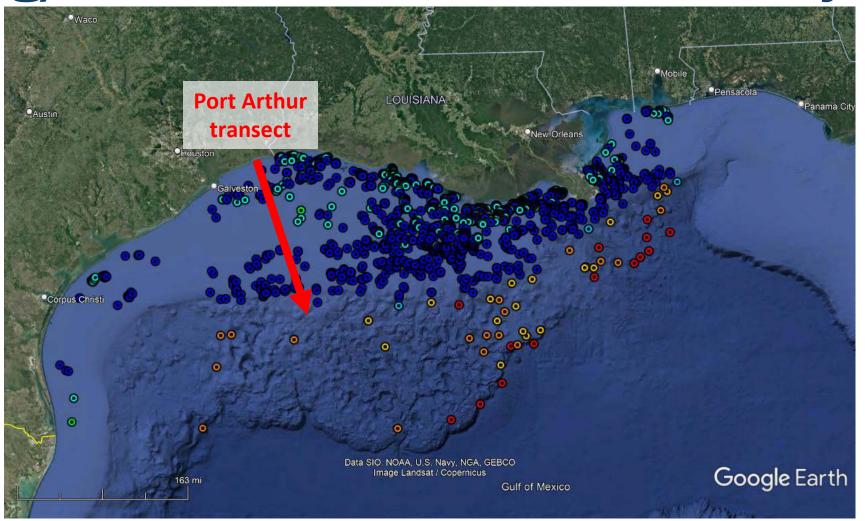










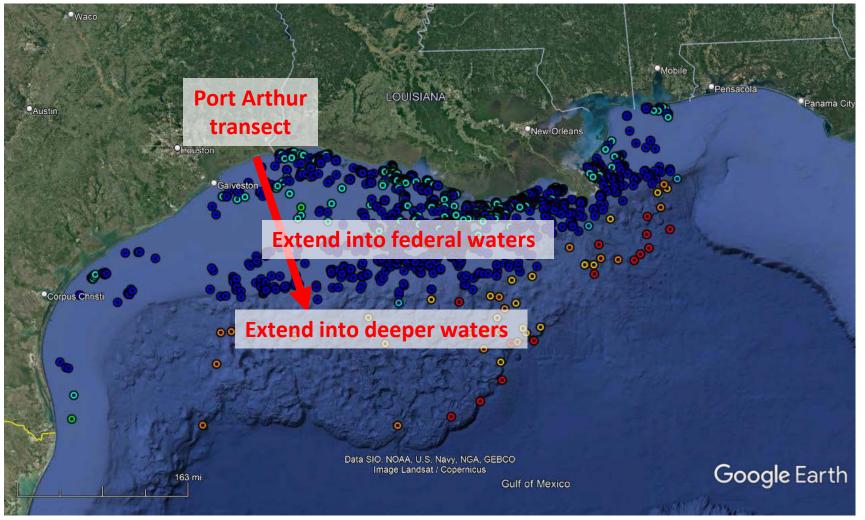










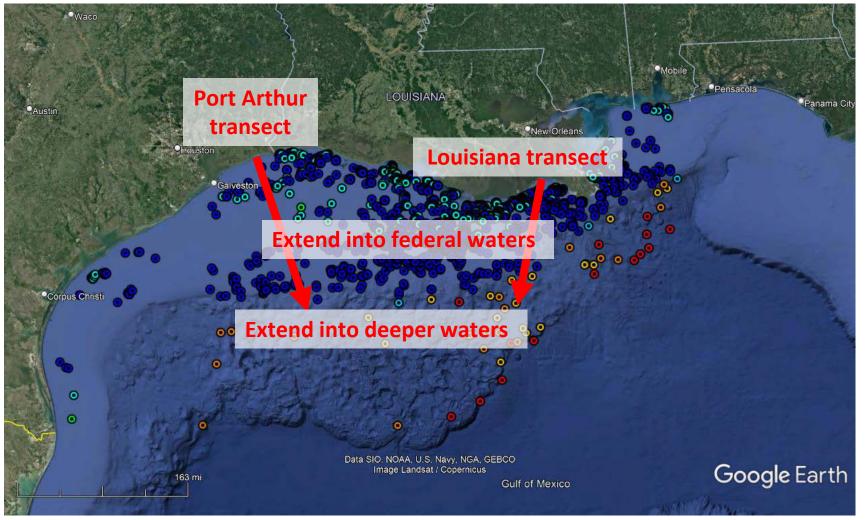










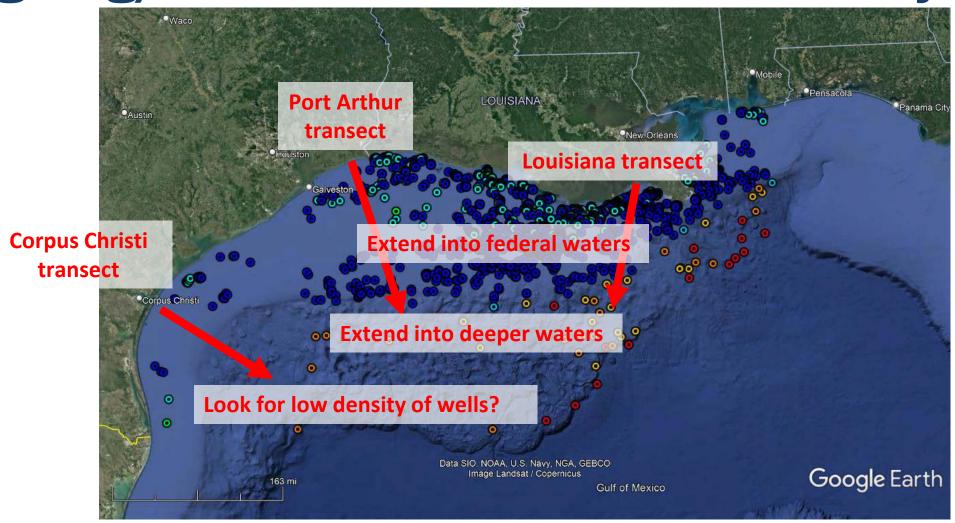












Pipelines









Pipeline Re-Use: Past Work Review

- High-level screening
- Identified specific pipelines for more detailed review
 - Included direct engagement with pipeline owners/operators
- Developed re-use workflow
 - Identified major steps required for reuse
 - Attempted to assess cost of these steps
- Developed a pipeline re-use assessment "memo" summarizing work

	f Segments
Inactive* Line Screening (Near-Term Opportunity)	Active Line Screening (Lower-Risk Opportunity)
