

BOE M Bureau of Ocean Energy Management

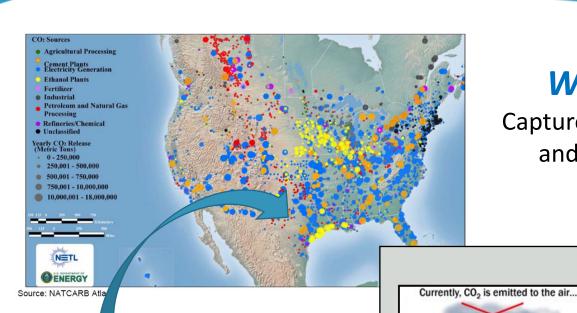
2022 GOM Sand Management Working Group meeting

December 8, 2022 New Orleans, Louisiana

Presented By:

Carlos Alonso | Resource Evaluation / Resource Studies Section Chief December, 2022

Carbon Sequestration Overview

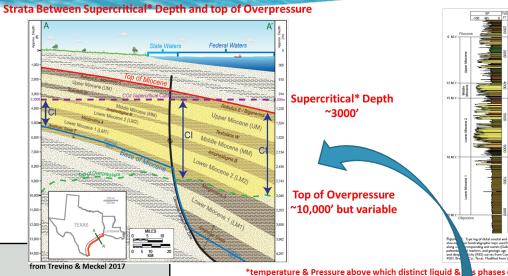


WHAT?

Capture, Transport and Storage

Carbon extracted

from coal or other fossil fuel...



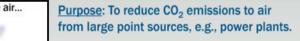
*temperature & Pressure above which distinct liquid &

WHERE?

Within subsurface

WHY?

Numerous CO₂ emission point sources along the **Gulf Coast**



CO2 is captured at point source, concentrated into high pressure, "supercritical" fluid...

Transported via pipeline, then injected into the deep subsurface where...

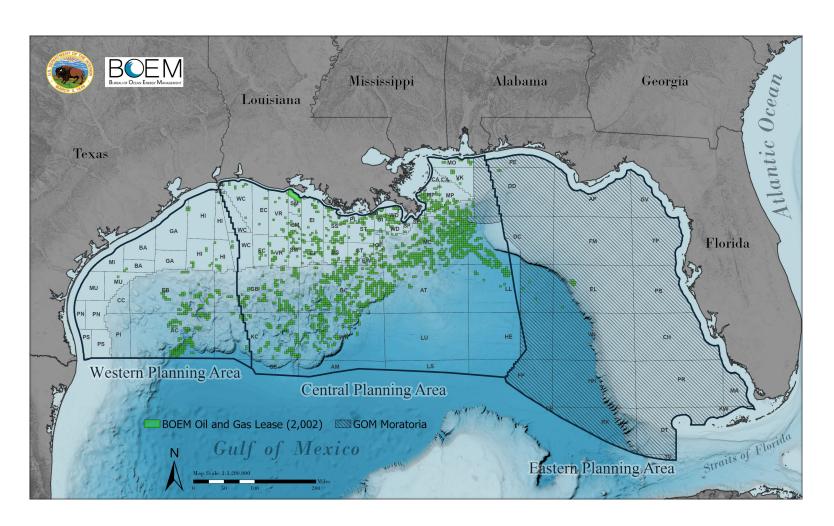
CO2 is stored, typically in pore space, for a geologically significant time.

geologic formations with excellent storage reservoir properties

David Carr

UT-Austin, Bureau Economic Geology

Bipartisan Infrastructure Law, BIL



On November 15, 2021, Infrastructure Investment and Jobs Act, know as the Bipartisan Infrastructure Law (BIL) became law.

Section 40307 of the BIL amends
Outer Continental Shelf Lands Act,
OCSLA, to authorize the Secretary of
the Interior to grant a lease, easement,
or right-of-way on the outer
Continental Shelf for activities that
"provide for, support, or are directly
related to the injection of a carbon
dioxide stream into sub-seabed
geologic formations for the purpose of
long-term carbon sequestration".



Rulemaking Summary

- Joint Bureau of Ocean Energy Management (BOEM) Bureau of Safety and Environmental Enforcement (BSEE) rulemaking is underway
- Rulemaking team established relying on existing expertise throughout the bureaus
- Extensive outreach underway



Topics under consideration for the rulemaking include:



- Financial and economic considerations
- Environmental considerations
- Pre-lease exploration/site characterization
- Leasing
- Plans
- Liability

- Operations, facilities, and pipelines
- Well qualification and offset infrastructure
- Emergency response and mitigation
- Monitoring and reporting
- Decommissioning



Considerations for Gulf of Mexico Carbon Storage







PreSale / Site Selection

- Regional Scale Assessment
- Input from stakeholders
- Considerations with other activities
- NEPA Analysis

Lease Sale

- Terms and conditions
- Location of offerings
- Size of offerings

Project Review

- Site characterization
- RiskManagement
- Plan / Permit submittal and revision
- Static/Dynamic Modeling

