

Petroleum Potential of Cambrian Sediments within the Rome Trough

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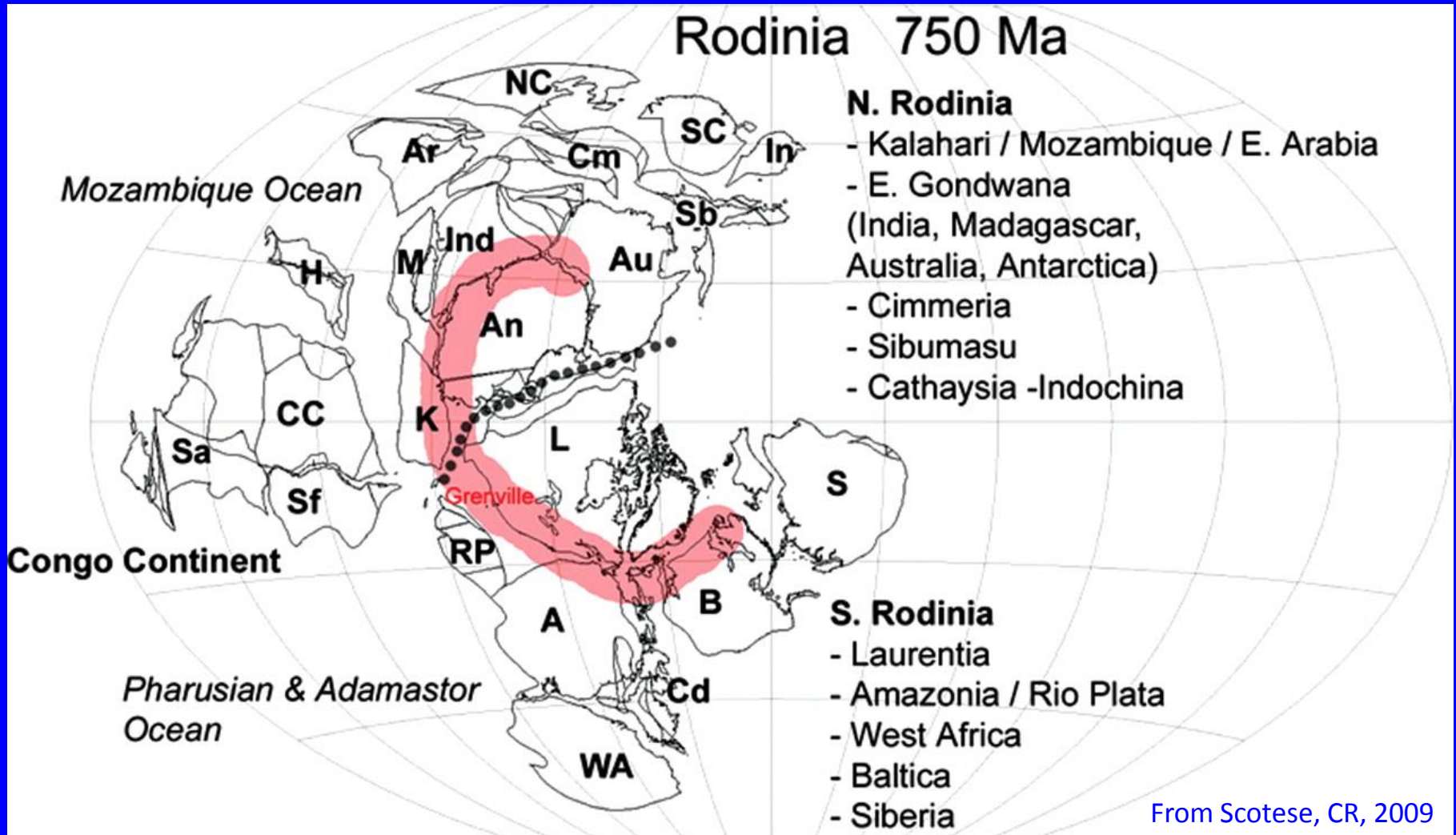
Unconventional Shale Resources



Regional Tectonic Setting:

