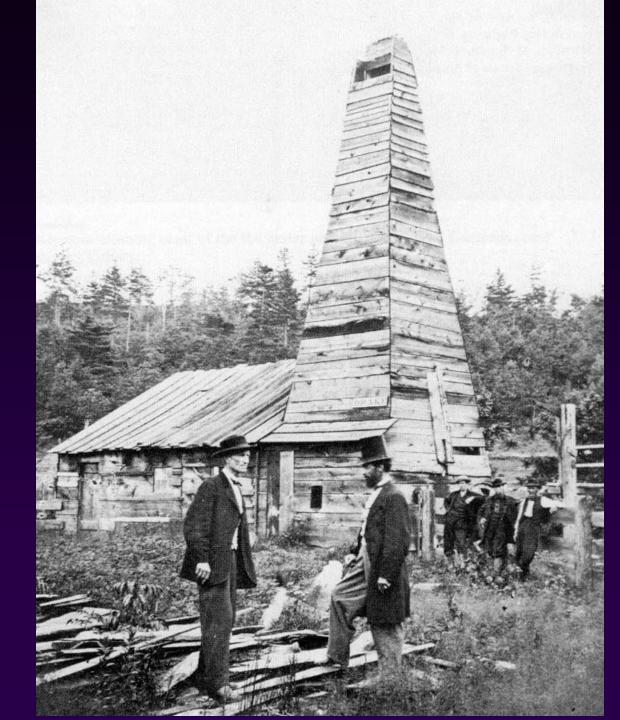
Outline 16: The Mesozoic World: Formation of Oil Deposits (with a side trip to the Devonian Marcellus Shale)

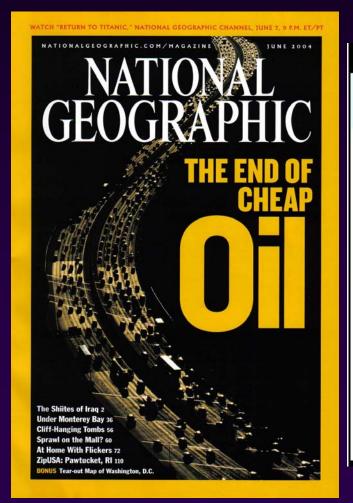
The first commercial oil well was drilled by "Colonel" Edwin Drake in Titusville, Pennsylvania, in 1859.

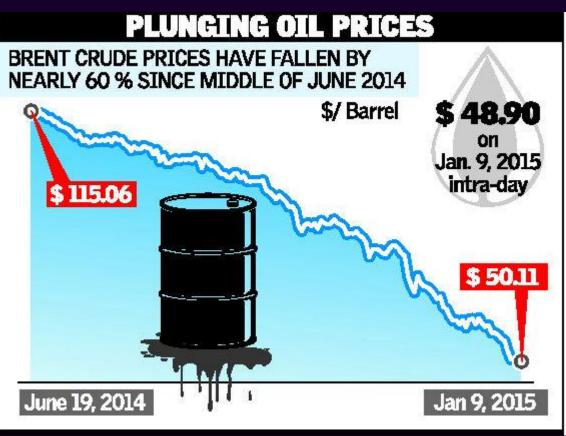


Los Angeles in the 1920s

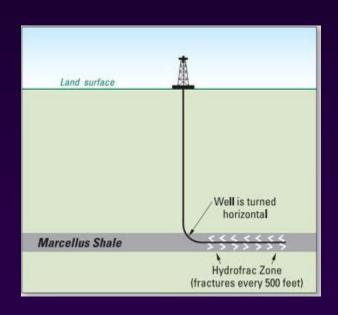


Are we running out of oil, or not? What happened between these years? 2004 2015





Horizontal Drilling and Hydrofracking



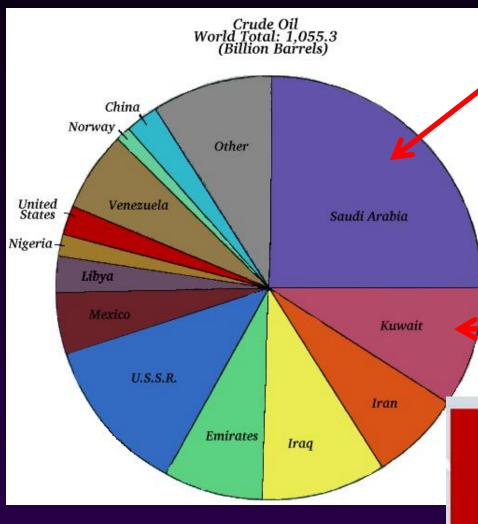
We will come back to this.

Facts about Oil Deposits

- 70% are Mesozoic in age
- 20% are Cenozoic in age
- 10% are Paleozoic in age
- What's so special about the Mesozoic?

Facts about Oil Deposits

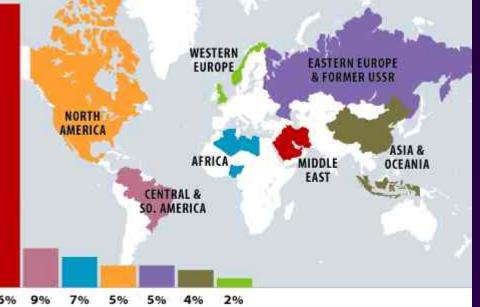
- The majority of the world's oil reserves are in the Middle East around the Persian Gulf.
- What's so special about the Persian Gulf area?