20,274	
11,195	5,568
2,335	1,676
1,927	1,451
951	755
520	327
355	Not Applied
11	47
16"	20"
0	10
	(Near-Term Opportunity) 20, 11,195 2,335 1,927 951 520 355 11 16"

**Key Segments = Come onshore/near-shore(TX, LA)



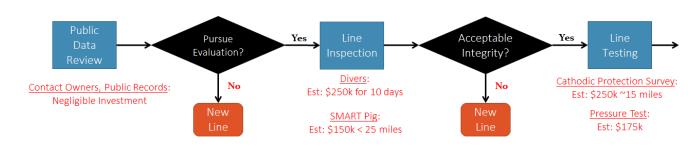


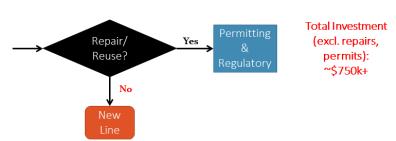




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Public Data Review

Pursue Evaluation?

Contact Owners, Public Records: Negligible Investment

No New Line SMART Pig: Est: \$150k < 25 miles

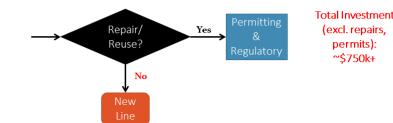
No New Line Evaluation?

Pursue Evaluation?

Line Inspection Integrity?

