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HEBER

Executive Summary

Introduction

This project plans production of hot water at the Heber area of the Imperial Valley for use in a binary cycle power plant. This involves down-hole pumps to carry unflashed liquid at high flow rates through heat exchanges and on to be reinjected at reservoir depths. As the Proposal is presented by San Diego Gas and Electric rather than a steam producer, the reservoir development plans (and economic implications to the steam producer) are incompletely presented. It is unclear whether sufficient reservoir data (i.e. flow test data, drilling techniques, etc.) would become available on a timely basis to stimulate the industry.

The Heber prospect is of moderate size and marginal temperature. Several aspects of the production and utilization schemes are innovative, unproven, and at the threshold of technology. This gives, in our opinion, an operation with fairly high risks of delays and unexpected costs. With enough financial support, we see no major risk that one 50 MWe plant can not be made to work. If this operation were proven to be profitable, there are as many as two dozen resources of similar temperature to which this newly developed technology might be transferable.

Conclusion

The geothermal reserves at Heber are clearly great enough to support the plant as proposed. At least several additional plants of the same type are likely from the same reservoir, although there are considerable risks that 1) the expansion possibilities are less than projected by the offeror and 2) the costs of the required new technology will not be competitive . with alternate sources of power (including other geothermal fields in the Imperial Valley).

Although 300 to 360°F resources are more abundant than higher grade ones, the geologic settings are probably not adaptable to the reservoir development plans suggested for Heber. That is, the power plant technology may be more transferable than the reservoir sweeping innovations.

OFFEROR:	Chevron	/SDG&E

ADVISOR: U.S.G.S.

RESERVOIR EXECUTIVE SUBMARY

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INTRODUCTION: Brief description of project (reservoir) See Attachment CONCLUSION: Overall adequacy of reservoir and site: See Attachment - support plant requirements - additional plants at site - representative of other reservoirs RESOURCE: Key resource parameters: Offeror Advisor 360[°]F 330[°]-360[°]F Temperature (Av. reservoir) Flow rate 625,000 lbs/hr/well pump dependent 500 MWe x 30 years Reservoir magnitude 400 MWe x 30 years (energy@longevity) Fluid chemistry (TDS & Gas)14,000 ppm + negl.* data poor ... Number and depth of wells 20 between 2000-6000' 18 to 38 Production/injection well ratio 2/1 Expected Well Life 30 years Significant differences NONE Enjor Resource Problems (List) 1) Marginal temperature for power production RISKS: 2) Limited areal extent of commercial grade heat. Major Resource Risks (List) 1) High flow rates have not been demonstrated. 2) Pumping technology not fully developed. Reservoir heat sweep not proven. 3) O'HER: Significant input on other areas - data acquisition, analysis and dissemination - modeling and stimulation - total system - cconomic (connercia)) implications - capabilities of team (Signature) Date Advisor

Ol'FELOR: Chevron/SDG&E

RESERVOIR AND SITE

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A. INITIAL UTILIZABLE ENERGY

Evidence

- 1. Reservoir Temperature on Lease Hold
 - (a) Average temperature at depth in producable zone new.

Offeror 360°F Advisor 330°-360°F ,

Overall	adequacy	of	evidence?
	Excellent		
X	Good		
	Fair		
	Poor		

Note main deficiencies...such as measurement methods, number and representativeness of test locations, etc.

(b) Average temperature at well head ______ (Pumped? Yes ___) 200 psia at wellhead Offeror 360°F Advisor 330°F

Since the rate of production from each well will be so great (625,000 lbs/hr) there would be little difference between the reservoir temperature and wellhead temperature.

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Evidence

2. Initial Flow Rate (first year of operation) Pumped (?) Yes

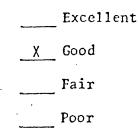
(a) Permeability, etc.

Average permeability:

Offeror 200 md Advisor Agree for 300 md upper two zones

Detailed reservoir information is limited to 6000' because only 3 wells have been drilled to greater depths.

Quality of related measurements and analyses.



Note: Number and representative: of locations, instrumentation, ti: intervals...

Type of permeability: Fractures, barriers and other properties of reservoir which bear on permeability.

Intergranular although faults may play a more important role than previously considered. .