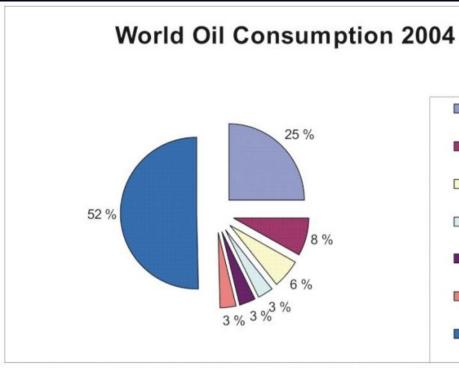


Less than 10% of the population of USA

Less than 1% of the population of USA

Conventional Oil Reserves



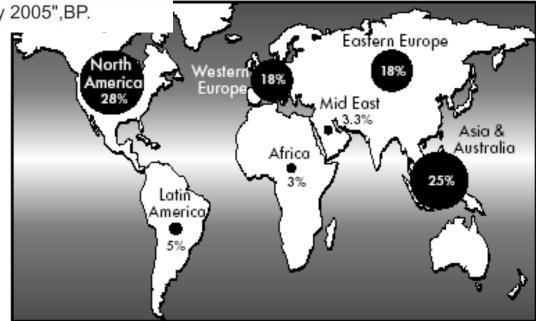




Consumption

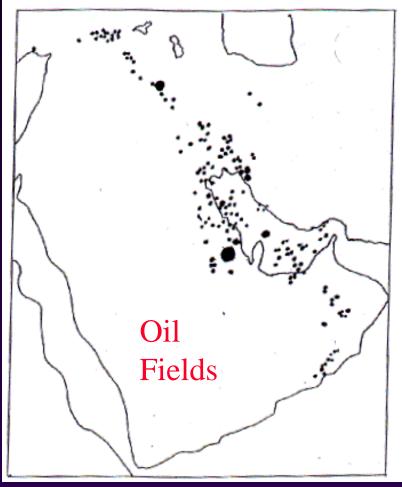
Source: "Statistical Review of World Energy 2005",BP.

If India or China consumed at the same rate as the U.S., that would use the total available world oil supply!



World energy consumption

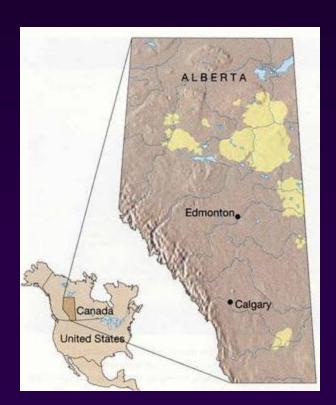




Oil Reserves: 1 trillion barrels (2007)

• Saudi Arabia	20%	 Asia/Australia 	8%
		 South America 	7%
• Iran	10%	 Africa 	7%
• Iraq	9%	• Russia	5%
• Kuwait	8%	 Europe 	1%
• UAE	7%	• USA	2%
• Other	1%	 Canada/Mexico 	15%
• Middle East	55%	(USA consumes 25% of world oil)	

Alberta Tar Sands – a major source of oil at high prices for the Keystone Pipeline



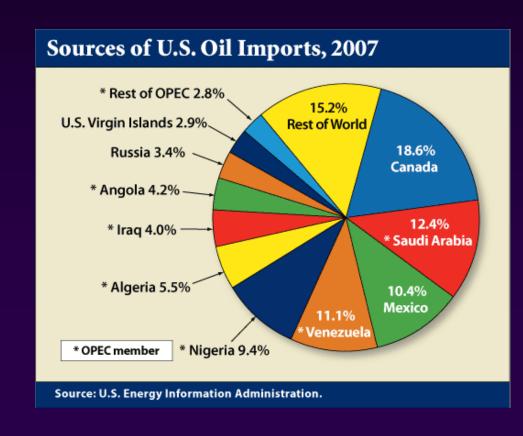




Alberta Tar Sands

Major U.S. Oil Suppliers, 2010 (We import 55% of our oil)

- Canada, 28%
- Mexico, 13%
- Nigeria, 11%
- Saudi Arabia, 10%
- Venezuela, 9%
- Algeria, 6%
- Russia, 4%



How long will the reserves last?

Current annual worldwide consumption is 25 billion barrels (BB) per year. Divide that into the 2007 reserves:

<u>1,000,000,000,000 barrels</u> = 40 years!!!

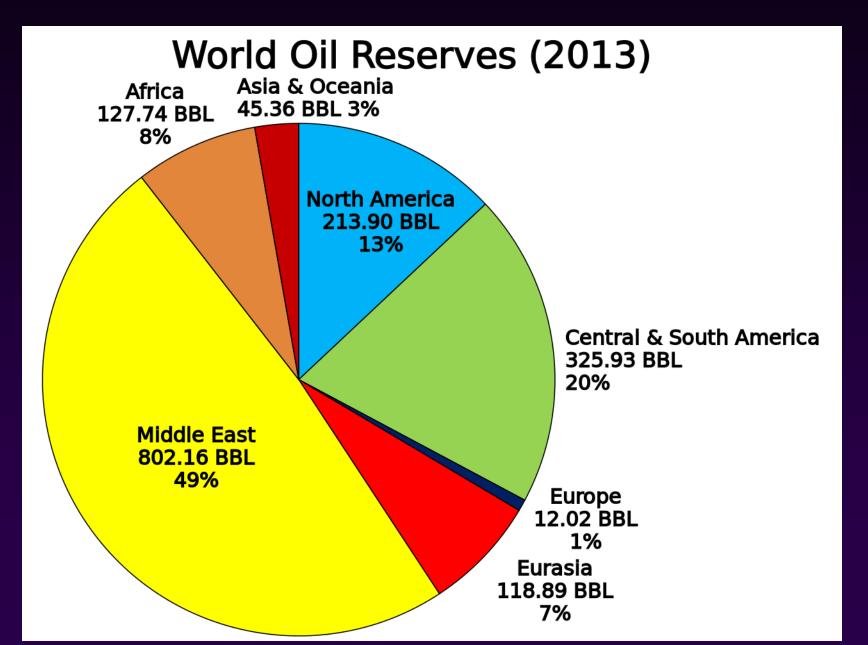
25,000,000,000 barrels/yr (70MB/day)

This assumes no increased consumption and no new discoveries.