No Cathodic Protection Survey Est: \$250k ~15 miles

Pressure Test: Est: \$175k



**Key Segments = Come onshore/near-shore(TX, LA)









Pipeline Re-Use: Case Study Evaluation

- Priority candidates from screening to perform a "deeper" dive
- High-level technoeconomic assessment of re-use
 - Comparison to new Class 900
 - Hydraulic Evaluation (transport phase, pressure/velocity limitations, environmental conditions, capacity, offshore recompression requirements)
 - Other considerations (shore crossing, useful life, pipeline records)
- Broader objectives:
 - Not intended to represent a "project"
 - "Pilot" test the re-use workflow are we missing key steps?
 - Identify/assess specific re-use challenges or benefits

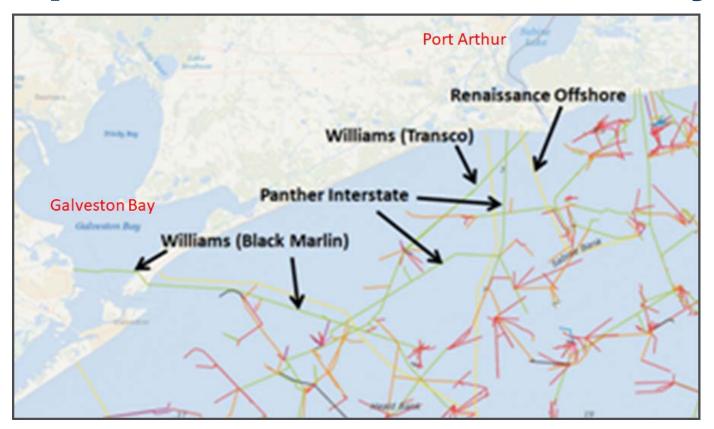






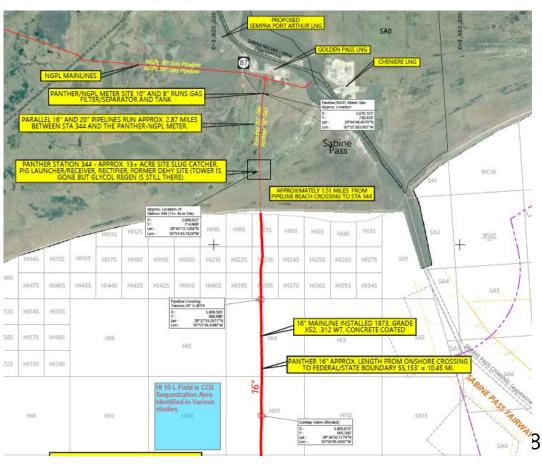


Pipeline Re-Use: Case Study Evaluation



From Panther Companies website (Used with permission):

Maps (panthercompanies.com)



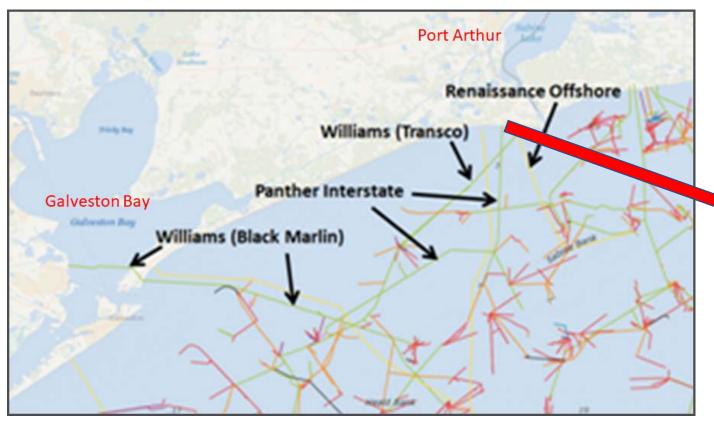






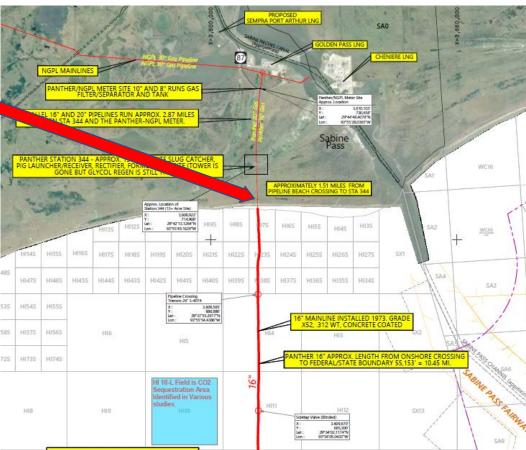


Pipeline Re-Use: Case Study Evaluation



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Maps (panthercompanies.com)