Neoproterozoic - Late Cambrian

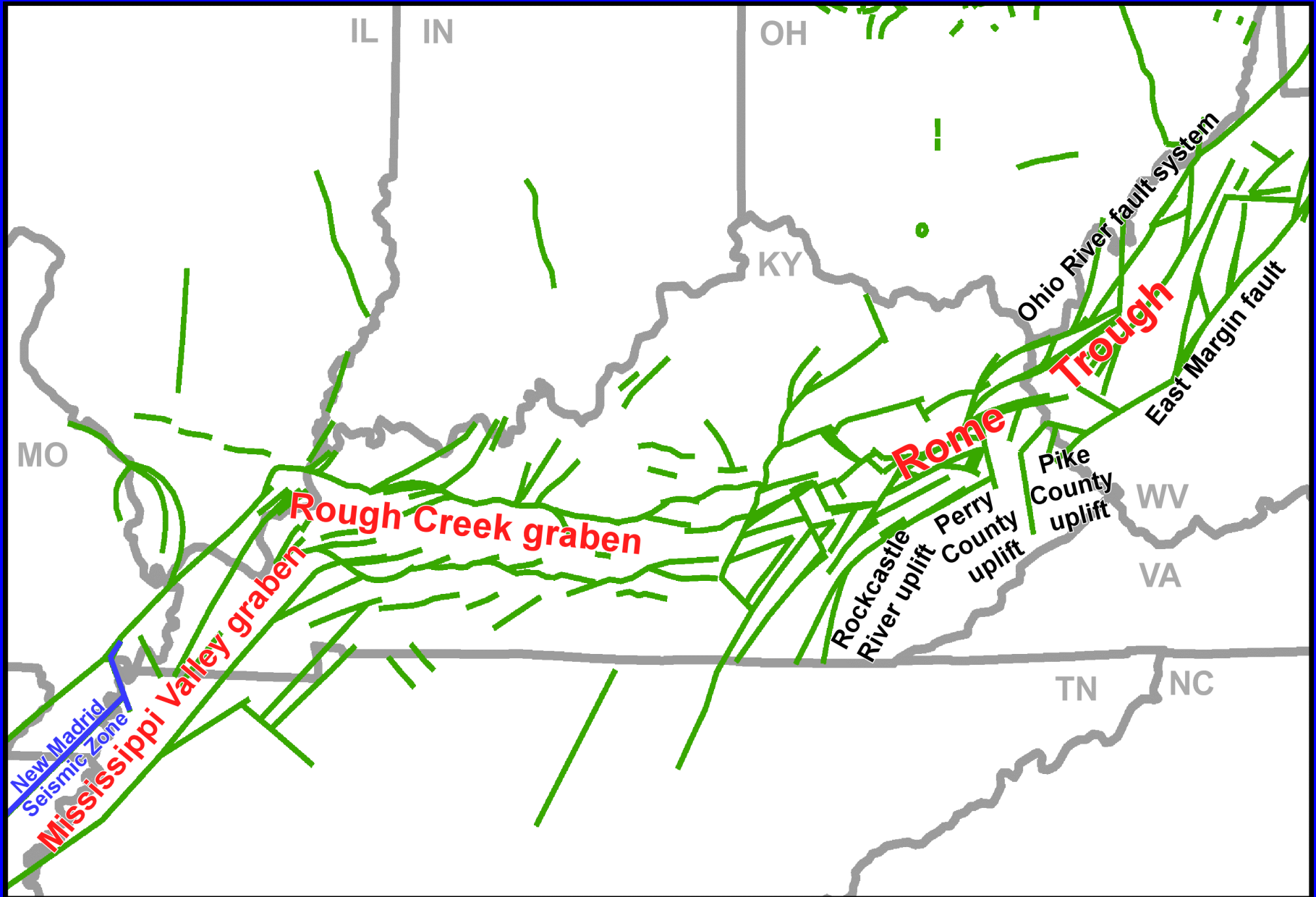
Breakup of Rodinia Supercontinent



Eastern Interior Rift System




- Three contrasting regional features, all part of one “failed” rift:
 - Rome Trough
 - Rough Creek Graben
 - Mississippi Valley Graben
(a.k.a. Reelfoot Rift)