Given evailable information, what is the most likely initial flow rate (in kg/sec)? Total for field

(7,500,000lbs/hr) Field Total

Advisor Range: 300,0001b/hrto 1,000,0001bs/hr

Offeror 947kg/secAdvisor same

Quality of analysis and tests providing prediction of flow rate.

Excellent

____ Good

X Fair

Poor

well)

Long-term pumping flow tests were conducted on two wells, Nowlin #1 and Holtz #1, which produced a total of 2.7x106 BBLS which would down tests, long-term flow be equivalent to only 110 hrs of full pumped tests... production for the demonstration project.

Note pressure build-up and draw

Shorter tests were conducted at J.D. Jackson #1 and C. B. Jackson #1. Productivity at Heber was originally assessed by 19 drill stem tests. Pressure buildup and drawdown tests were conducted, to arrive at productivity indices. See caution under A 2d other. Individual well flow rates (pumped) could suffer from inadequate pump-setting depth or reservoir draw-down.

P = .9 P = .1 (per

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RESERVOIR AND SITE

Evidence

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(b) Completable Interval (h) Quality of estimate? 4 zones of 2000 ft. each Offeror Advisor <u>prod</u>ucible interval reduced by sand/shale ratio. Producible interval for 2 zones approx. 2400' lower zones poorly known. Adequacy of h, given proposed : flow rate. Excellent χ Good For two zones Fair X Poor For two zones only three wells drilled deeper than 6000', and data not presented (c) Scaling Adequacy of flow tests, fluid chemistry analyses on produced TDS (all weils); ppm fluids and surface tests as a basis for estimating scaling ... Offeror 14000 Advisor Advisor Range: 10,000 to 30,000 Excellent $\overline{P} = .9$ P = .1Good ____ Fair Non-condensable gases (all wells): Offeror 48.37ppm Advisor no independent data X Poor gave only typical H2S .18ppm Advisor Range: analyses $\overline{P = .9}$ $\overline{P = .1}$ not important without flashing - under pressure maintenance will remain in solution. Could precipitation of solids potentially cause significant reduction of flow in the wellbore? In surface pipelines? Not thought to be a major problem because the brine Where, and how soon? Pump? X minimum temperature of 1500. Data is Is this the correct approach based inadequate to fully asses (the posetive magnitude of this problem. upon the fluid chemistry? should be minimal. Based on these tests and experience, no brine treatment is planned.

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will be maintained in the liquid phase in a closed system from the production wells through the power Flashing? _____ plant and into the injection wells at a

Vertical shaft driven turbine pumps are required to keep the brine at a pressure high enough (200 PSIA) to prevent vaporization. Chevron conducted corrosion, scaling, and plugging evaluations during production testing which indicated that potential problems

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Evidence

(d) Other Initial Flow Rate Factors

Do any of the following reservoir characteristics indicate potential flow rate problem? (Explain any checked items)

Depth of well?

Lower zones untested for production.

Diameter of well?

Proper matching of casing diameter with pump size necessary.

Mechanical condition of well?

Similar bentonite drilling muds have shown to present major problems at East Mesa. Make sure drilling procedures accommodate newest information on best techniques.

Other?

The wells will be produced by pumping at a rate of 625,000 lbs/hr/well or 1411 GPM or 48,420 bbls/day.

The highest pumping rate on any test to date is 135,000 lbs/hr.

Therefore since such high pumping rates have not been tested there is a potential for problems to develop. These problems could provide the need for more wells. The following Table illustrates the minimum pump depths for various rates. These calculations are based on productivity indices which were derived from actual well test data. Pump manufacturers claim that shaft driven pumps may be set as low as 1500', however; to date maximum pump depths of only about 500' have been achieved in geothermal wells. Actual pump depths for the Heber wells will be a minimum of 1100' in order to achieve this desired flow rates. As productivity indices decline, pump depths will need to be lowered to the threshold of current technology.

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Reason or Evidence

3. Total Initial Utilizable Energy

Given the temperature, flow rate and other factors, how many Na could be brought to the surface (initially) per year? ________ eventually

Offeror 500 MWe Advisor 400 MWe Advisor Range: to $\frac{1}{P = .9}$ $\frac{1}{P = .1}$

How good is the analysis relating temperature, flow rate, and other factors to the total NW brought to the surface?