Platforms









Platform Re-Use Overview

- Repurposing platforms for CO₂ storage = offset cost of decommissioning idled platforms ("win-win")
- High-Level platform re-use criteria
 - Location/proximity to preferred injection site
 - Age/general condition of platform
 - Space on platform
 - Regulatory/legal considerations
 - How does liability/decommissioning responsibility transfer?
- Platform re-use unlikely to be a project driver
 - Reservoir, pipeline, and in some cases, wells will be prioritized ahead of platforms



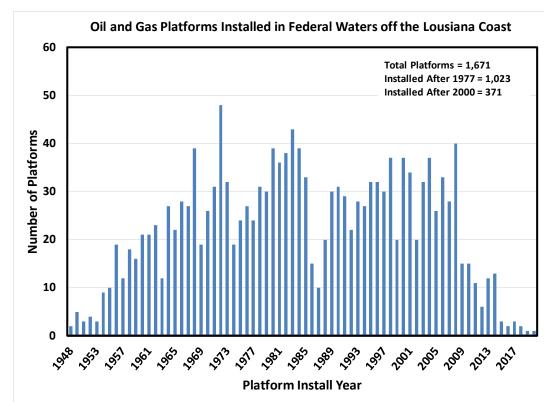






Platforms

- Texas State Waters:
 - 95% of platforms (of 89 total) in Texas state waters are inactive
 - Minimal detailed data available (no age, water depth, inspection records)
- Federal Waters:
 - 1,807 platforms offshore TX (136) & LA (1,671)
 - High-level data available (incl. inspection reports in some cases)
- Age:
 - SME: Beyond 30 years, structural integrity risk rises significantly
 - Platforms built after implementation of specific standards represent better candidates
 - API RP 2A 9th Ed (1977): "100-year return period conditions"
 - MMS From 1988 on, enhanced inspection requirements
- <u>Critical information</u> such as structural integrity, topsides space, etc. <u>requires contact with operators</u>





