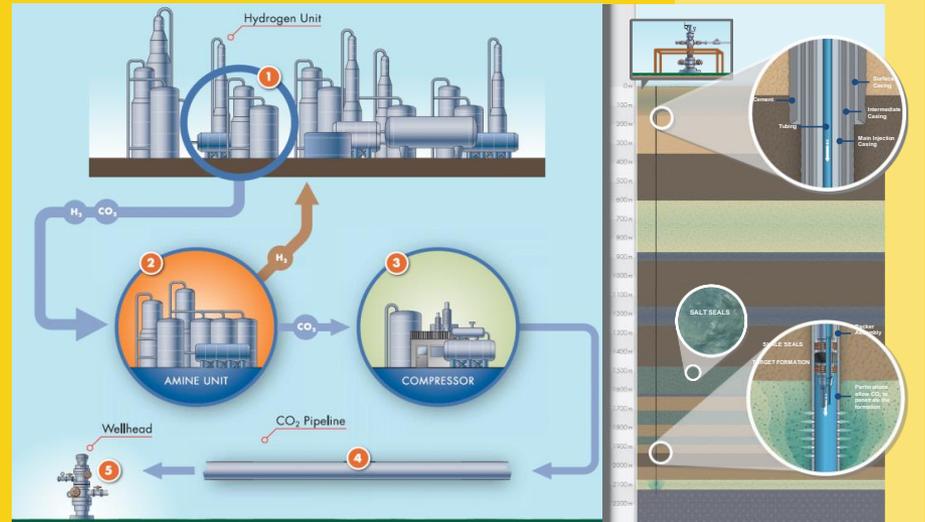




QUEST – YEAR 1 OF COMMERCIAL OPERATIONS

IEAGHG Monitoring and Modelling Networks Meeting

Edinburgh – July, 2016



Simon O'Brien, Luc Rock
Shell Canada Limited

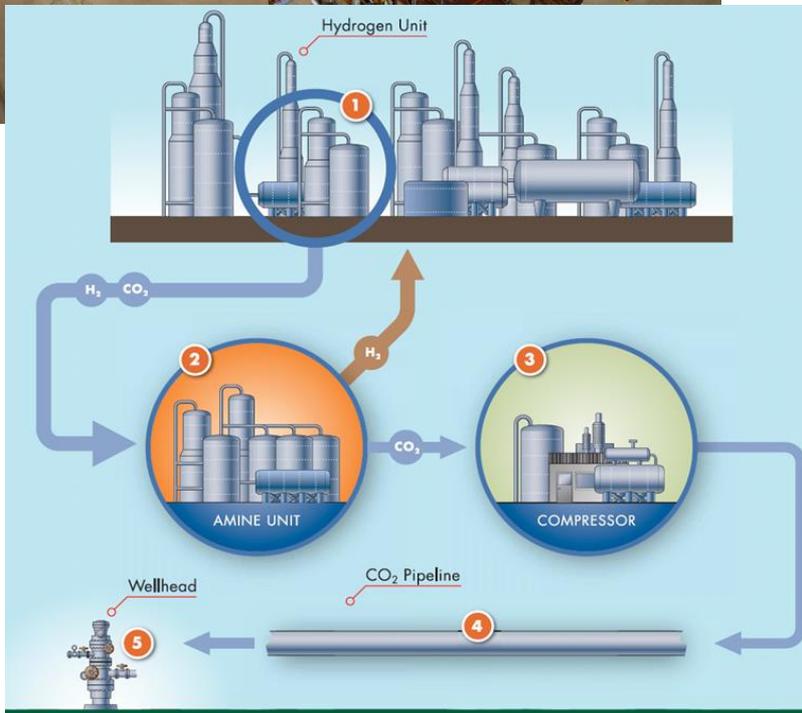
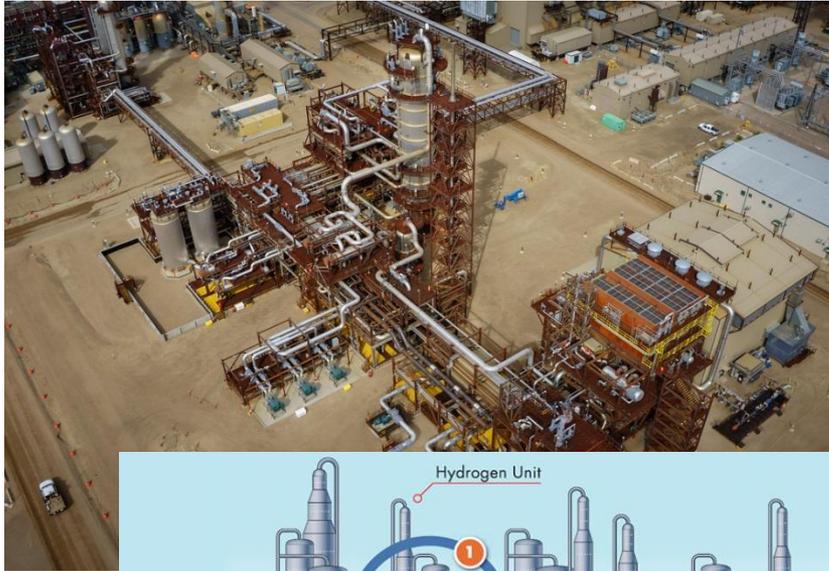
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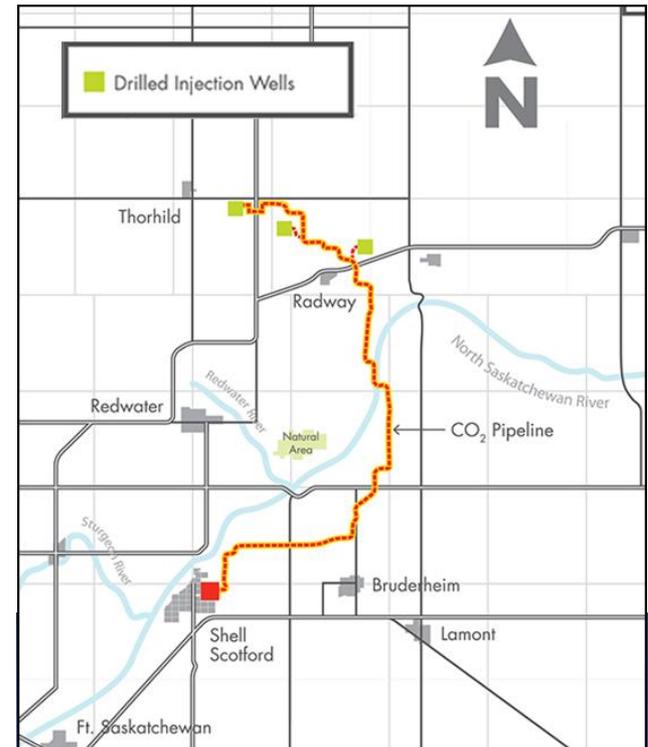
QUEST – CO₂ CAPTURE



- CO₂ Source is the Scotford Upgrader – an Oil Sands facility that upgrades bitumen to synthetic crude
- The Hydrogen Unit combines steam and natural gas to produce high pressure steam and H₂ for use in the upgrader
- The Amine Unit uses Shell technology to capture the CO₂ directly from the process
- The process produces a 99% pure CO₂ output
- Captures 1 million tonnes per year (1/3 of the CO₂ emissions from the Upgrader)