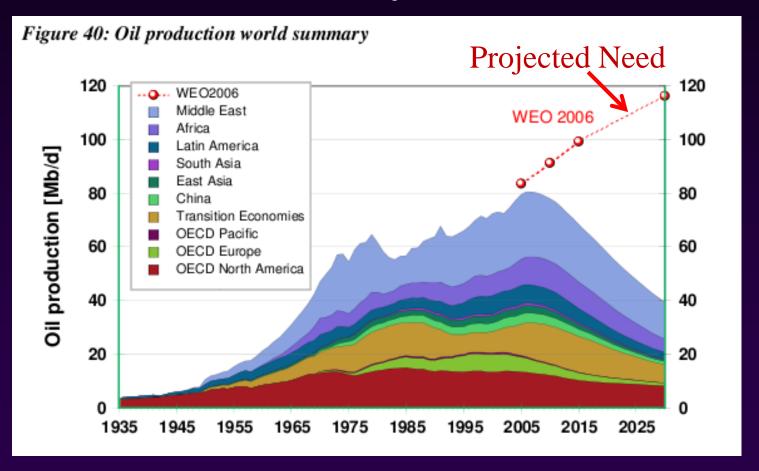
How much oil is undiscovered?

- Hard to know, but scientific estimates in 1996 suggest that 2/3 of commercial oil have already been found. Estimates in 2000 suggest only ½ has been found.
- The remaining oil will be harder to find and will require the abilities of talented geologists.
- Horizontal drilling is a game changer. Previous estimates are being revised upwards.

Reserves calculated to be 1.6 Trillion barrels in 2013



Is Oil Production near its Peak? Probably not.