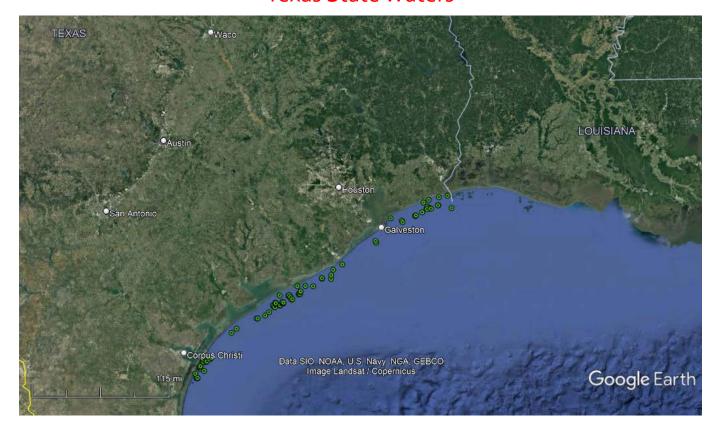






Platforms - Mapping & Case Studies

Texas State Waters











Platforms - Mapping & Case Studies

Texas State Waters





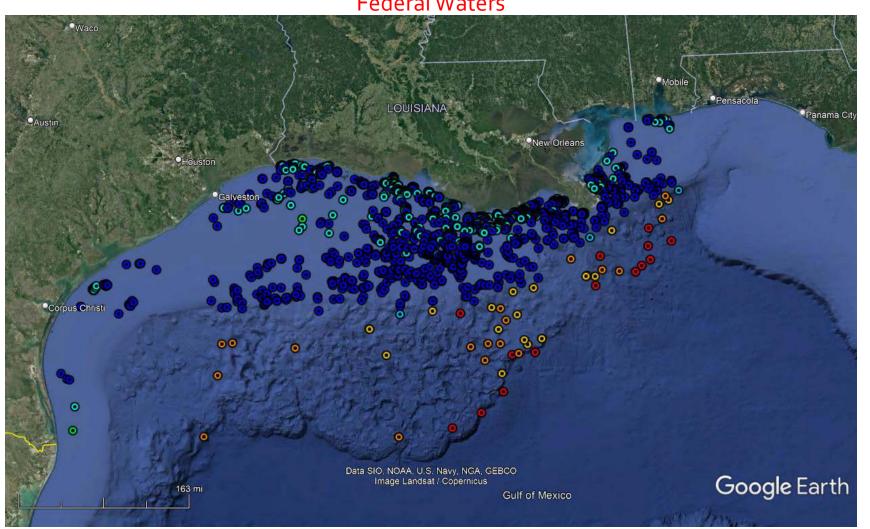






Platforms - Mapping & Case Studies

Federal Waters



- 75% of platforms are fixed platforms
- Tend to be in shallower waters, but older
- More discussion on Thursday

Conclusions









Summary

- Pipelines:
 - Scale of pipeline re-use opportunity limited by size and pressure rating
 - Re-use vs. new is not binary
 - Incremental Capacity: Pair existing with new (reduce total investment)
 - <u>"Phased" Investment:</u> Start-up with existing, build-out new (flexibility)
 - Existing right-of-way, existing routes have inherent value
- Wells:
 - Quality of records and condition of wells represent a <u>risk</u> to CCS projects
 - Opportunities for re-use will be case specific, risk for leakage will be general
- Platforms:
 - Limited stock of "newer" platforms
 - Cost to retrofit vs. new platform is case-specific
- Engineering studies = drive specific decisions on assets
- Decommissioning "best practices" not always followed. Urgency to identify assets before abandonment.









Thank You

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 - Darrell Davis (Consultant) led efforts for pipeline and platform screening
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 - UT BEG for data analysis support
- Trimeric Corporation www.trimeric.com
- Darshan Sachde darshan.sachde@trimeric.com

Backup Slides









GoMCarb Ongoing Work

- Case Studies:
 - Pipeline Re-use Case Study (Class 600 vs. Class 900 new)
 - Platforms: What can we learn from data available, what additional data is needed (workflow), and what would it cost to get that data?
- Wells:
 - Review select subsets of data throughout GoMCarb region are there any generalizations or new considerations?
- Continue engagement with stakeholders to identify the infrastructure questions that are still unanswered









Existing Well Assessment "Workflow"

- Verify well integrity for wells within the reservoir
 - Records review to assess potential for leakage: age, well abandonment method, well completion activities, cement type, well type
 - Wellbore evaluation to confirm downhole status: casing condition, cement location, joint locations
- Remediate to address well integrity problems
 - Depends upon whether re-using or plugging
- Future Work: Refine with input from experts









Pipeline Re-Use: Incentives

- Existing Pipelines: ~20k in federal water (+ more in state waters)
- New Pipeline Costs
 - Offshore Lines: ~2 3x cost of onshore "equivalent"
 - MAJOR CAVEATS
 - Data comparing on- and offshore is almost exclusively for NG lines
 - Large range in costs <u>highly project and route-specific</u>
- Hidden risks/costs of new pipelines
 - Shore crossing through env. sensitive/challenging geography
 - Routing risks (right of way, new regulatory requirements vs. existing lines)









Pipeline Re-Use: Challenges

- Pressure Rating
 - ANSI Class 600 (working P = 1,480 psig @100 F)
 - ANSI Class 900 (working P = 2,220 psig @100 F)
 - Actual pressure rating of an existing line?
- Age
 - Pipeline broker Up to 85 years usable life
 - Older lines = higher risks (especially out of service lines)
- Condition of Line
 - Corrosion, repairs, thickness
 - Existing records (or lack thereof) represent essential data
- Key Issue: Incentives & feasibility are not always aligned for re-use

Case	Inlet Pressure (psig)	CO ₂ Flow (Mt/yr)
New Class 900	2,000	~3.2
Existing Class 600	1,400	~1.8

- 8", 5-mile pipeline
- P_{Outlet} > 1,200 psig (CO₂ always above P_{Critical})