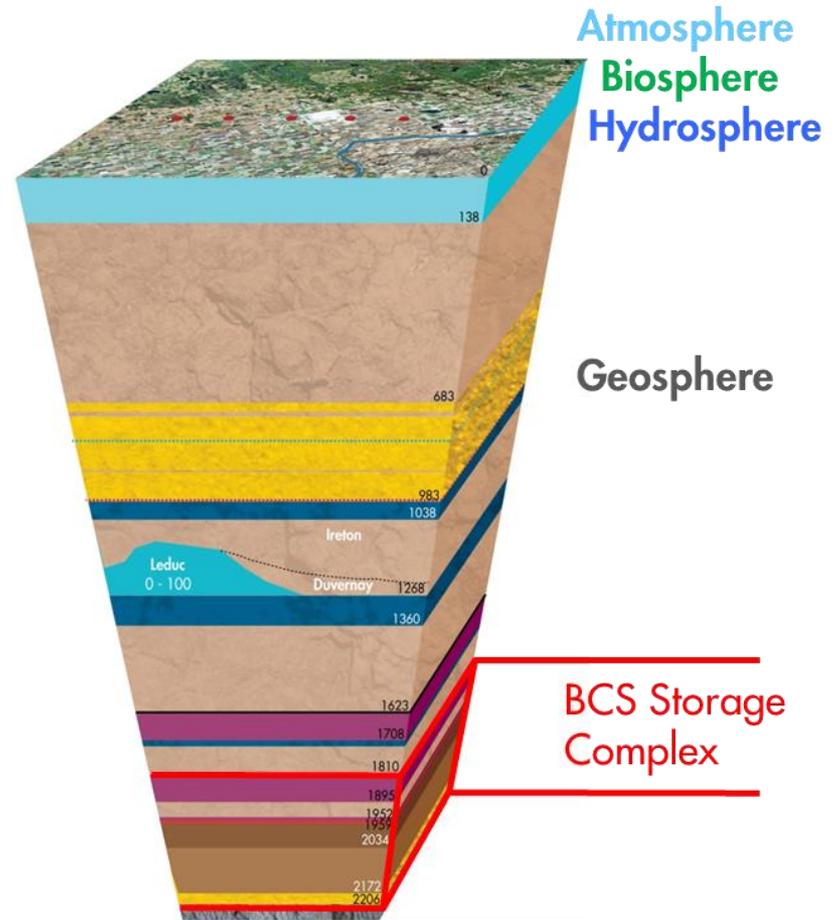
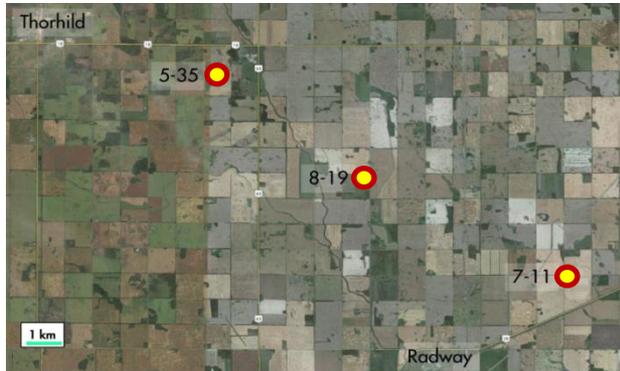
QUEST – TRANSPORT

- The compressor includes a TEG unit for dehydration to ensure minimal water in the pipeline
- CO₂ inlet pressure >10 MPa to keep the CO₂ in dense phase through entire pipeline
- 65 km pipeline with 6 block valves (between 4-15 km spacing)
- Considerable stakeholder interaction
- Pipeline construction Oct 2013 –Aug 2014
- Cleaning and preserved with nitrogen by October 2014

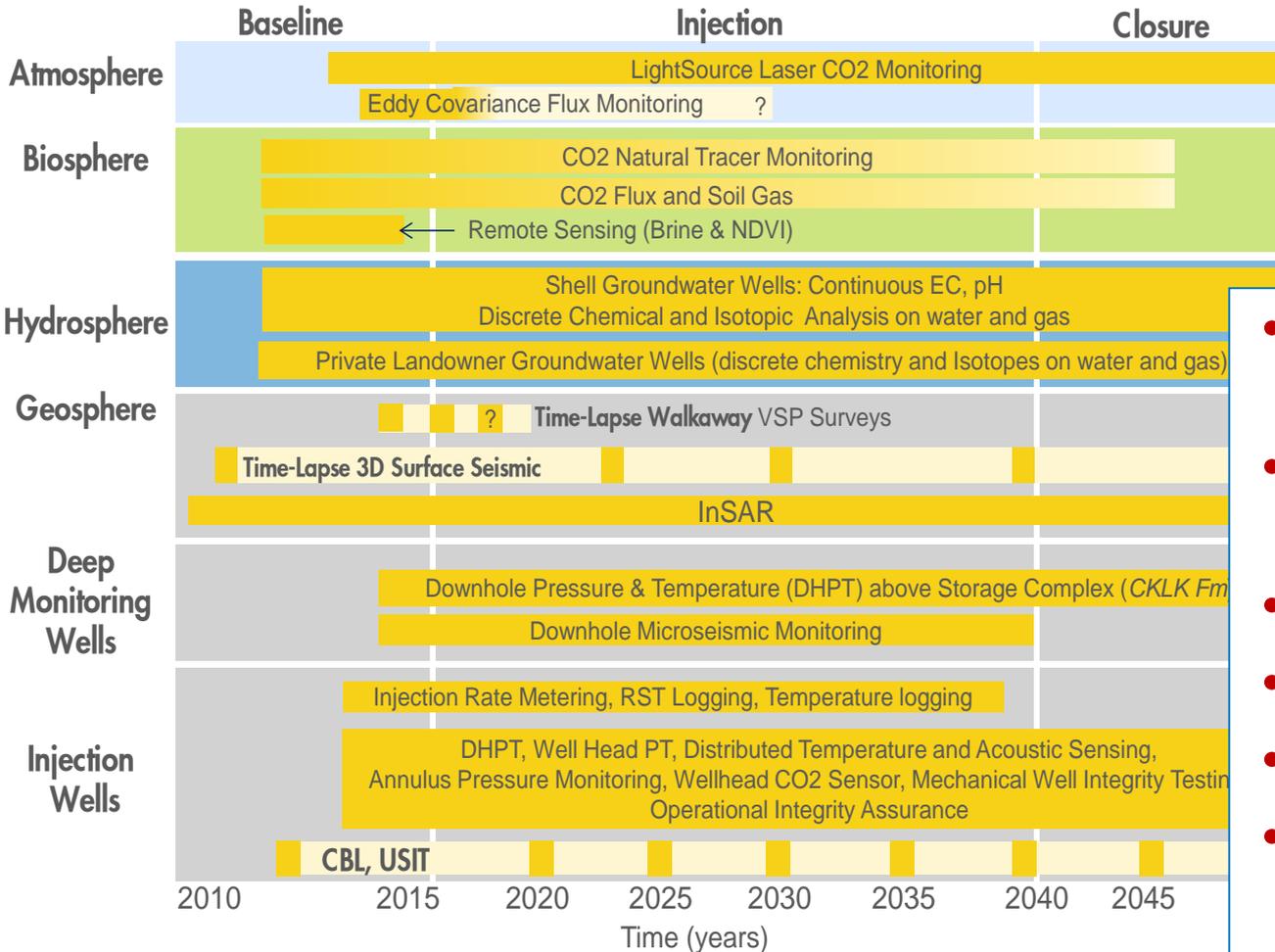


QUEST – STORAGE

- **Storage Complex**
 - Reservoir: Basal Cambrian Sands (17% porosity, 1000 mD permeability) at a depth of 2000 m
 - Seals: Middle Cambrian Shale and Lotsberg Salts
- **Storage Facility consists of 3 well pads:**
 - Each pad has 1 injection well, 1 deep monitoring well and multiple shallow ground water wells
 - Conventional drilling methods
 - Multiple steel casings for injection wells, 3 in freshwater zone, all cemented to surface
- **Comprehensive MMV program**



