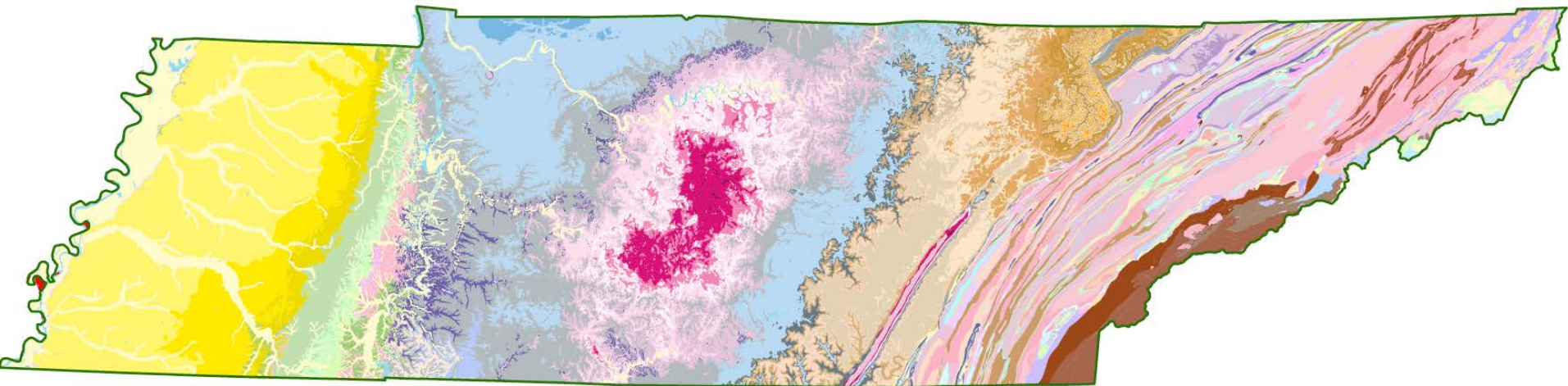


Geology and Petroleum Resources of Tennessee and the Use of Fracking as a Drilling Tool

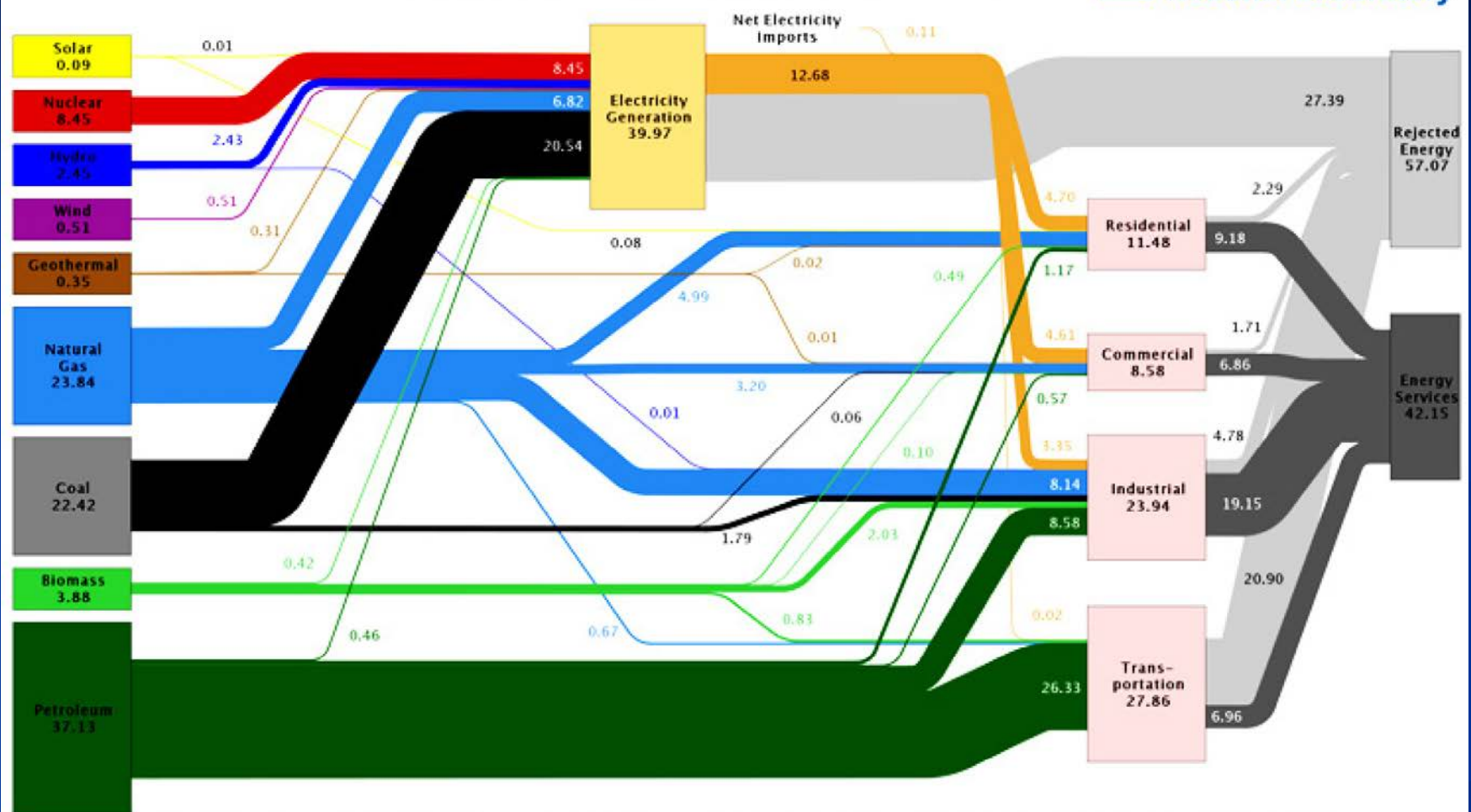
Bob Hatcher, Ph.D., P.G.

*UT Distinguished Scientist & Professor
Tectonics and Structural Geology
University of Tennessee–Knoxville*



*AICHE Monthly Mtg.
Knoxville, TN
April 18, 2013*

Estimated U.S. Energy Use in 2008: ~99.2 Quads

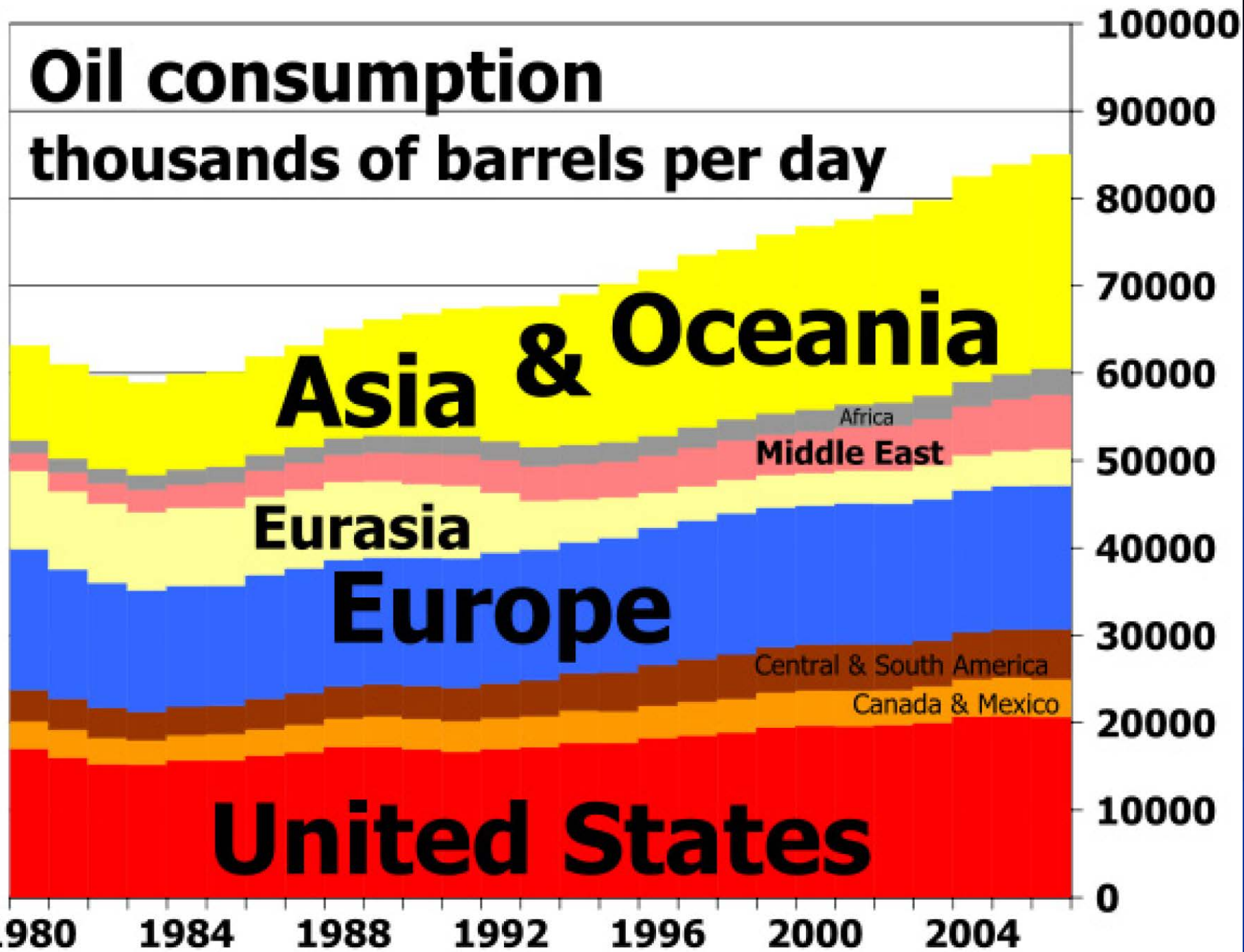


Source: LLNL 2009. Data is based on DOE/EIA-0384(2008), June 2009. If this information or a reproduction of it is used, credit must be given to the Lawrence Livermore National Laboratory and the Department of Energy, under whose auspices the work was performed. Distributed electricity represents only retail electricity sales and does not include self-generation. EIA reports flows for non-thermal resources (i.e., hydro, wind and solar) in BTU-equivalent values by assuming a typical fossil fuel plant "heat rate." The efficiency of electricity production is calculated as the total retail electricity delivered divided by the primary energy input into electricity generation. End use efficiency is estimated as 80% for the residential, commercial and industrial sectors, and as 25% for the transportation sector. Totals may not equal sum of components due to independent rounding. LLNL-MI-410527

Fuel type	MJ/L	MJ/kg	BTU/imp gal	BTU/US gal	Research octane number (RON)
Regular gasoline/petrol	34.8	~47	150,100	125,000	Min. 91
Premium gasoline/petrol		~46			Min. 95
Autogas (LPG) (60% propane and 40% butane)	25.5–28.7	~51			108–110
Ethanol	23.5	31.1 [2]	101,600	84,600	129
Methanol	17.9	19.9	77,600	64,600	123
Gasohol (10% ethanol and 90% gasoline)	33.7	~45	145,200	121,000	93/94
E85 (85% ethanol and 15% gasoline)	33.1	44	108,878	90,660	100–105
Diesel	38.6	~48	166,600	138,700	N/A (see cetane)
BioDiesel	35.1	39.9	151,600	126,200	N/A (see cetane)
Vegetable oil (using 9.00 kcal/g)	34.3	37.7	147,894	123,143	
Aviation gasoline	33.5	46.8	144,400	120,200	80-145
Jet fuel, naphtha	35.5	46.6	153,100	127,500	N/A to turbine engines
Jet fuel, kerosene	37.6	~47	162,100	135,000	N/A to turbine engines
Liquefied natural gas	25.3	~55	109,000	90,800	
Liquid hydrogen	9.3	~130	40,467	33,696	

From Wikipedia

Oil consumption thousands of barrels per day



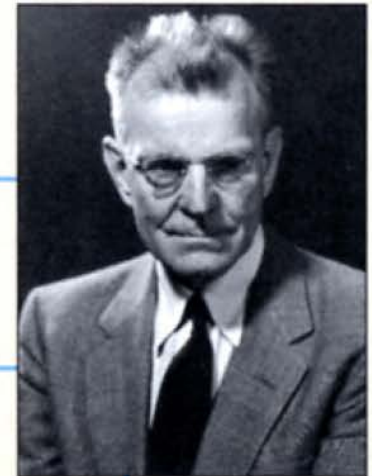
Annual U.S. Field Production of Crude Oil