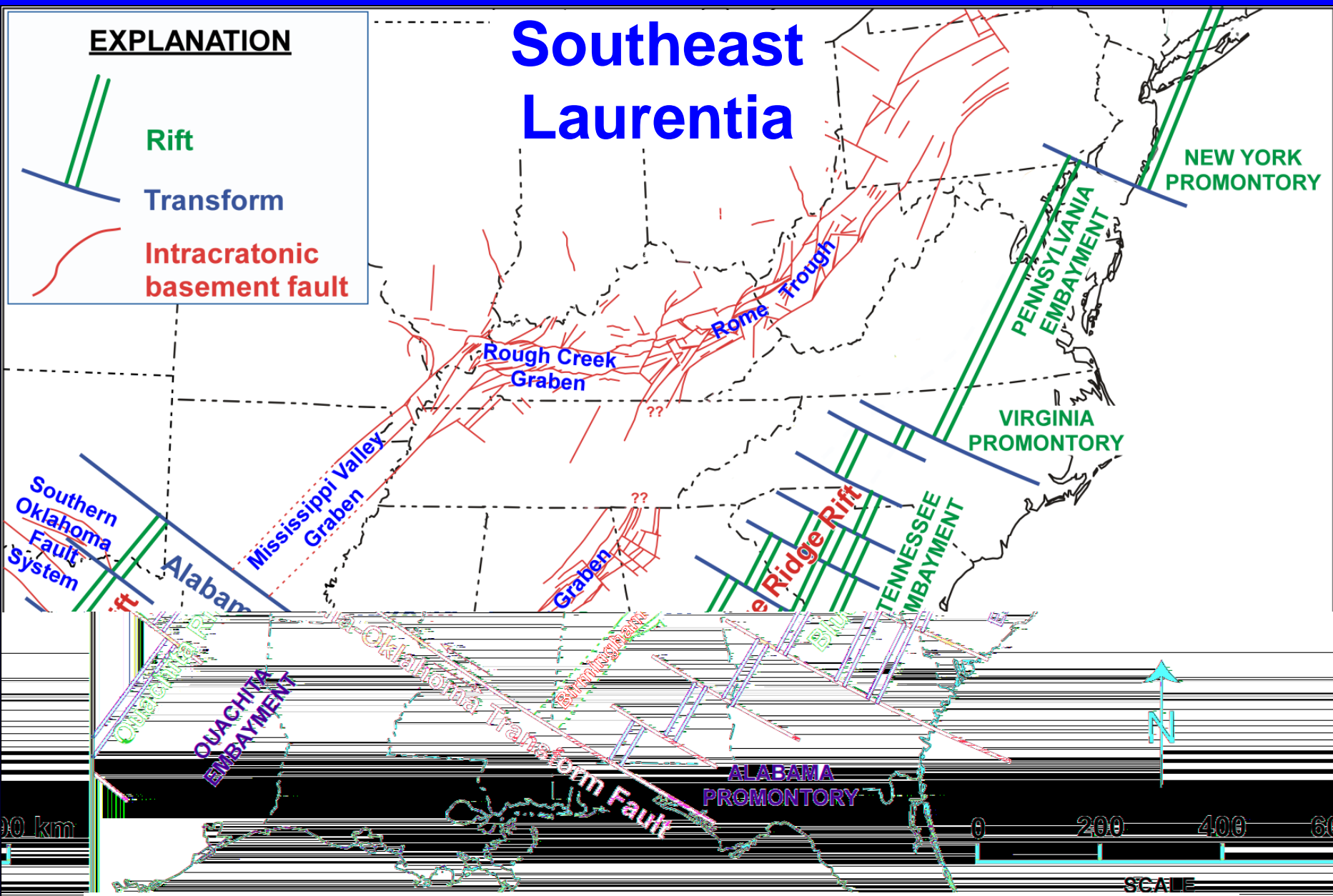
Subsurface Features



Southeast Laurentia

EXPLANATION

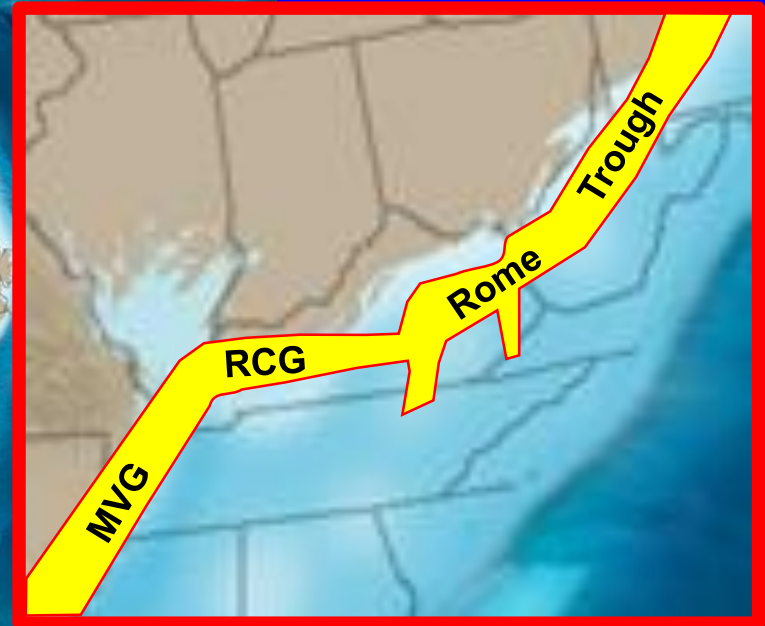
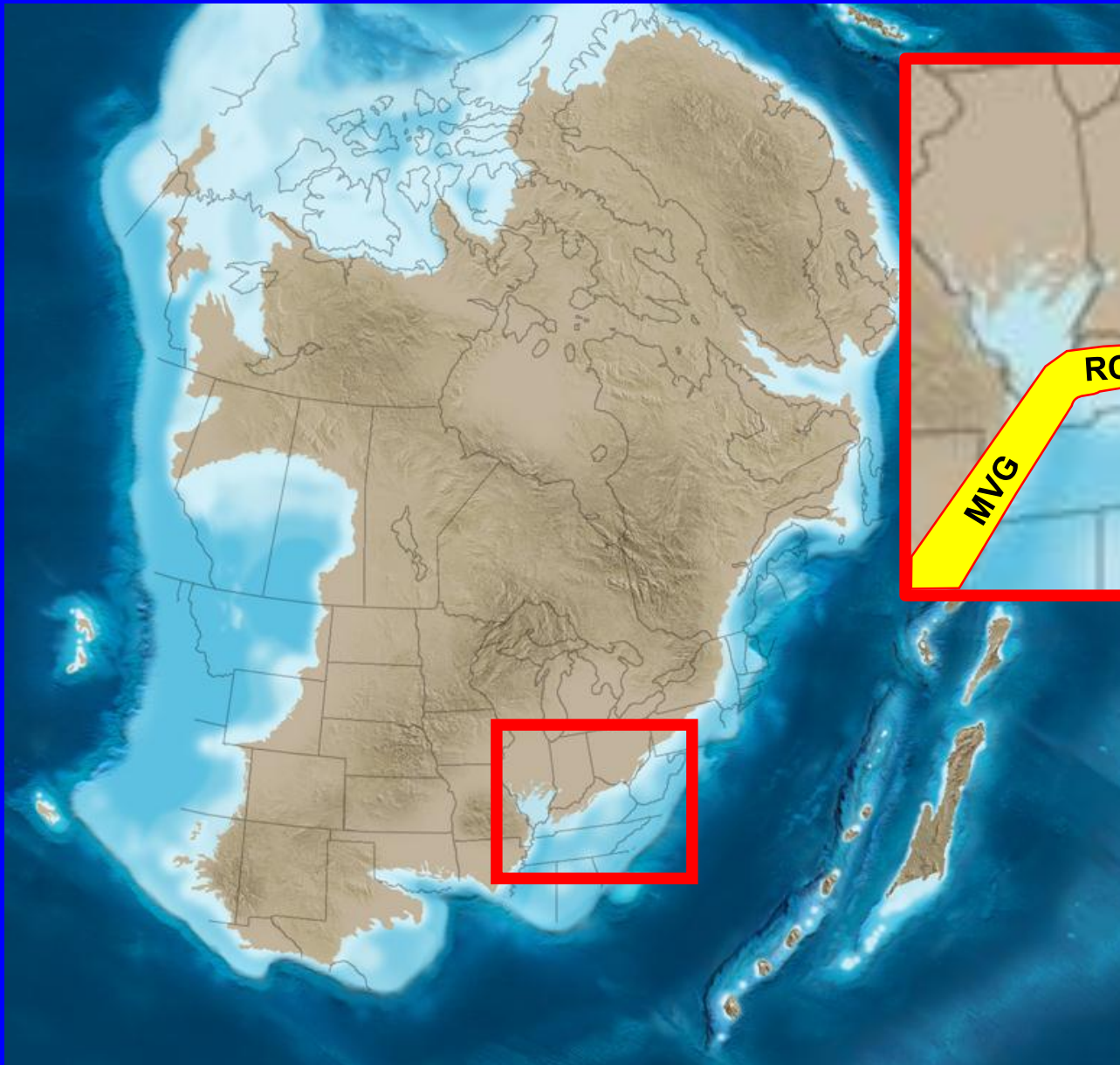
-  Rift
-  Transform
-  Intracratonic basement fault