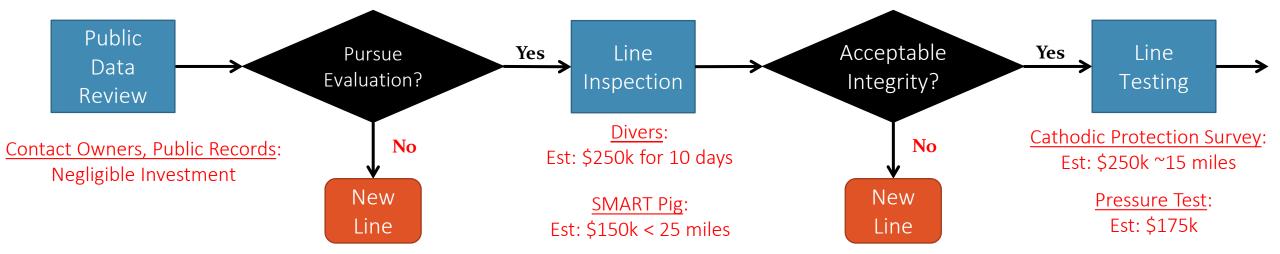


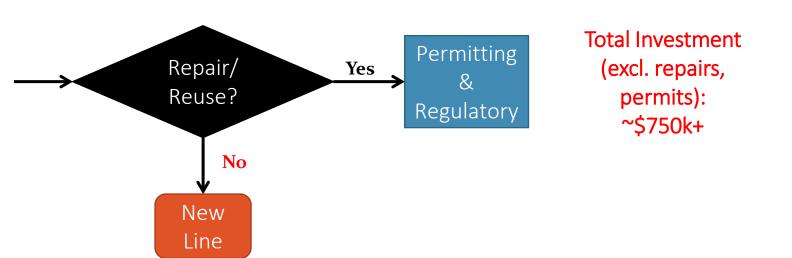






Pipeline Re-use Workflow



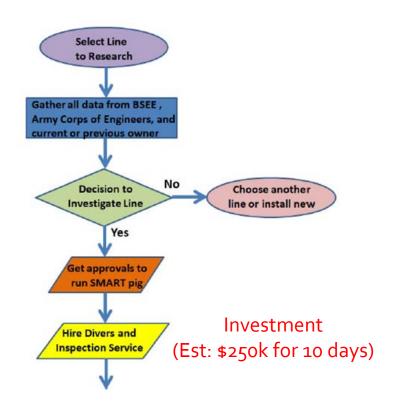


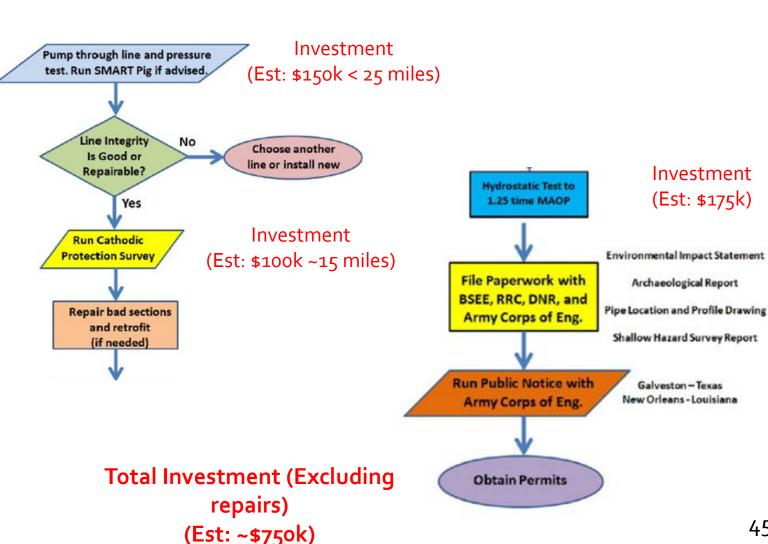












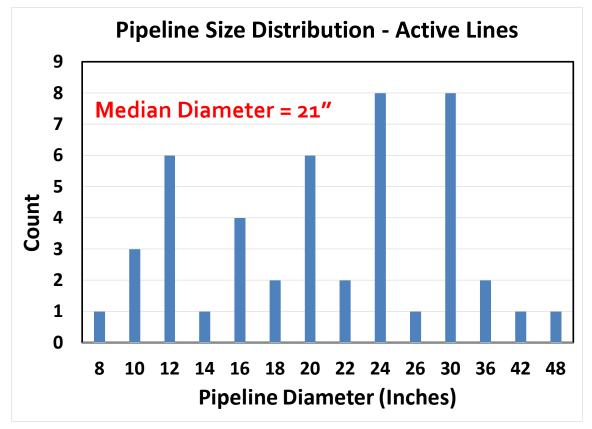




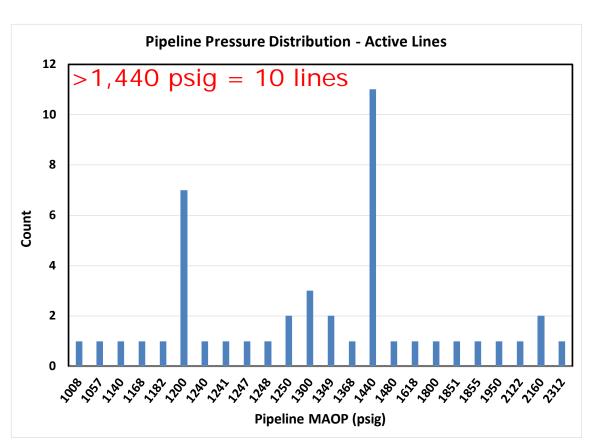




Pipeline Screening Results – <u>Federal Active Lines</u>



Note: Out of Service Median Size = 16"



Note: Out of Service Lines >1,440 psig = 0









Pipeline Screening Results – Federal Out of Service

- Limited stock of large pipelines
 - ~23% ≥ 8 inches
 - 41% of this subset are 8" lines
- Class 600 pipelines are most common
 - 61% of all pipelines at least 1440 psig
- Nearly half of pipelines meeting size and pressure screen are <u>active</u>
 - Recent (last 10 years) common practice: fill abandoned lines w/ uninhibited seawater.
- Less than half (46%) of lines meet the age criteria (< 40 years)

FEDERAL WATERS	Number of Segments
Total	20,274
8" or larger	4,614
Max Operating Pressure > 1000 psig	3,875
Not in Service	1,927
> 2 miles long	951
Water Depth < 100'	520
In Service 1980 or later	355
Key Segments*	11

*Key Segments = Come onshore & terminate near state waters offshore









Pipeline Screening Results - Federal Active Lines

FEDERAL WATERS	Number of Segments	
	Inactive* Line Screening (Near-Term Opportunity)	Active Line Screening (Lower-Risk Opportunity)
Total	20,274	
Service Status (Inactive/Active)	11,195	5,568
8" or larger	2,335	1,676
MAOP > 1000 psig	1,927	1,451
> 2 miles long	951	755
Water Depth < 100'	520	327
In Service 1980 or later	355	Not Applied
Key Segments**	11	47
Median Diameter	16''	20''
# of Lines MAOP > 1,440 psig	0	10
*Inactive - Abandoned in place Pro	<u> </u>	-

^{**}Key Segments = Come onshore/near-shore (TX, LA)