Annual U.S. Natural Gas Marketed Production

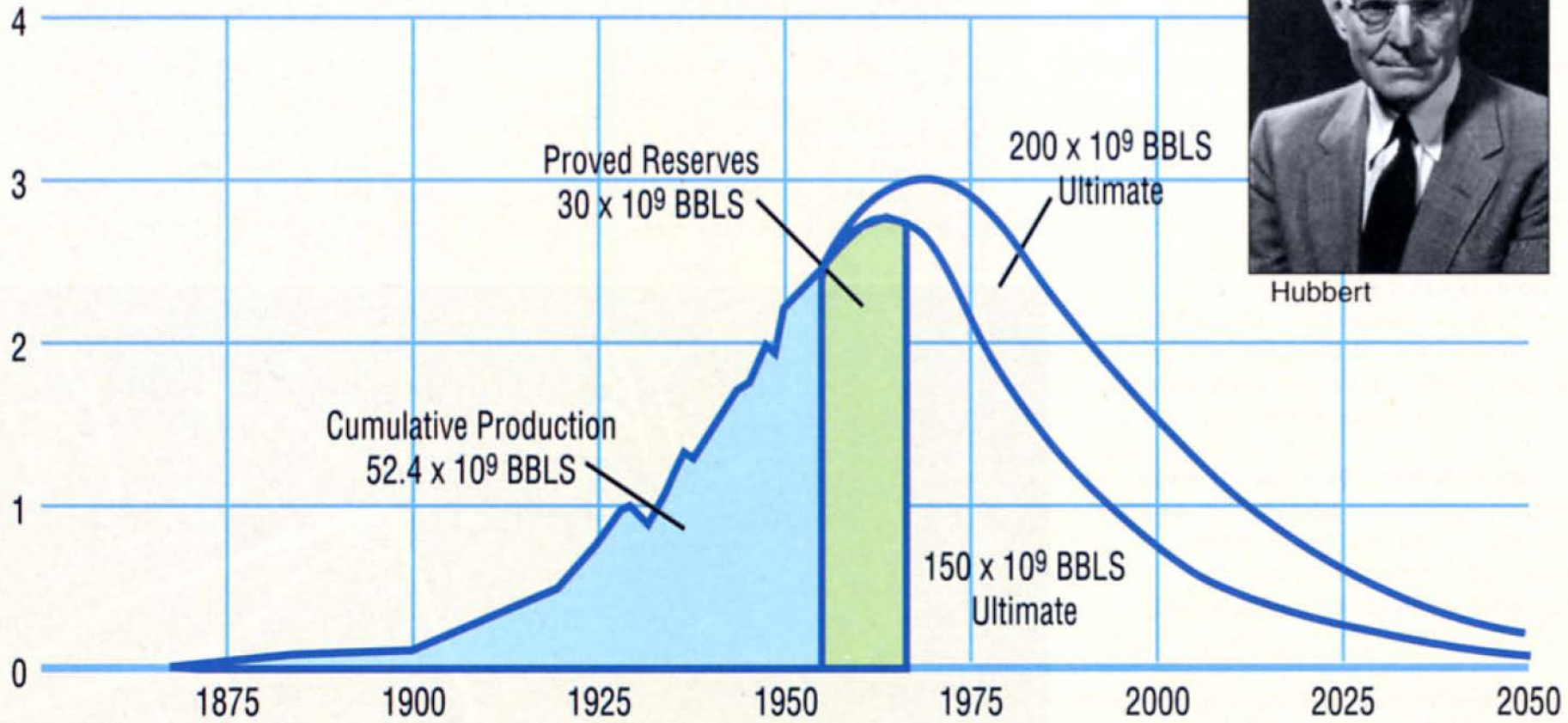


Hubbert's Peak

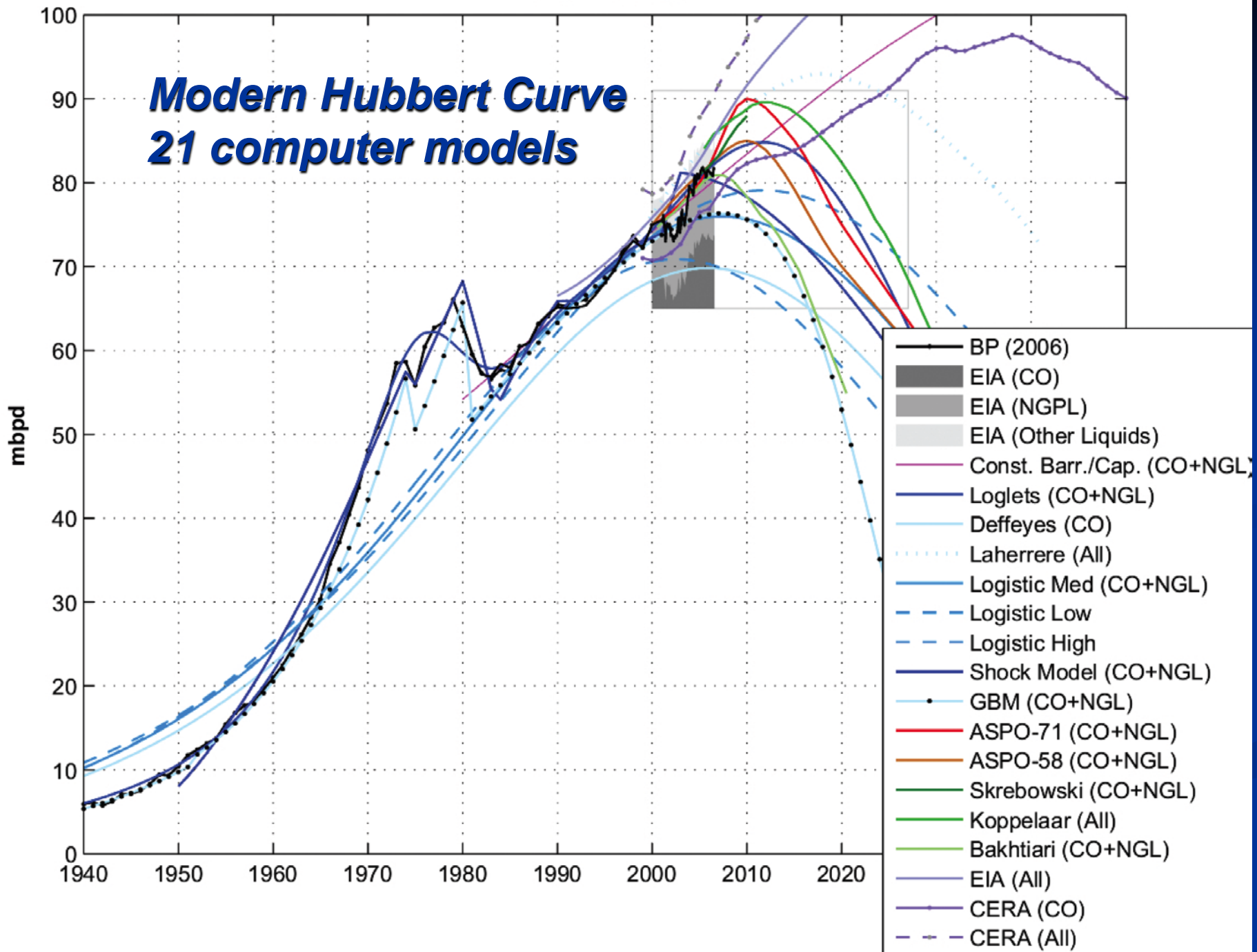


Hubbert

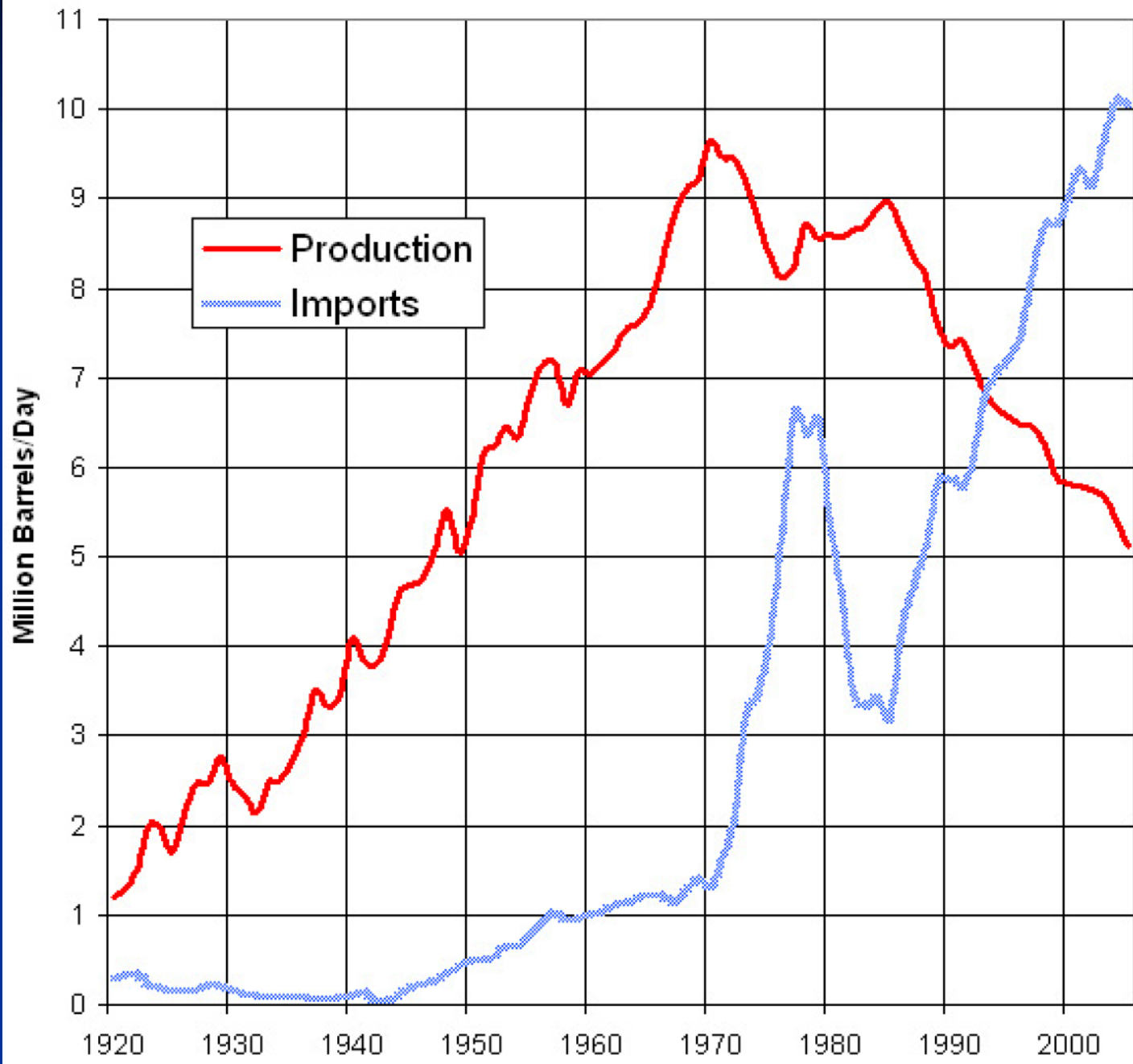
Billion Barrels/Year



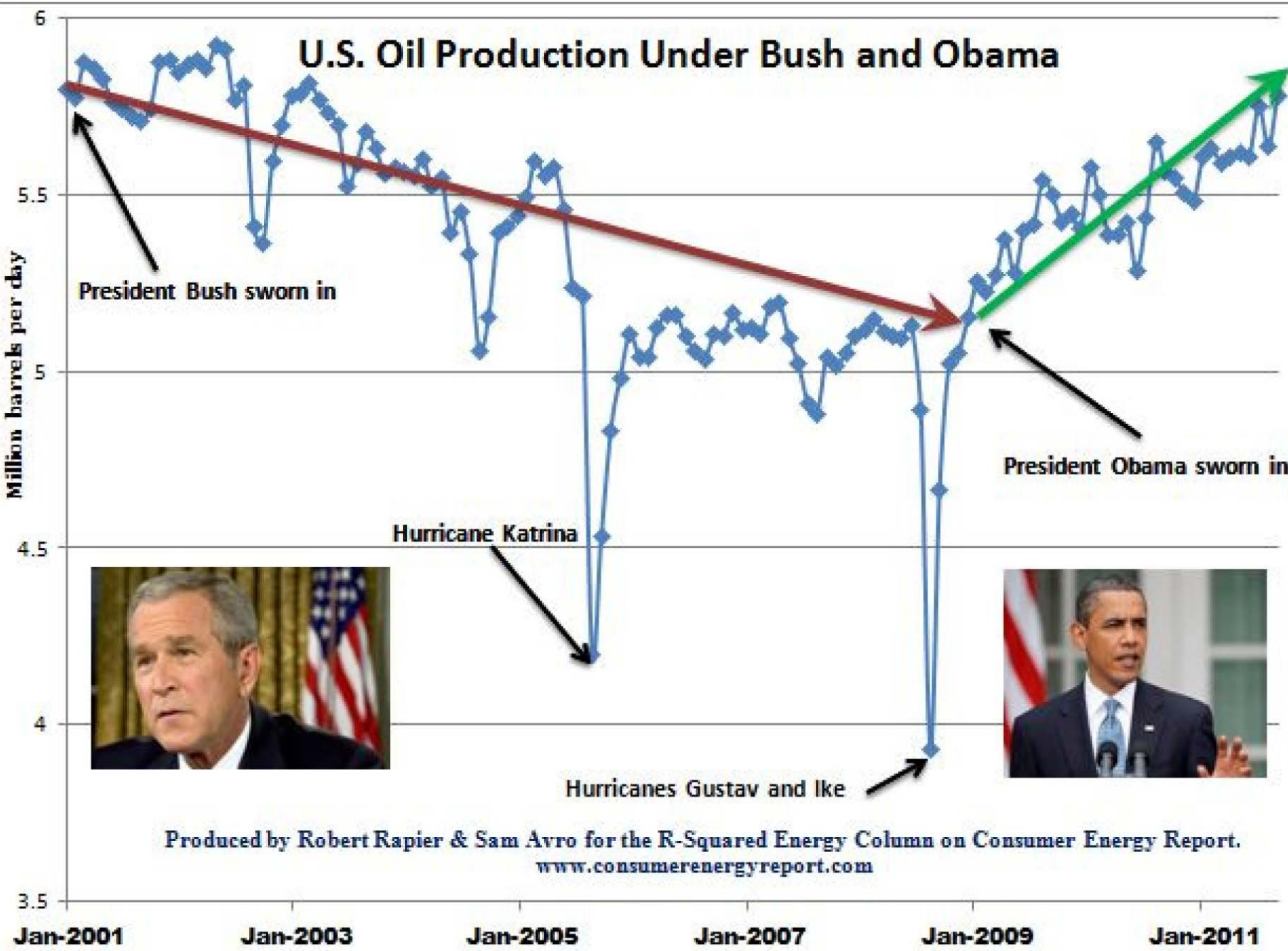
World Production



US Oil Production and Imports

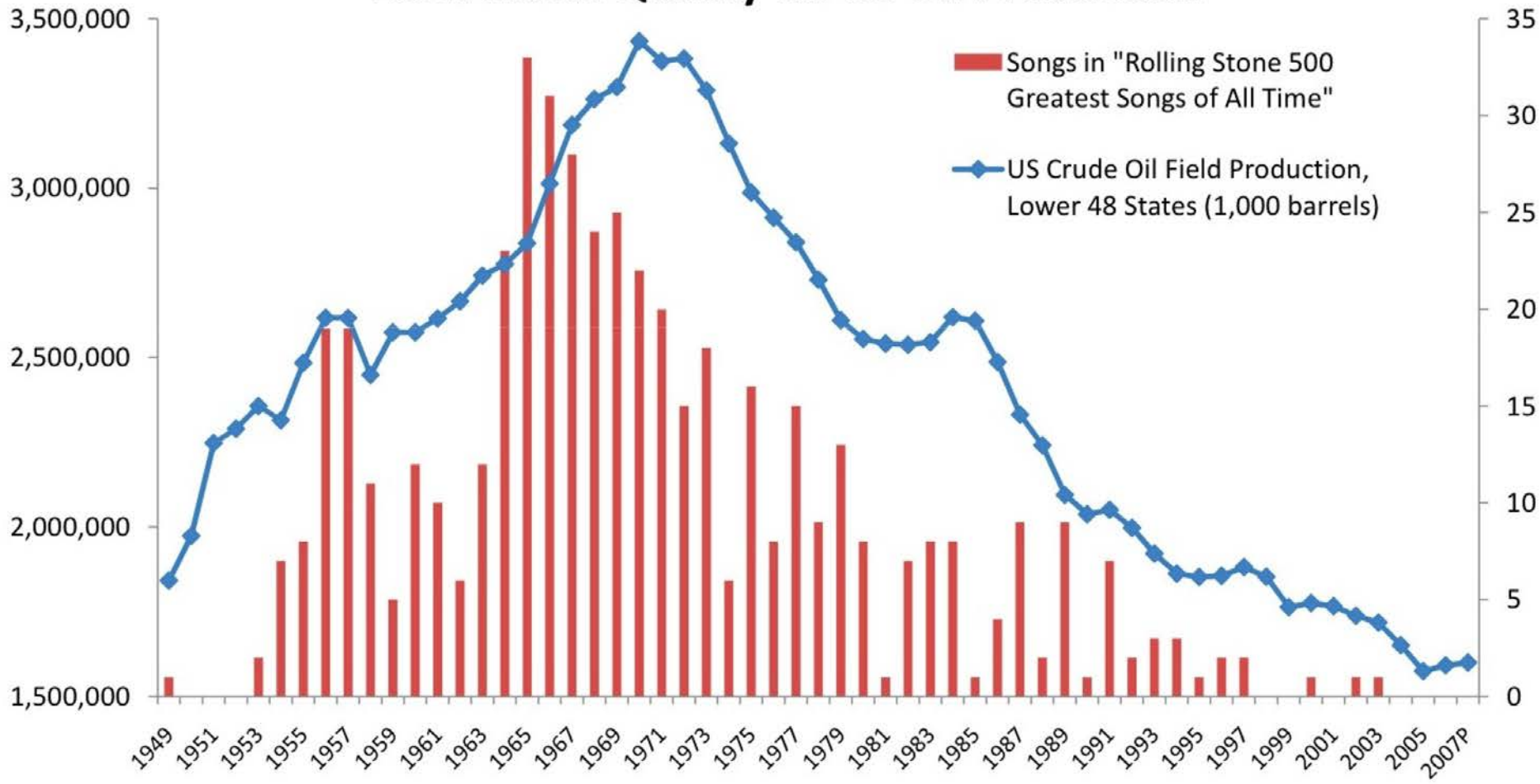


U.S. Oil Production Under Bush and Obama

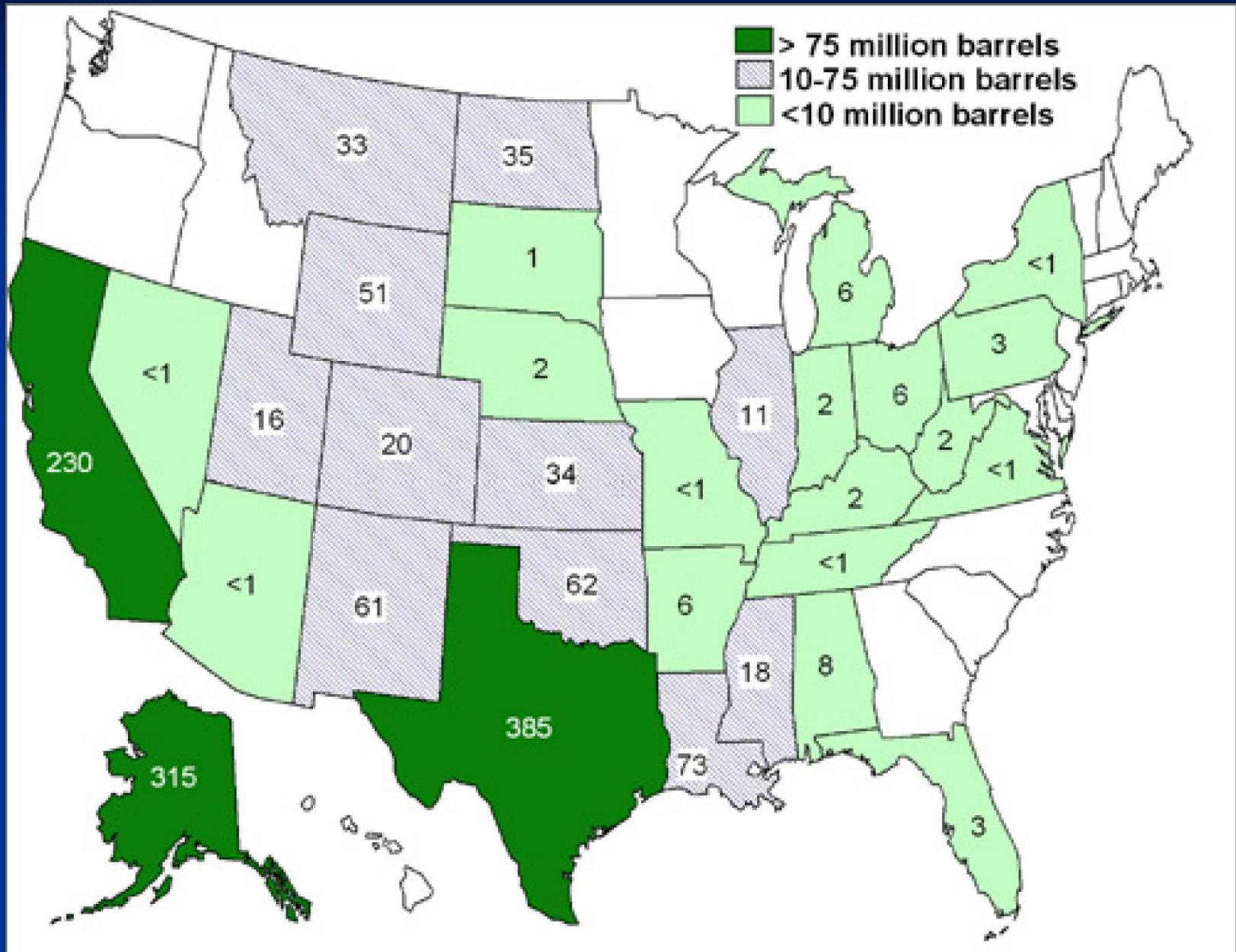


Produced by Robert Rapier & Sam Avro for the R-Squared Energy Column on Consumer Energy Report.
www.consumerenergyreport.com

Rock Music Quality vs. US Oil Production



Annual Oil Production

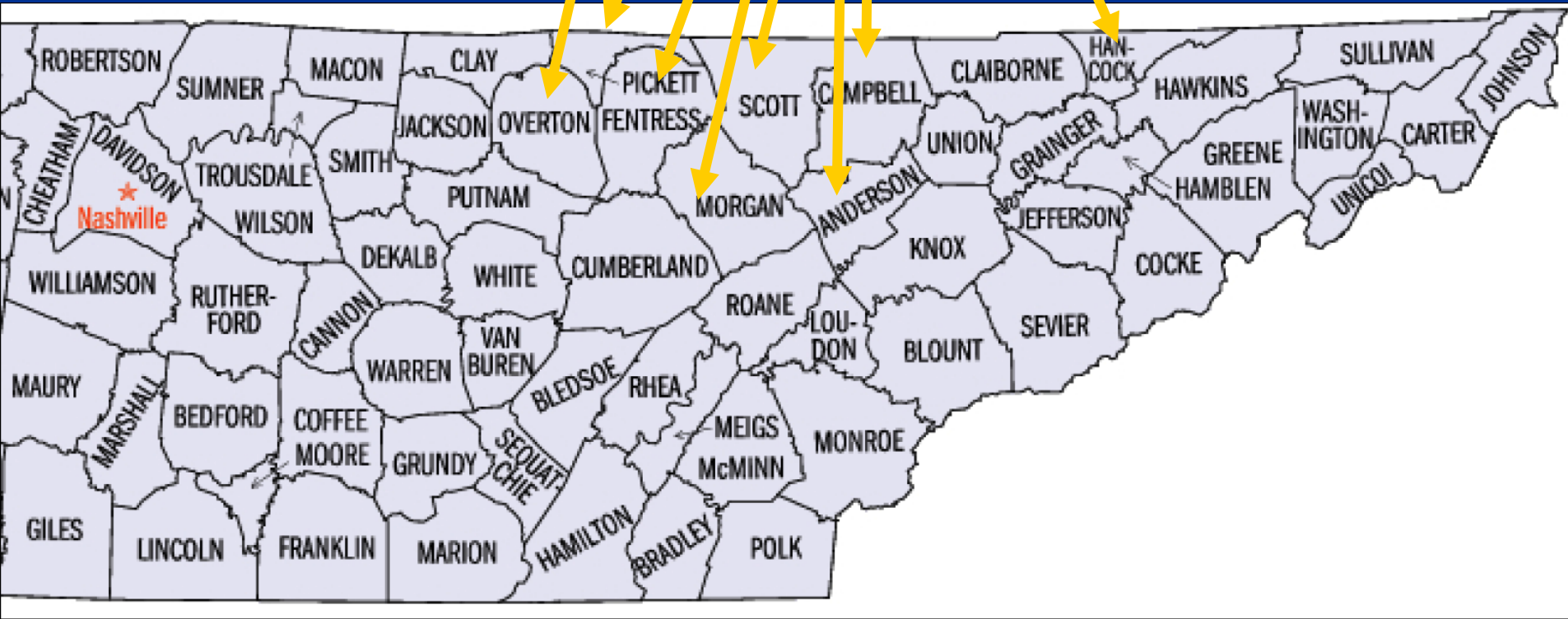


*Production of one of these rigs has to be **>40,000 bbl/day** to be economic*

*A **very good** well in TN or KY would produce **50-100 bbl/day** & the owner makes a very good profit*

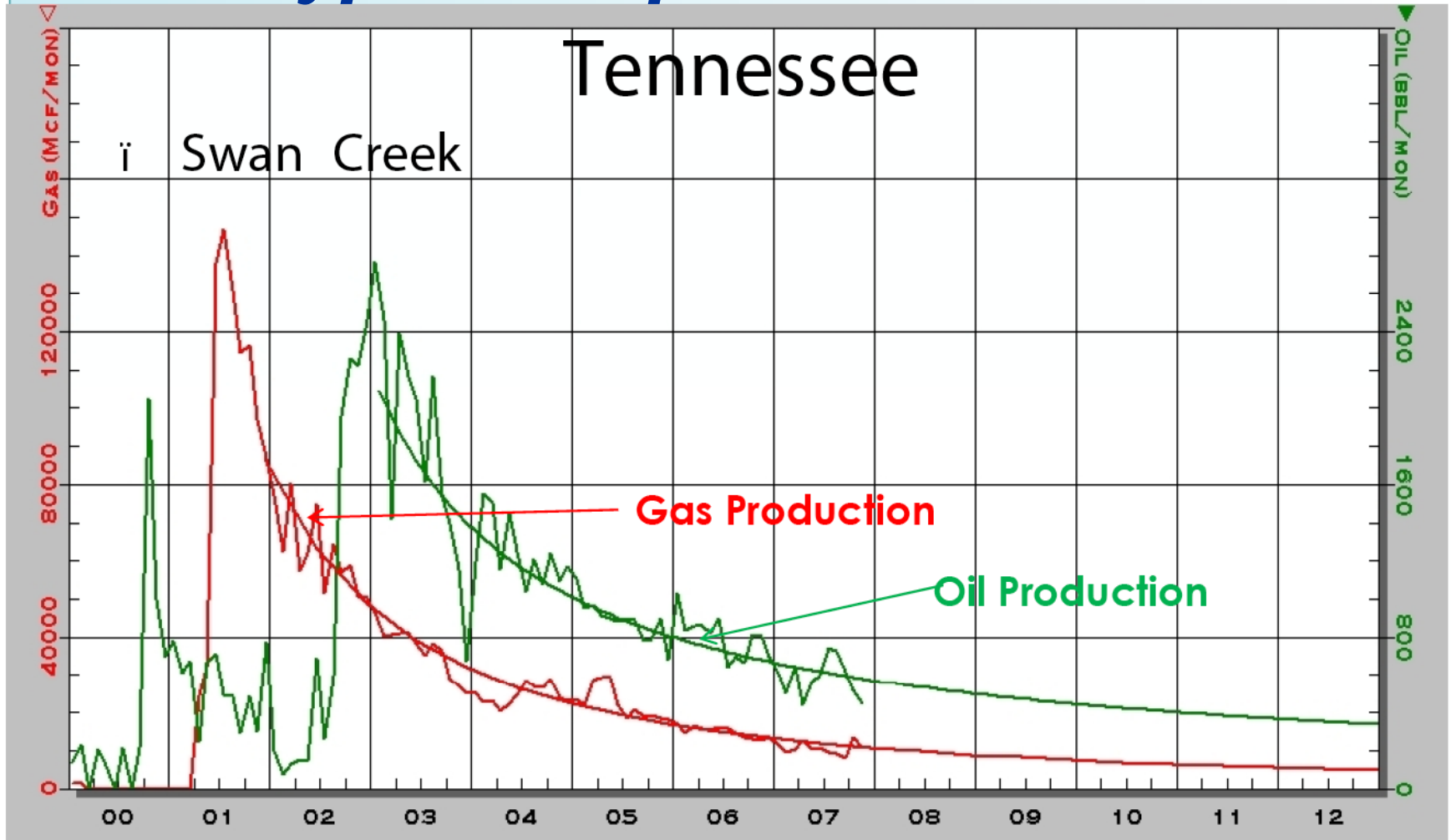


Producing Counties in TN



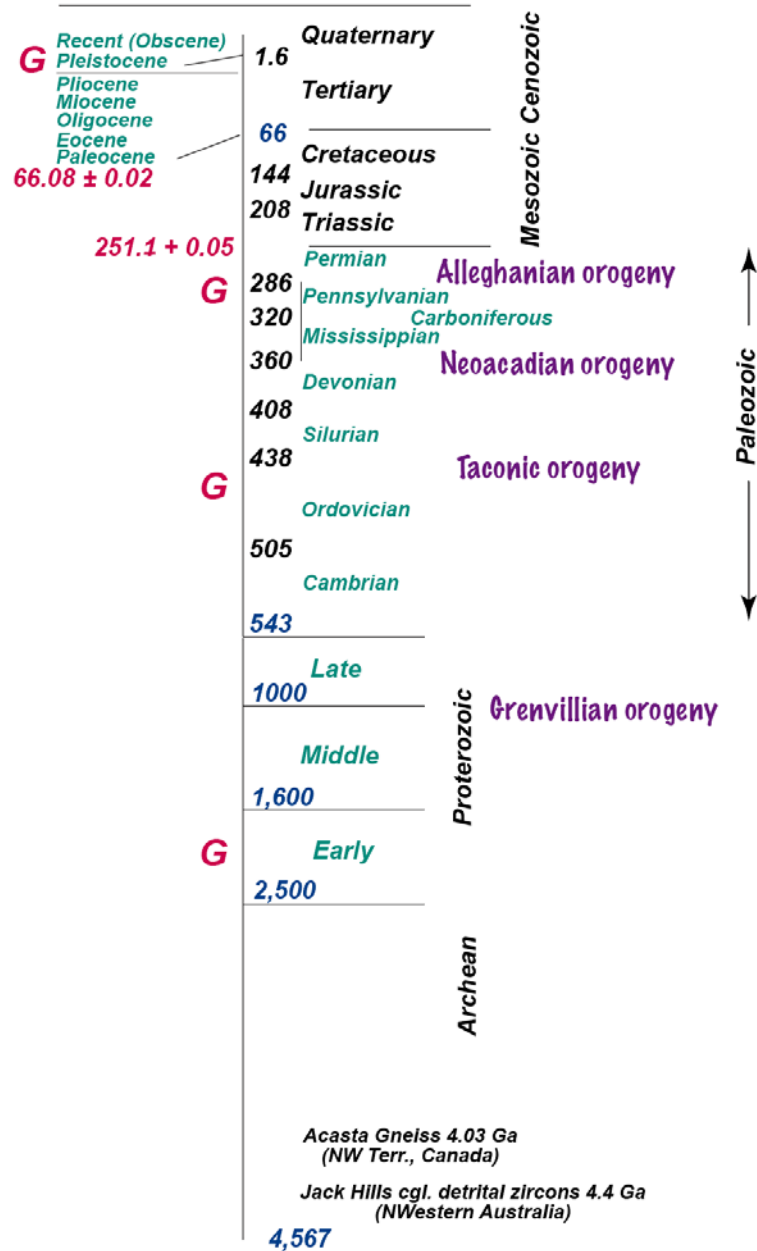


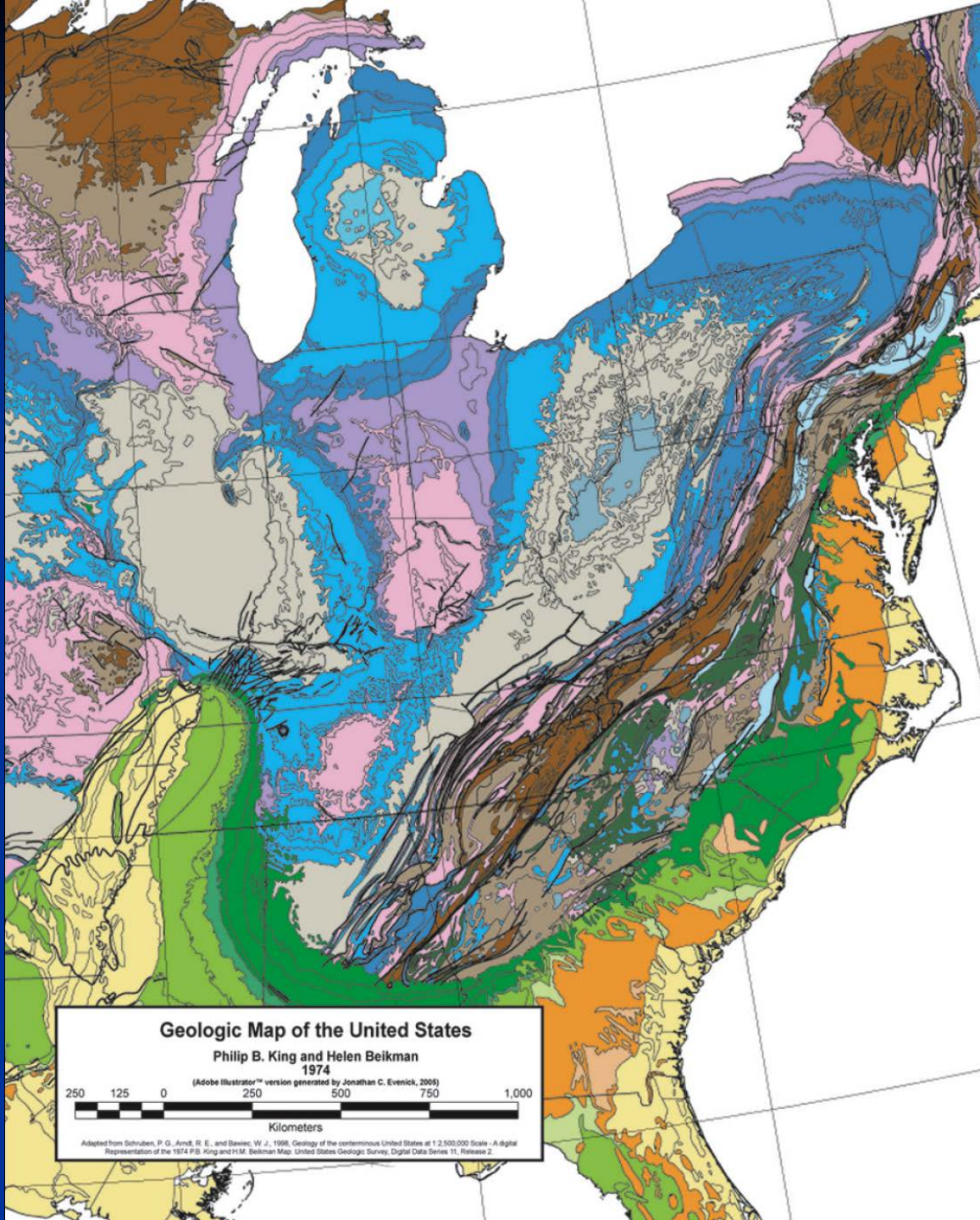
Typical Depletion Curves



3 BCF Produced from current development, 1 BCF Remaining
OIL: Produced about 150,000+ barrels with 90,000 remaining

Geologic Time Scale

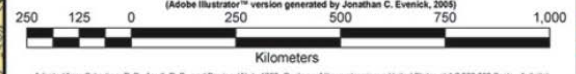




Geologic Map of the United States

Philip B. King and Helen Beikman
1974

(Adobe Illustrator™ version generated by Jonathan C. Evenick, 2005)



Adapted from Schruben, P. G., Arndt, R. E., and Bawiec, W. J., 1998. Geology of the conterminous United States at 1:2,500,000 Scale - A digital representation of the 1974 P.B. King and H.M. Beikman Map. United States Geological Survey, Digital Data Series 71, Release 2.