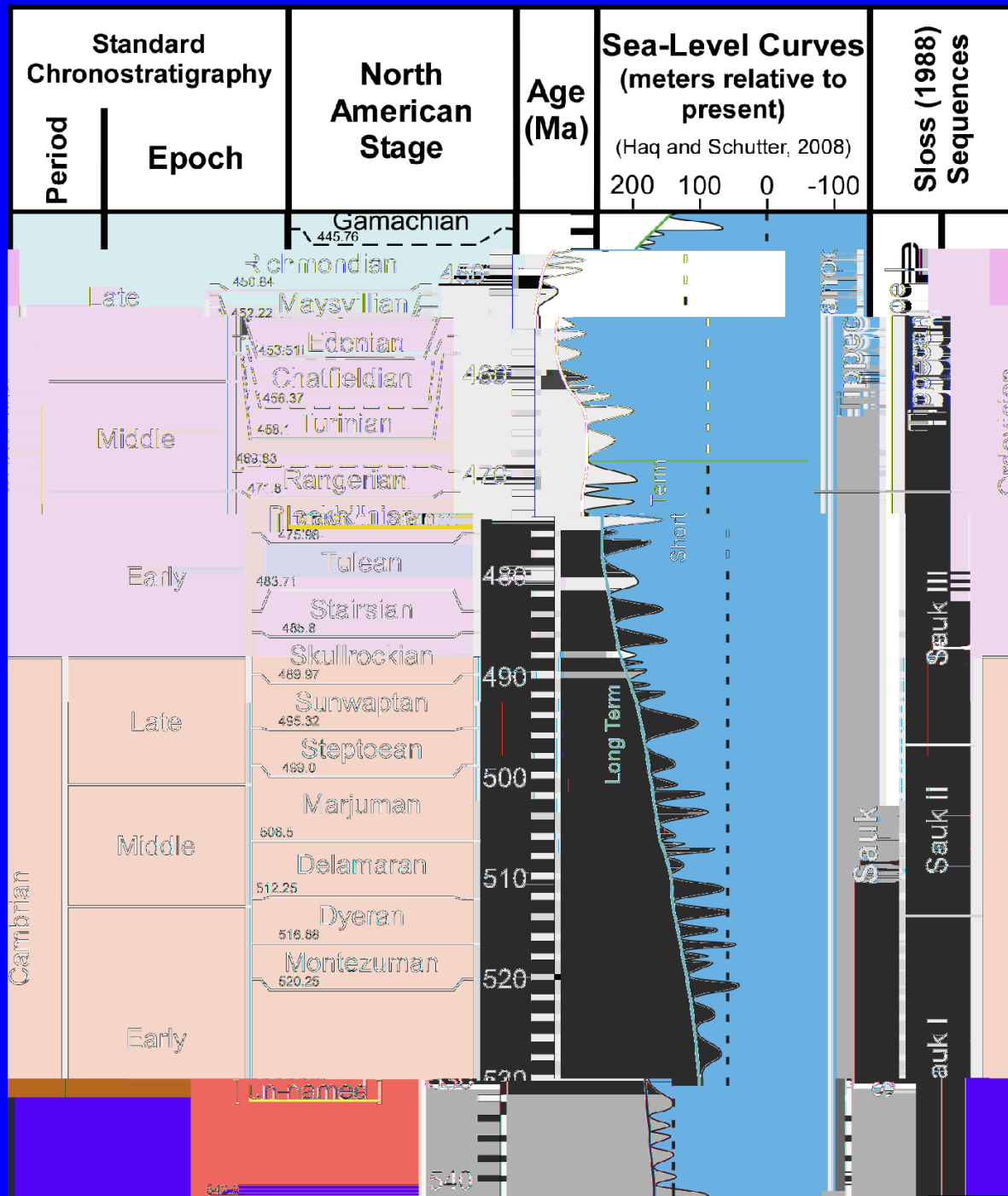
Locations of Laurentian margin, Birmingham Graben, and Southern Oklahoma Fault System from Thomas (1991, 2006).