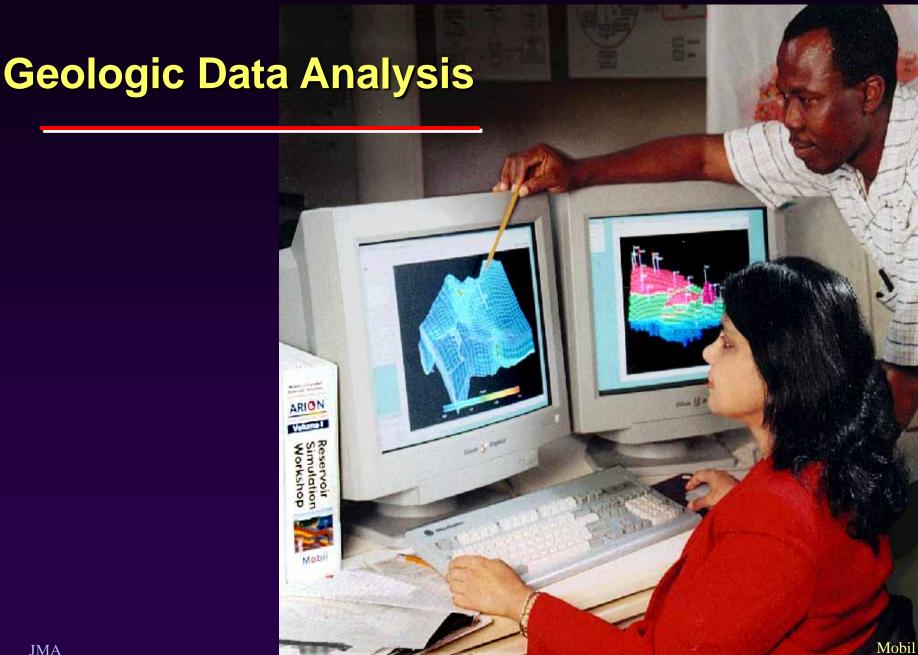


Geologic Mapping and Sampling

Gravity

- Seismic Reflection
- Magnetics
- Geologic Mapping



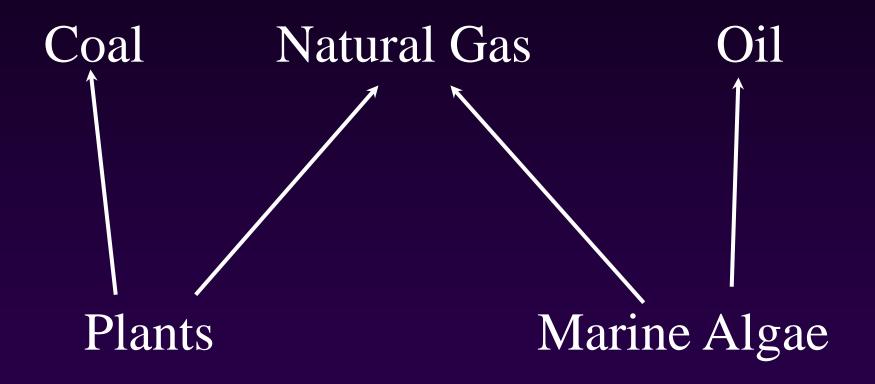




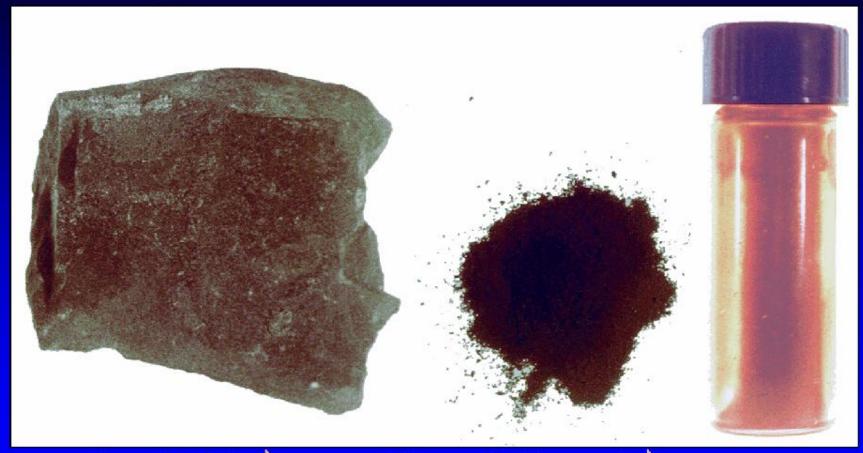
Largest Hydrocarbon Basins

by Ultimate Potential **JMA**

Origin of Fossil Fuels



The Origin of Petroleum



Organic-rich Source Rock Thermally Matured Organic Matter



Oil

Source Rock for Petroleum



Measured Values

Total Organic Carbon 3.39

Hydrogen Index

9 378

In-Place Petroleum S₁ 2.24 Pyrolytically Generated Petroleum

 S_2

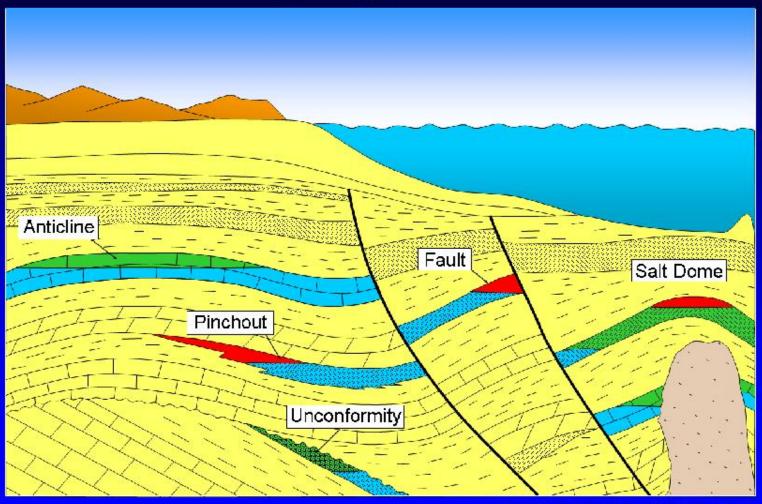
12.80

LOMPOC Quarry Sample Monterey Formation, CA

Production of Oil and Gas

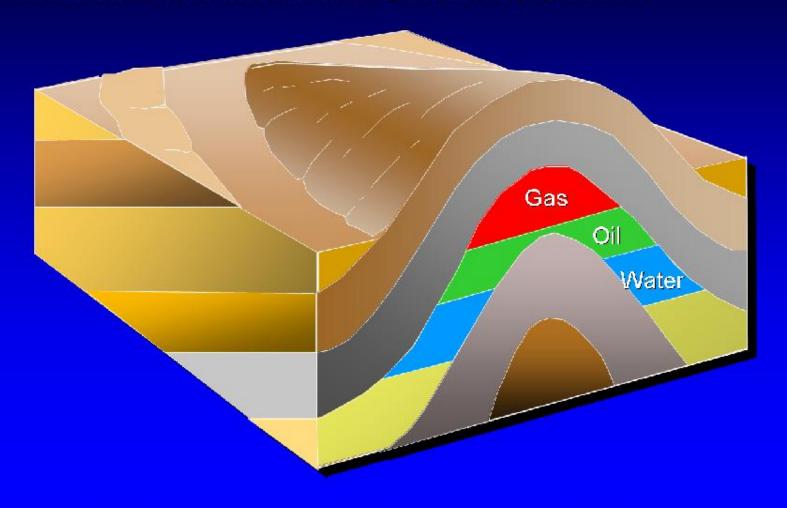
- 1. Need source materials: marine plankton
- 2. Burial of source materials to "cook" it.
- 3. Reservoir rock: porous sandstone or limestone (reefs)
- 4. Seal for reservoir: shale or salt
- 5. Trap: a structural trap or a facies trap.

Hydrocarbon Trap Types



Anticlinal Theory

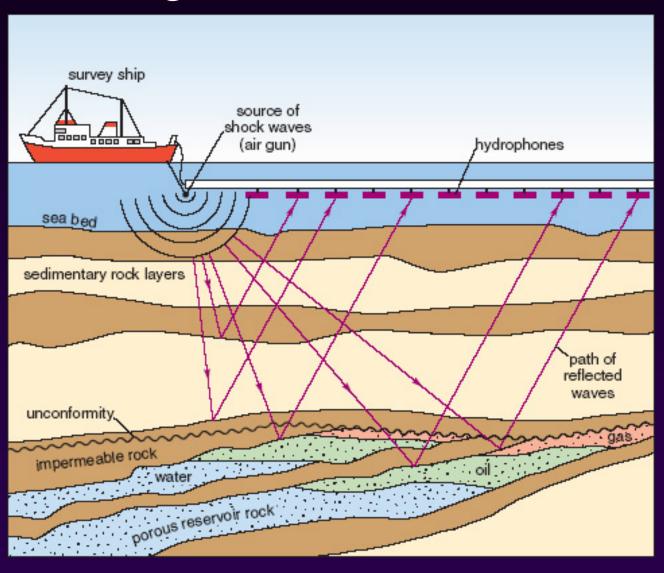
Petroleum Accumulates in Structural Closure