MMV (MEASURE, MONITOR AND VERIFY) PLAN

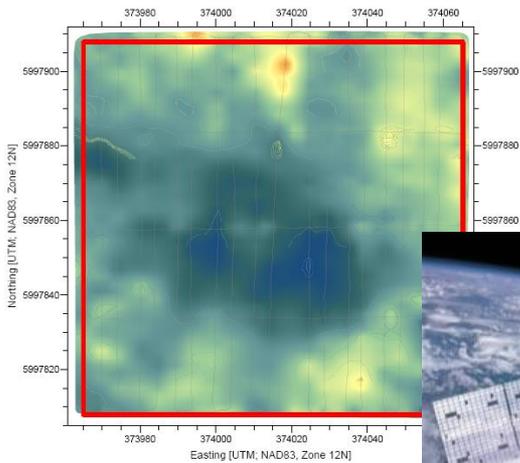


- First of a kind – conservative approach
- Comprehensive: from atmosphere to geosphere
- Risk-based
- Site-specific
- Independently reviewed
- Combination of new and traditional technologies
- Baseline data collected before start-up

REMOTE SENSING

Radar Image Analysis (RIA)

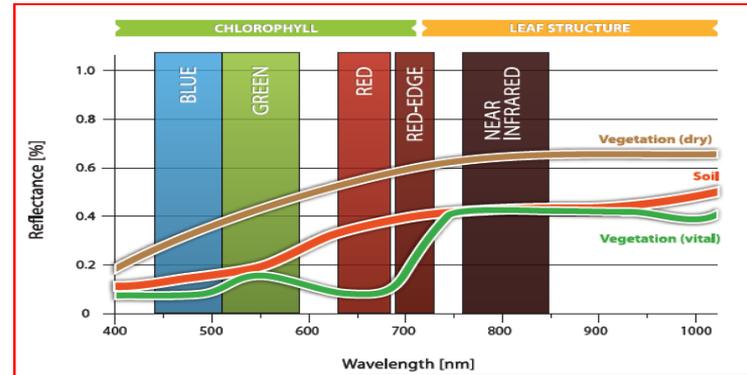
- Assessed for brine leakage
- Poor correlations (field vs radar derived data)
- No risk of saline brine leakage into BGPZ



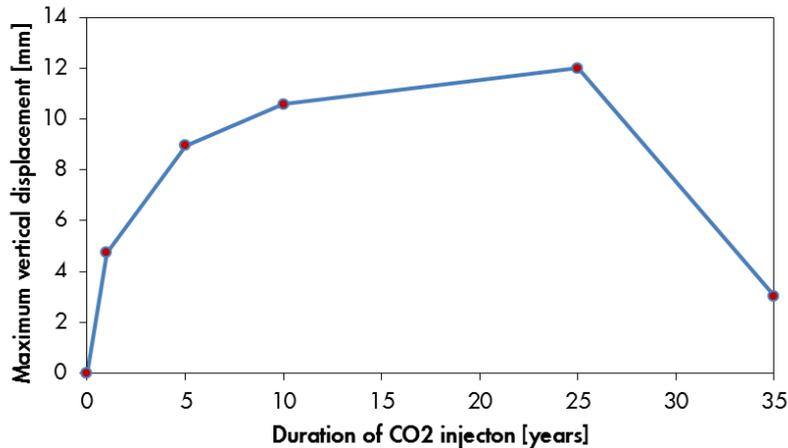
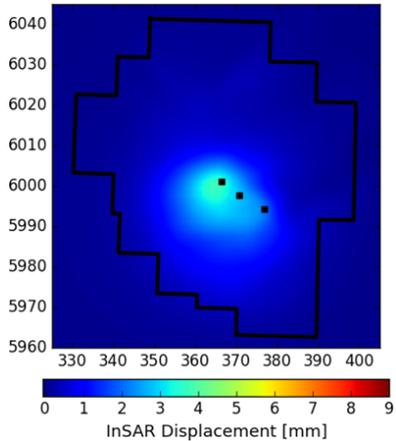
➔ Removed from monitoring program

Multispectral Satellite Imagery (MIA)

- Assessed for CO₂ release / impact
- Lack of spectral and spatial resolution of available sensors



REMOTE SENSING - INSAR

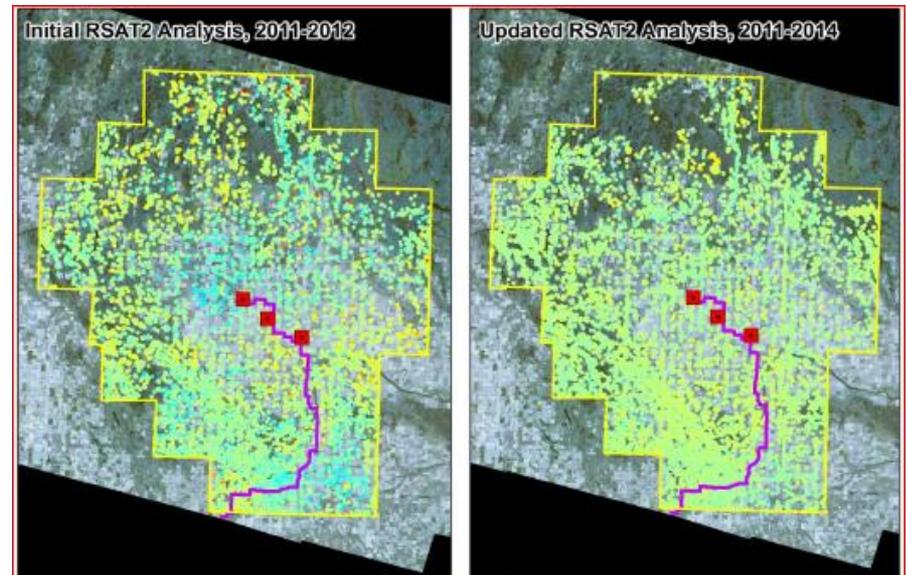


Surface Deformation Model Update

- High case shows detectable deformation about one year post injection
- Factor of 10 uncertainty

InSAR

- Updated processing of natural reflectors
- Measurement point density increased
- Average displacement rate detection sensitivity of 0.87 mm/year
- **Currently evaluating the data**