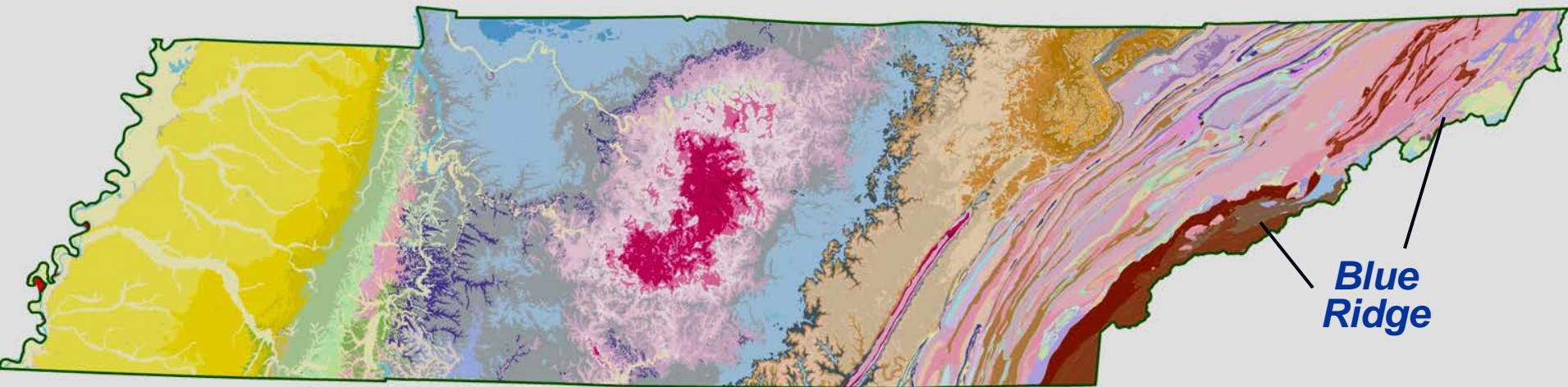
Geologic Map of Tennessee

*Gulf Coastal
Plain*

*Highland Rim &
Nashville dome*

*Cumberland
Plateau*

*Valley &
Ridge*



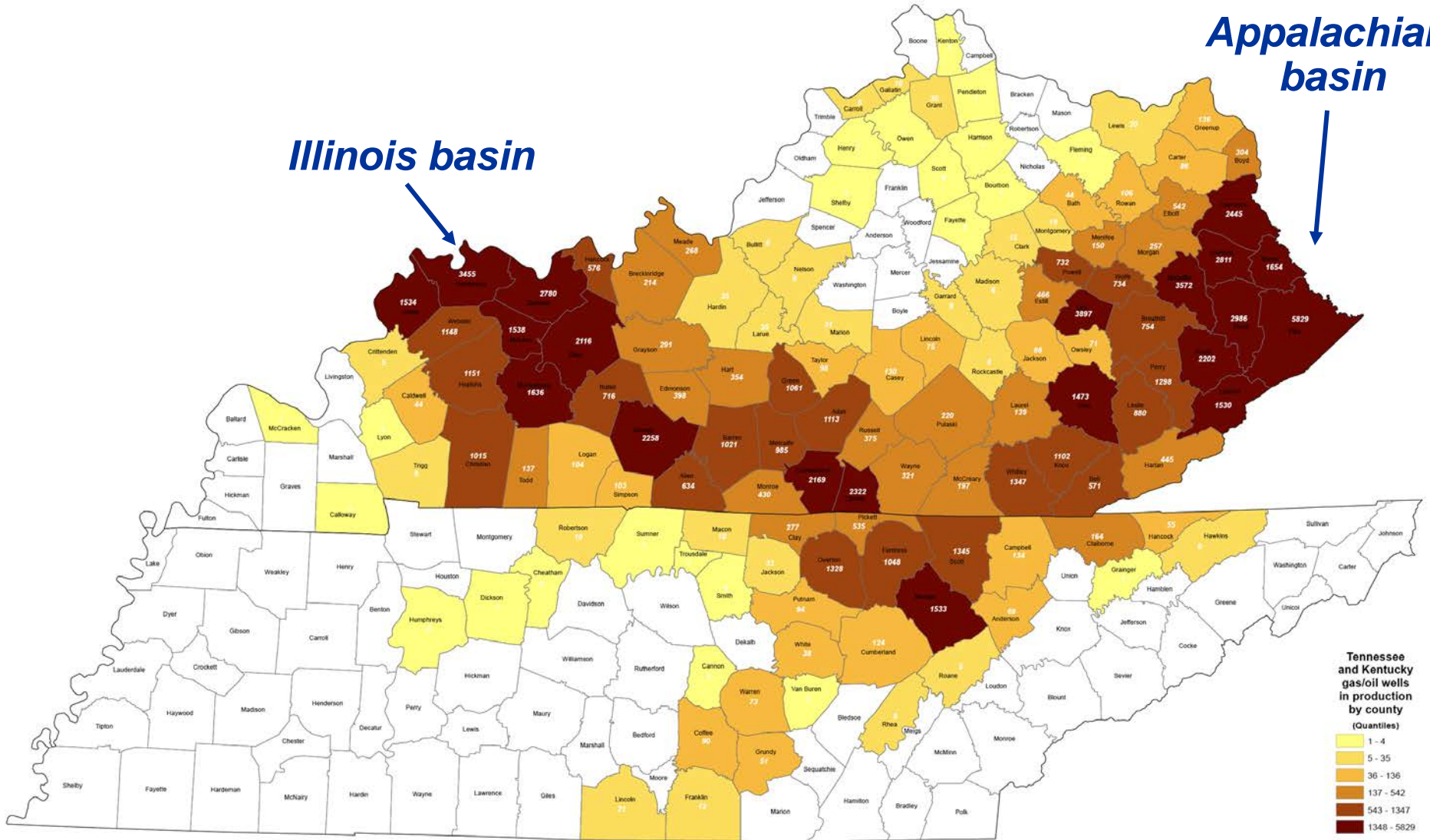
*Blue
Ridge*

*Hardeman, 1966
ArcView version
by USGS
modified by
Andrew L Wunderlich*

Kentucky-Tennessee Producing Wells

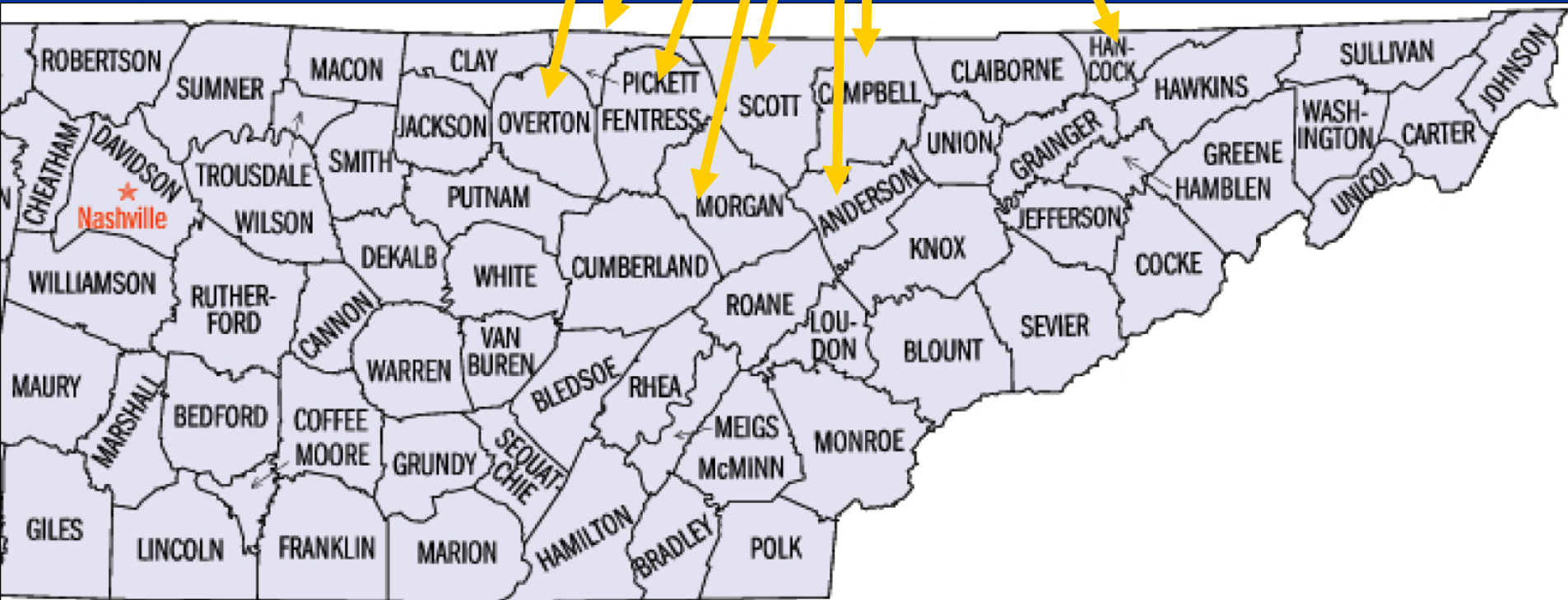
Appalachian basin

Illinois basin

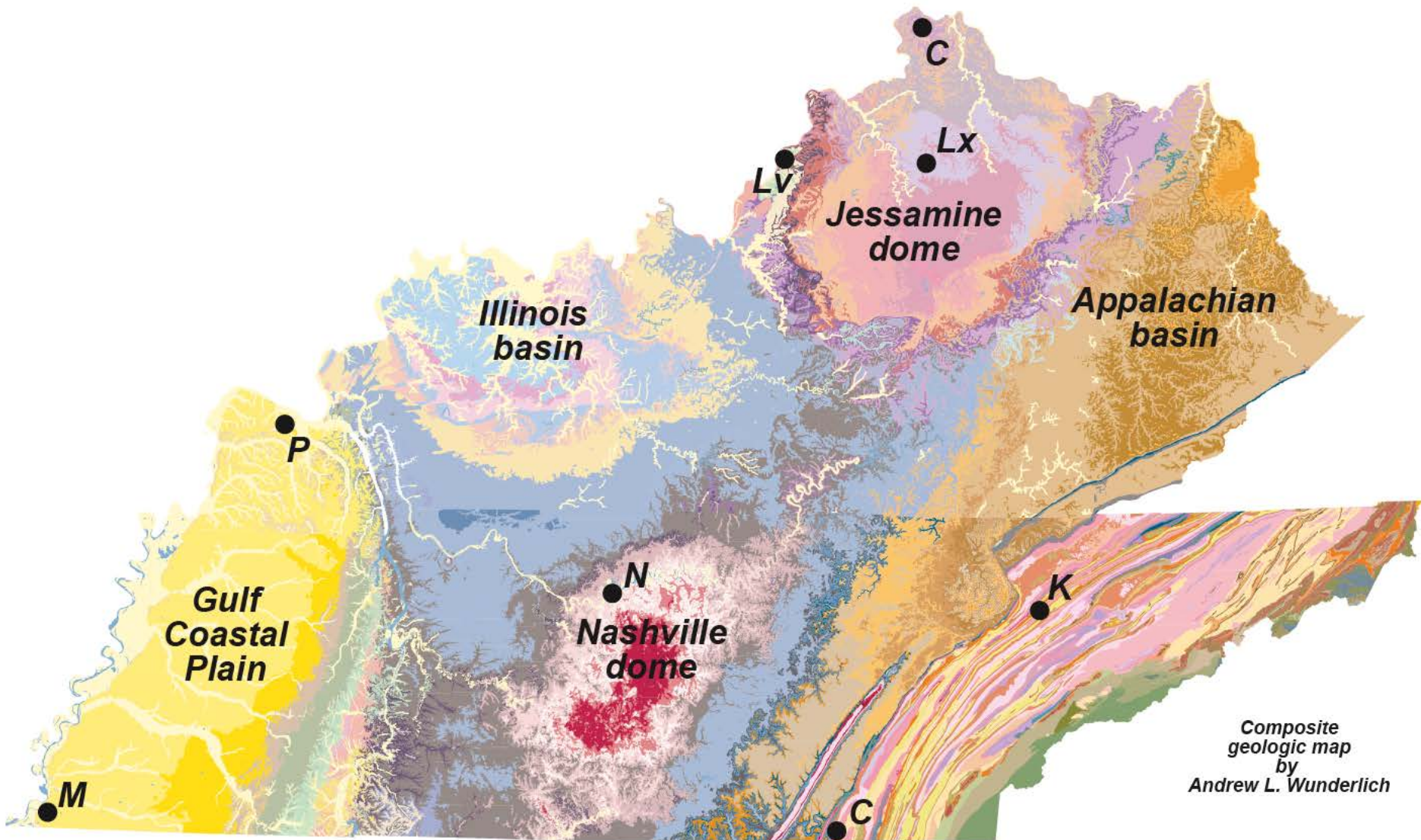


Could Tennessee increase production? How?

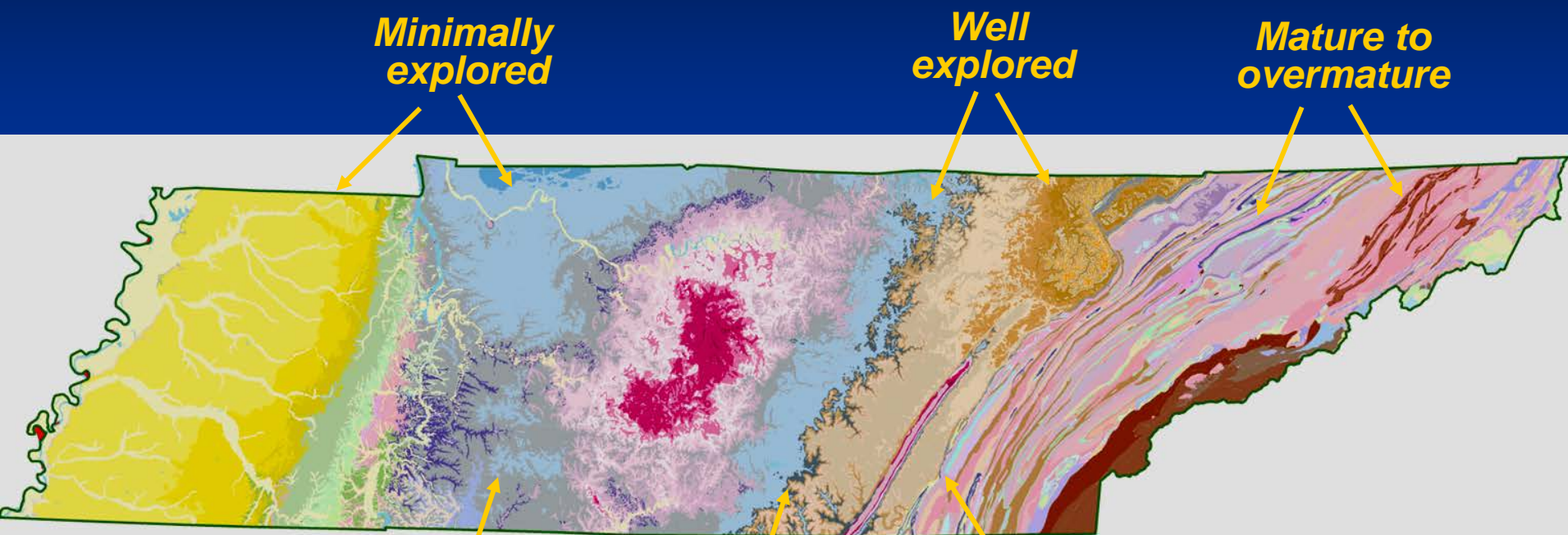
Producing Counties in TN



Kentucky–Tennessee Composite Geologic Map



Should Kentucky geology be part of a Tennessee exploration strategy?



Minimally explored

Well explored

Mature to overmature

**Minimally explored
(section too thin?
Ordovician only?)**

**Minimally explored
(to moderately?)
explored**

Minimally explored

*Hardeman, 1966
ArcView version
by USGS
modified by
Andrew L Wunderlich*

Petroleum Systems

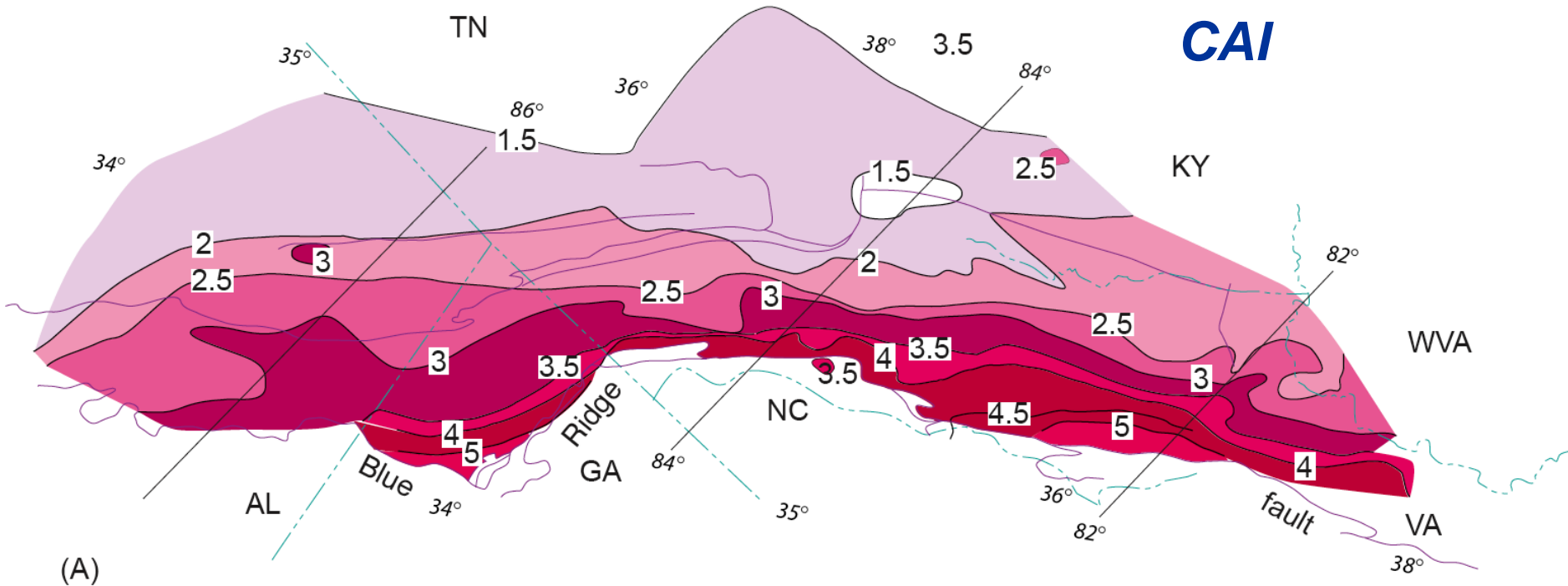
Rock mass in which hydrocarbons accumulate, migrate, and are trapped.

Paraphrased from definition by Magoon & Dow, 1994, AAPG Memoir 60

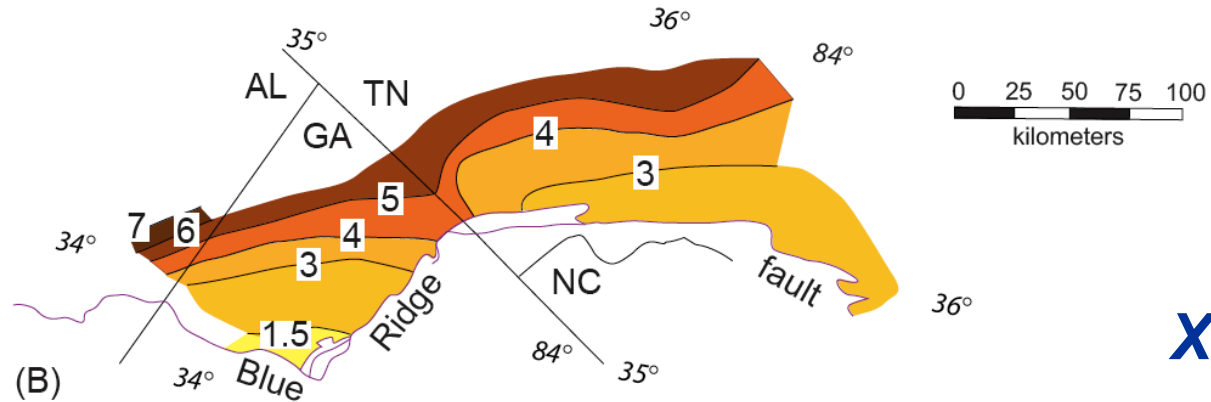
Requirements for Hydrocarbon Formation &

- *Marine plants (diatoms?)—**Survival** accumulation in an anoxic environment.*
- *Rapid burial so the organic matter is not oxidized.*
- *Conversion to hydrocarbons requires heat (the “kitchen”).*
- *Oil has to be trapped once it moves so it remains anoxic.*
- *Trap cannot be breached through time—requires an efficient seal.*

Indicators of Thermal Maturity









(A)



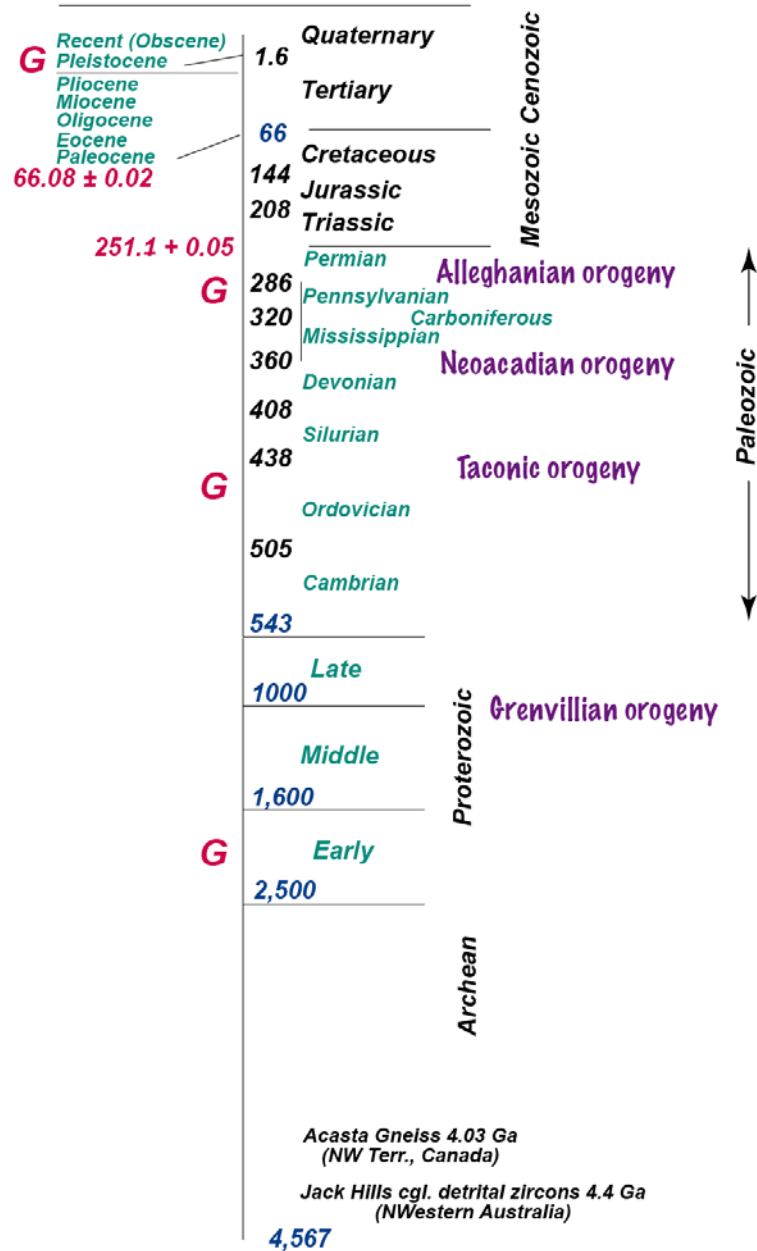
(B)

**Illite
Xtlnity**

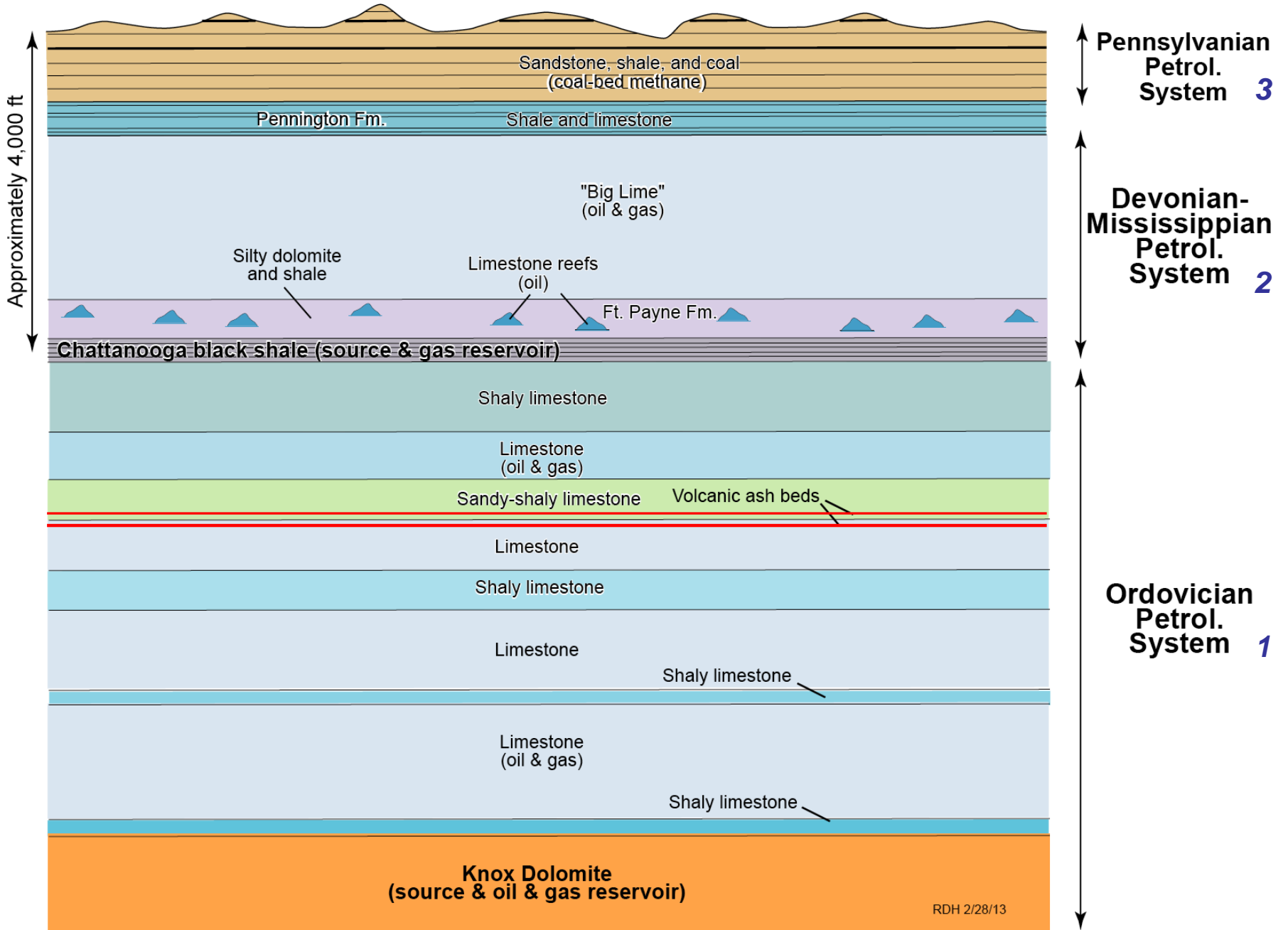
Conodont Alteration Index

CAI	Naturally altered conodonts from field samples (Rheinisches Schiefergebirge and Montagne Noire)	Temperature range
1		<50°-80°
2		60°-140°
3		110°-200°
4		190°-300°
5		300° - 480°
6		360° - 550°