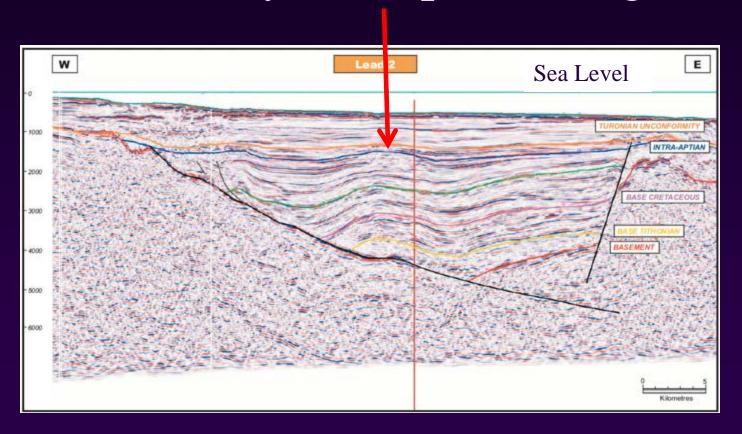
Production of Oil and Gas

- Maximum burial depths:
 - -oil: 25,000 ft (5 miles)
 - -gas: 35,000 ft (7 miles)
- Drilling technology is limited to 35,000 ft, which is the effective limit of fluid hydrocarbons.

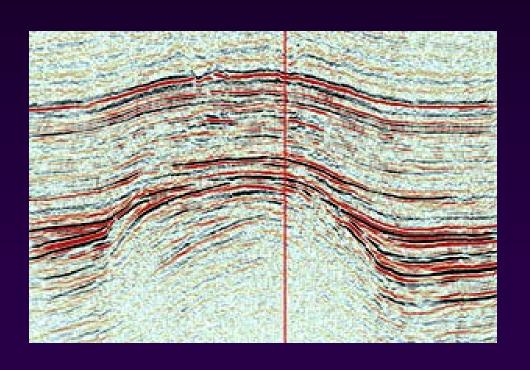
Exploring for Petroleum: Collecting Seismic Reflection Data



Geology of a continental shelf revealed by seismic reflection data. Folded layers trap oil and gas.

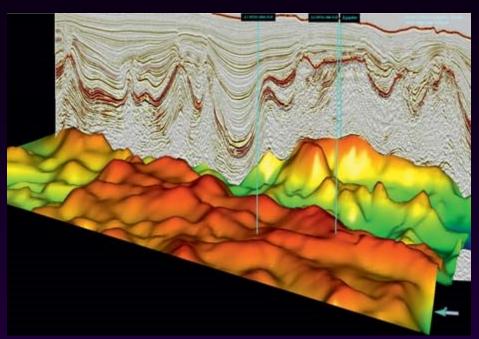


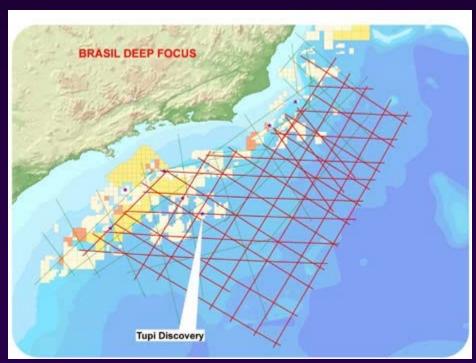
Other examples of seismic lines showing traps for oil and gas deposits.



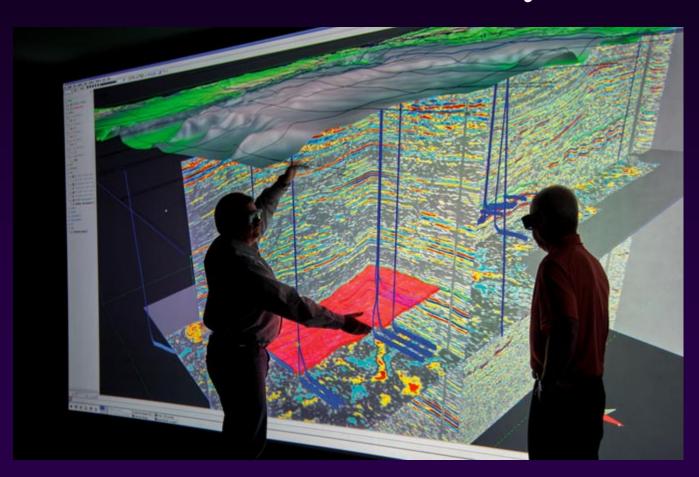


3 D Seismic Imaging off the SE coast of Brazil. Major oil discovery in 2010.





3D Seismic Imaging of the Marcellus Shale in Pennsylvania



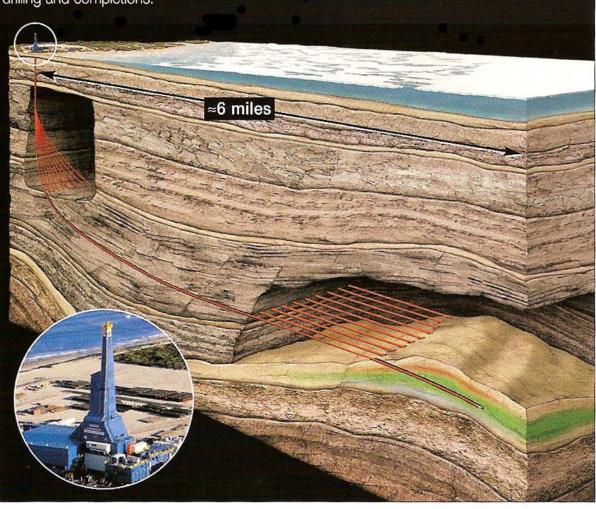
Horizontal production wells from directional drilling. Common practice today, even in WV

We continue to set new industry benchmarks in drilling and completions.



Above – ExxonMobil is improving well production rates and reducing well-related problems using technologies validated by learnings in the laboratory and the field.

Right – ExxonMobil engineers use an integrated suite of technologies to drill and complete complex extended-reach wells.