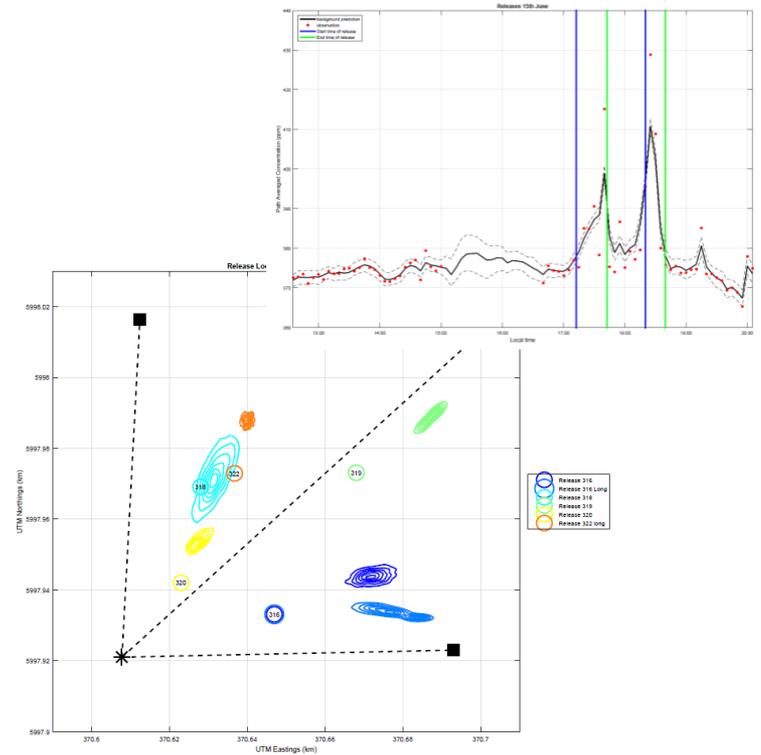


ATMOSPHERIC MONITORING

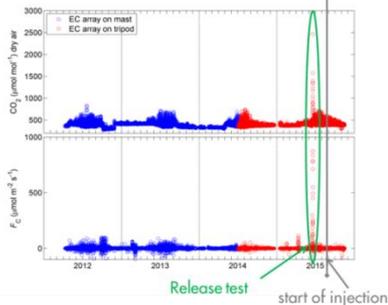


from Hirst et al. 2015

- LightSource system installed and functional at all injection sites
- Release testing very successful
- **Confirmed as technology for atmospheric monitoring at Quest**



EC Data shown for period May 2012 to Oct 2015



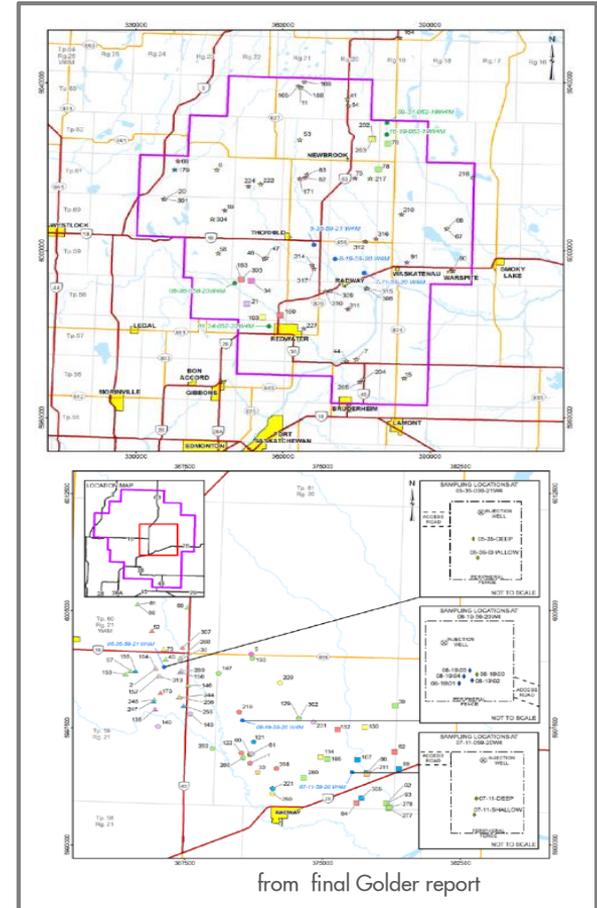
- Eddy Covariance system maintained at 8-19 site until end of 2015
- CO₂ release tests also clearly detected

GROUNDWATER

Discrete GW well sampling (Landowner & Project Wells)												
Sampling event	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Q4-2012												
Q1-2013												
Q2-2013												
Q3-2013												
Q4-2013												
Q1-2014												
Q2-2014												
Q3-2014												
Q4-2014												

Continuous GW well sampling (Project Wells only)												
Sampling event	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013												
2014												

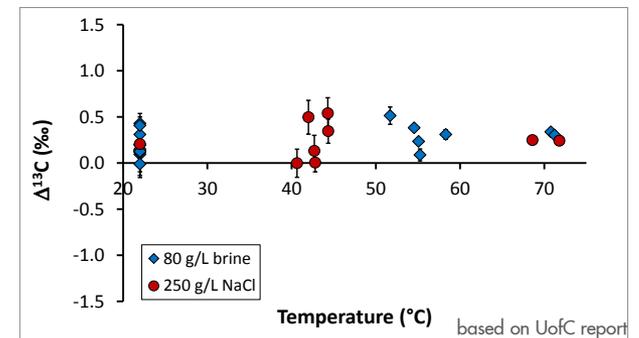
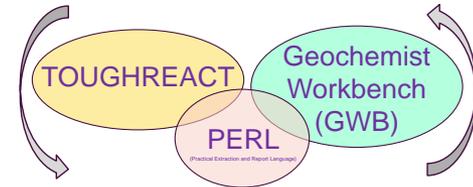
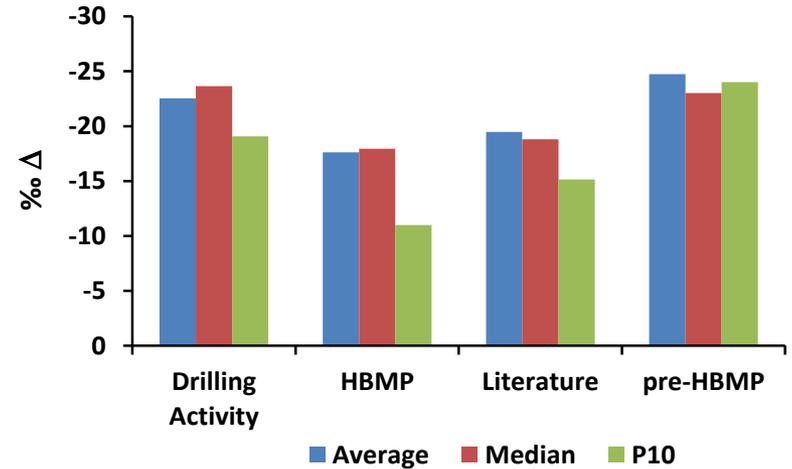
AITF study												
Sampling event	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013												
2014												