Geologic Time Scale



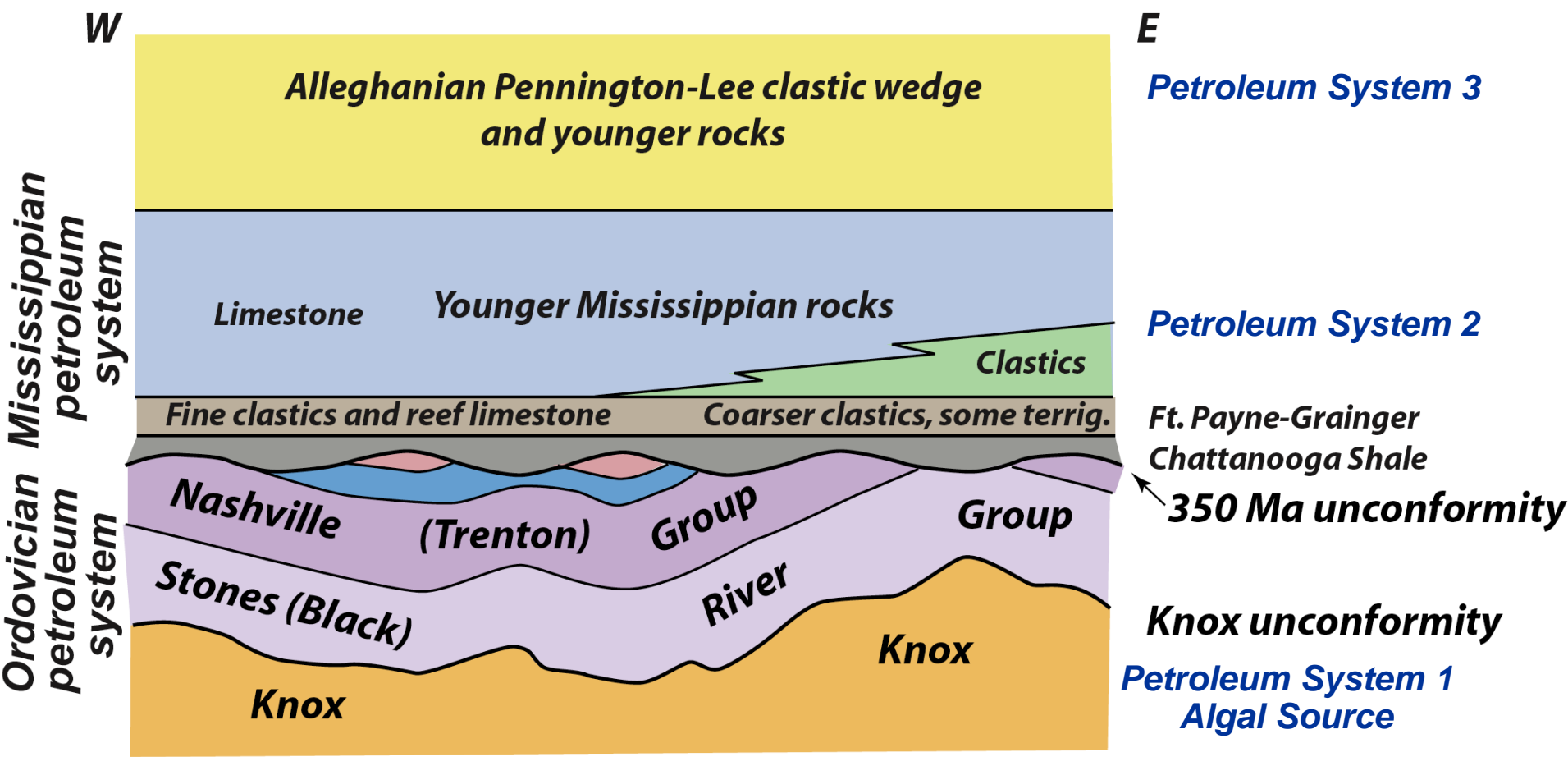
Petroleum Systems in Tennessee



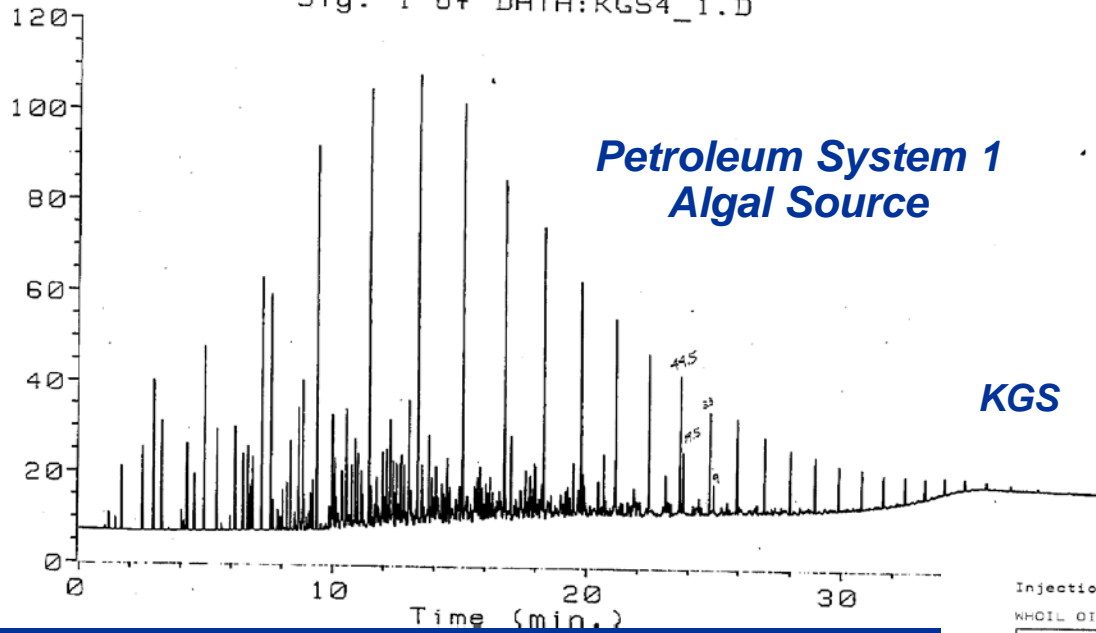
RDH 2/28/13

Not to scale

Tennessee Petroleum Systems



Sig. 1 of DATA:KGS4_1.D



Gas Chromatograph Patterns & Biomarkers

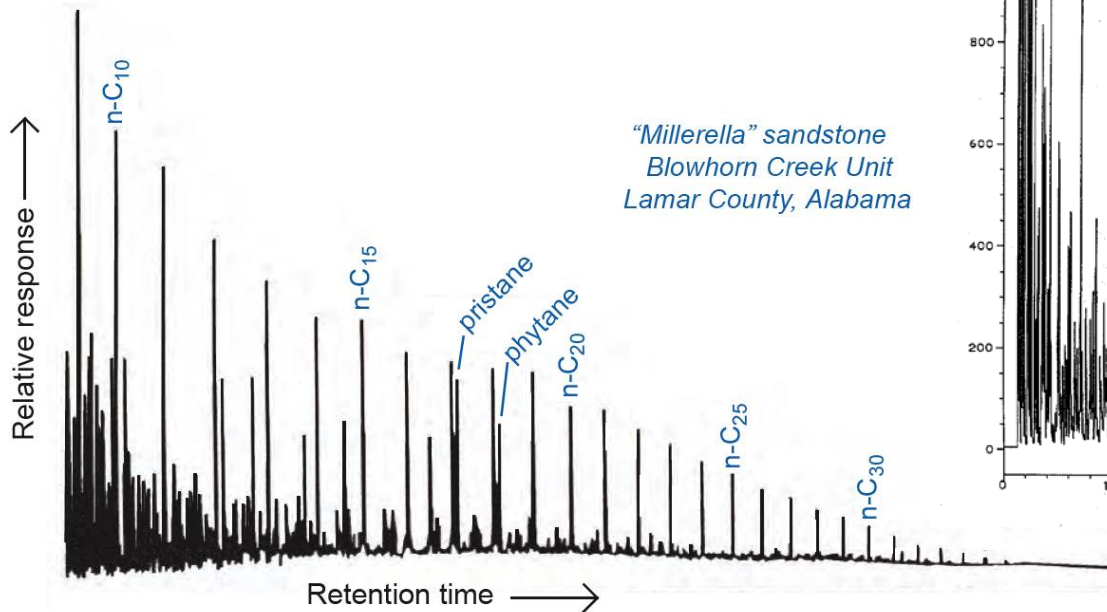
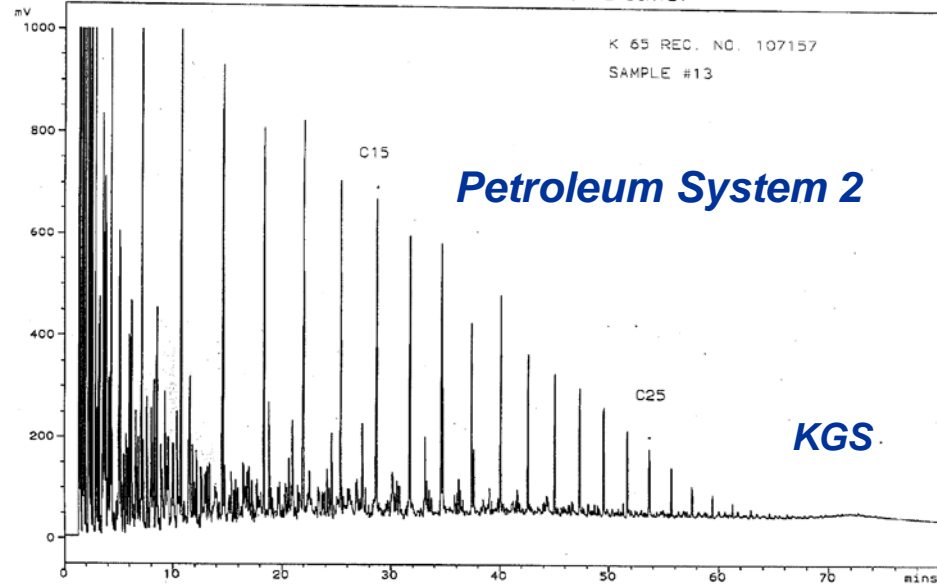
Injection: [DEFPROJ] 4 hp115.6.1

WHOLE OIL GC

KENTUCKY GEOLOGICAL SURVEY

K 65 REC. NO. 107157

SAMPLE #13



Source for Ordovician Hydrocarbons



*Copper Ridge Dolomite
U.S. 25E*

Chattanooga-Maury-Ft. Payne Contacts



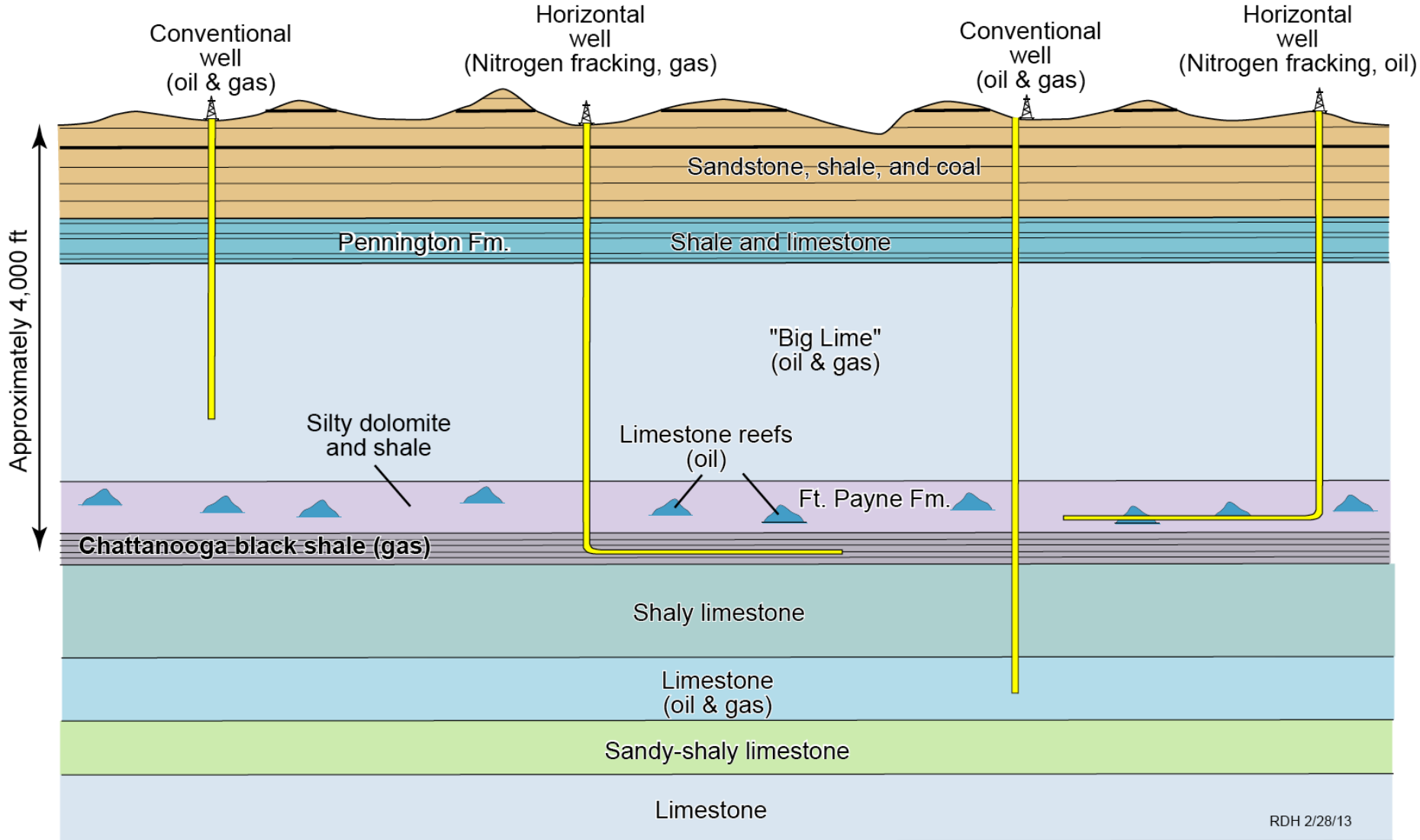
Pasmenco core hole near Carthage, TN

Leipers-Chattanooga Contact



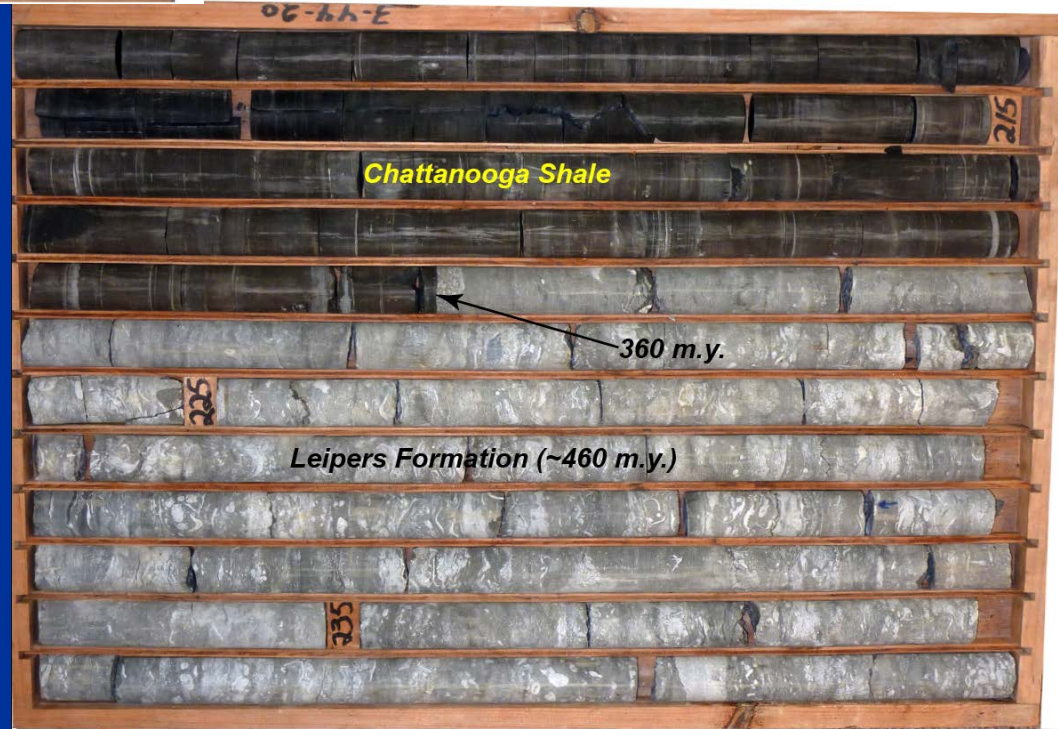
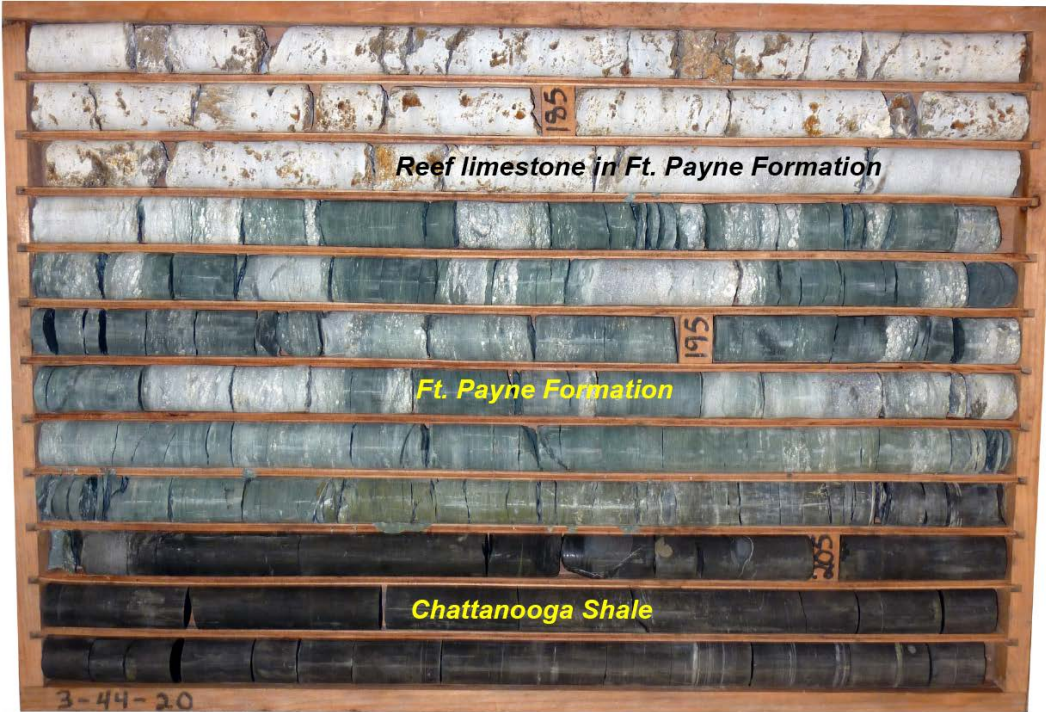
Pasminco core hole near Carthage, TN

Oil and Gas Exploration Options in the Cumberland Plateau & Highland Rim in Tennessee



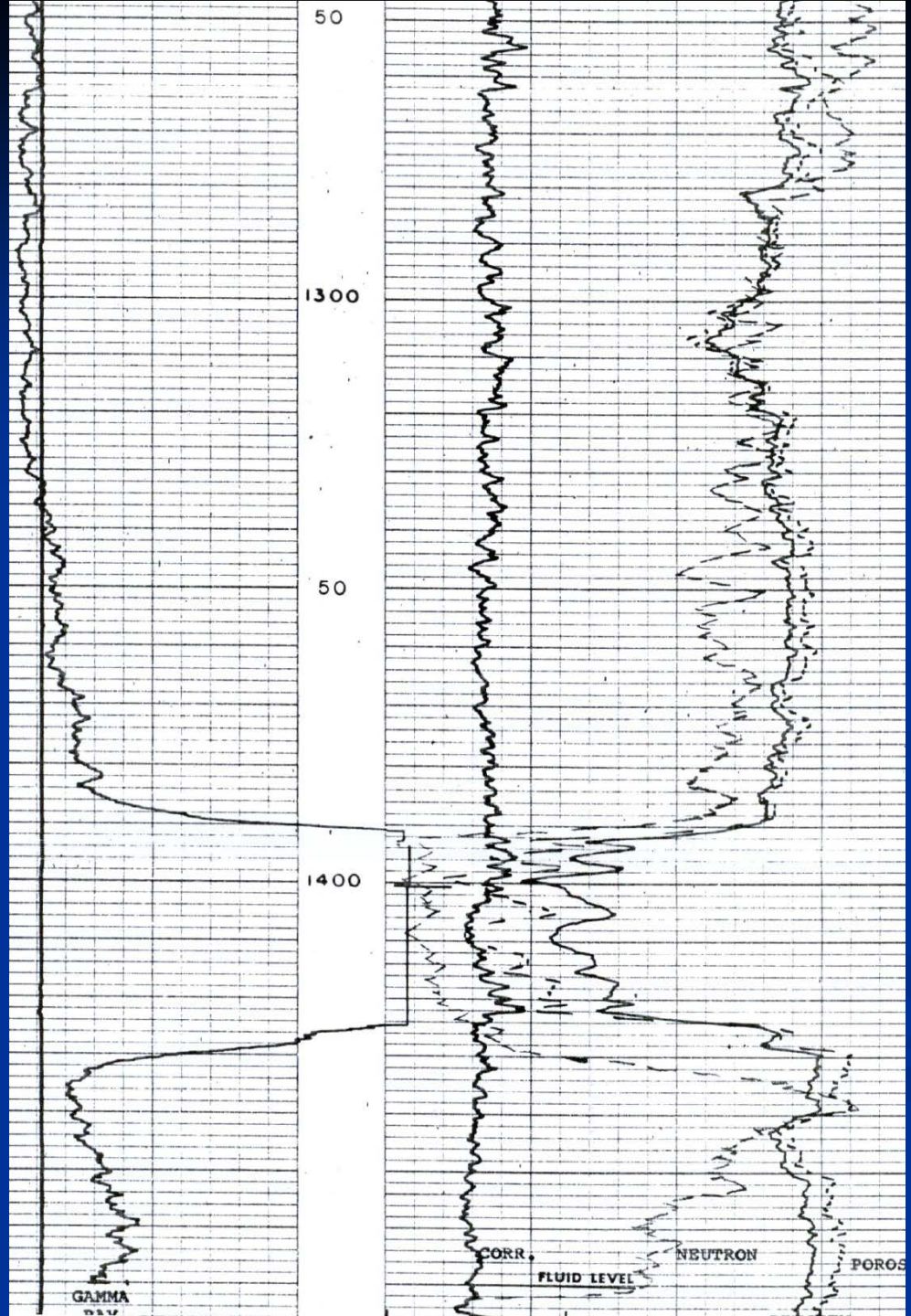
Not to scale

**Savage mining
company
core through the
Chattanooga Shale
(from near
Carthage, TN)**



1970s or Older Geophysical Log

Chattanooga Shale



Potential & Known Reservoirs

- ***Primary porosity***

 - Incompletely cemented carbonate rocks*

 - Ft. Payne Walsortian reefs (Mississippian)*

 - Oolite shoals (Mississippian)*

- ***Secondary porosity***

 - Dolomitization in carbonates (Ord., Miss.)*

 - Hydrothermal alteration*

 - Fractures & faults*

Appalachian Compressed-Air Rig



***Worn-out Rig
Swan Creek Field,
TN***





***Flared gas well
Hancock Co., TN***



Turner Valley, Alberta, Rig



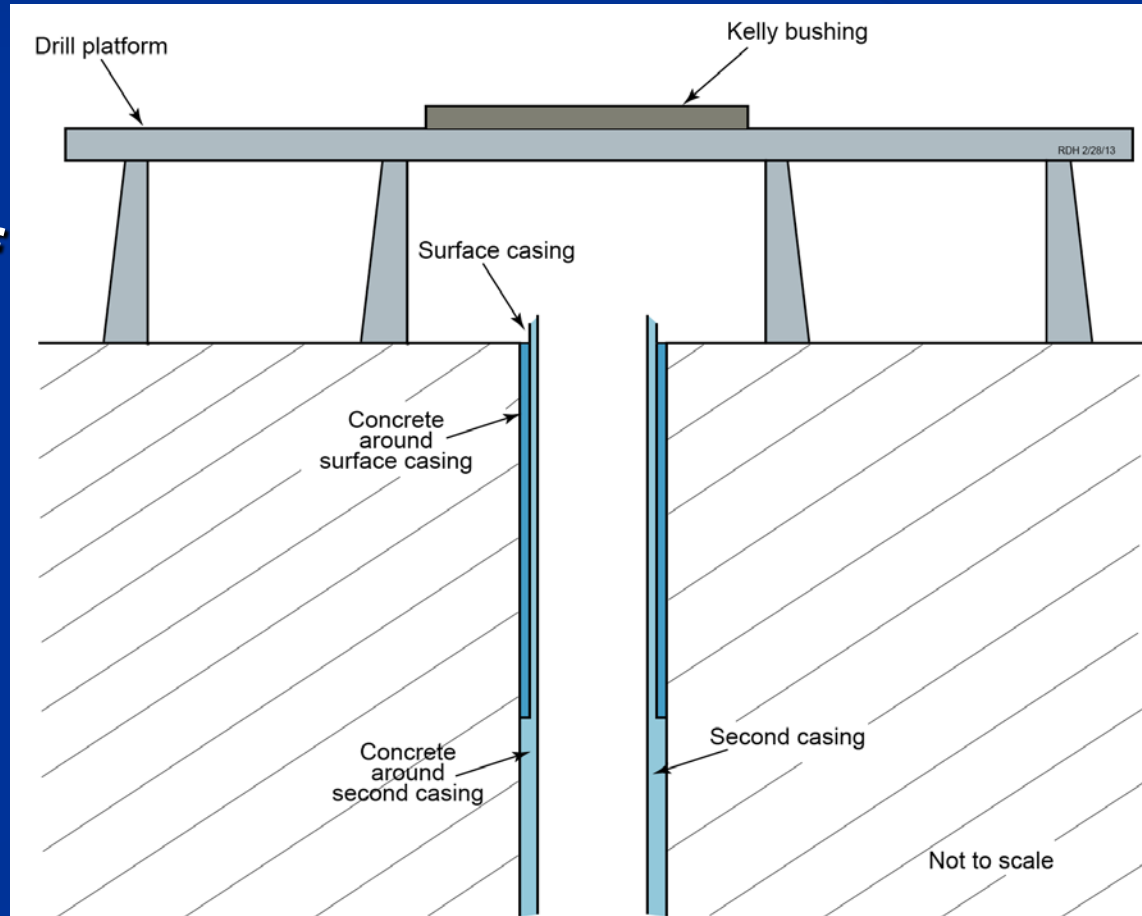
What is fracking?

- *Creating artificial fractures in rocks for one of several purposes.*
 - *Economic reasons—enhancement of gas recovery.*
 - *To measure stress in the Earth.*
- *Goal in gas production is to fracture only the rock unit that contains gas (otherwise gas is lost).*

Where do groundwater problems originate with fracking?

- *Improper handling of fluids on the surface.*

- *Poor cementing of casings, leaving voids or cracks.*

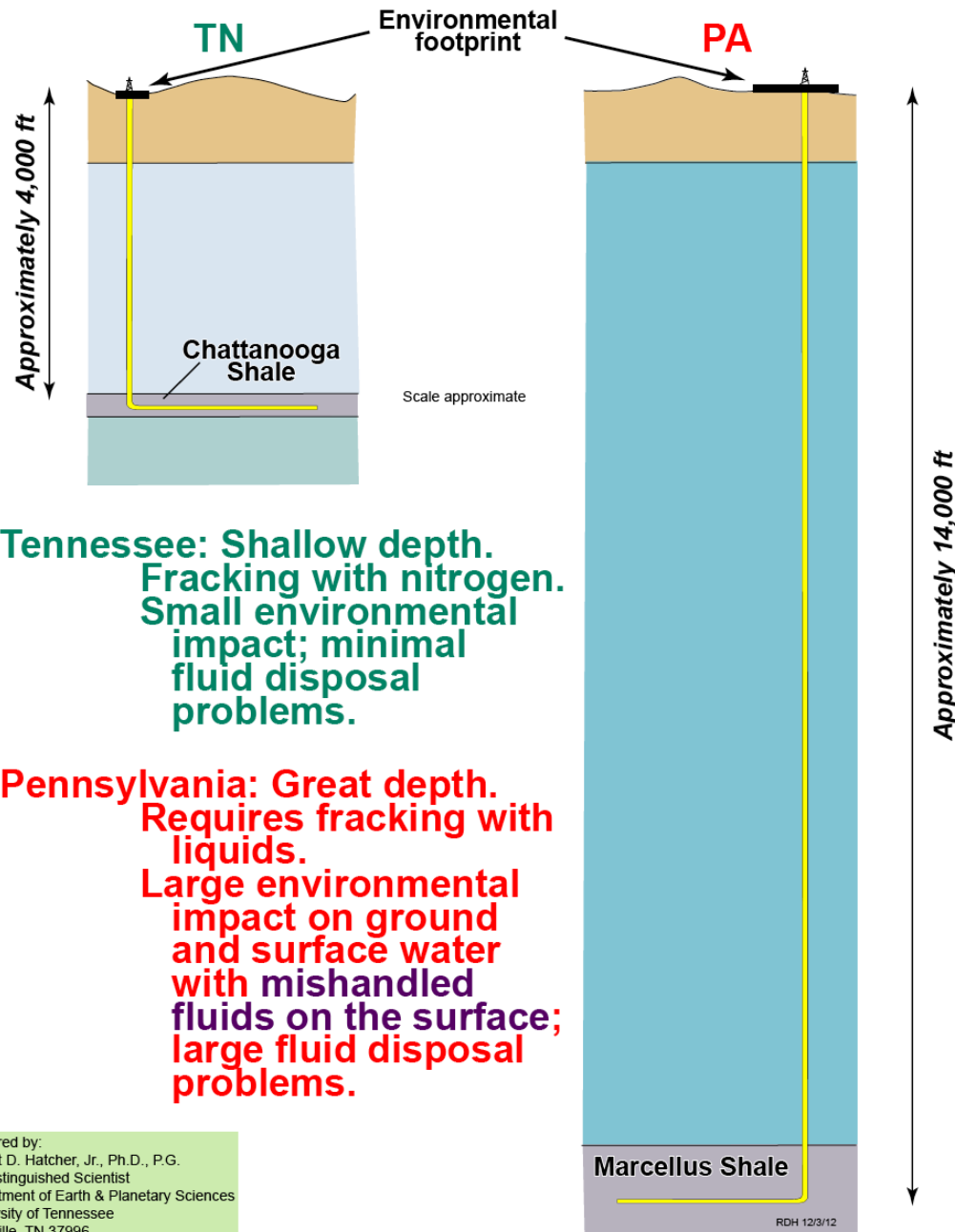




horizontal well

These are the natural fractures along which sand and other chemicals are pumped:

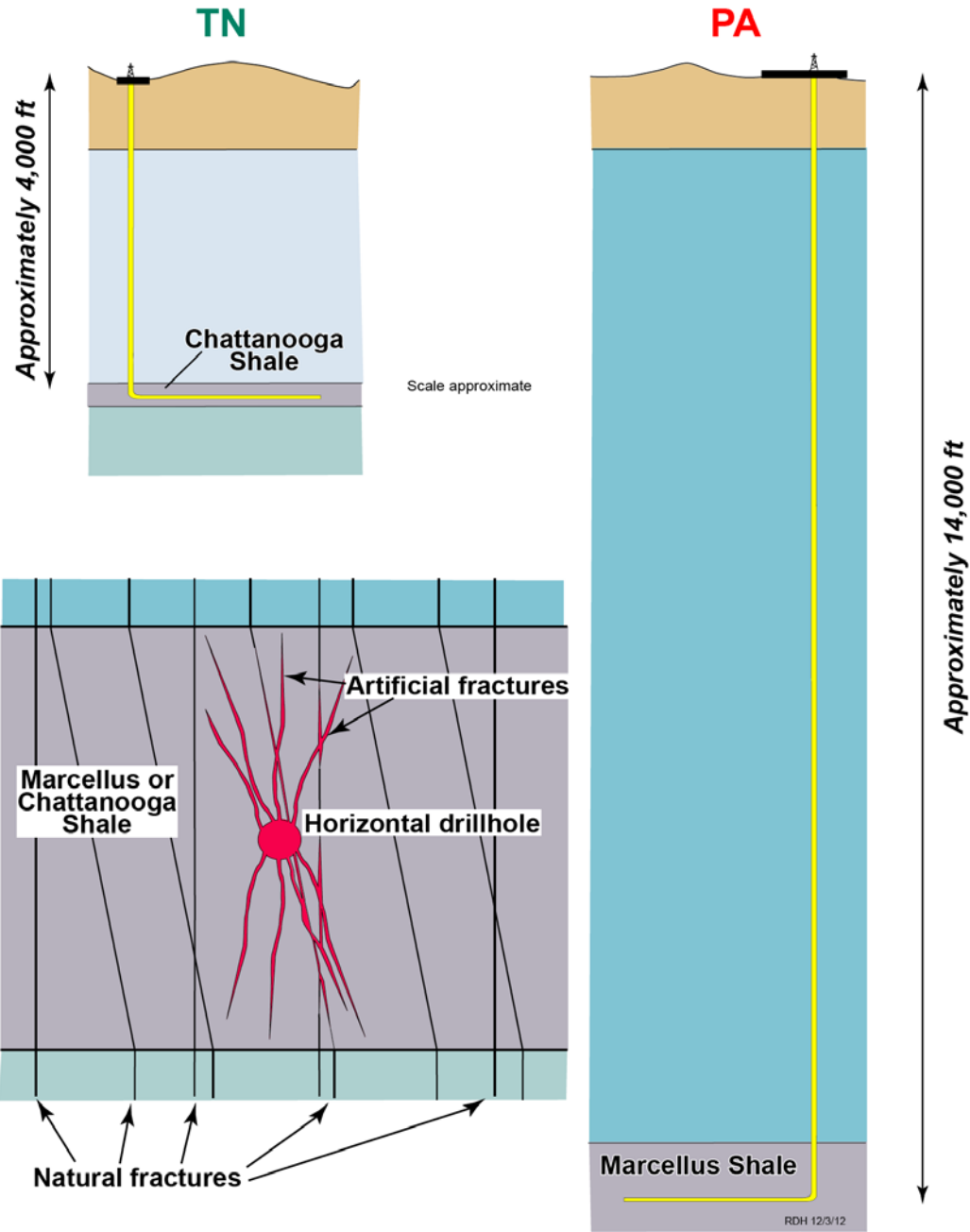
Comparison of Horizontal Gas Drilling with Fracking in Tennessee and Pennsylvania



**Tennessee: Shallow depth.
Fracking with nitrogen.
Small environmental
impact; minimal
fluid disposal
problems.**

**Pennsylvania: Great depth.
Requires fracking with
liquids.
Large environmental
impact on ground
and surface water
with mishandled
fluids on the surface;
large fluid disposal
problems.**

How do artificial fractures appear?