Injection and Monitoring

- Safety and Environmental
- Pressure
- CO₂ Plume Migration

Site Closure and <u>Decommission</u>

 Ensure containment and CO2 plume stability



GOM Saline Aquifer Characterization

Large potential for storage capacity

Unknown seal integrity

Fewer legacy wells

Smaller available pressure margins

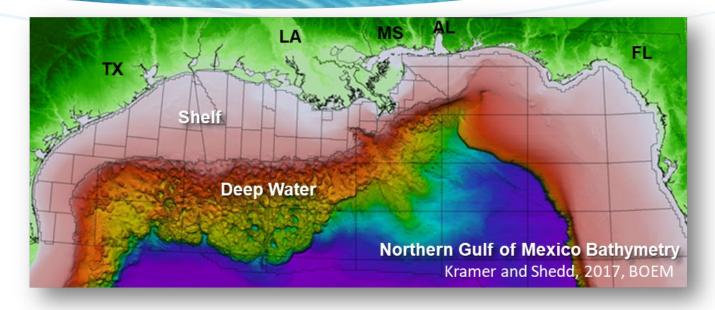
Abundant geologic, geophysical, engineering and production data

Monitoring challenges / economics

Multiple stacked reservoirs

Risk and

Considerations



- Saline Aquifers offer considerably larger CO2 storage potential relative to depleted reservoirs
- BOEM has identified and delineated nearly 300 saline aguifer basins from offshore Texas to offshore Louisiana
- Investigating suitability of individual Saline Aguifers
- Analysis will be utilized in considerations for Gulf of Mexico lease offerings



GOM Depleted Reservoir Characterization

Potential for greater available pressure margins

Abundant geologic, geophysical, engineering, and production data

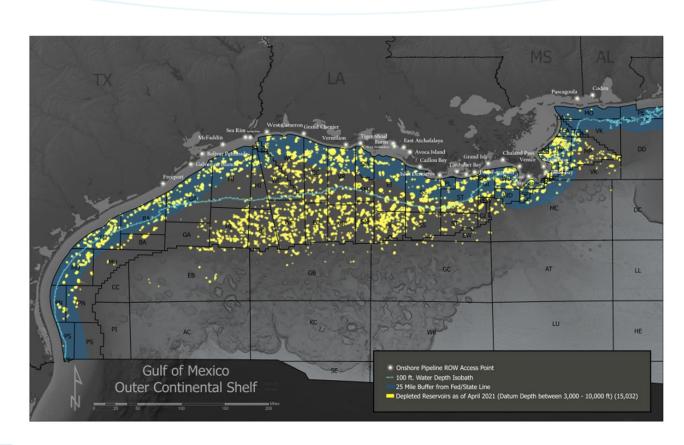
Proven trap and seal

Numerous legacy wells

Smaller storage capacity

Depleted reservoirs require an understanding of current reservoir temperatures and pressures

Risk and Considerations

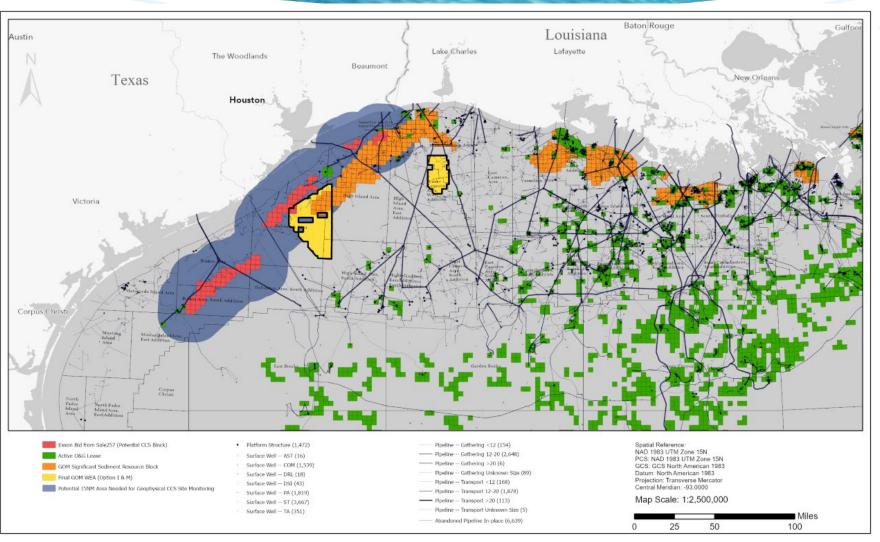


- Greater than 23,000 depleted reservoirs in the GOM.
- Greater than 15,000 in depth range of 3,000′ 10,000′ sstvd.



Gulf of Mexico Multi-Use Activity Considerations

Multi use activities can coexist in the Gulf of Mexico with proper planning.





GOM Sand Management Workshop Meeting CCS Conclusions

- The Gulf of Mexico and other United States OCS areas are poised to play a significant role in the nation's mission to reduce greenhouse gas emissions.
- The geology of the offshore Gulf of Mexico, among other offshore basins, is conducive to safely and permanently store large amounts of CO2 in subsurface reservoirs, both saline aquifers and depleted oil and gas reservoirs.
- Both Depleted Reservoirs and Saline Aquifers are containers for offshore storage of CO2 in the GOM; however, saline aquifers offer the potential for much greater storage capacities with less impact of legacy wells.
- Carbon Sequestration can coexist with other activities on the OCS including Sand Sediment Resources, Oil and Gas, Wind and other renewable energy with proper planning.



Questions

Thank you



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