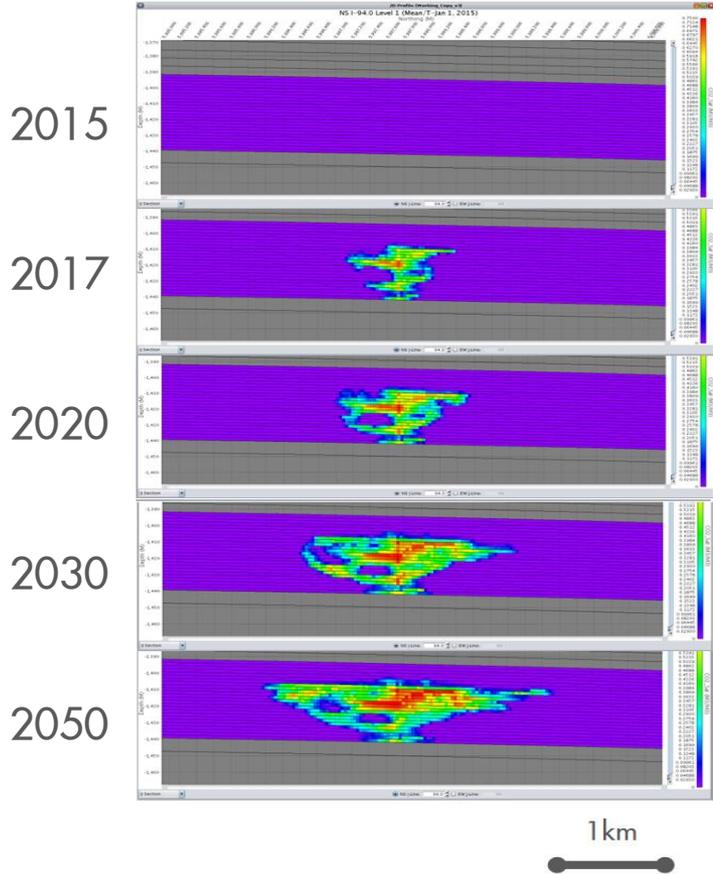
- Continuous monitoring of Shell project wells (on well pads), some issues with sensor maintenance
- Extensive field sampling campaign of landowner wells, many measurements taken
- Comprehensive baseline data
- Working with regulator to optimize sampling

TRACER ASSESSMENT

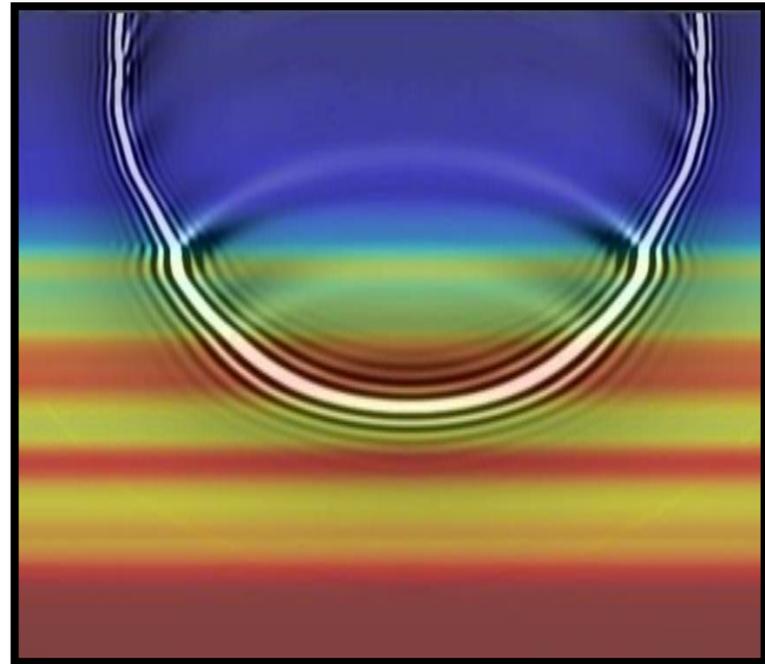
- Assessed artificial & natural tracers
- Determined $\delta^{13}\text{C}$ for various CO_2 sources within Quest SLA
- Samples taken from sampling point at Scotford Upgrader near output from compressor
- Laboratory work and modelling studies
- **Expect injection gas to be distinct from background CO_2 sources in Quest SLA**



GEOPHYSICS – VSP MODELLING



Development through time of a CO₂ plume injected into the BCS using our current reservoir model



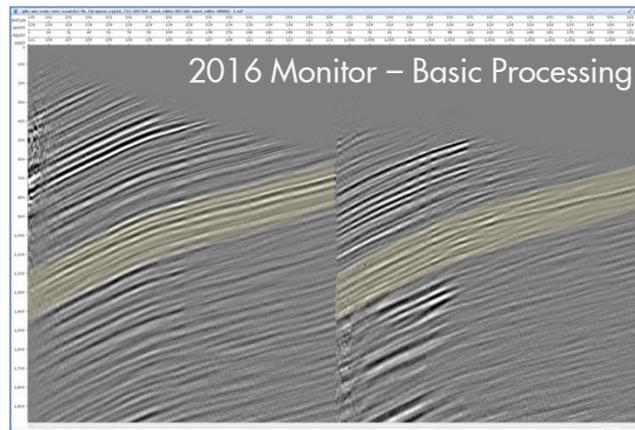
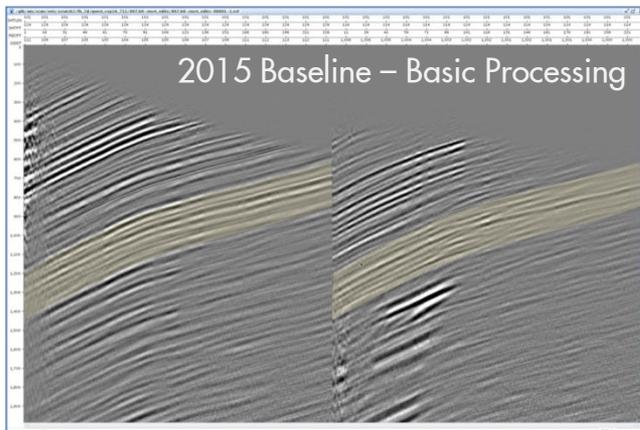
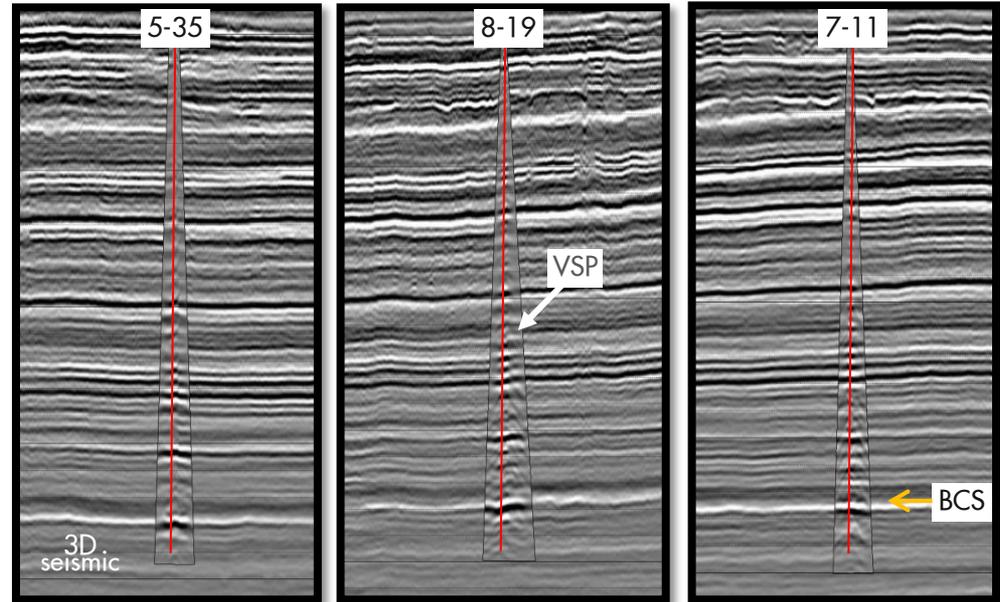
Wave equation synthetics used to predict the seismic response of CO₂ in the reservoir