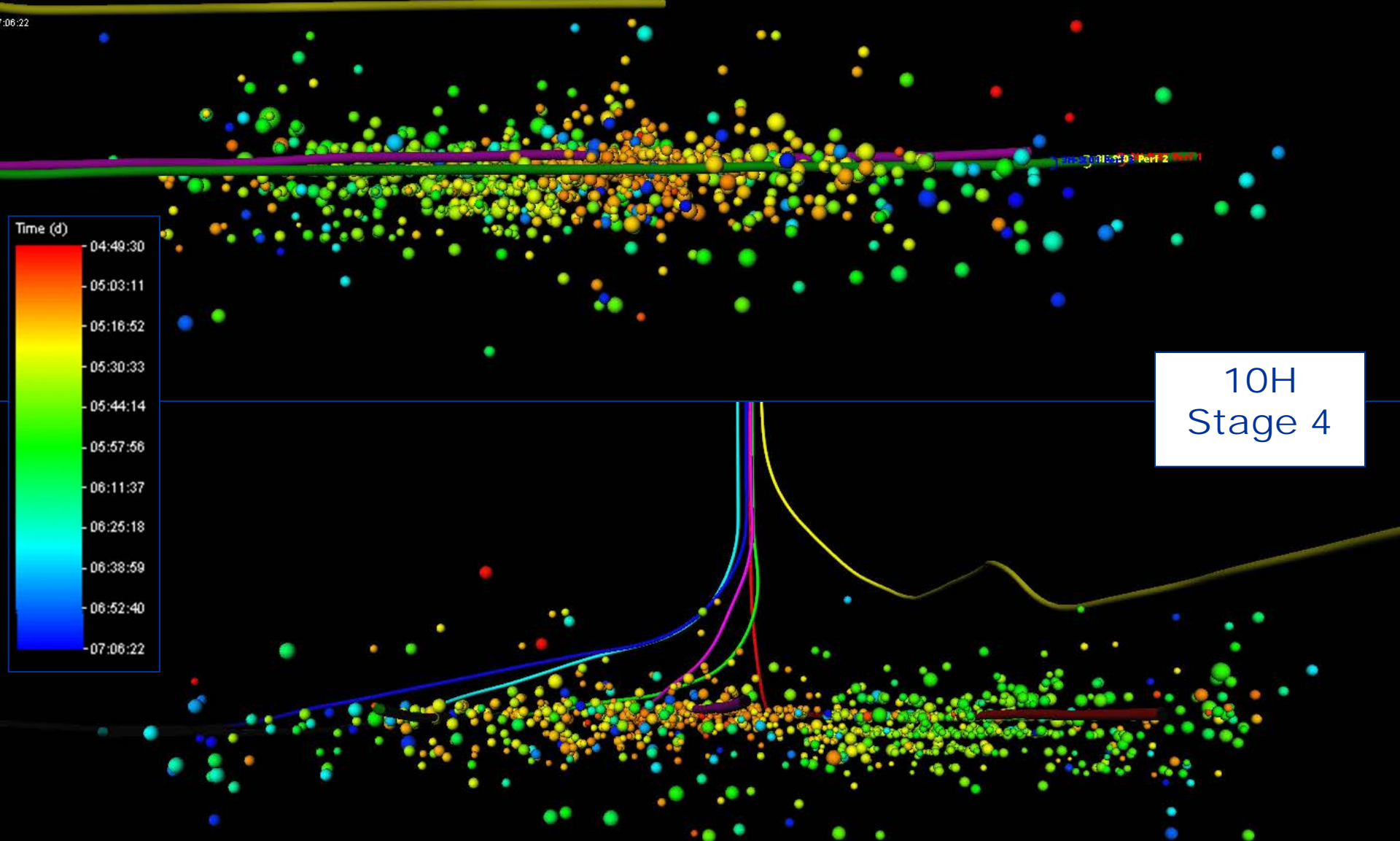
Natural fracture



Calcite filled natural fractures



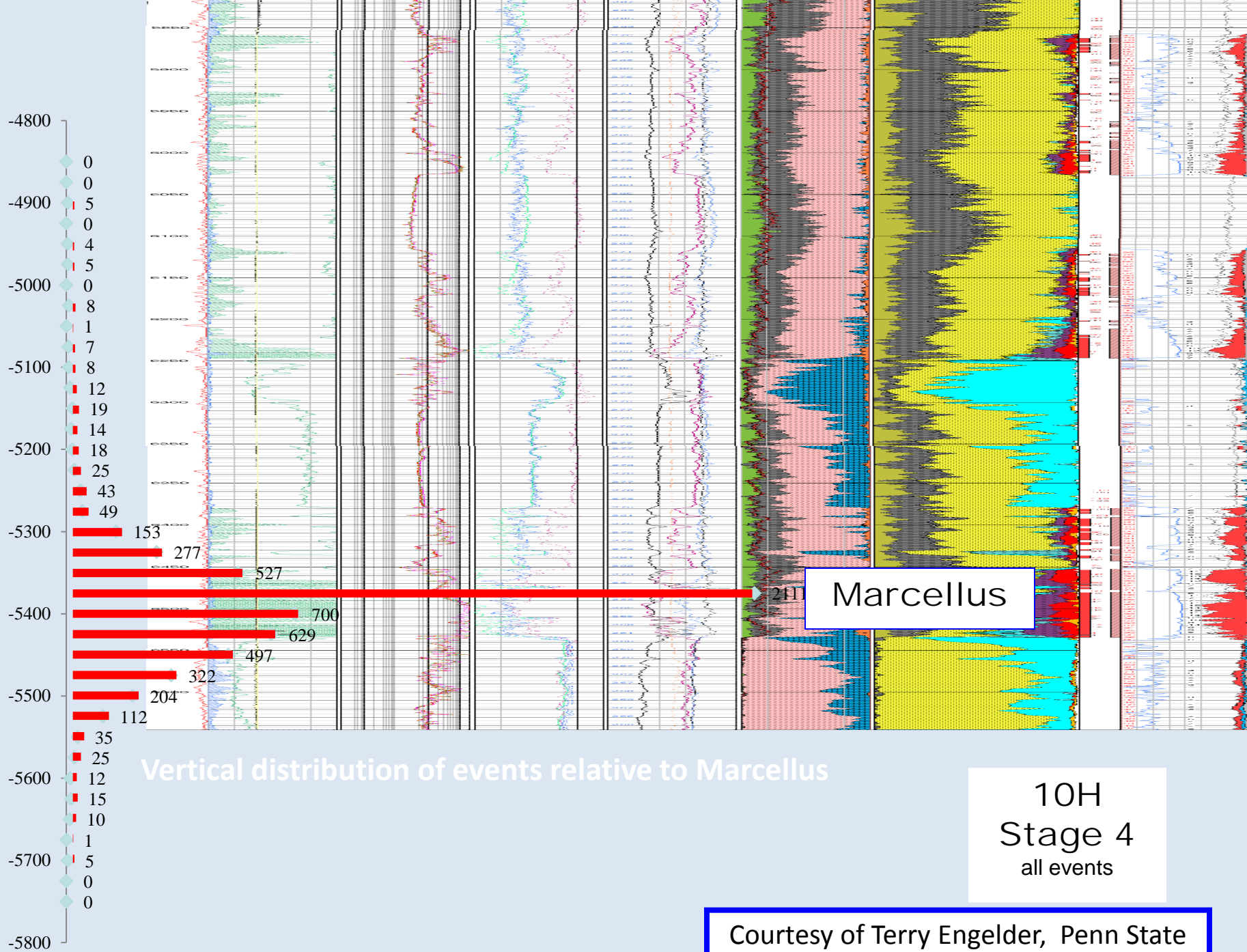
0:11:37
0:25:18
0:38:59
0:52:40
0:06:22



10H
Stage 4

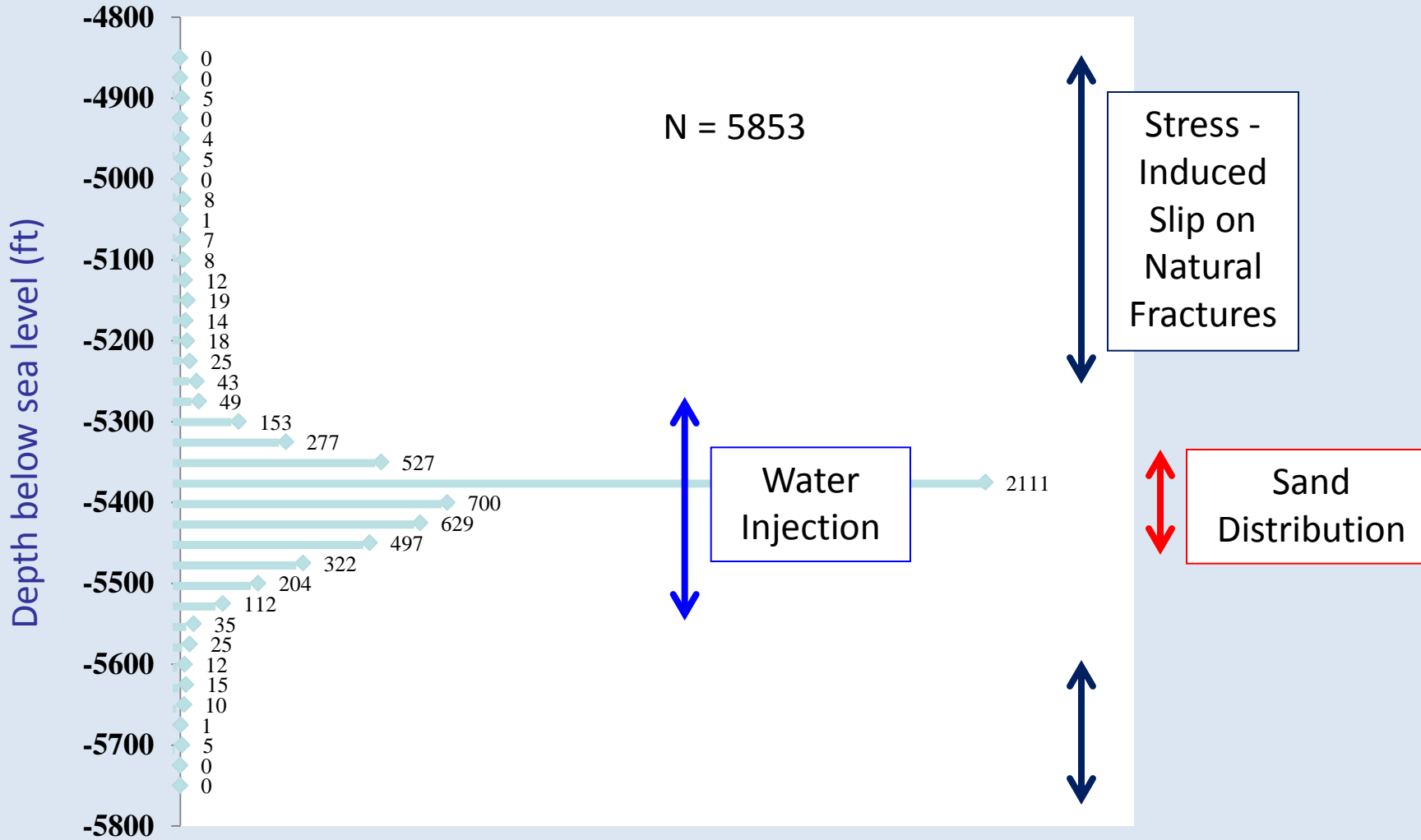


Courtesy of Terry Engelder, Penn State

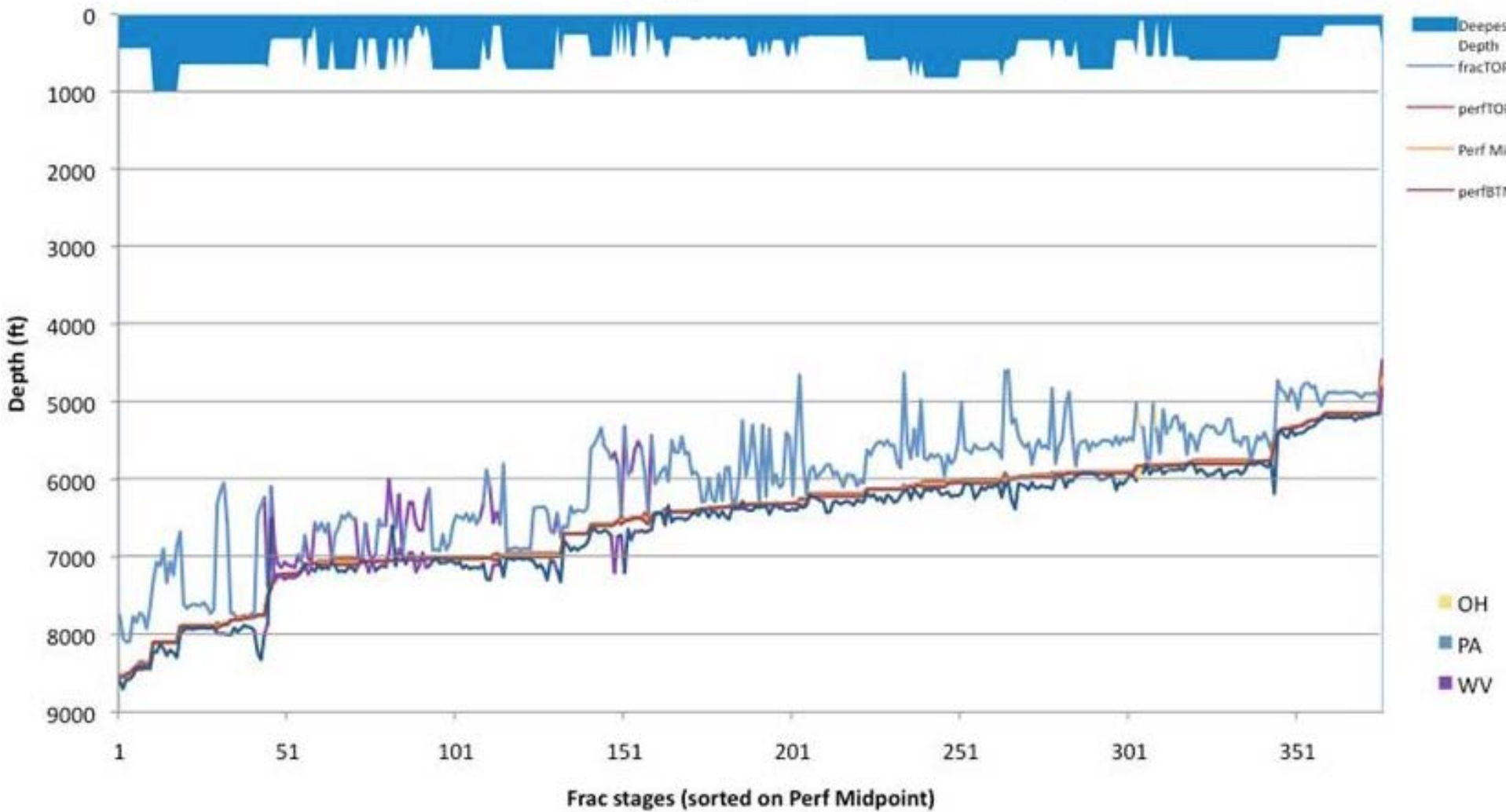


Courtesy of Terry Engelder, Penn State

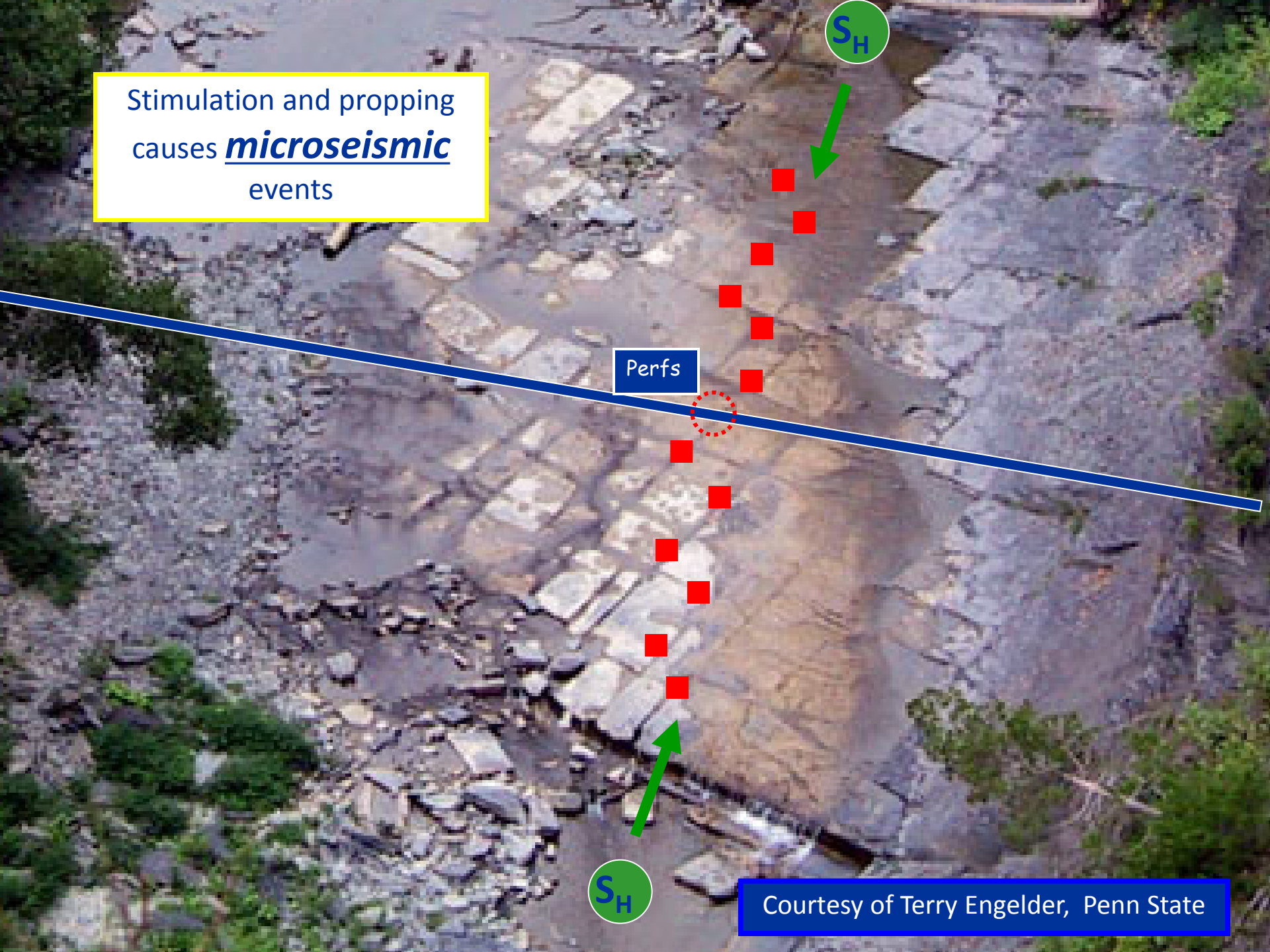
Depth distribution of microseismic events (10H)



Marcellus Mapped Frac Treatments/TVD



Stimulation and propping causes *microseismic* events



Perfs

Courtesy of Terry Engelder, Penn State

Can fracking cause earthquakes?