·	Excellent
•	Good
X	Fair

. Poor

Note key assemptions and deficiencies

PUMP DEPTH REQUIREMENTS

Well #	Produ cing rate	Produ ctivity Index	Reservoir Drawdown	Head Factor	Reservoir Drawdown	Min Pump Head Req	Total Pump** Depth
, 	BPD ÷	BPD/PSI =	psi 🗙	Ft =	Ft +-	<u>Ft =</u>	Ft
Holtz #]]0500	204	5] .5	2.58] 33	340	473
T=346 F	20000	204	98	2.58	253 [.]	340 ;	593
•	50000	204	245	2.58	632	340	972 Average rate and depth
Nowlin #]]0500	225	47	2.84]33	450	583
T=366 F	20000	225	89	2.84	252	450	702
	50000	225	222	2.84	63]	450	08 Average rate and depth

**Represents initial setting; Pump: setting depth will change with time as a fraction of reservoir depletion

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Evidence

B. LONGEVILY OF LETTING

1. Energy Volume

The total utilizable energy in the leasehold above 300 ° F temperature is estimated to be (in MN thermal years):

Offeror 5,000 MWth 30 years

Advisor <u>see table 3500-7500</u> MWth 30 years Refer to "Method of Estimation"

<u>Water Volume</u> is estimated to contain <u>NW thermal years</u>

To what extent does this estimate include capture of heat from dry rock?

Approximately 75% of the heat extracted is from the reservoir rock. Quality of analysis of total energy volume:

Excellent

Good

_x Fair

Poor

Method of estimation: (next page)

Will the reinjection system adequately utilize such heat?

The reservoir is dominantly sand and shale. It can be assumed that this type of reservoir will be able to sustain an effective injection sweep efficiency, however the spatial distribution of wells is unortholox and untested. The injected water should adequately extract heat from the rock.

METHOD OF ESTIMATION

The applicant estimates this reservoir will yield 500 MWe for 30 years, however; no clear evidence is presented in the application to determine how this figure was generated.

U.S.G.S. calculations are presented on the following table. A range of values are shown which were generated by varying the parameters. The heat in the water only, ranged from 2052 - 625 MWt for 30 years and by utilizing the heat from the reservoir rock, the values ranged from 7360 - 3658 MWt for 30 years.

The main assumptions were, (1) The final operating temperature is 300° F. A final operating temperature was not presented in the application and the 300° F is considered the lowest limit for generating electricity (U.S.G.S. circ. 726)., (2) The porosity ($\emptyset = 25\%$) remains constant depth. This may be a poor assumption with regard to the lower two lones., and (3) There are 4 - 2000' zones of equal heat content and productivity. Only two 2000' zones to date have been fully tested.

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USGS CALCULATIONS

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eat in aver Only		INITIAL OF		T FINAL OF		SURFACE AREA SQ. MI.		ENTHALPY BTU/LBm		DENSITY	·	WATER VOLUME ft 10"	(WATER ENERGY INITIAL TU 10 ¹⁵	.)	WATER ENERGY (FINAL) BTU 10 ¹⁵		ROCK ENERGY EXTRACTED BTU 1015	E	ET ENERGY KTRACTED BTU 10 ¹⁵	MWL FOR 30 YR PER ZONE	MWt S 30 YRS FOR 4 ZONES	RESERVOIR SANDSTONE RATIO
1	•	360	,	300	,	11.5	,	332.18	x	55.22	×	1.603	-	2.94	-	2.48	+	0	▰.	0.46	513	2052	1
2	•	330	,	300	,	11.5	,	300.68	x	56.31	x	1,603	•	2.71	-	2.48	+	0	-	0.23	256	1026	1
з	•	360	,	300	,	11.5	,	332.18	x	55.22	x	0.962	-	1.76	-	1,49	+	0	-	0,27	301	1204	0.6
4	•	330	•	300	,	11,5	•	300.68	х	56.31	x	0,962	**	1.63	-	´1.4 9	+	0		0,14	156	625	0.6
																,							
	•	360		300		11.5	,	332,18	x	55.22	x	1,603	**	2,94	•	2,48	+	1.19	-	1.65	1840	7360	1
Ouring 2	· ·	330		300	,	11.5	,	300.68	×	56.31	x	1.603	-	2,71	-	2.48	+	0,6	-	0,83	926	3702	1
<u>Lafe</u>	r ſ.	360		300	,	11.5	,	332,18	×	55.22	x	0.962	-	1.76	-	1,49	+	1.36		1.63	1817	7271	.6
4	1 -	330		300	,	11.5	,	300.68	×	56.31	x	. 0.962	-	1.63	-	1.49	+	0,68	-	0.82	914	3658	.6