Cambrian Stratigraphy and Deposition

Middle Cambrian Paleogeography



Ron Blakey, Colorado Plateau Geosystems, Arizona USA

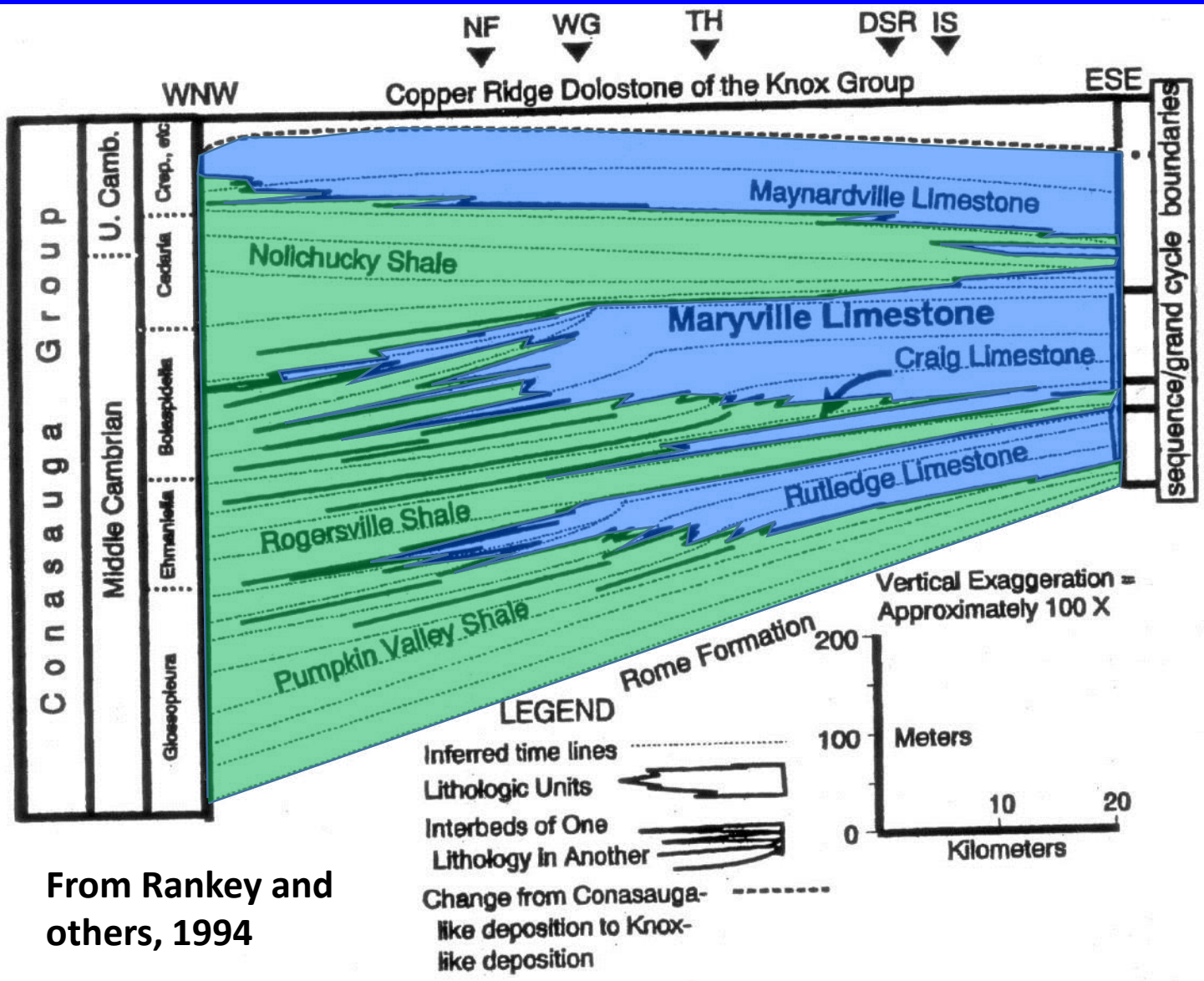


**Post-rift
Subsidence**

**Active
Rifting**

Conasauga Transgressive- Regressive Cycles