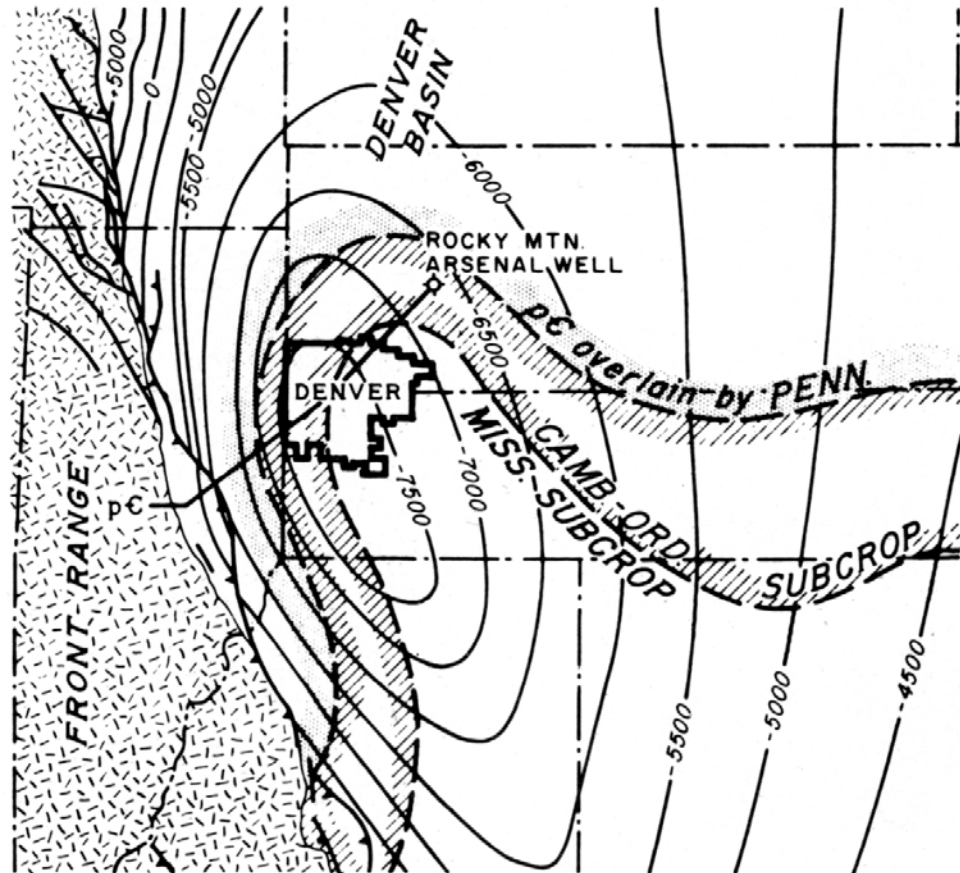
Yes

Ohio 2012 M 4.0

Oklahoma 2012 & earlier

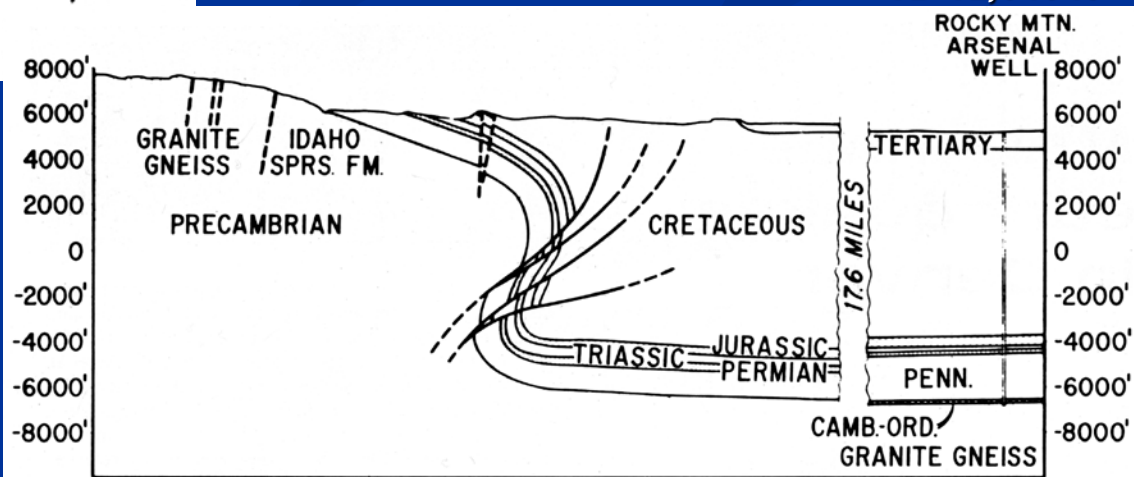
Texas 2012 & earlier

Known for many years



Rocky Mtn. Arsenal Toxic Liquids Injections Location

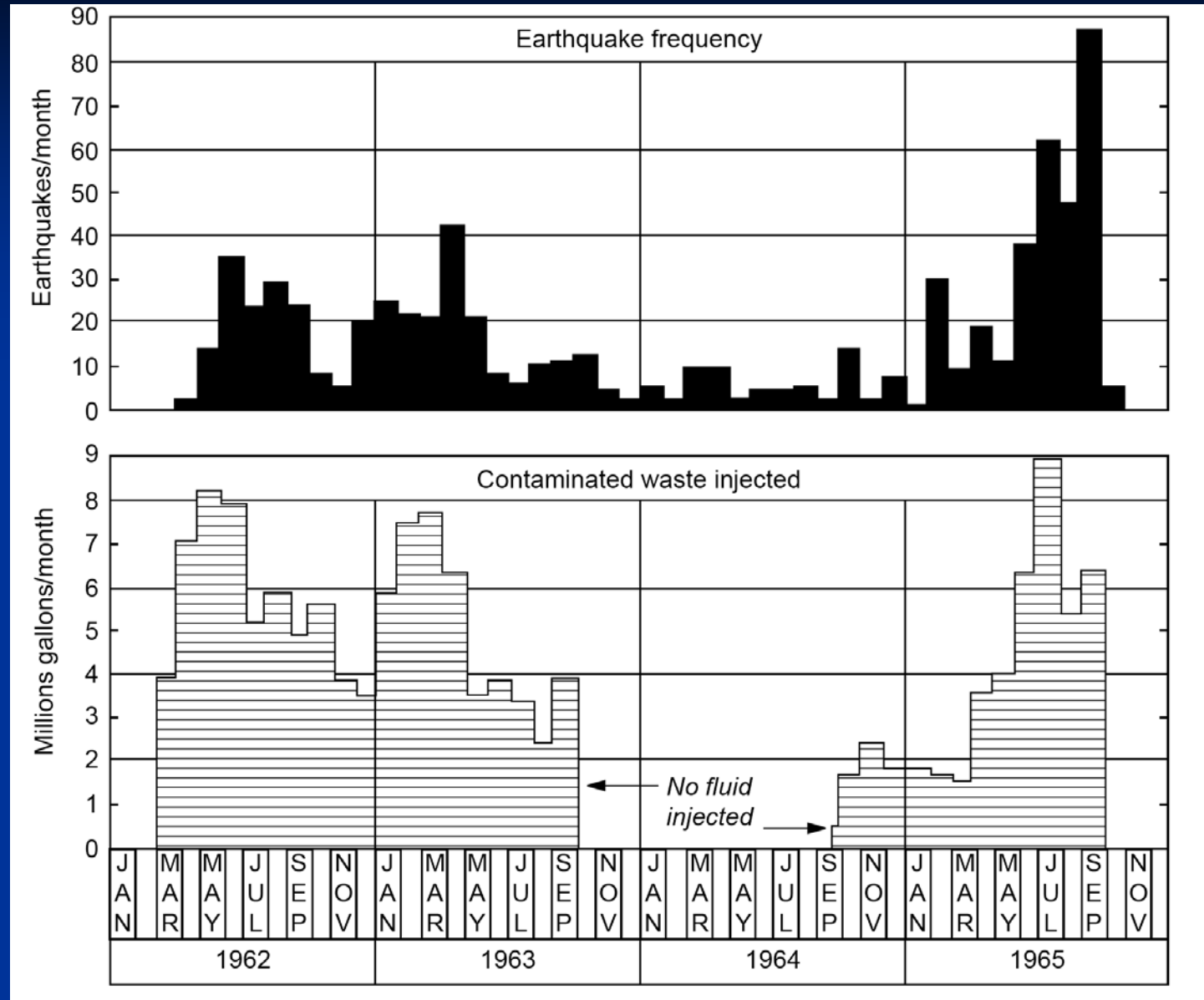
TD 12,045 ft



From Evans, 1966, GEOTIMES

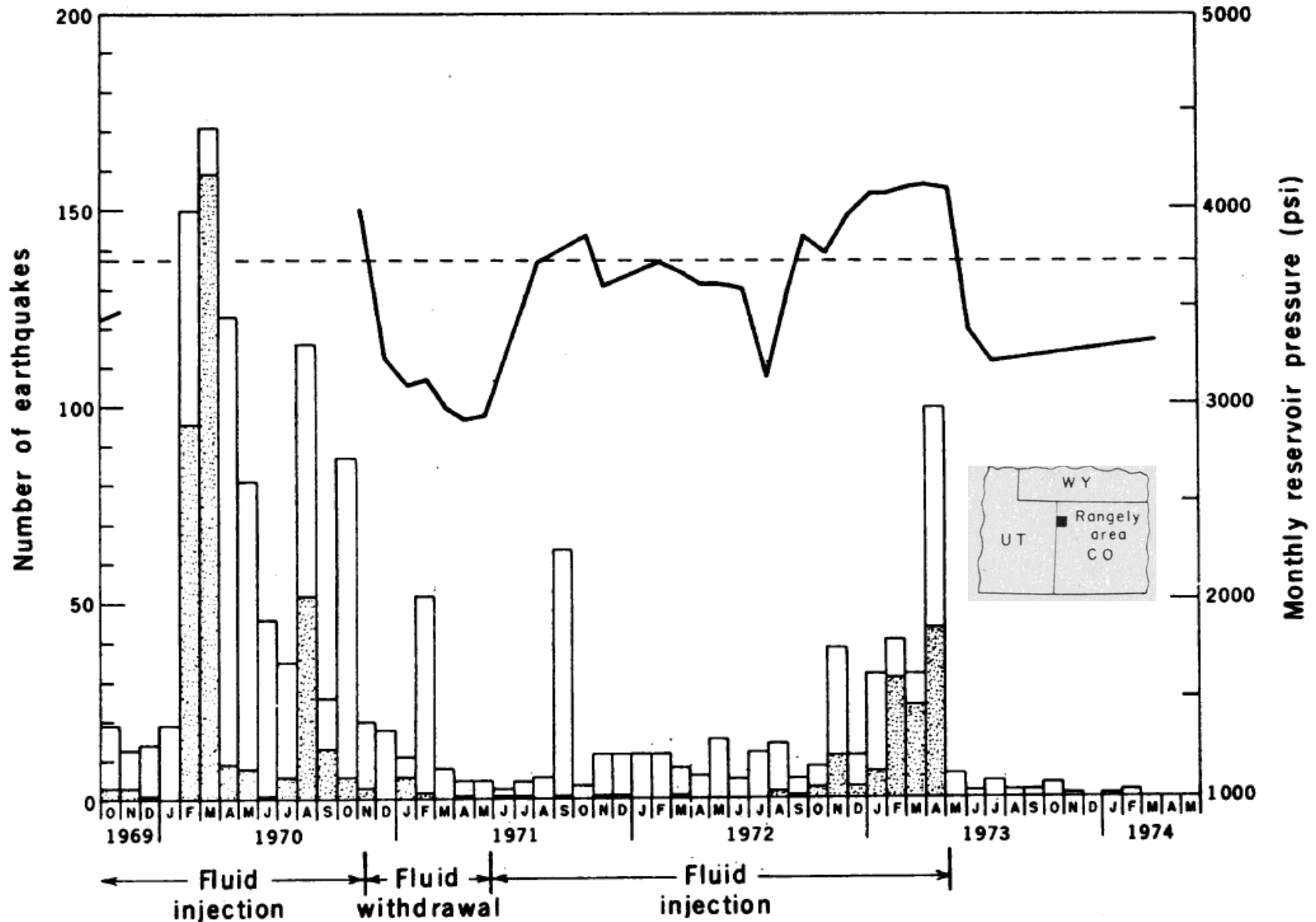


Rocky Mtn. Arsenal Toxic Liquids Injections & Earthquakes



From Evans, 1966, GEOTIMES

Attempts to Control Earthquakes using Deep-Well Injection



From Raleigh, Healy, & Bredehoeft, 1976, Science

“In no case have we made a definitive determination that the frack process has caused chemicals to enter ground water.”

Lisa Jackson, outgoing EPA Administrator

The Editorial Page

NEW HAMPSHIRE
UNION LEADER

Friday, March 15, 2013 • Page A8

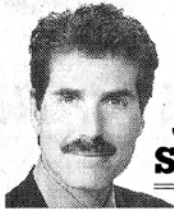
Being against fracking is the latest cause for silly people

CELEBRITIES are now upset about fracking, the injection of chemicals into the ground to crack rocks to release oil and gas. With everyone saying they want alternatives to foreign oil, I'd think celebrities would love fracking.

I'd be wrong. Lady Gaga, Yoko Ono and their group, Artists Against Fracking, don't feel the love. Yoko sang, "Don't frack me!" on TV.

Stopping fracking is the latest cause of the silly people. They succeeded in getting scientifically ignorant politicians to ban fracking in New York, Maryland and Vermont.

Hollywood gave an Oscar to "Gasland," a documentary that suggests fracking will shove gas into some people's drinking water, so the water will burn. It's true that some water contains so much natural gas that you can light it.



**John
Stossel**

But another documentary, "FrackNation," shows that gas got into plumbing long before fracking came. There's gas in the earth. That's why it's called "natural gas." Some gets into well water. Environmental officials investigated the flames shown in "Gasland" and concluded that the pollution had nothing to do with fracking.

"FrackNation" director Pheлим McAleer tried to confront "Gasland" director Josh Fox about this, but Fox wouldn't answer his questions. Instead, he demanded to know whom McAleer works for. He also turned down my invitations to

publicly debate fracking. Many activists don't like to answer questions that don't fit their narrative.

Even some homeowners who filed a lawsuit claiming that their water was poisoned by fracking weren't happy to learn that their water is safe. I'd think they would be delighted, but "FrackNation" shows a couple reacting with outrage when environmental officials test their water and find it clean.

The real story on fracking, say scientists, is that the risks are small and the rewards immense. Fracking lowered the price of natural gas so much that Americans heat our homes for less, and manufacturing that once left America has returned. For those concerned about global warming, burning gas instead of oil or coal reduces CO2 emissions.

"Skeptical Environmental-

ist" author Bjorn Lomborg points out that "green" Europe promised to reduce emissions, but "only managed to cut half of what you guys accidentally happened to do when you stumbled on fracking."

Still, the process sounds dangerous. It requires chemicals and explosions. So fracking is now scapegoated for the usual litany of things that peasants feared when threatened with curses centuries ago: livestock dying, bad crop yields, children born with deformities.

None of it is backed by scientific evidence. Even environmentalists who usually are too cautious (by my standards) see little danger. President Obama's first EPA administrator, Lisa Jackson, told Congress that the EPA cannot show "that the fracking process has caused chemicals to enter groundwater."

One of the more outlandish

fears is that fracking will cause earthquakes. Silly people at MSNBC say fracking creates "a skyrocketing number of earthquakes." Yes, cracking rocks does cause vibrations. But then, so does construction with dynamite or jackhammers — not to mention trucks on the highway.

Time and again, as humans make a good-faith effort to find new, cleaner ways to produce the energy a growing population needs, environmentalists find a reason — often very small or non-existent — that makes the new method unacceptable.

They say coal is dirty and normal oil production might overheat the planet. Hydroelectric dams kill fish. Nuclear plants could suffer meltdowns. Windmills kill birds.

Some won't be happy unless we go back to what we did *before* industrialization: burn lots

of trees and die young.

Nothing is completely risk-free. Companies make mistakes. Chemical spills happen.

But those risks are manageable. They are also far preferable to the risk of paying more for energy — thereby killing opportunities for the poor.

So far, most regulators outside New York, Maryland and Vermont have ignored the silly people. So thanks to fracking, Americans pay less for heat (and everything else), the economy is helped, new jobs get created, we create less greenhouse gas, and for the first time since the 19th century, America may become a net exporter of energy.

Good things happen if the silly people can't convince *all* politicians to ban progress.

♦
John Stossel is host of "Stossel" on the Fox Business Network. He's the author of "No They Can't: Why Government Fails, but Individuals Succeed."

Conclusions about Fracking:

- ***Fracking, in concert with horizontal drilling, is an effective tool to increase oil or gas production.***
- ***Fracking should not produce ground water pollution.***
- ***Most claims of ground water pollution by fracking, when studied by rigorous scientific techniques, have proven false.***

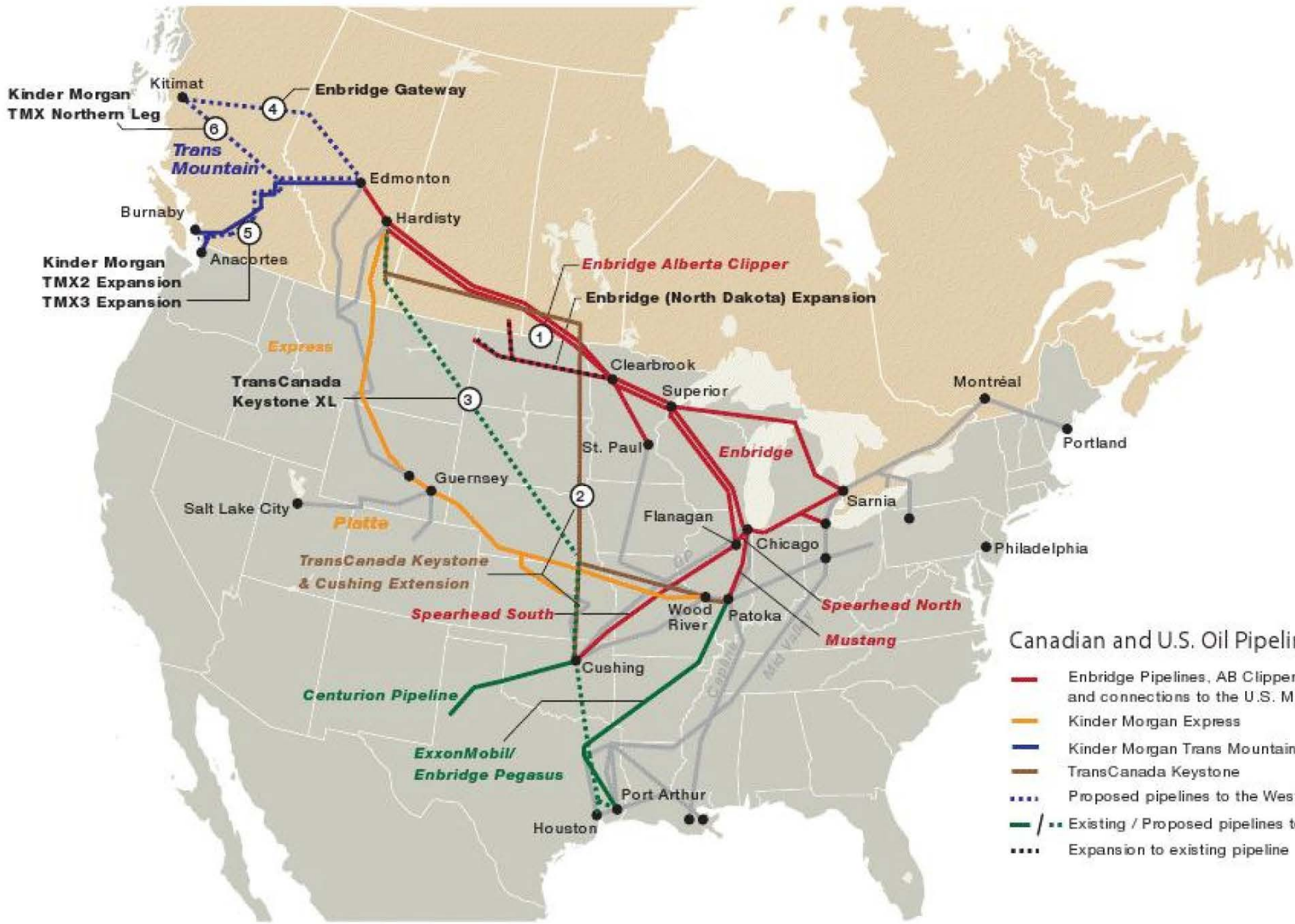






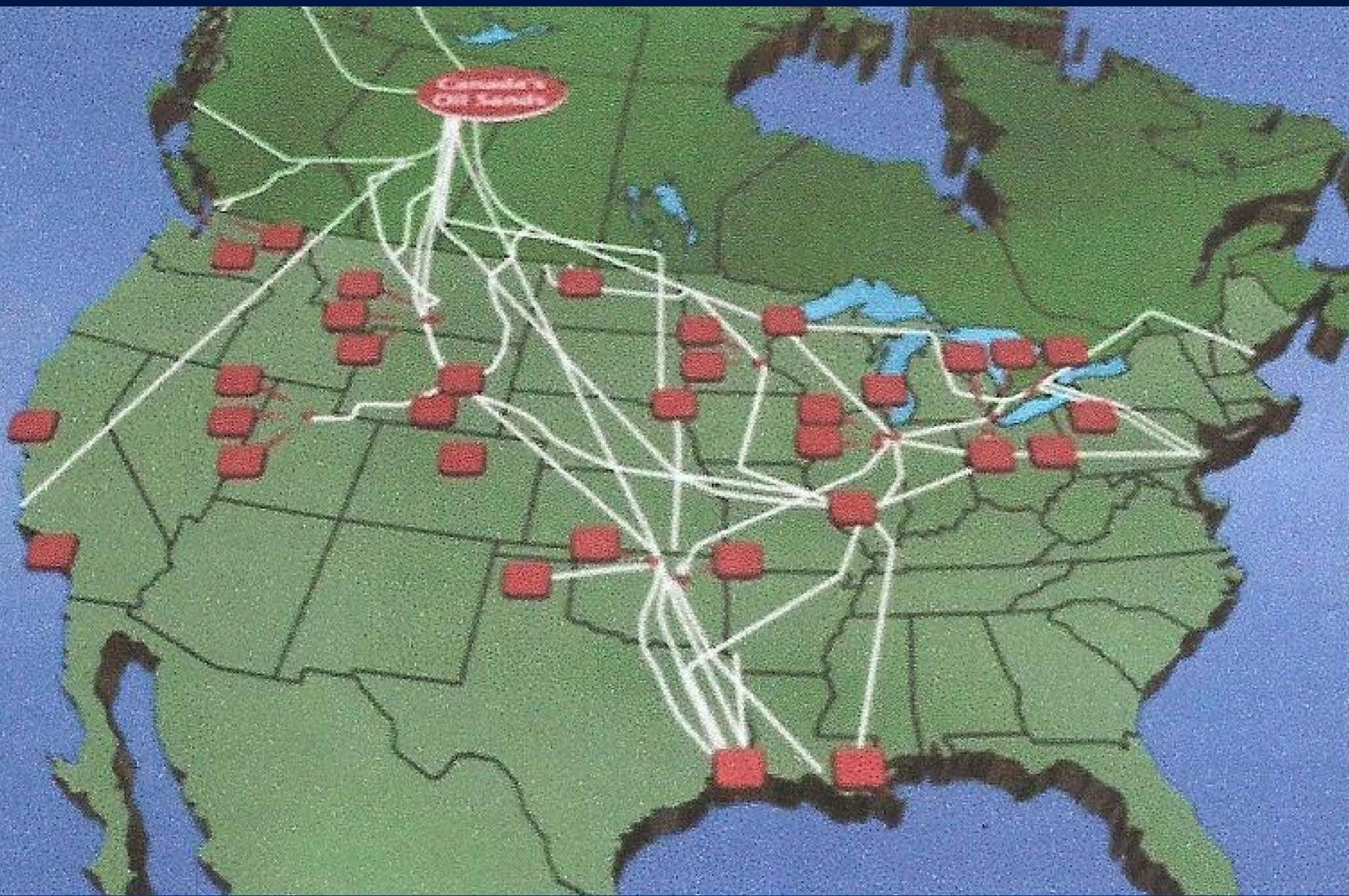
MILDRED LAKE, ALTA.





Canadian and U.S. Oil Pipelines

- Enbridge Pipelines, AB Clipper and connections to the U.S. Midwest
- Kinder Morgan Express
- Kinder Morgan Trans Mountain
- TransCanada Keystone
- ⋯ Proposed pipelines to the West Coast
- / ⋯ Existing / Proposed pipelines to PADD III
- ⋯ Expansion to existing pipeline



(Published Date: January 2012)

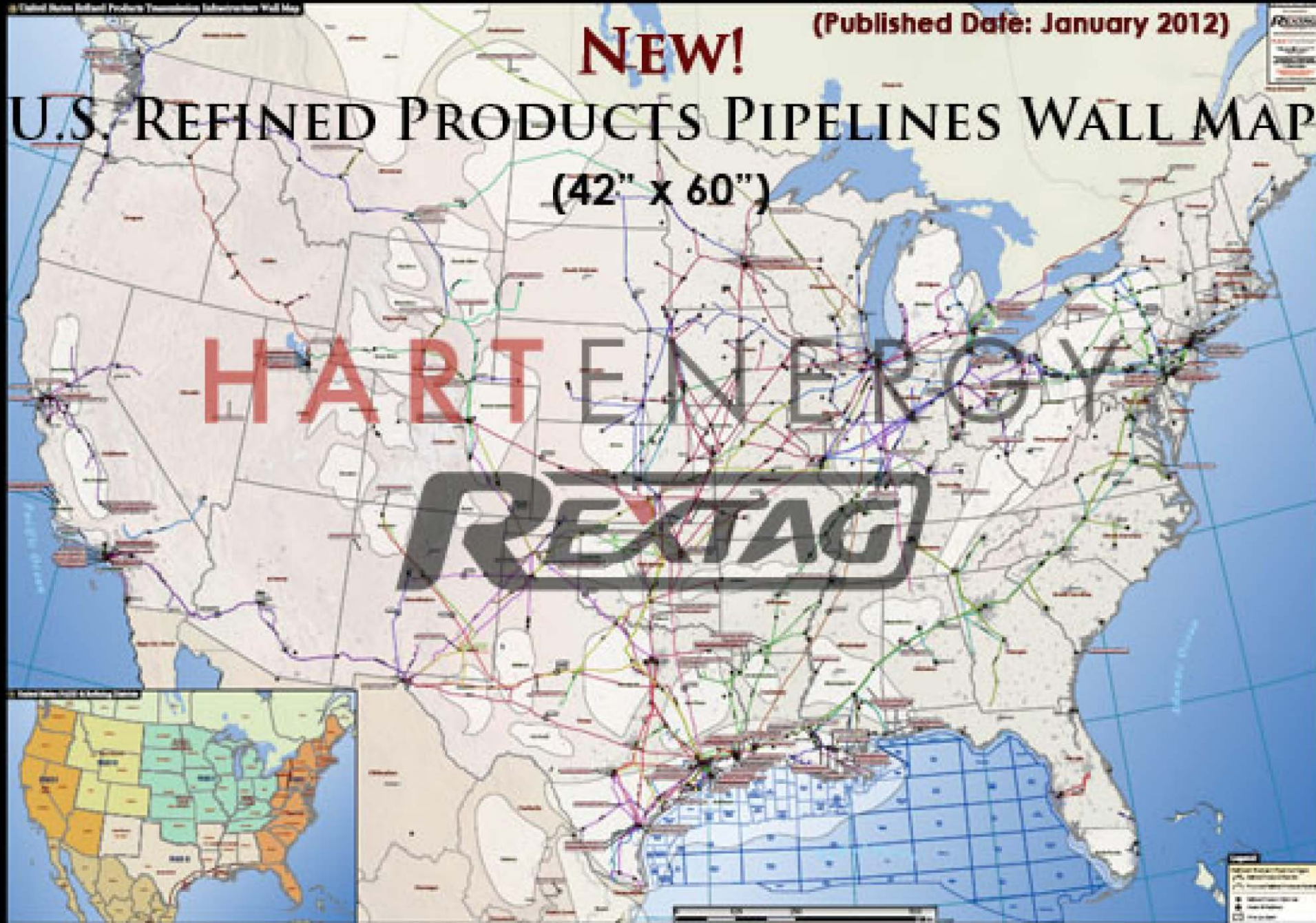
NEW!

U.S. REFINED PRODUCTS PIPELINES WALL MAP

(42" x 60")

HART ENERGY

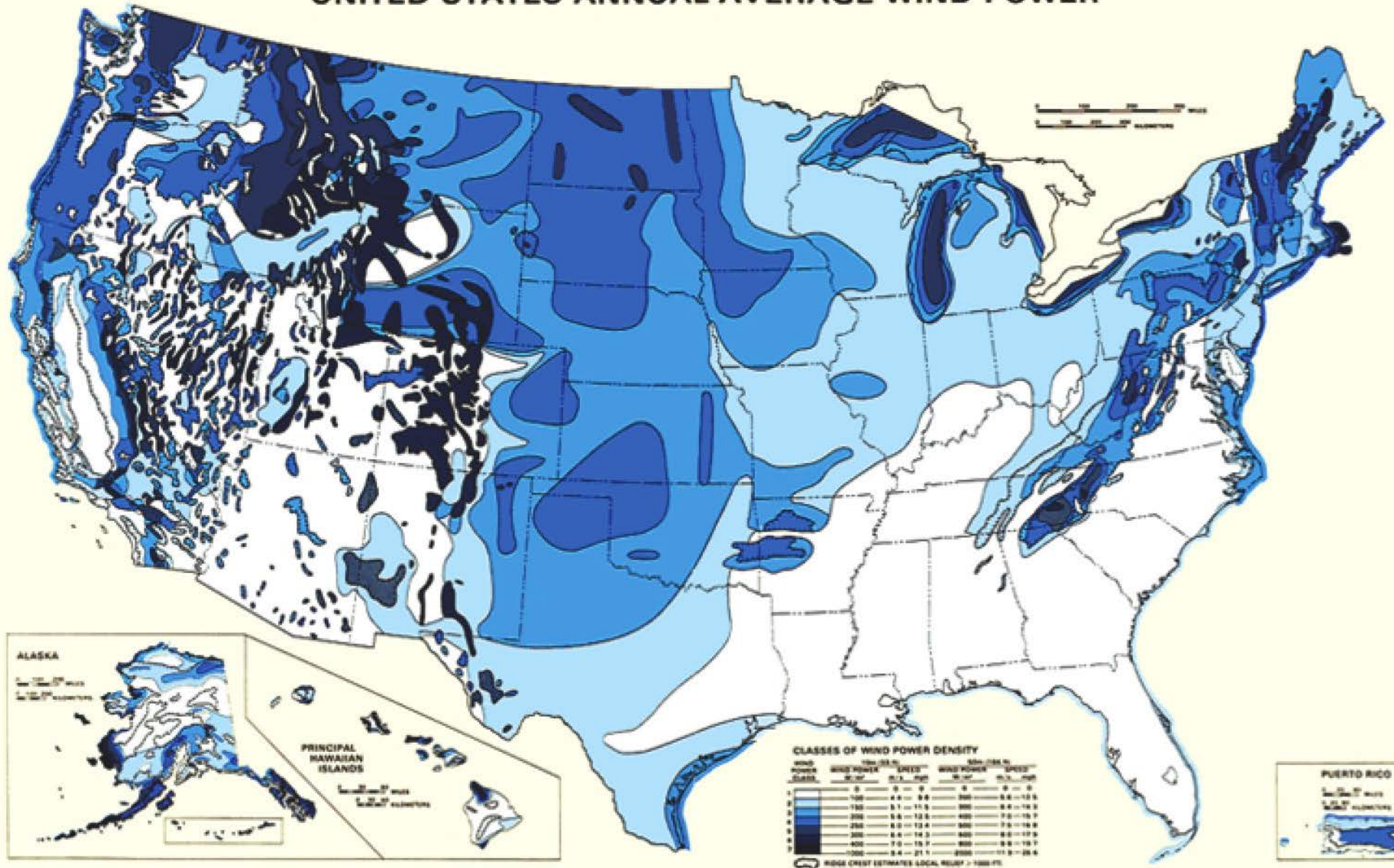
RETAG



Alternative Energy Sources

Wind Power

UNITED STATES ANNUAL AVERAGE WIND POWER



TVA Wind Farm near Oak Ridge



Wind Farm (where?)



“One big rig in the Gulf produces more energy in one day than *ALL* of the wind farms in the US!”

Shell VP, April, 2011, AAPG Meeting, Houston

“For every Btu put into oil/gas exploration -production, *20,000 Btu* are returned.”

“Ratio is currently 1 : 1.25 Btu (possibly 1:1.6 Btu) for switchgrass.

Jeff Bailey, President, CEO Tengasco 1/12/12



Biofuels

—Panacea?

Future Solutions?



Corn



**Switch grass
(*Panicum virgatum*)**

Panacea?

**Native switch grass
(*Panicum virgatum*)**



Distribution

PLANTS
Database



- Alaska
- District of Columbia
- Hawaii
- Puerto Rico
- Virgin Islands

PAVI2



Seeds

Stevie Hurst @ USDA-NRCS PLANTS Database

Conversion of Carbohydrates to Ethanol

Sucrose (= disaccharide of glucose–fructose) → C_2H_5OH

Not too difficult w/ yeast enzyme (accomplishes oxidation)

Corn starch (= poly $C_6H_{10}O_5$ = polyglucose) → C_2H_5OH

More difficult, but can be made easier by using corn syrup—high in glucose–fructose (easily broken down) and starch.