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RESERVOIR AND SITE

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Evidence

2. Reinjection and Chance in Flow Eate

 (a) Is the reinjection temperature consistent with reinjection scaling and plugging estimates?yes

(b) Fluid chemistry

To what extent will chemical plugging be a problem over the life of the plant for...

reinjection pipeline?

potentially moderate

wellborc? minimal for producers potentially moderate for injectors

formation?

minimal for producers uncertain for injectors

Has the compatibility of reinjected fluids (including make up, process, and blowdown waters) been considered? NO Injected in producing zone or other zone? In producing zones.

Is removal of particulates or another preventive control planned? Will this create new problems? How serious? (see Conversion System)

No- probably no problems

How has this been demonstrated? Workability of control plan?

Closed pressurized system

Quality of fluid chemistry analysis? For reinjection fluids.

Good

Fair

Explain:

Note reasonableness of <u>assumption</u> regarding chemical effects of reinjection, added water, dump temperature, etc.

Significant change balance error suggests inaccurate analyses.

analysis? For rein

() ... Chevron/ SDG & E ...

and standby pumps

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RESERVOIR AND SITE

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Evidence

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What are the number of production and injection wells required to operate the plant during the first year?

	Production	Reinjection
Offeror:	<u>12 + spare</u>	6 + spare
Advisor:	11 - 24	5 - 10

How many replacement and standby wells will be required to operate the plant for 5 years?

	Replacement	Standor
Offeror:	0	2
Advisor:	0-2	2

What is the ratio of production to

reinjection wells?

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Offeror²/1 Advisor 2/1

Does the spacing of wells appear to make the best tradeoff among temperature differential, underground flow rate, and heat recharge?

Method is unorthodox but (as proposed in paper by Tansev) may be as reasonable as any.

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Evidence

(d) Total Reinjection and Flow Pate Channe

Geological characteristics relevant to reinjection?

1) non-traceable units

2) unknown effects of faults

Will reinjection work in proposed wells? Why?

Adequate fluid disposal. Uncertain heat sweep efficiency Uncertain pressure maintenance Quality of total analysis of reinjection?

Excellent

Good

______ Fair

Poor

Spatial configuration is poorly related to actual data.

Injection capacity of injector wells: Pressure assumptions? 1,250,000 lbs/hr Initial: Offerer _____Advisor __probably o.k. initially

After years: Offeror Advisor can not be determined

At what rate will production flow rate decrease as a result of reservoir depletion exceeding effective reinjection?

Can not be determined

Quality of reinjection plans for Lease Hold:

____ Excellent ____ Good ____ Fair

` Poor

D. Potential for expansion

How many MW years would this entire reservoir support?

Offeror: 500 MWe/30 yrs Advisor: 360 MWe/30 yrs Quality of analysis Advisor Range: 180 MWe/30 yrs to 720 MWe/30 yrsP = .9 P = .1 Excellent Good X Fair Poor

It is reasonable to assume the reservoir capacity would encompass the 11.5 square miles proposed for the reservoir area based on the 300° isotherm.

The proposal identifies four distinct zones, each of 2,000 feet thickness for the producing layer. The shale layers do not seem to be taken into account as significant to allow for less thickness of the reservoir.