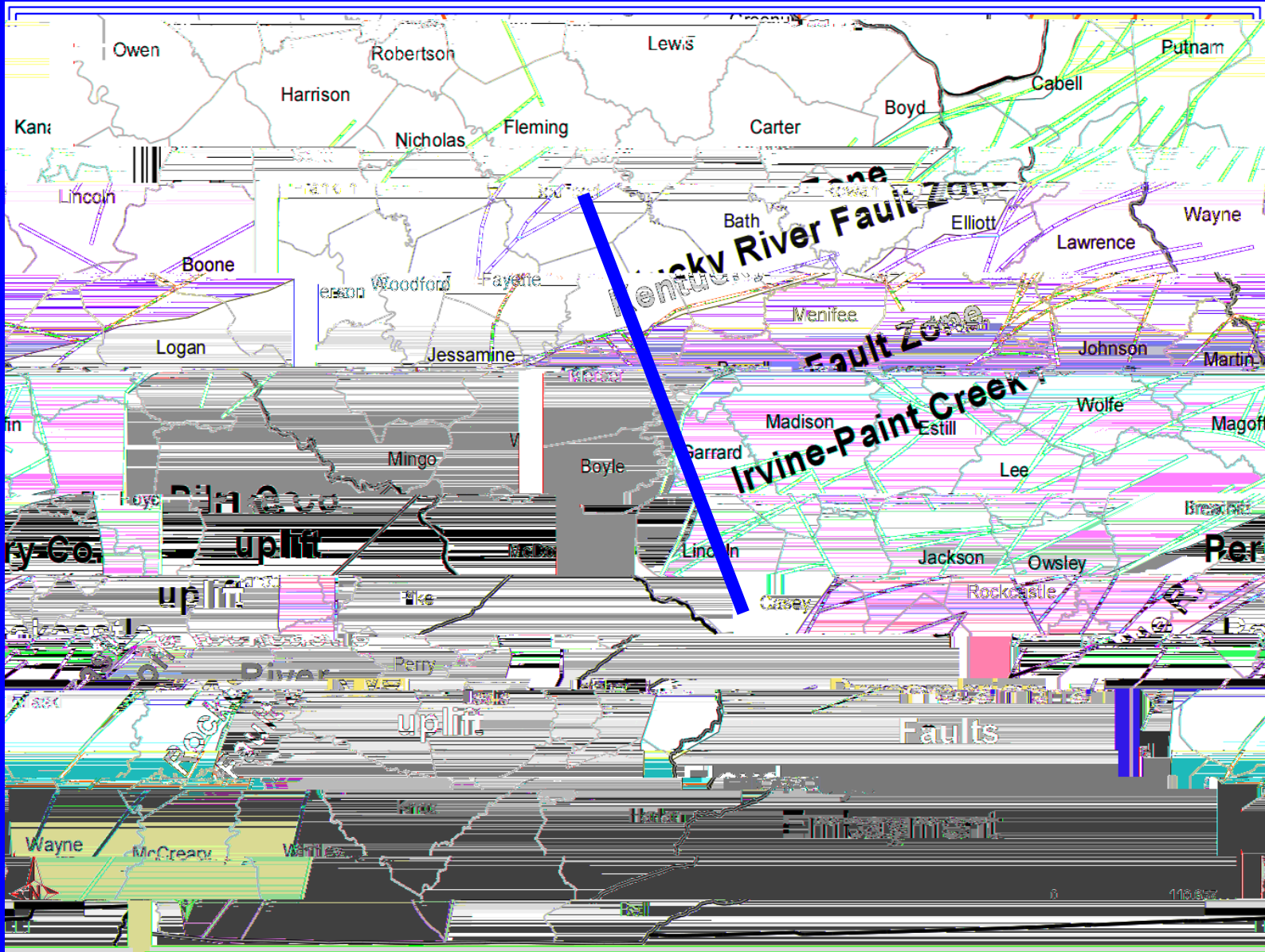
Eastern Tennessee Outcrops



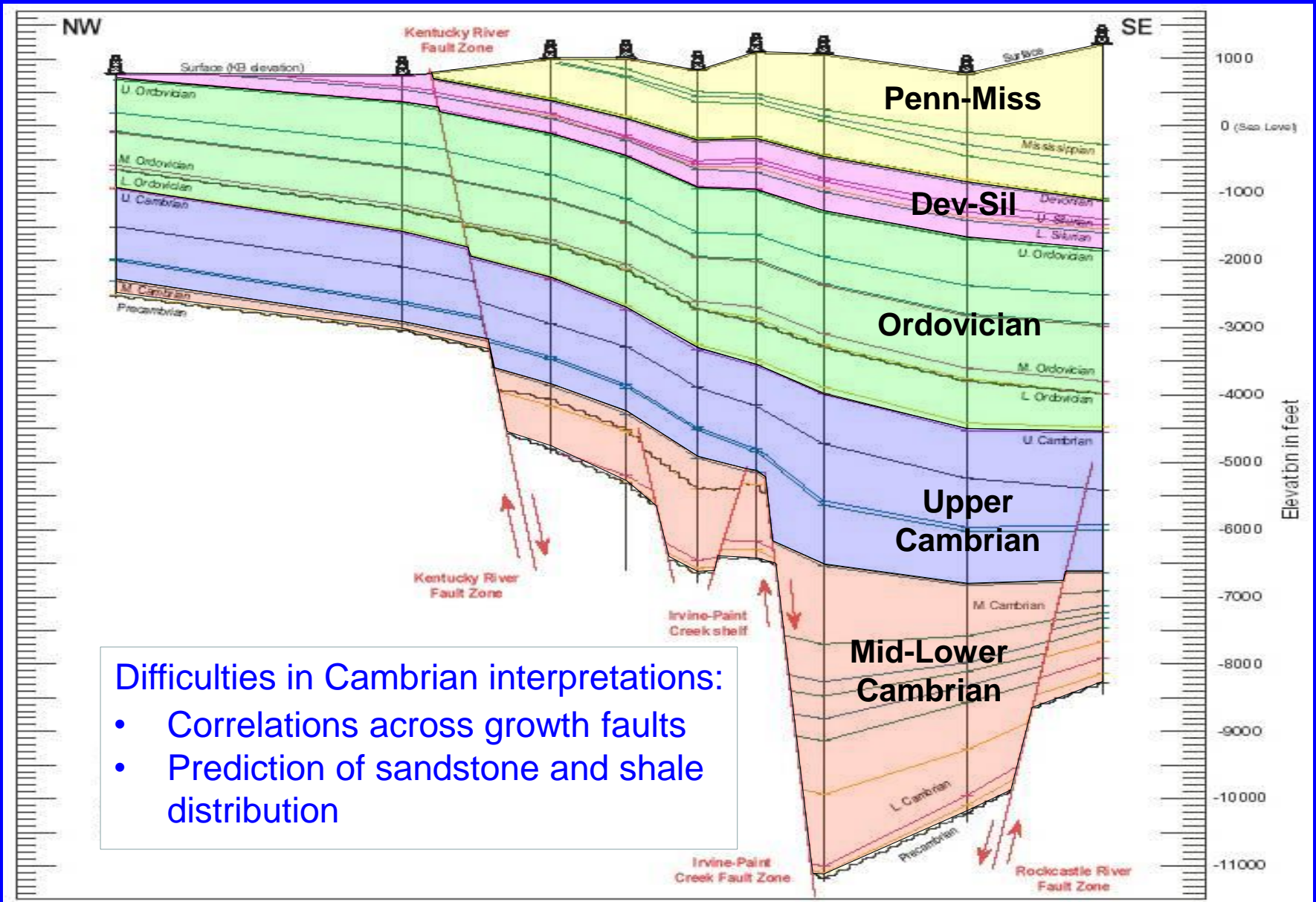
From Rankey and others, 1994

Rome Trough, Appalachian Basin

Rome Trough Structure



Simplified E. KY Cross Section



Difficulties in Cambrian interpretations:

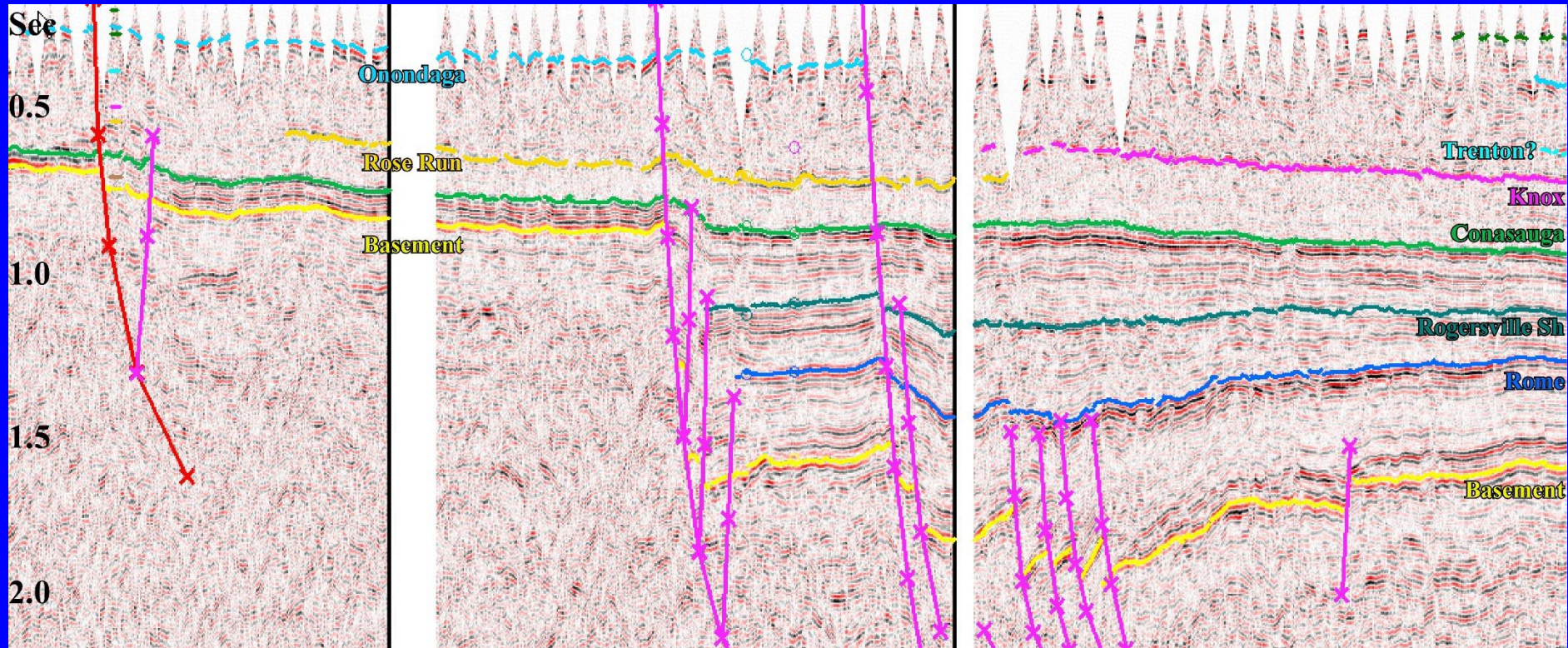
- Correlations across growth faults
- Prediction of sandstone and shale distribution