Cellulose (= poly $C_6H_{10}O_5$ = polyglucose) → C_2H_5OH

More difficult, because there are places on the polymer chain that are difficult for the enzyme to access.

Learn from Moonshiners: sprout the corn, take it to a mill to be ground, let the paste ferment (add sugar to boost yeast production), add a little chicken manure for a source of both uric acid and bacteria, and distill after suitable aging.

Thanks to Dr. Dave Baker, UTK Chemistry Dept., and local farmer

Too Good To Be True?

How do we maintain high corn yields year after year?

What is 20–10–10? What is its source, and future source(s)?

How is NH_4NO_3 made? What is the Haber–Bosch process?

Pass H_2 and N_2 over Fe, Mo, or FeFe_2O_4 [catalyst] at 500°C and 0.5 kb P \longrightarrow NH_3

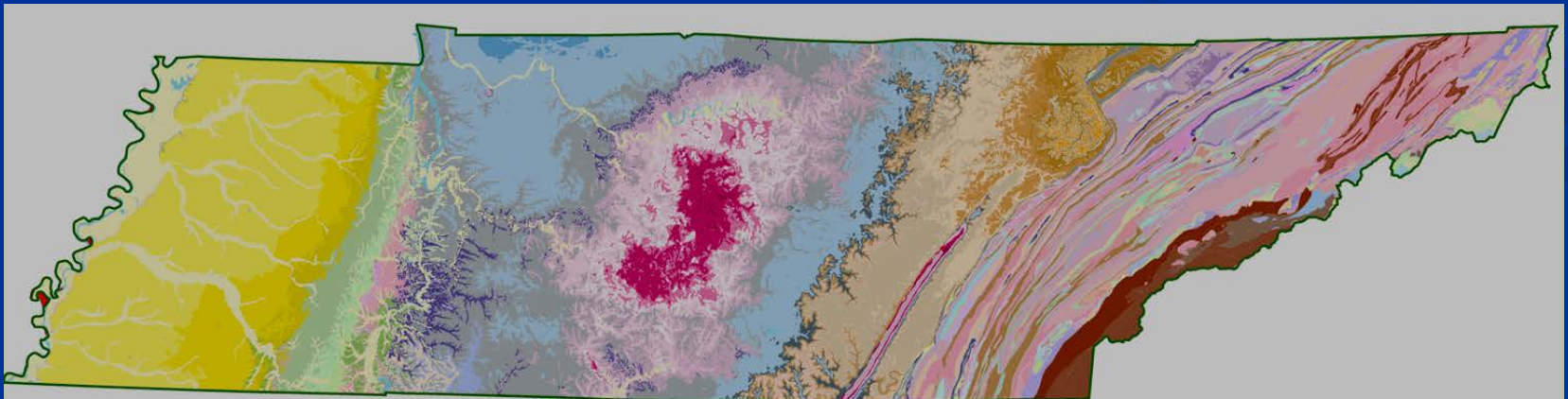
Convert to NH_4NO_3

No Problem?

Why is NH_4NO_3 no longer made in the U.S. (since ~2003)?

Conclusions

- *Tennessee has greater petroleum potential than has been developed—large parts of Tennessee remain unexplored.*
- *Greatest **current** potential is in oil, because is much more valuable than gas.*
- *Fracking can and is being done with nitrogen, which minimizes the potential environmental impact of gas development.*
- *Become **better informed** on issues like this.*





Sleeper or Howler?



Bob's Most Attentive Audience

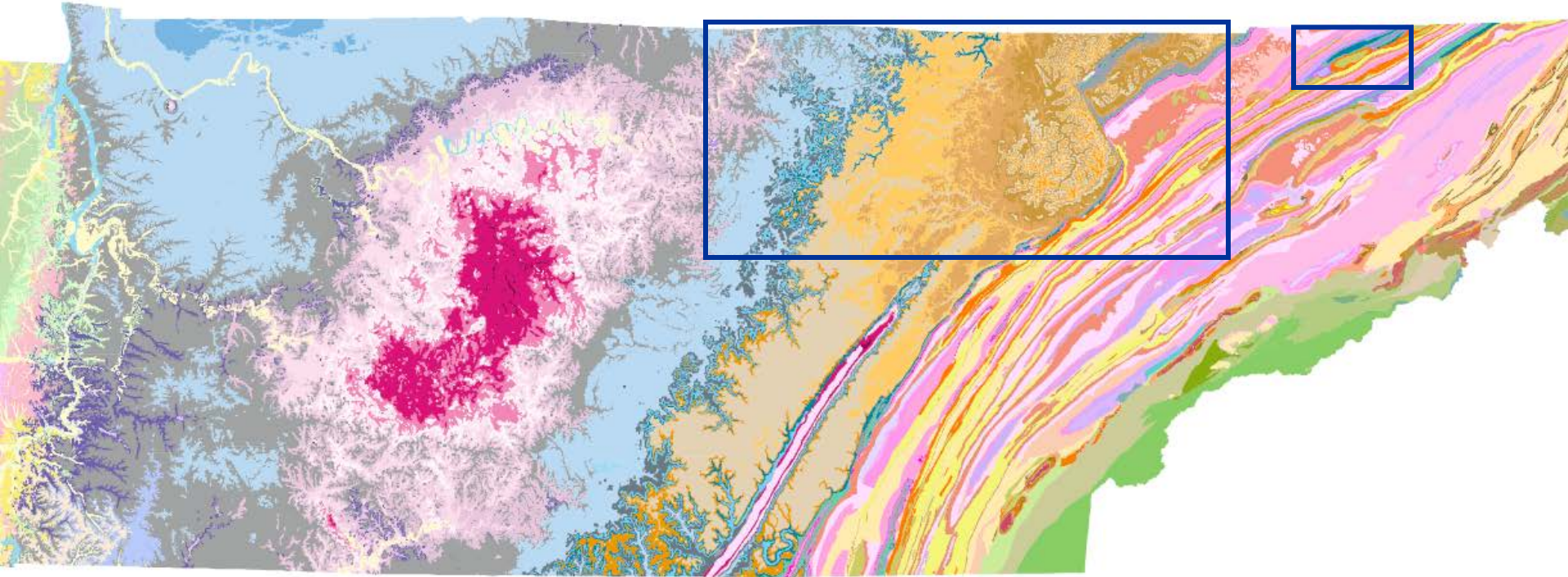


*I might have said less
if I had had more time.*

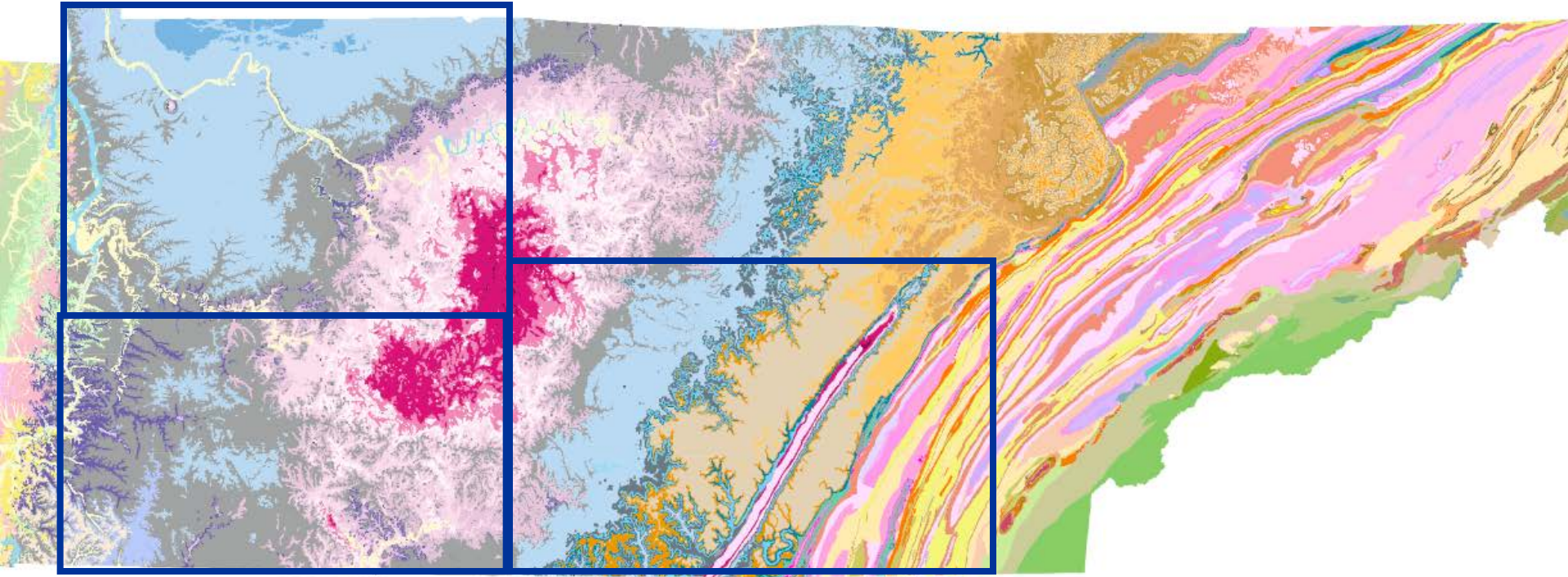
With apologies to Blaise Pascal.

FIN

Exploration/Production in Tennessee

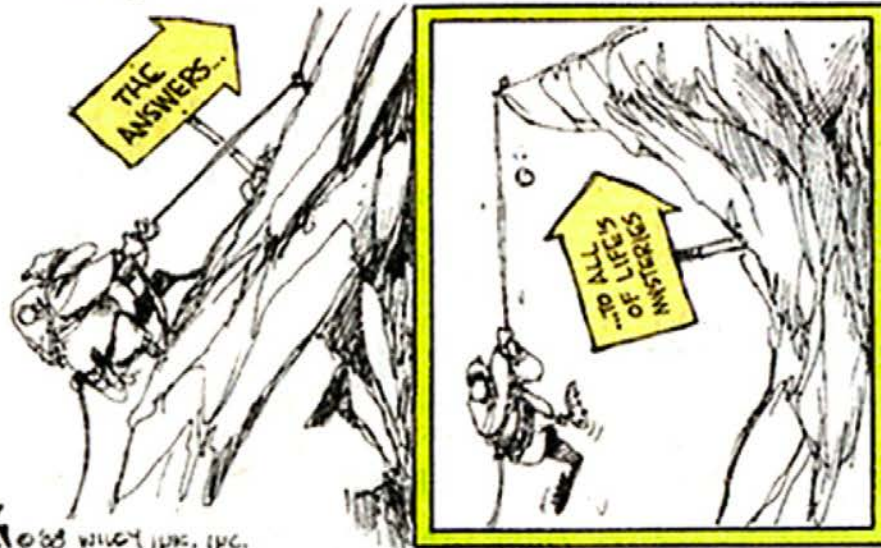


Additional Exploration Opportunities in Tennessee



So, where do u want to get your information?

Non Sequitur

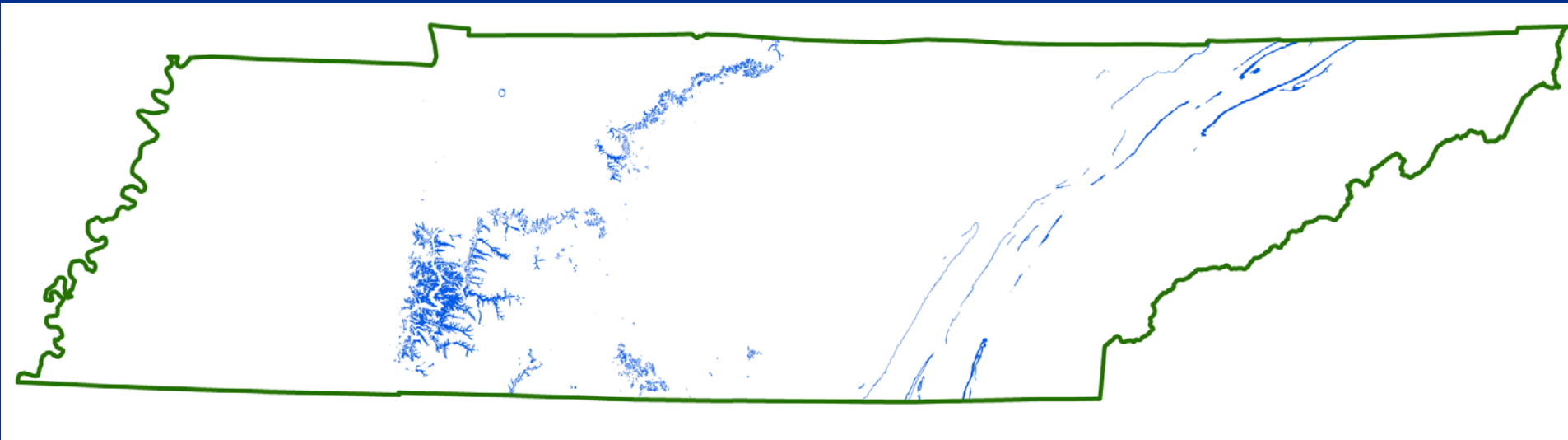


Wiley

1-11

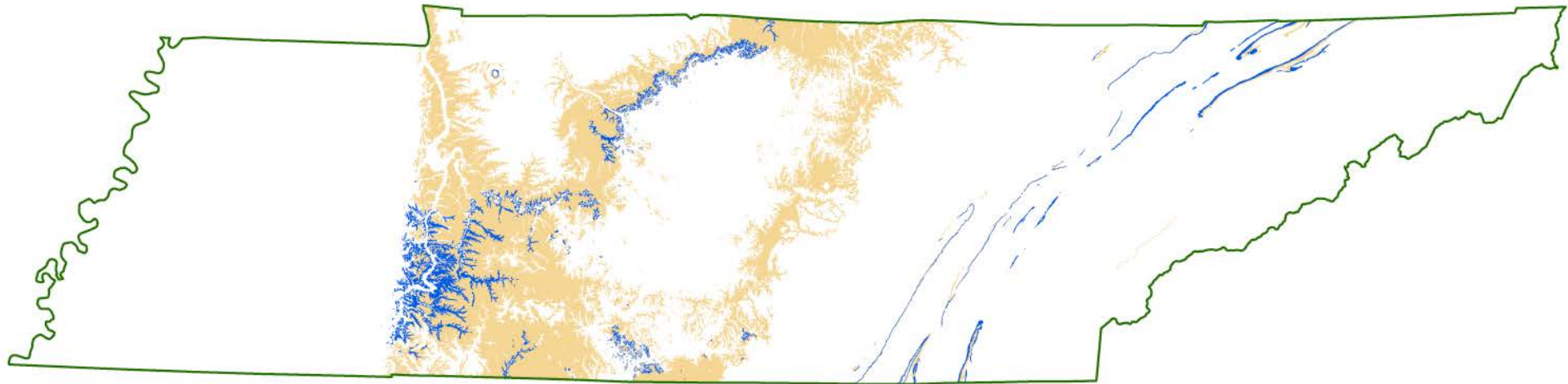
WILEY INC. © CAPITAL INC. NET

Exposed Silurian Rocks in TN



From Hardeman, 1966, TDG

Exposed Silurian & Mississippian Rocks in TN



Message

- *Ordovician Petroleum System: Ordovician rocks (Nashville & Stones River Groups) **still** have great potential for oil exploration in Tennessee.*
- *Mississippian Petroleum System: Mississippian potential is also **very good**, and and shallower, but difficult to pinpoint new prospects.*
- *The structure of the rocks below the Chattanooga Shale contrasts with that above the Chattanooga, adding a degree of complexity to exploration.*
- *Large parts of Tennessee remain underexplored.*

Oil Sources in Two Petroleum Systems

- *Ordovician*

Moderate migration in Middle Ordovician carbonate rocks

Vertical migration from Copper Ridge Dolomite (Cambrian)

Out-of-basin migration from Sevier Shale (E TN)?

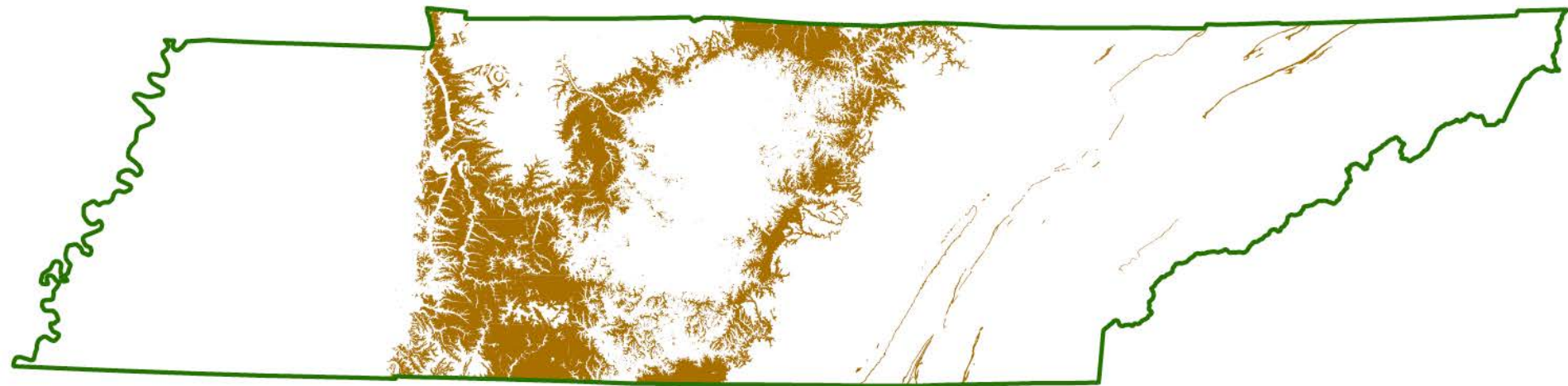
(Conasauga in TN unlikely to be source or reservoir)

[Exception: Dolomite facies like Copper Ridge in NE TN]

- *Mississippian*

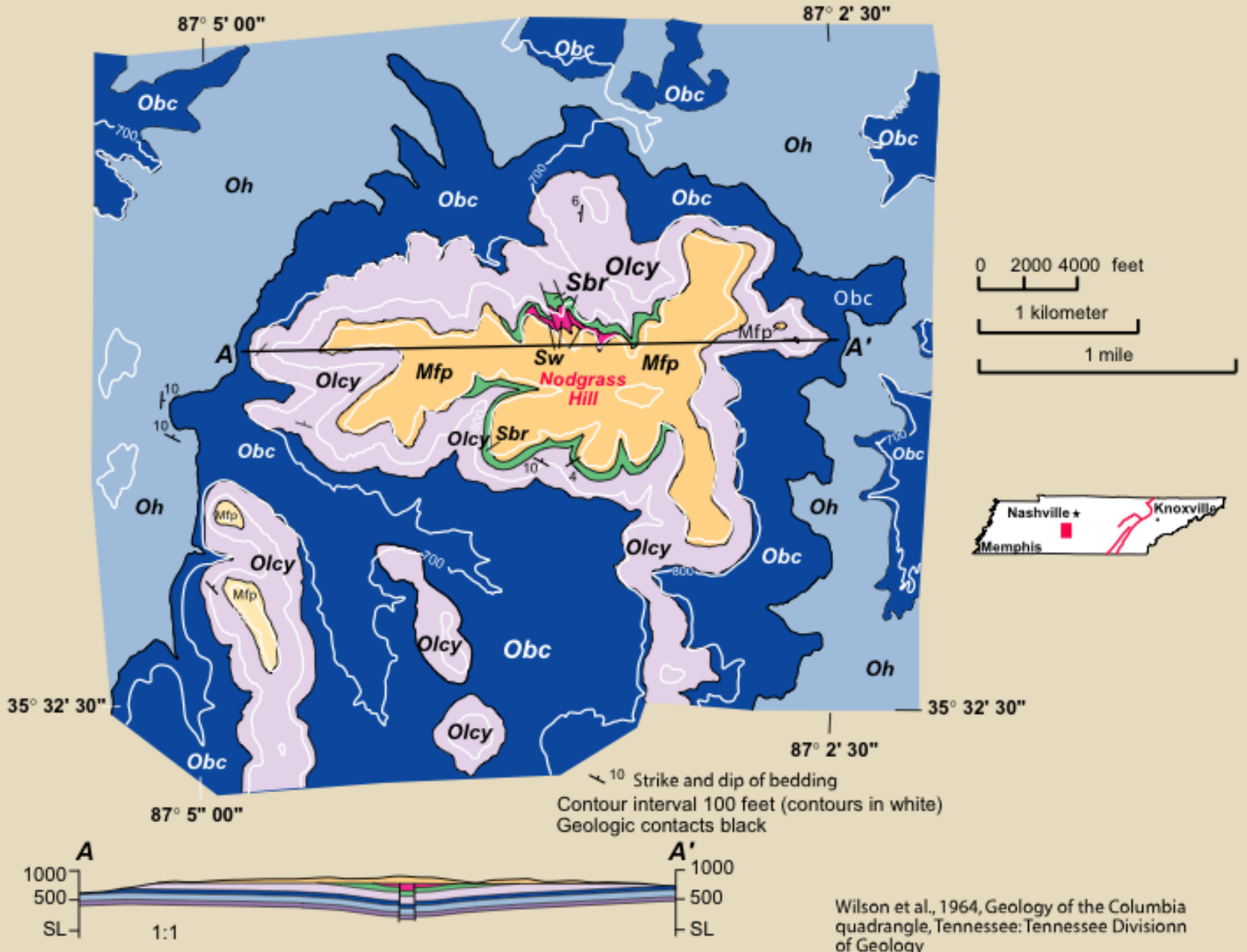
Chattanooga Shale

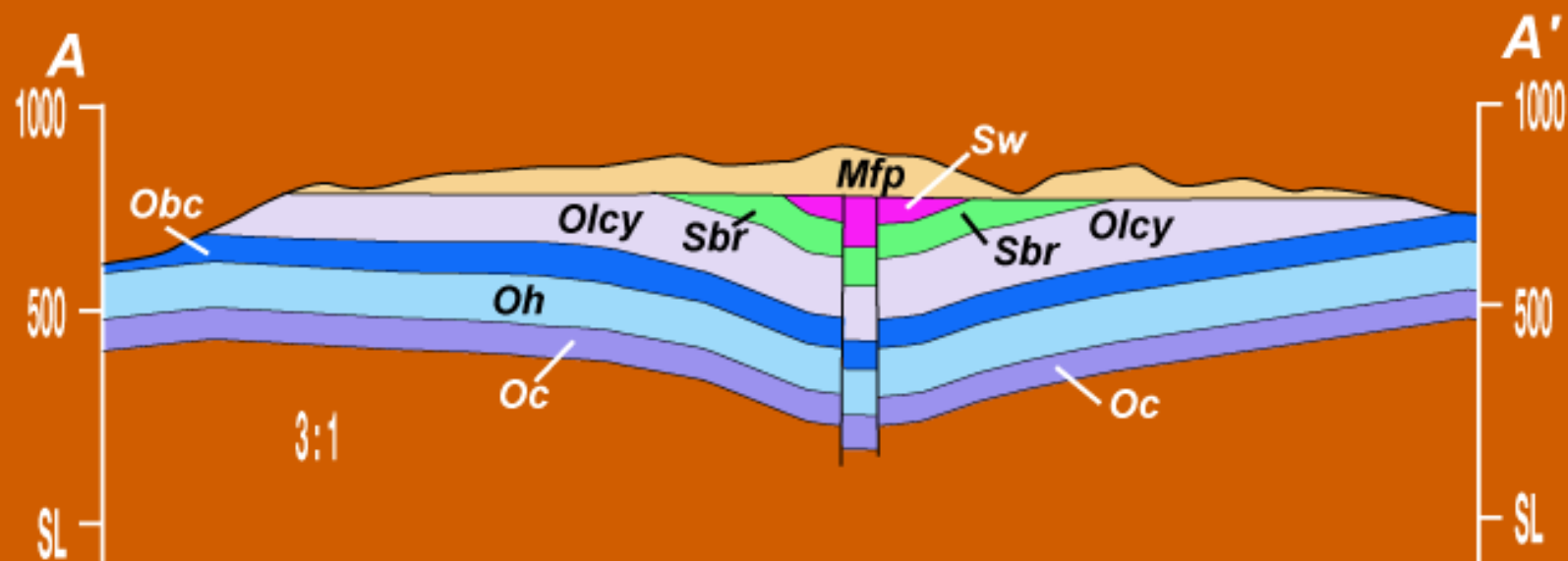
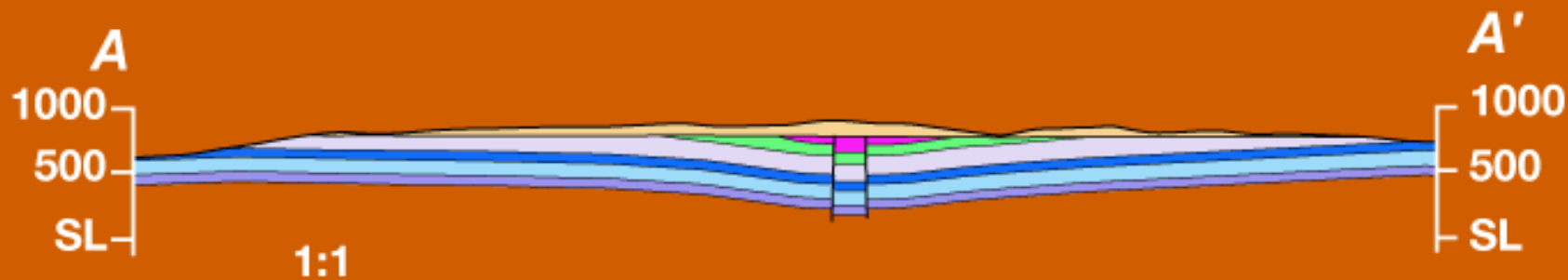
Exposed Mississippian Rocks in TN