VSP RESULTS

VSP vs 3D seismic for 2015 baseline survey

Baseline work:

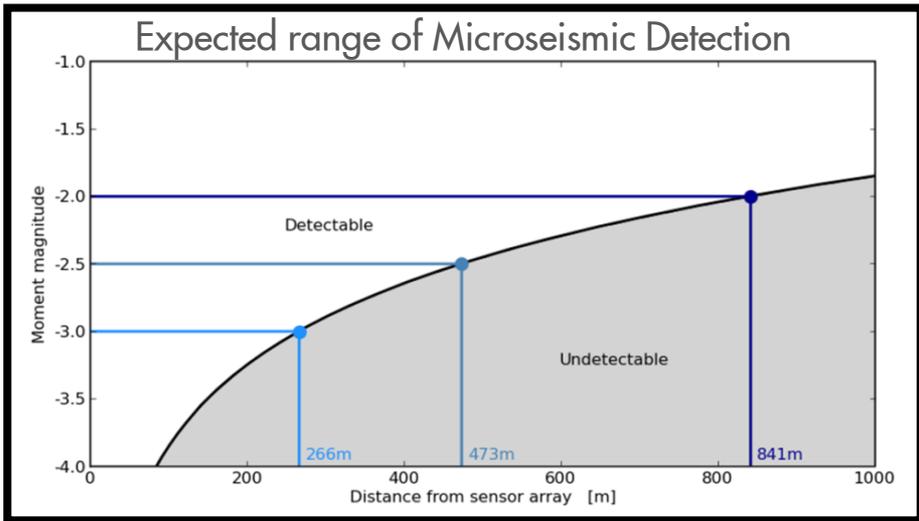
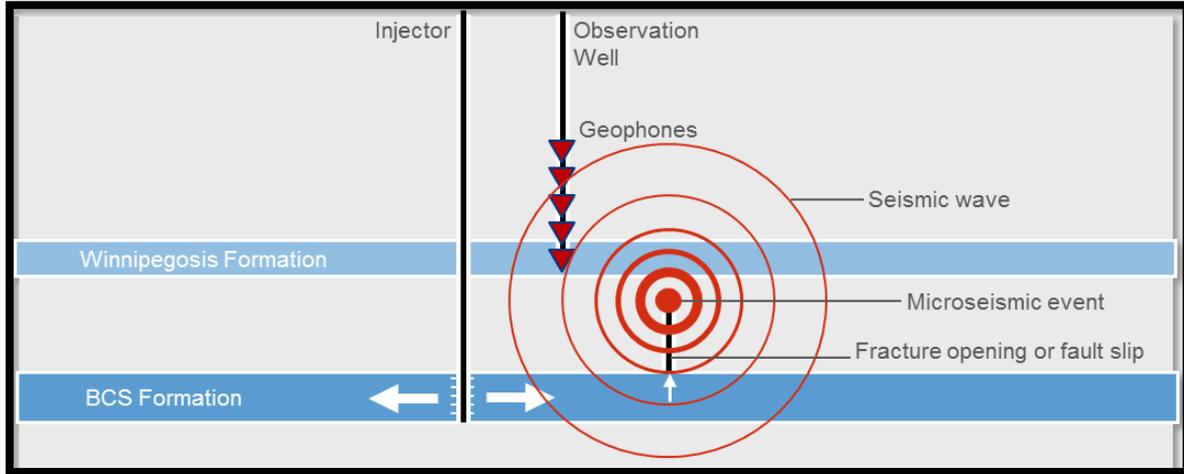
- VSP processing was challenging: anisotropy, strong multiples
- VSP Results contributed to the re-processing of the existing 3D
- Good tie between the VSP and the 3D seismic



Early time lapse results:

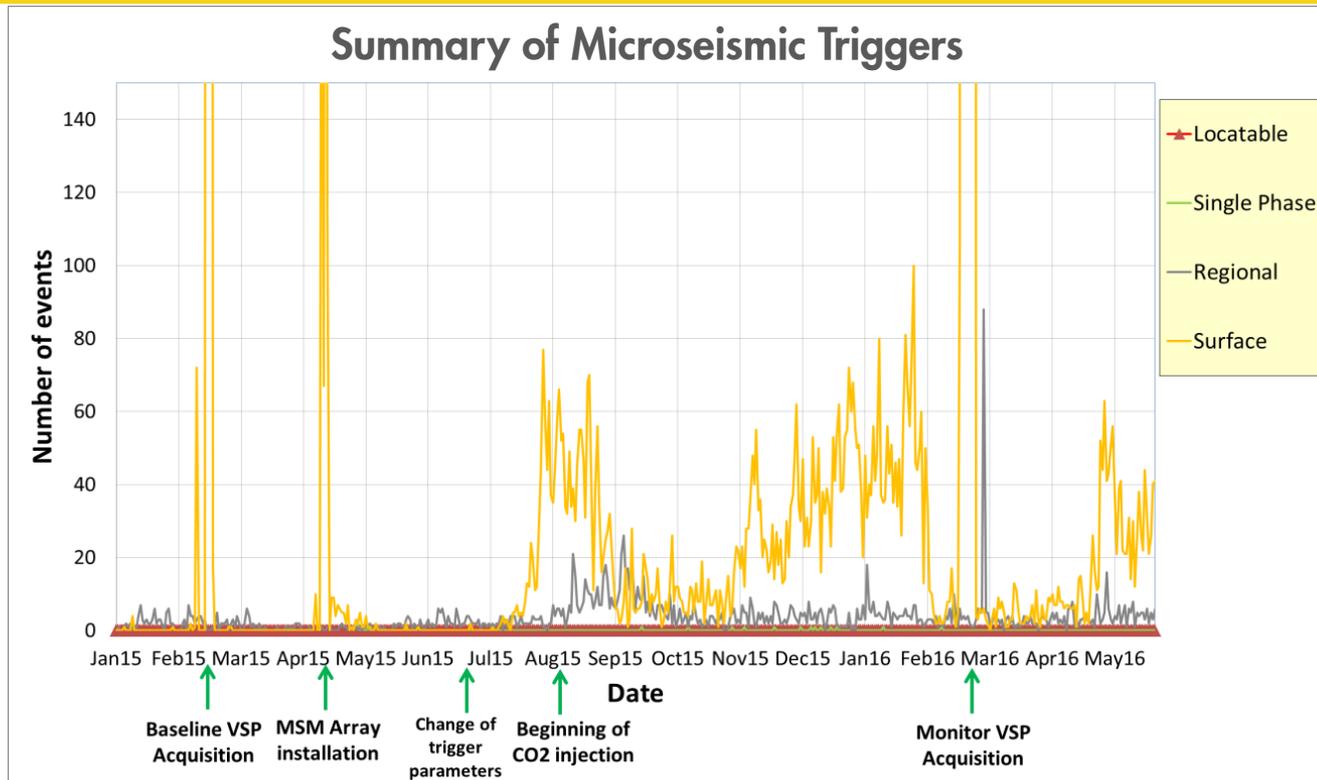
- Good quality DAS data
- Excellent repeatability
- **Strong time lapse response**