Based on the following parameters, the total energy was computed:

 $11.5 \text{ mi}^2 (v 31.7 \times 10^7 \text{ ft}^2)$ Area: 2,000' for one interval Thickness: Average Porosity: 0.25 Temperature Range: 360° - 330°F Total Energy = $\frac{BTU}{Ac-ft}$ (Rock) + $\frac{BTU}{Ac-ft}$ (Water) $= \frac{1 \text{ BTU}}{4 \text{ 1b}^{\circ}\text{F}} (330^{\circ} - 300^{\circ}\text{F}) (2.65 \times 62.4 \frac{1\text{b}}{\text{ft}^3}) \times (1 - .25) (\frac{43,560 \text{ ft}^2}{\text{Ac}}) \text{ ROCK}$ + $\frac{1}{16^{\circ}F}$ (330°-300°F) ($\frac{1b}{0.01811 \text{ ft}^3}$)x(.25) ($\frac{43,560 \text{ ft}^2}{Ac}$) WATER = 40.5x10⁶ BTU/Ac-ft = 18.0x10⁶ BTU/Ac-ft $= 58.5 \times 10^6$ BTU/Ac-ft $58.5 \times 10^6 \frac{\text{BTU}}{\text{Ac-ft}} (\frac{14.55 \times 10^6 \text{ ac-ft}}{\text{Vol of Heber}})$ = 8.51x10¹⁴ BTU $= 8.51 \times 10^{14} \text{ BTU } (\frac{1 \text{ Kw}}{3412 \text{ BTU}})$ $= 2.49 \times 10^{11} \text{Kw}$ = 949MW thermal/30 yrs ■ 94.9 MWe for one zone

= 379 MWe for four zones

- D. OTHER RESERVOIR & SITE FACTORS
 - 1. Risks

Offeror: None indicated Advisor:

- Ability of injection wells with respect to disposition to provide adequate sweep of heat in fluid re-cycling.
- (2) Incompatability between produced fluid and fluid in injection wells. Analyses of fluid chemistry may not be representative.

(3) Pumping capability has not been demonstrated.

3. Location of Leasehold - If utilized, as the proposal indicates will be the case, leaseholds encompasse essentially the entire reservoir.

4. Space for Power Plant - Adequate

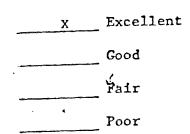
III. CAPABILITIES OF TEAM

Reasons for Rating

COMPETENCE OF TEAM Α. 1. Competence in reservoir engineering and reservoir management Chevron's oil and gas experience will Excellent be of some benefit. X____ Good Fair Poor 2. Competence in design and construction management Excellent SDG & E - see earlier page X Good Fair

3. Competence in electric

Poor



SDG & E

Offeror Chevron/SDG &

Advisor U.S.G.S.

Reasons for Rating

B. EXPERIENCE OF TEAM

. 1. Experience with geothermal reservoirs

	Extensive	· •	
	Adequate	Chevron has moderate geo experience	othermal
	None		
2	Experience with pilot and commercial geothermal e power plants		
	Extensive	· · · · · · · · · · · · · · · · · · ·	
	X Adequate	SDG & E ran Niland test there have been some neg	ative comments
	Limited	on the effectiveness of n	management.
3.	Experience with local, sta federal government regul including the environmen the permitting process	lations	
	Extensive		· · · ·

_____ Adequate

_____ Limited

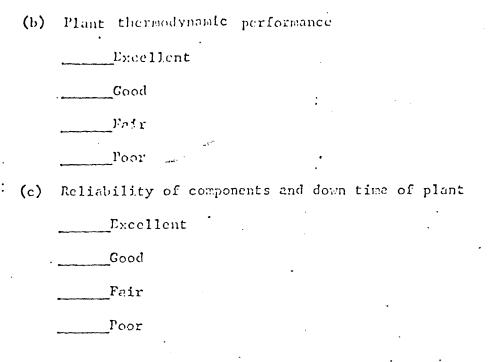
< None

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III-2

Advisor U.S.G.S.



Does the Offeror provide a plan to measure and monitor actual reservoir characteristics, and to relate these to:

Predicted production and injection well performance?

Prediced reservoir characteristics

- Initial year? Yes
- Long-term decline over time? Yes
- Yes - Plant design and operation?
 - Other geothermal reservoirs? NO

Is the reservoir data management plan adequate and feasible?

Chevron will be the operator of production and reservoir development. Their experience in geothermal makes them likely to develop sound reservoir management practices. Their proposed reservoir data management plan is acceptable.