Deep Gas Well: 8,000 ft in WV



Drilling the Devonian-age Marcellus Shale in the Appalachian Basin

See an Industry Video

http://www.youtube.com/watch?v=VY34PQUiwOQ

60 Minutes Story

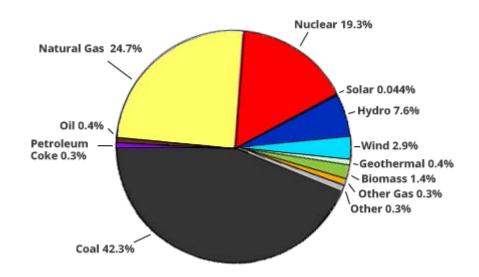
https://www.youtube.com/watch?v=UuGrawkuA2s





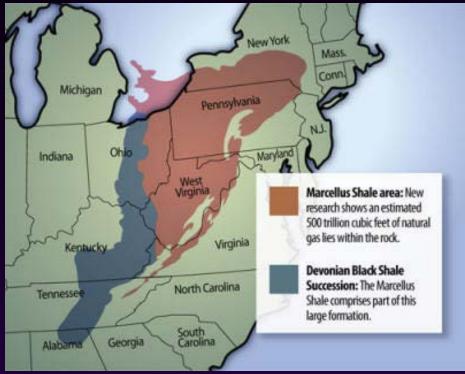
Shale Gas is an Energy Game-Changer

Shale Gas is Displacing Coal for Generating Electricity



Source: Energy Information Administration, year 2011 data. / U.S. Environmental Protection Agency

https://www.eia.gov/

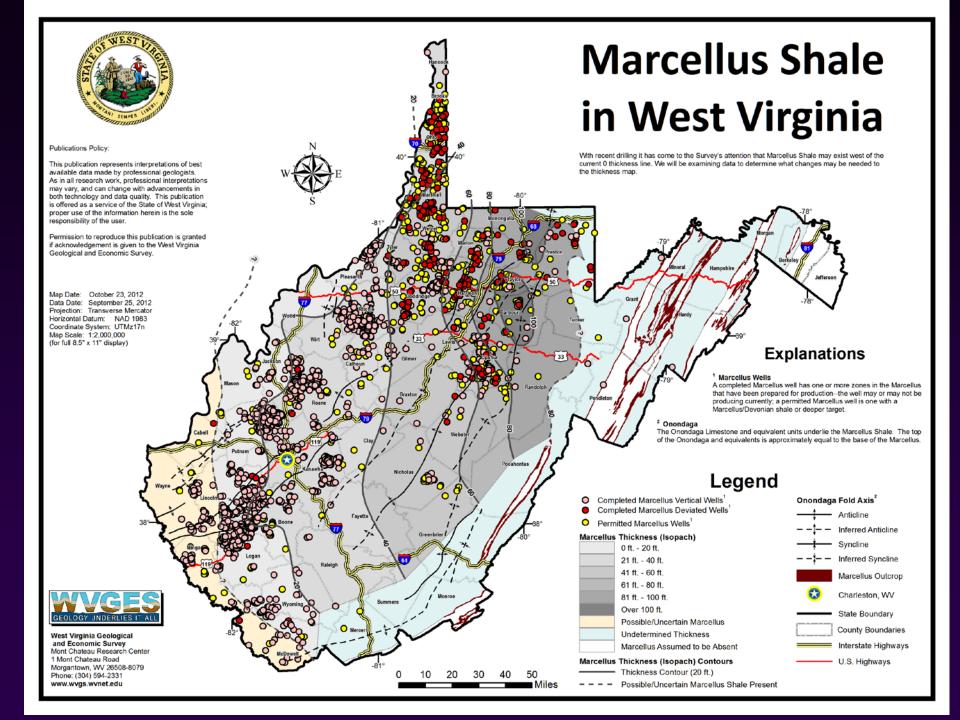


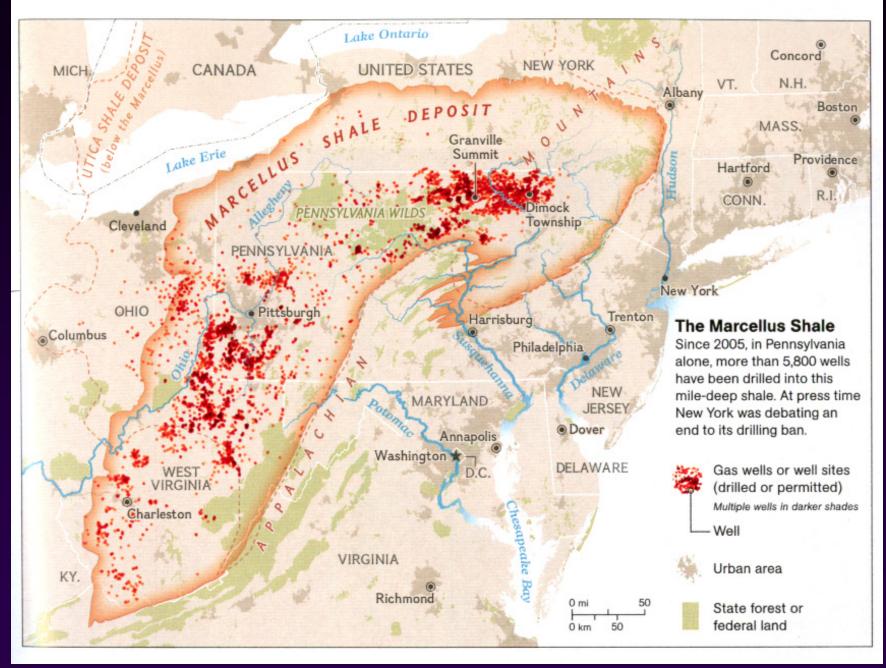
Extent of Devonian black shales

Marcellus Shale link

Black shale on outcrop







National Geographic, Dec. 2012

THE SHALE BOOM

The technology for pulling natural gas from deep shale, refined in the 1990s in Texas, has since spread to other "plays"—parts of a shale basin where large quantities of gas have been found. More than a third of U.S. gas now comes from shale.