MICROSEISMIC



- Microseismic array has been continuously recording since Nov 2014.
- The array is expected to detect events of magnitude -2.0 from a distance of ~840 m

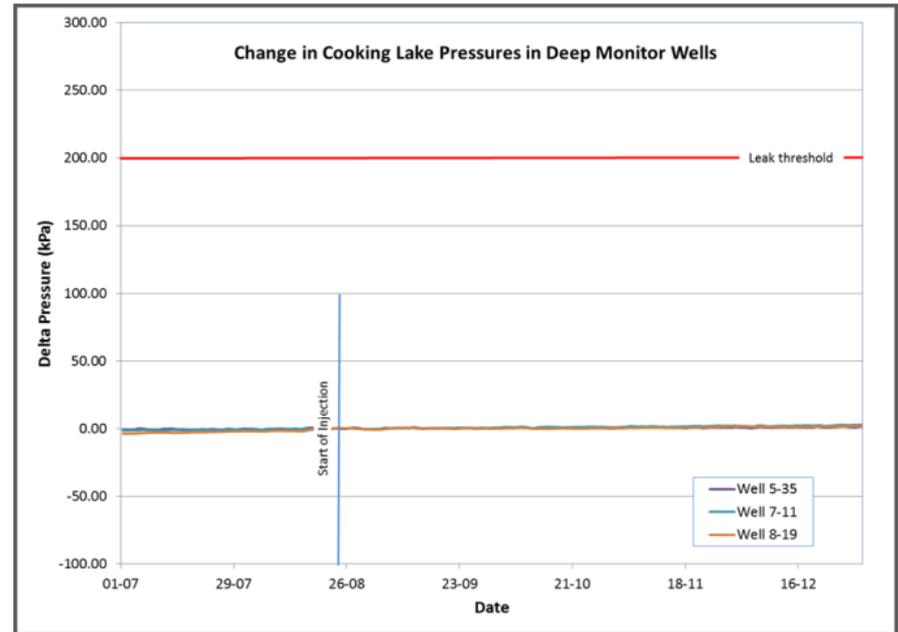
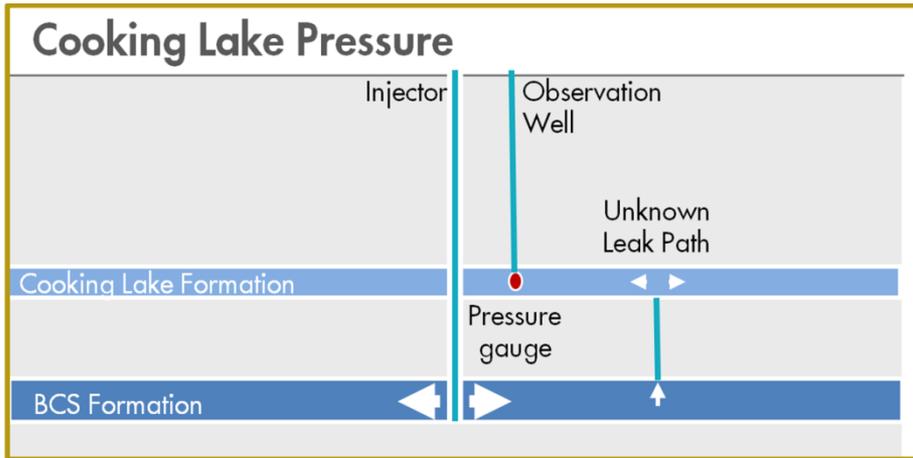
MICROSEISMIC – QUEST DATA



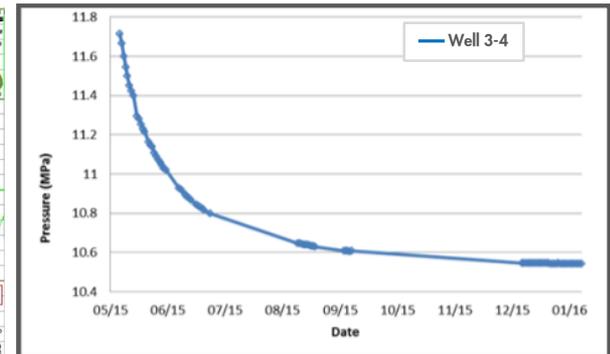
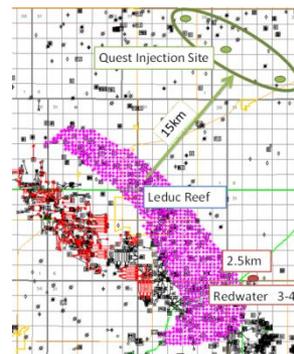
- Array working correctly. Surface and regional triggers are constantly recorded.
- High number of surface events are related to well or seismic work.
- Earthquakes and regional human (eg. mining, industrial, military) activity are recorded as regional events.