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11

Advisor U.S.G.S.

(4.) Will the Offeror provide assistance in generalizing the reservoir monitoring plan to other areas?

V - 3

Yes. Monthly reports will be given to the State of CA, Division of Oil and Gas and D.O.E. upon request and to all unit participants. Technical reports assessing the reservoir performance will be published semiannually for the first two years and annual reports thereafter. We feel that this may be satisfactory, however have some reservations regarding the isolation of the resource manager (Chevron) from the PON.

5.) How adequate are the <u>analyses</u> proposed for relating performance data to technical, commercial, and socio-economical viability of the system?

____Excellent

Fair

Poor

L XX Good

Not enough detail on Chevron's participation is presented.

6. Does the offeror plan explicit documentation of the permitting and regulation, process, including environmental matters?

Yes

(7)

Overall rating. What is the quality of the total plan for acquiring and managing data from the demonstration?

•	Excellent
XX	_Good
6	Fair
•	Poor

Offeror Chevron/SDG & E

Advisor U.S.G.S.

VI. MODELING AND STIMULUS

- A. Reservoir Characteristics
 - 1. Is the reservoir large enough for success of the demonstration plant? Yes
 - 2. How many similar reservoirs of this type exist in the U.S.? What segment of the U.S. liquid-dominated, low-and-medium salinity geothermal resource does this reservoir represent?

Two dozen similar temperature but maybe only a few with a geologically similar reservoir.

For other resources of similar temperature we would include the following, which are within + 20°C of the subsurface temperature at Heber: Hot Springs Bay, Alaska (180°C), Power Ranch Wells, AZ (180°C), Surprise Valley, CA.(175°C Sulphur Bank Mine, CA (185°C), Brawley, CA (200°C), East Mesa, CA (180°C), Big Creek Hot Springs, ID (175°C), Sharkey Hot Springs, ID (175°C), Crane Creek, ID (180°C), Near Cambridge, ID (180°C), Baltazor Hot Springs, NV (170°C), Gerlach Hot Springs, NV (170°C), Hot Sulphur Springs, NV (185°C), Near Wells, NV (180°C), Sulphur Hot Springs, NV (190°C), Kyle Hot Spring, NV (180°C), Leach Hot Spring, NV (170°C), Hot Springs Ranch, NV (180°C), Jersey Valley Hot Springs, NV (185°C), Lee Hot Spring, NV (175°C), Lightning Dock, N.M. (170°C), Hot Lake, OR (180°C), Neal Hot Spring, OR (180°C), Crump Springs, OR (180°C), Weberg Hot Spring, OR (170°C), Thermo Hot Spring, NV (200°C), Longmire Hot Spring, WA (170°C), and Summit Creek, WA (170°C).

Resources of geologic similarity and of similar salinity are much more limited, and in fact are restricted to the Imperial Valley. . For salinity of the resources cited, the similarity applies more to the lone end of the range of salinity for similar brines. For these resources we have included, Westmorland, East Mesa, North Brawley and South Brawley.

- 3. Is the reservoir temperature representative of other sites likely to be commercially developed? Yes
- Is brine content of this reservoir representataive of many other fields?
 Yes
- 5. To what extent will the reservoir and site serve as a stimulus for commercial development of other plants by:

•	Representative	Predictability
	(Excellent, Good,	Fair, Poor)
- Demonstrating broad applicability of the reservoir technology	Good	Fair
- Initiating development at a resource of large potential?	Good	Good

Why?

The many engineering problem areas if overcome, should provide a great stimulus to the industry. Conversely a failure here could hinder future development of of like reservoirs.

VI-1

MODELING AND STIMULUS

V1-4

Advisor U.S.G.S.

D. Overall Modeling Criteria

1. Predictability

To what extent will the demonstration provide information needed to predict reservoir and plant performance on this site, or similar sites, for follow-on plant development? (Review DATA MANAGEMENT) ievaluation)

Excellent

XX Good (Advisor opinion).

_____ Fair

Poor

2. Prospective Economic Success

Now successful is a follow-on commercial enterprise likely to be, under conditions similar to those of the demonstration?

Excellent

____ Good

XX Fair (Advisor Opinion)

Poor