Richest shale deposits

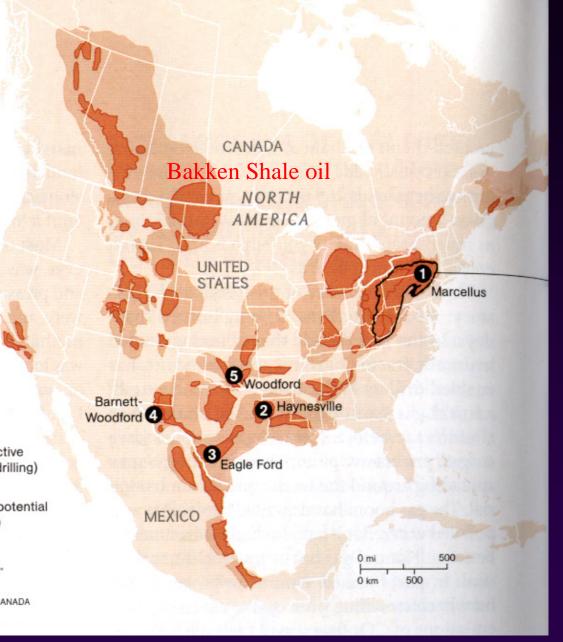
Recoverable gas, in trillion cubic feet (tcf)
Total for continental U.S. 542*

Marcellus	141	Shale play (active
2. Haynesville	66	or expected drilling)
3. Eagle Ford	50	Shale basin (potential
4. Barnett-Woodford	27	
5. Woodford	24	gas resource)

ONE TCF CAN HEAT 15 MILLION HOMES FOR A YEAR.

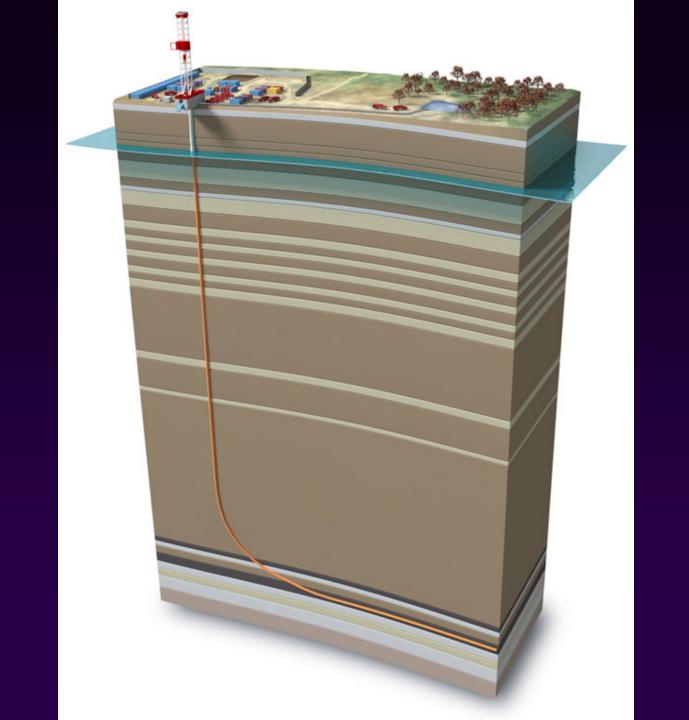
*TOTAL INCLUDES "PROVED RESERVES" AND "UNPROVED RESOURCES."

VIRGINIA W. MASON, NGM STAFF; ALEXANDER STEGMAIER, NG STAFF SOURCES: U.S. EIA; FRACTRACKER; U.S. CENSUS BUREAU; STATISTICS CANADA



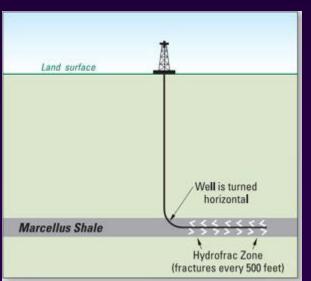
A drilling rig for a Marcellus gas well in the Appalachian Basin







Horizontal
Drilling and
Hydrofracking
operations





Fractures in Marcellus black shale

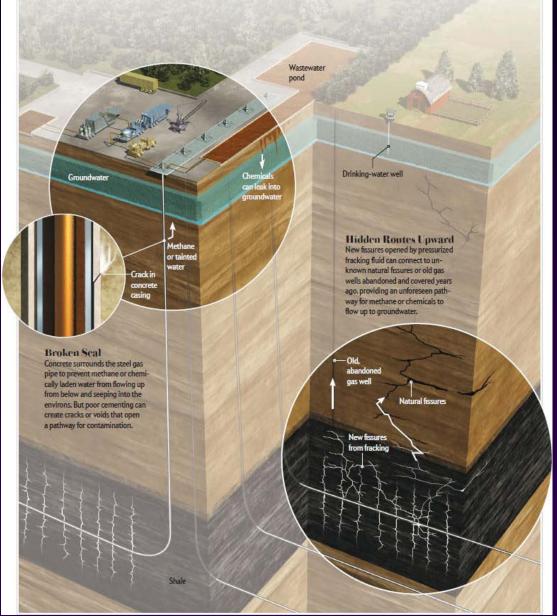


COMPLICATION

Risks to Drinking Water

Once a drill pad and wastewater pond are established, a driller may sink a dozen wells or more to fully tap the shale gas. Three spots may have the greatest potential to contaminate groundwater. Chemical-laden wastewater ponds can leak or overflow (center),