➔ No locatable events yet detected

DEEP MONITORING WELLS

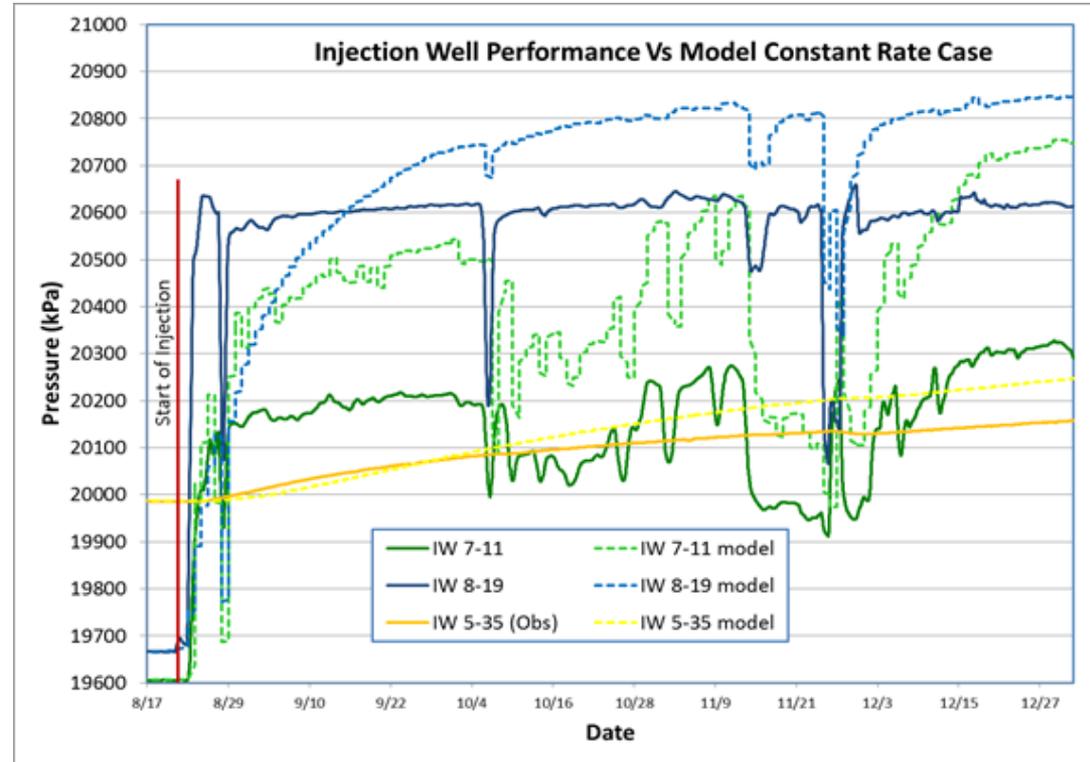


- Steady DMW pressure data in CKLK provides reasonable evidence of the absence of a leak path into the CKLK.
- Pressure fluctuation > 200 kPa is the threshold indication of a leak
- The 3-4 well is closer to the Redwater Field – used as a proxy for Leduc response



RESERVOIR MODEL – PRESSURE RESPONSE

- Pressure build-up in the reservoir (BCS) is less than predicted
- Reservoir properties appear to be better than expected
- Response at 5-35 to injection at 8-19 within a day or two
- Pressure build-up in the BCS is forecast to be less than 2 MPa (ΔP) by the end of the project life



MMV UPDATE SUMMARY

Key Update to MMV plan:

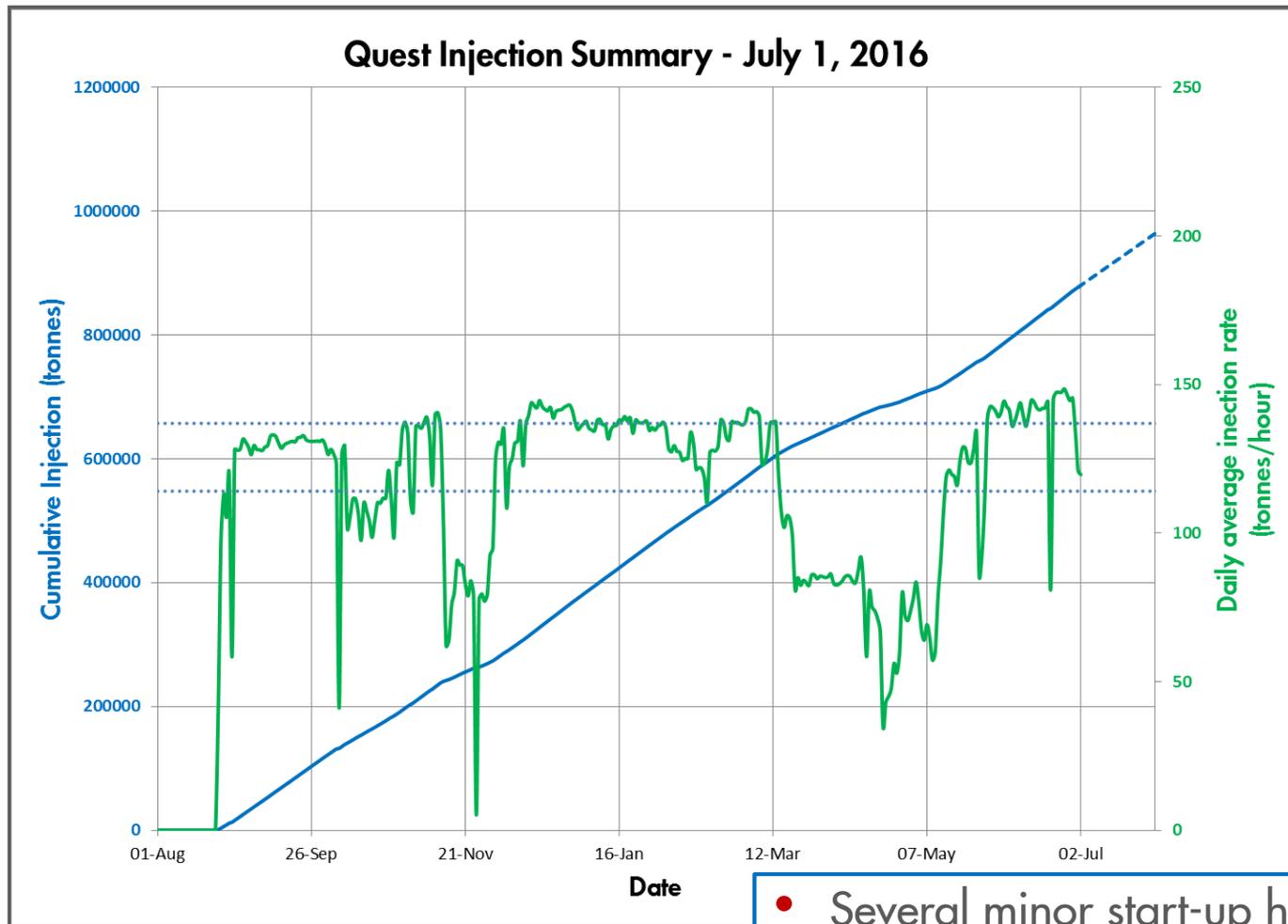
- Removed RIA & MIA
- LightSource functionality confirmed
- Revised GW well sampling strategy
- Change in VSP survey design

Operations:

- Still evaluating InSAR, other technologies
- Microseismic completely silent
- No valid triggers yet recorded
- **Reservoir quality better than expected – excellent injection performance to date!**

Domain	Technology	Trigger Event	23 Aug to 31 Dec 2015	Comment
Atmosphere	LightSource	Sustained locatable anomaly above background levels		Impact of inclement weather on system response being investigated
Bio-sphere	Soil Gas	Outside established baseline range		
	Surface CO2 Flux	Outside established baseline range		
Hydro-sphere	Tracer	Outside established baseline range		
	WPH	Sustained decrease in baseline pH values		
	WEC	Sustained increase in baseline WEC values		
Geosphere	Geochemical Analyses	Outside established baseline range		
	DHPT CKLK	Pressure increase 200 Kpa above background levels		
	DHMS	Sustained clustering of events with a spatial pattern indicative of fracturing upwards		
	DTS	Sustained temperature anomaly outside casing		Move to automatic data retrieval
	VSP2D	ID coherent and continuous amplitude anomaly above the storage complex		1 st Monitor Q1/2016
	SEIS3D	ID coherent and continuous amplitude anomaly above the storage complex		N/A
	InSAR	Unexpected localized surface heave		assessment after ~ 1 year of injection

QUEST – FIRST (ALMOST) YEAR OF OPERATION



- Several minor start-up hiccups
- Remarkably stable injection
- On target for a million tonnes in first year

ACKNOWLEDGEMENTS

- Government of Alberta, Department of Energy (DOE)
- Government of Canada, Natural Resources Canada (NRCan)
- Shell staff (Calgary, Houston, EU, Scotford and in the field)
- 3rd Party Contractors: Fluor, Golder Assoc., ESG, Boreal, Air Liquide, U. of C., U.B.C., U. Vic., et al.
- Partners: Chevron Canada Ltd & Marathon Oil Canada