From Hardeman, 1966, TDG

Part of Columbia, TN, Quad





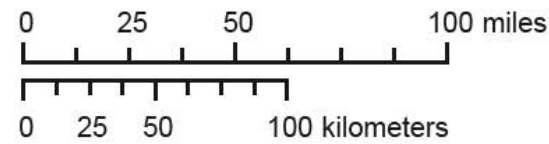
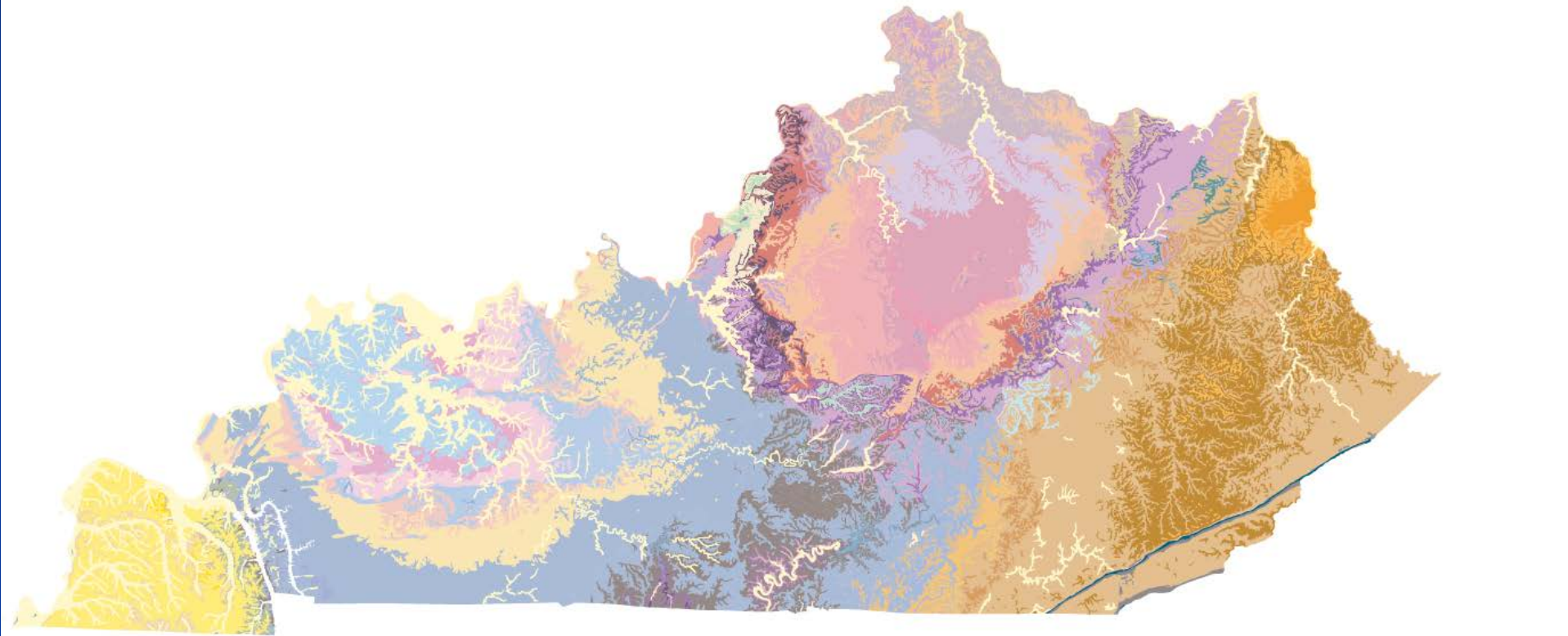
Exploration Program for the Mississippian Petroleum System

- ***Structure contours on Chattanooga Shale.***
- ***Map oolite shoals in the Monteagle (Big Lime).***
- ***Map Ft. Payne reefs.***
- ***Map faults, fracture systems.***
- ***Risk assessment and economics.***

Additional Data Needed

- ***2D seismic reflection lines.***
- ***Form consortia to share expense.***

Kentucky Geologic Map

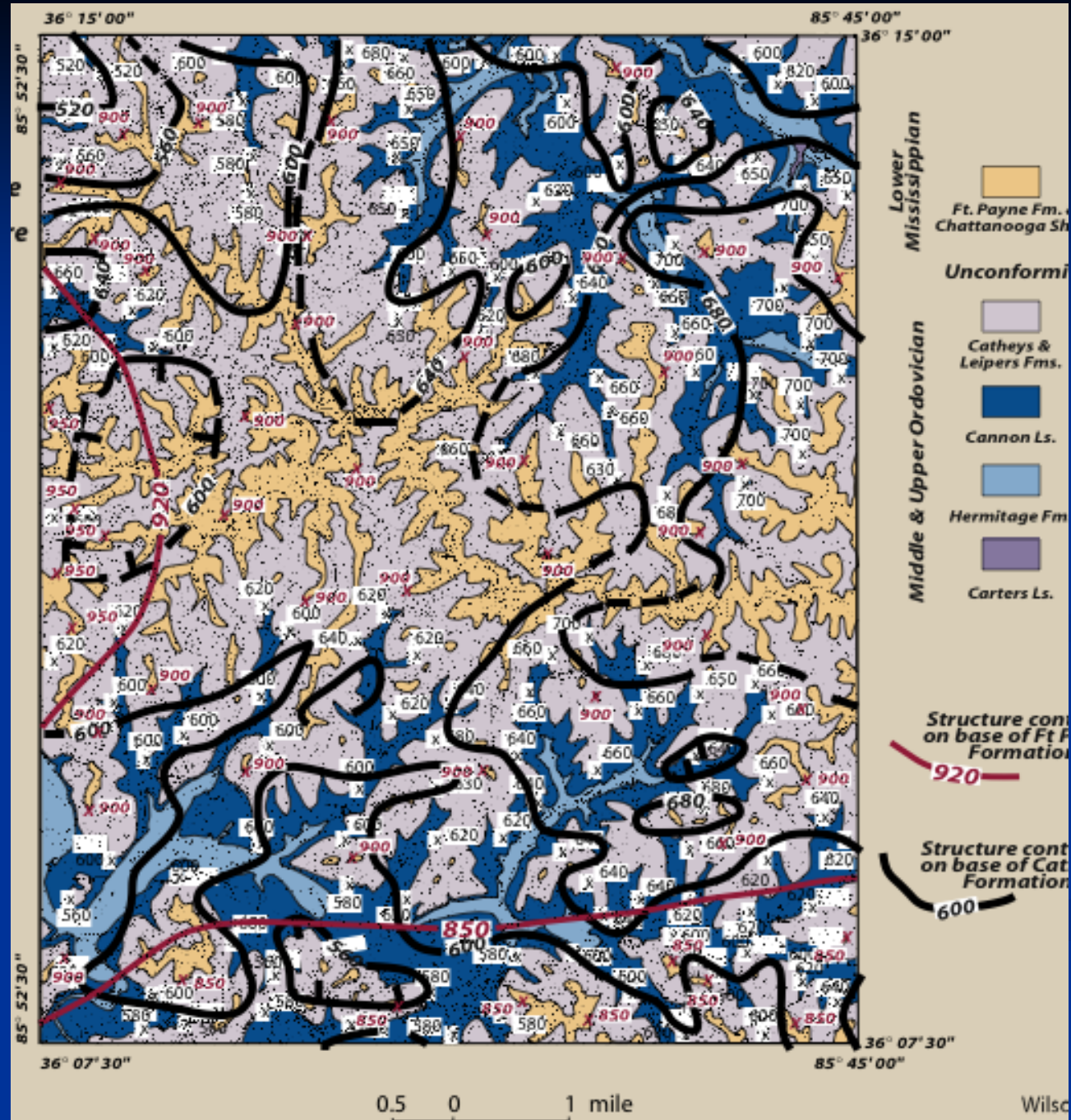


Exploration Program for the Ordovician (Pre-Chatt.) Petroleum System

- ***Structure contour maps of top of Hermitage from existing surface and subsurface data.***
- ***Identify and map folds (and faults).***
- ***Isopach pay zones in Cannon (Sunnybrook) and Murfreesboro (Stones River) from subsurface data.***
- ***Identify local faults and other fracture systems.***
- ***Risk assessment and economics.***

Buffalo Valley Quad, TN

C.W. Wilson, Jr.
TN Div. Geology
(1971)



Petroleum Systems

Natural system that encompasses a mass of active source rock & all related O & G. Includes all geologic elements and processes essential for a hydrocarbon system to survive.

Essential Elements of Petroleum Systems

- *Source rock.*
- *Reservoir rock.*
- *Seal rock.*
- *Overburden rock.*

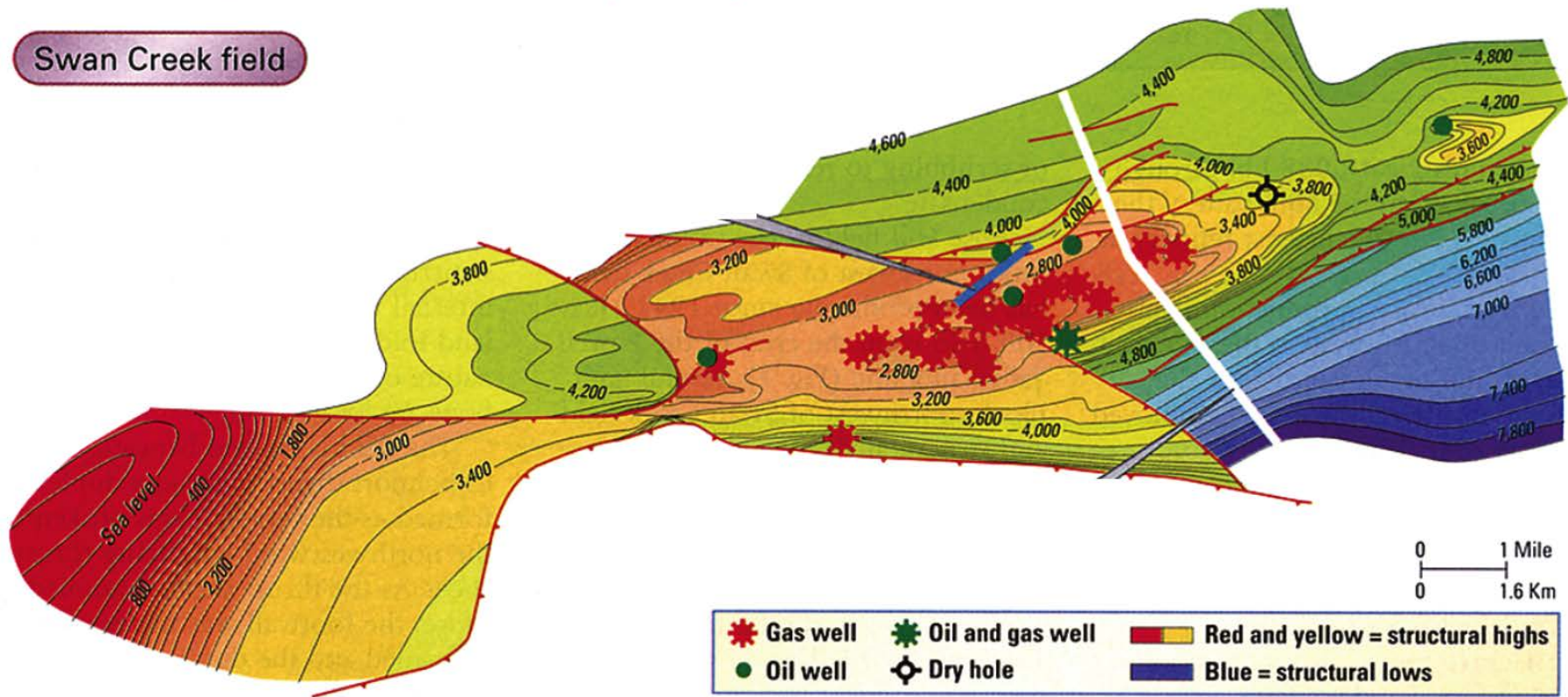
Processes Enabling Petroleum Systems

- *Trap formation.*
- *Generation, migration, & accumulation of O & G.*

Swan Creek Closure Problem

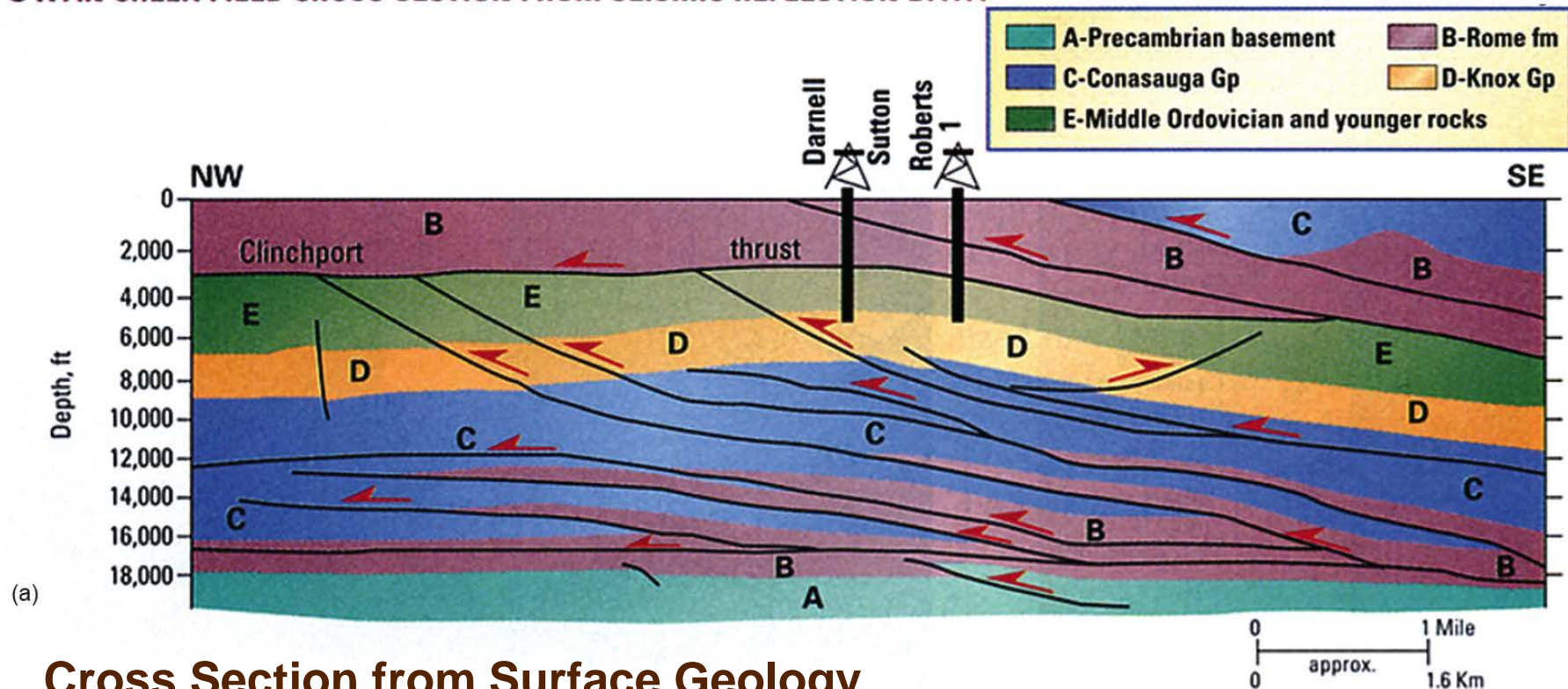
STRUCTURE CONTOUR MAP ON MIDDLE ORDOVICIAN (TOP KNOX) UNCONFORMITY

Swan Creek field

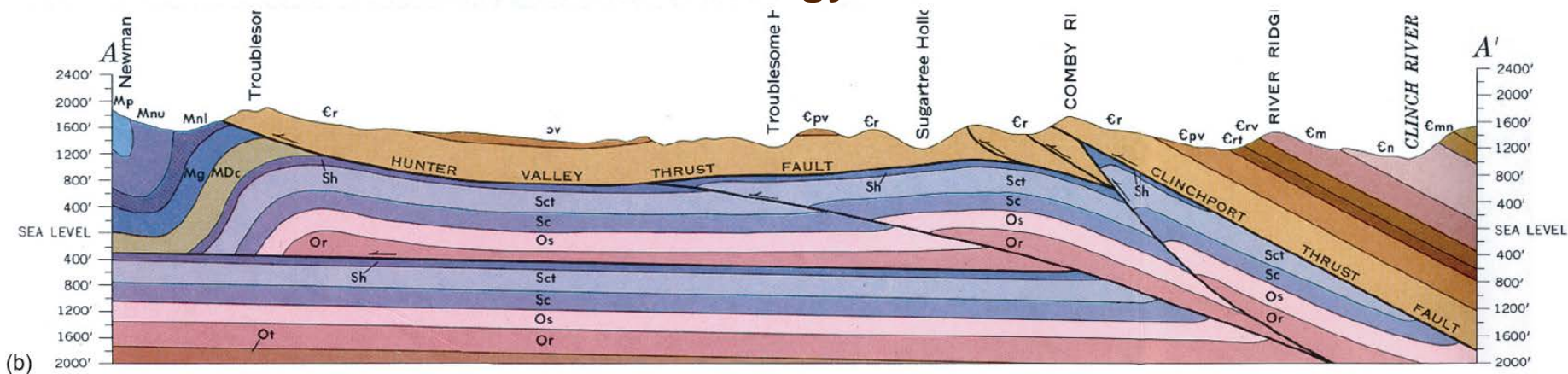


Contour interval 200 ft.

SWAN CREEK FIELD CROSS SECTION FROM SEISMIC REFLECTION DATA



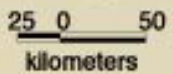
Cross Section from Surface Geology



TOGA-2012



Possible Subsurface Stratigraphy



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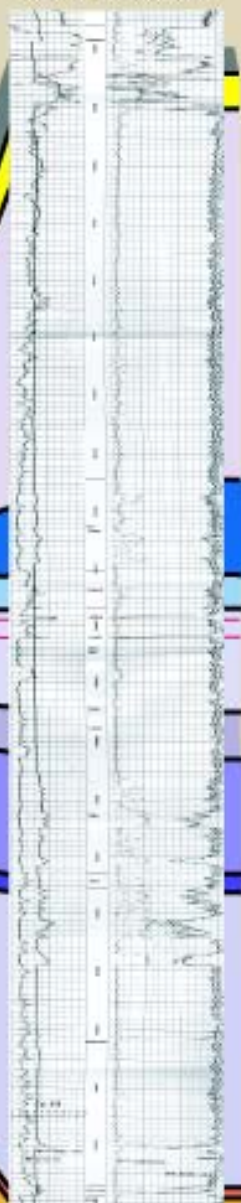
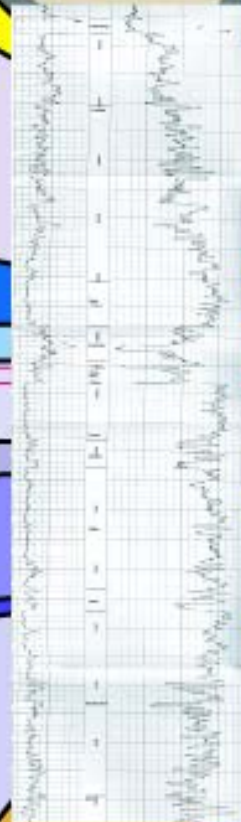
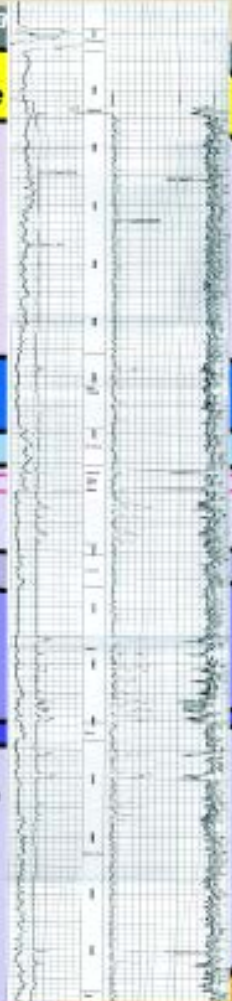
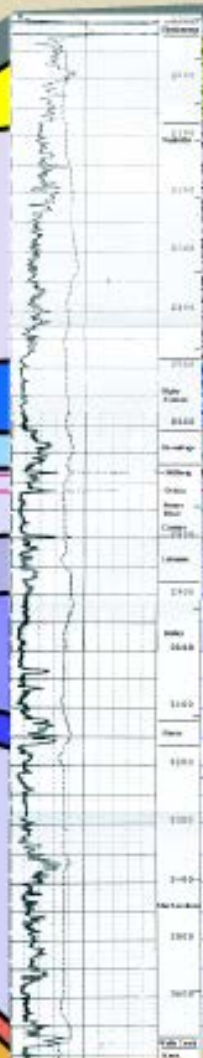
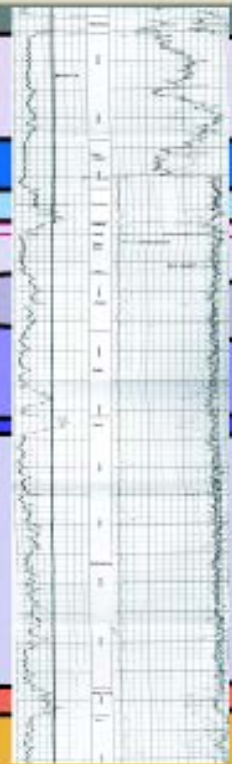
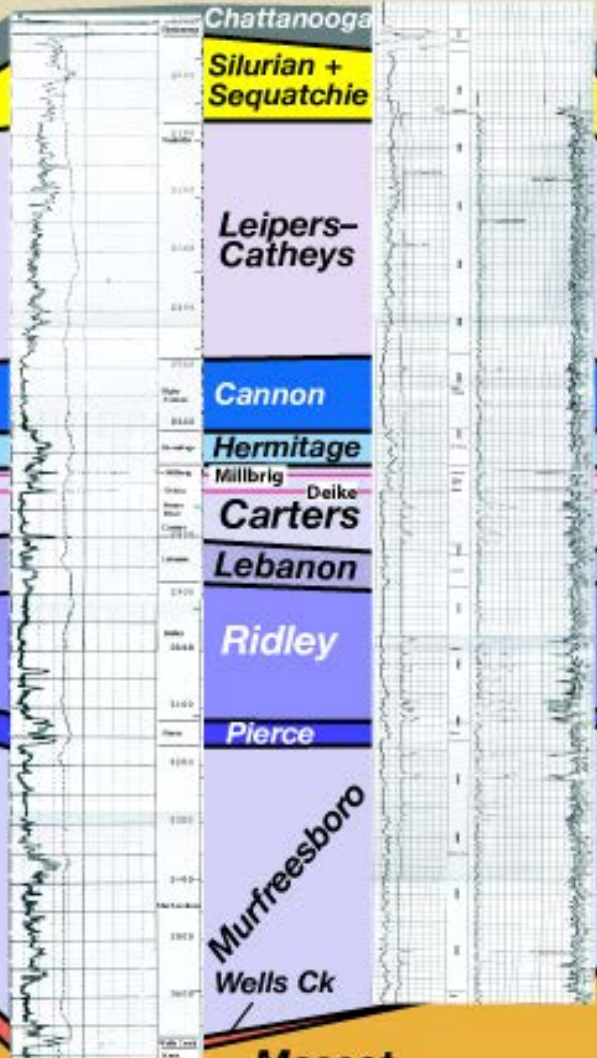
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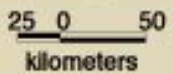
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Mascot

Possible Subsurface Stratigraphy



035-20163

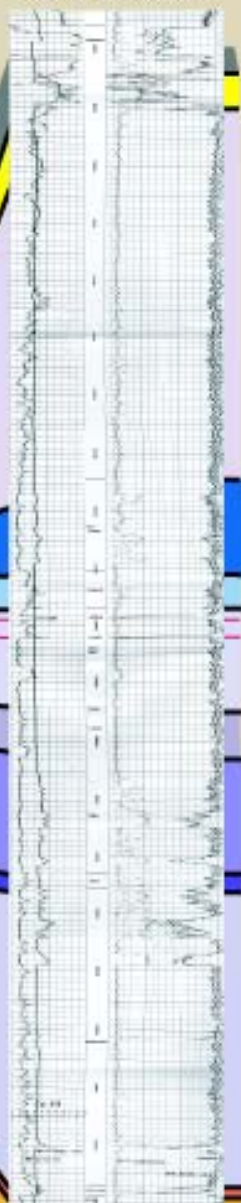
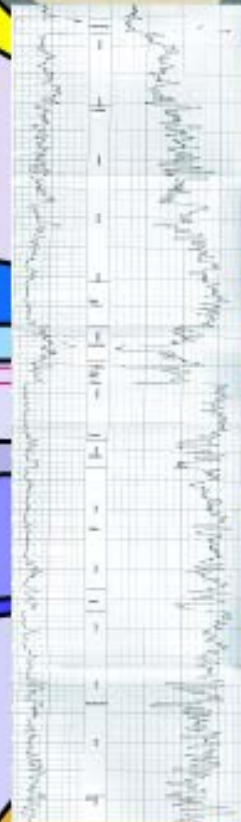
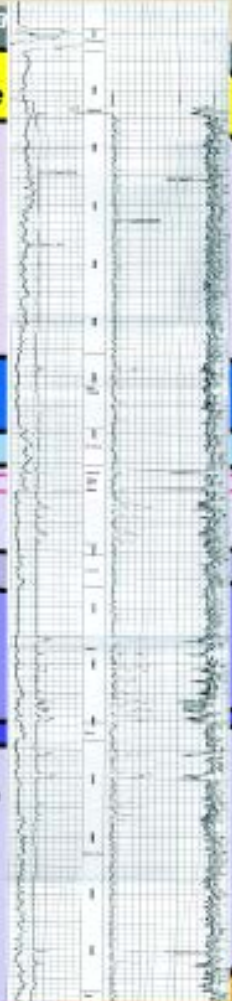
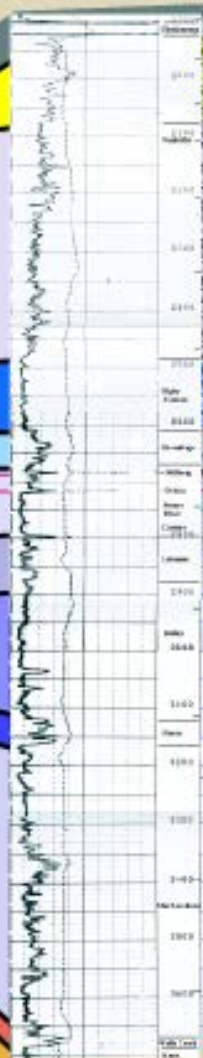
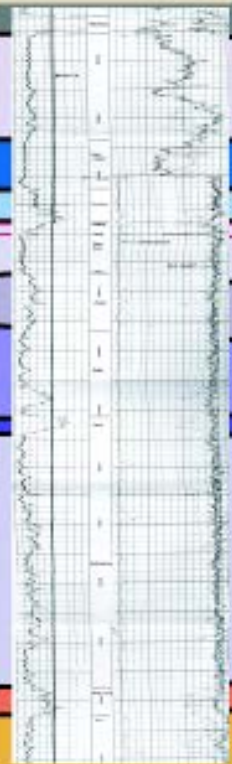
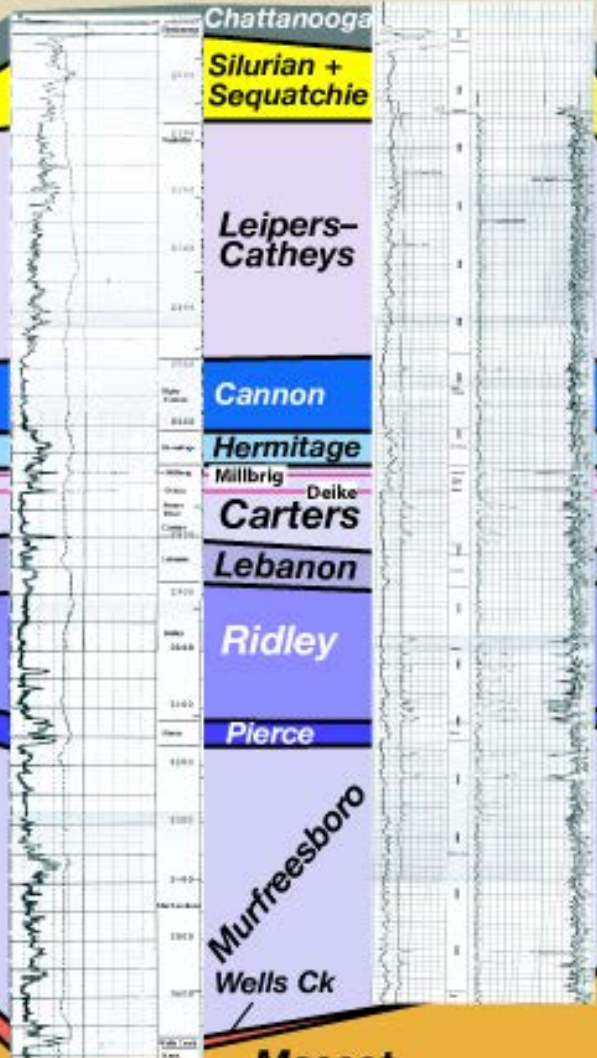
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Mascot