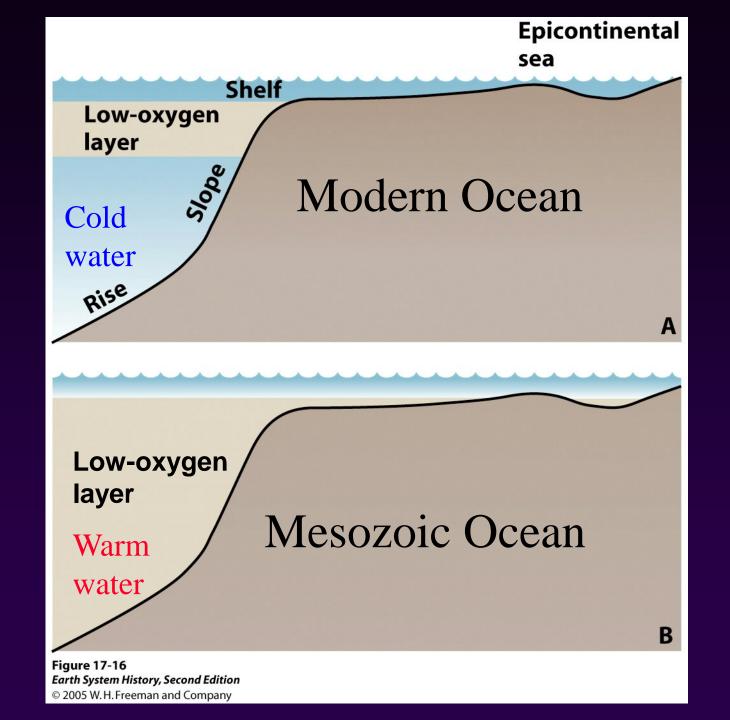
which happened in Pennsylvania in September because of flooding by Tropical Storm Lee. Concrete that encases the vertical pipe can crack (inset, left), and new fissures opened by the fracking can connect to natural fissures or old wells (inset, right).

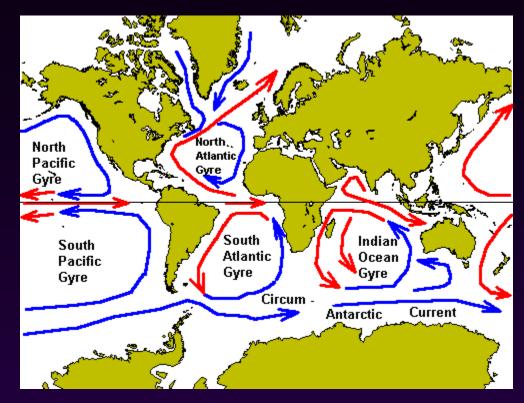


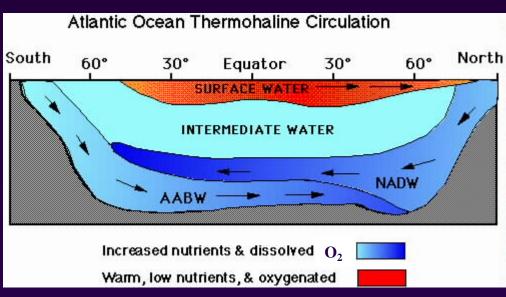
WTF: Watch the Fracking

What's so special about the Mesozoic?

- The worldwide climate was tropical.
- Plankton were abundant in the ocean.
- Ocean bottoms were stagnant and anoxic, unlike today's ocean.
- Black, organic-rich muds accumulated to form later source rocks.



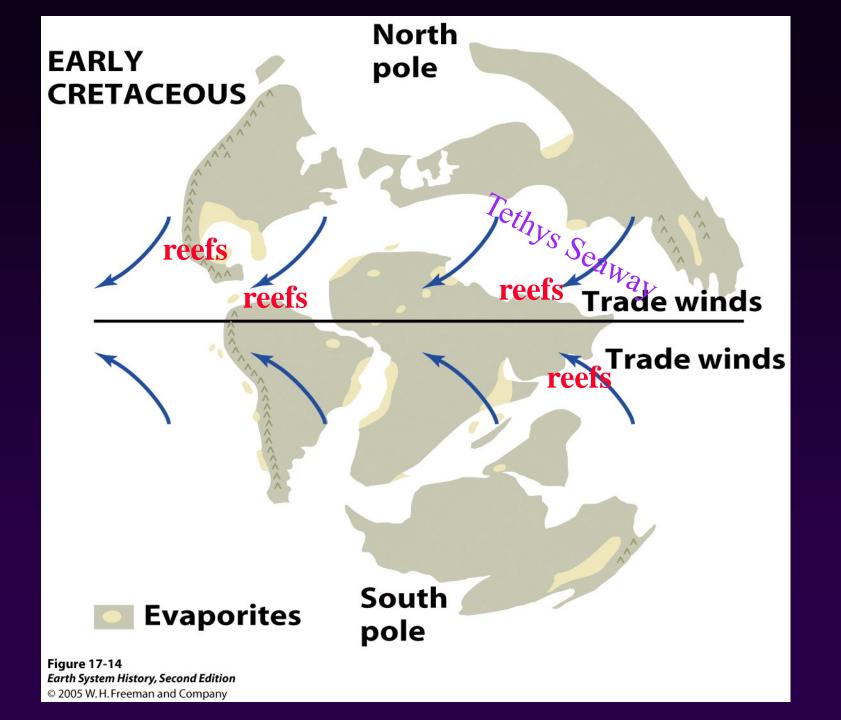




Modern oceans are well ventilated unlike during the Cretaceous when there was no cold, oxygenated water to sink near the poles.

What's so special about the Persian Gulf area?

- The Persian Gulf area was once on the edge of the Tethys Seaway.
- Tropical reefs were abundant.
- The Tethys was a particularly anoxic ocean.
- The closing of the Tethys produced numerous structural traps.



Reefs: Excellent reservoir rocks