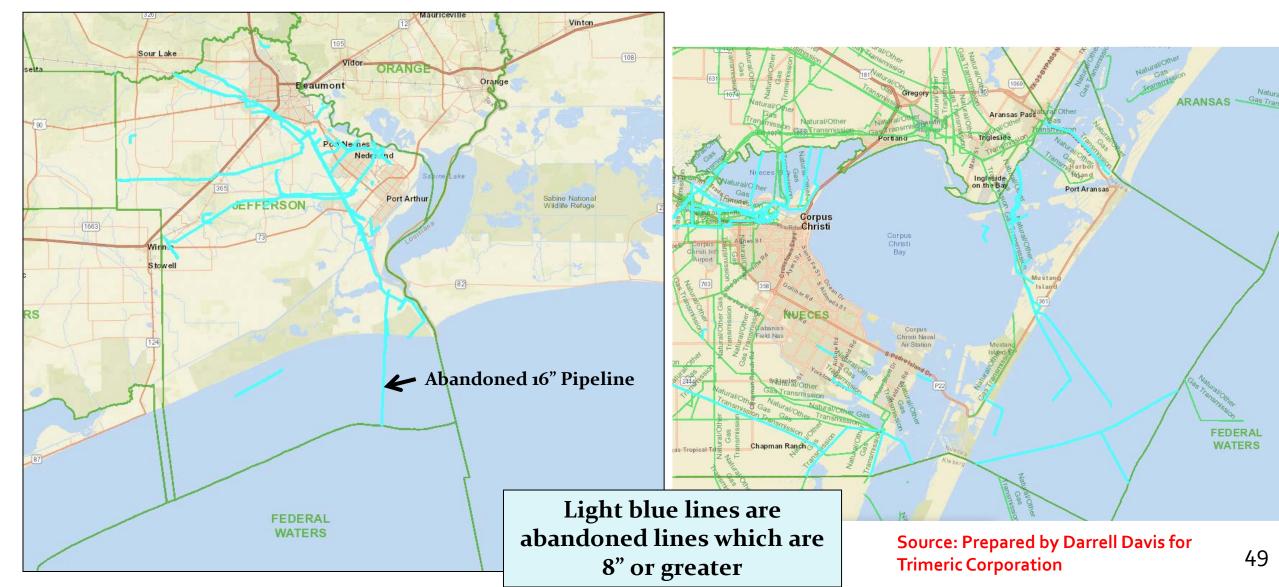








Pipeline Opportunity: Texas State Waters



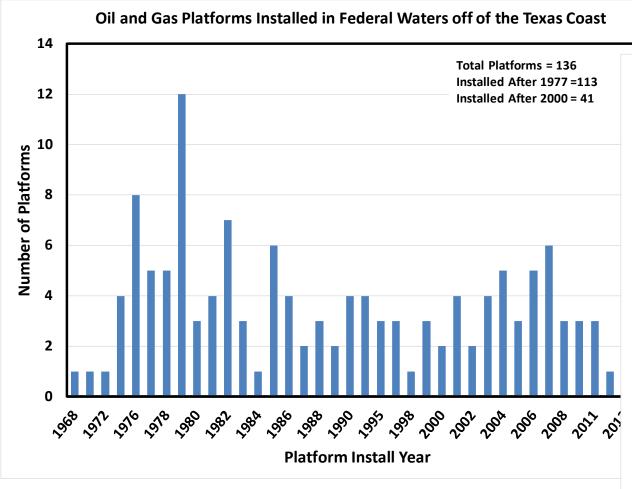


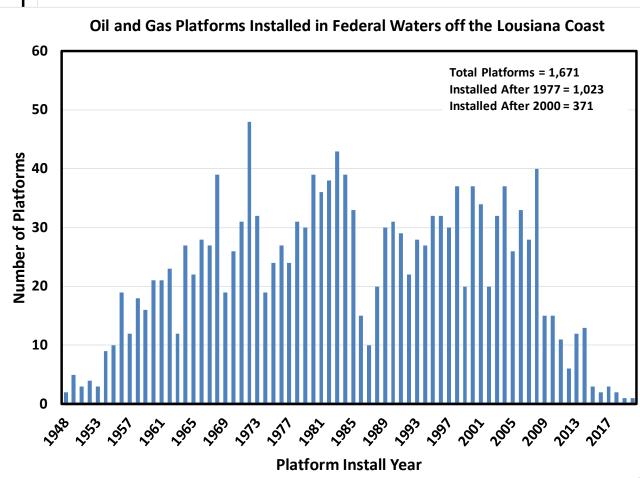






Platforms - Federal Waters













Platforms – CO₂ Topsides Requirements

- General Equipment: Valving, instrumentation, filters, pig receivers, piping manifold, heaters
- Drill new CO₂ injection wells
 - Weight of a drilling rig or need a separate jack-up rig for drilling
 - Need open slots for injections wells or re-use existing wells
- Booster compression/pumping (in some cases)
 - Additional topsides weight, space, power requirements
- Materials compatibility:
 - Supercritical CO₂ is a solvent, P, T considerations
- Do cost-savings of re-purposing vs. new-build hold up after modifications?
- More detailed engineering studies will be needed to:
 - Assess the integrity and useful life of specific platforms
 - Assess modifications to the topsides for CO₂ injection
 - Understand the cost of a new platform