Eastern Kentucky Regional Seismic Example

NNW

Morgan to Magoffin County, KY

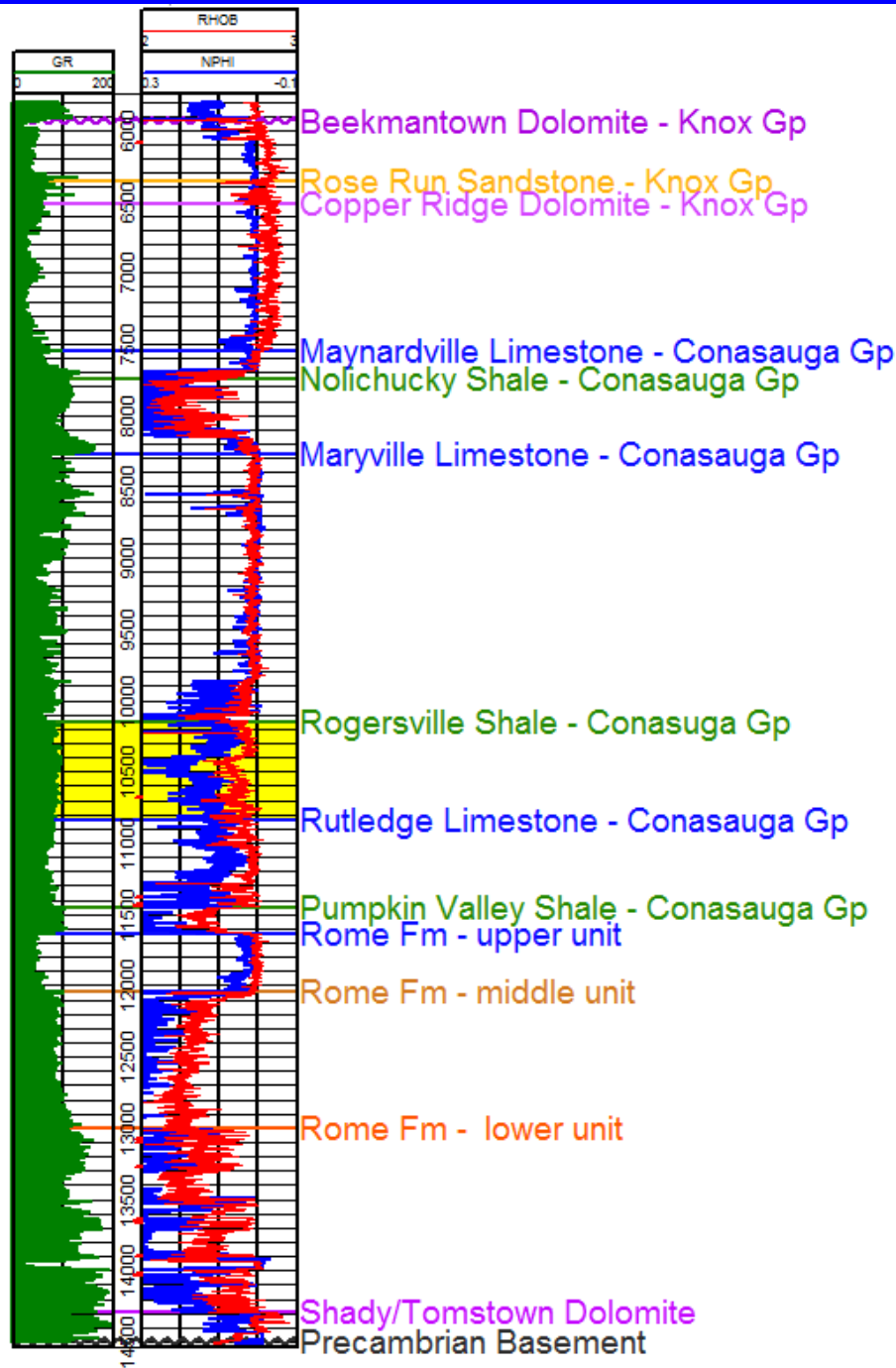
SSE



Approximate length of section is 49 miles.

Precambrian - Early Ordovician Stratigraphy within Rome Trough

U.S. Signal #1
Elkhorn Coal
Johnson Co.
Kentucky



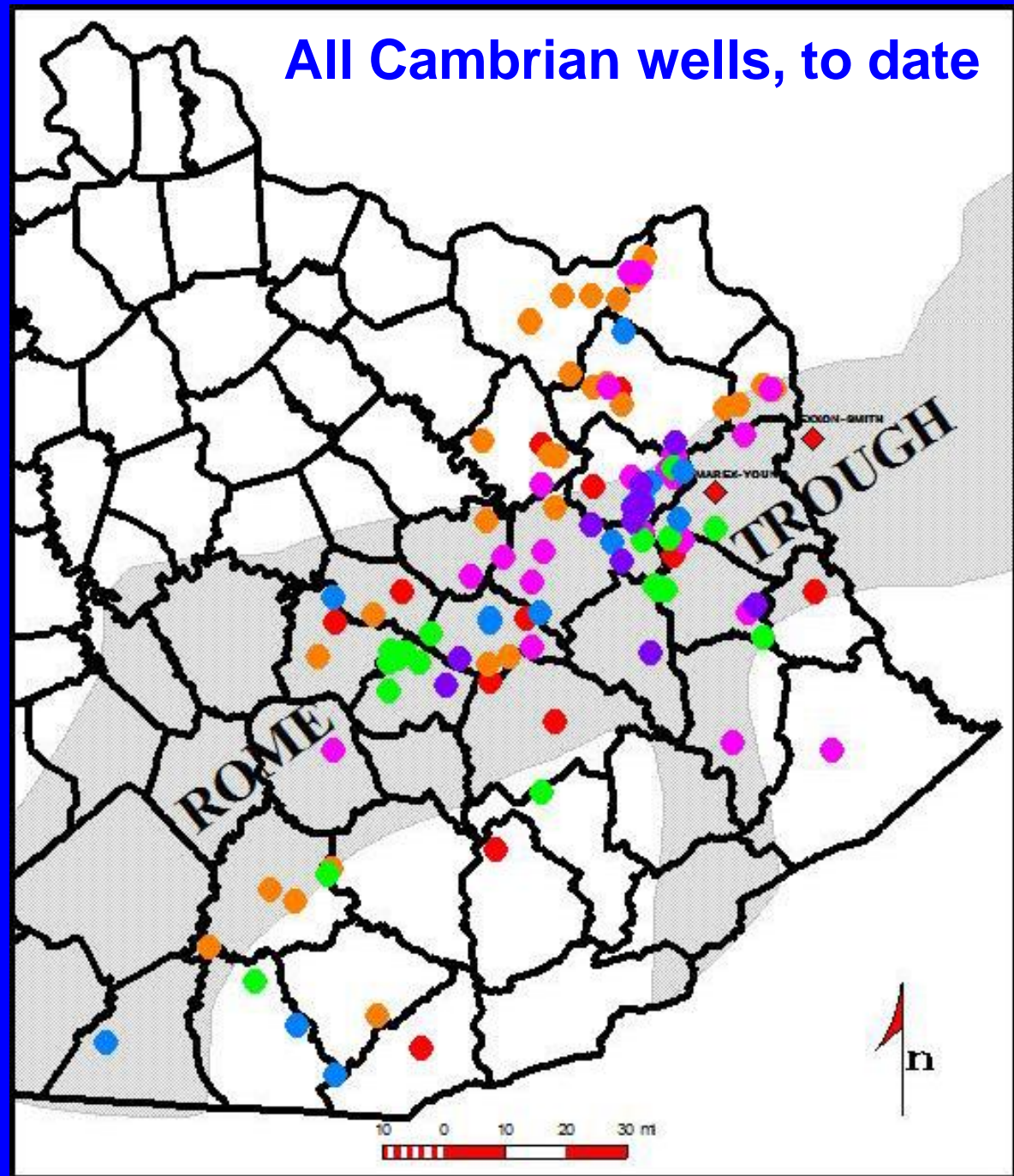
**Rogersville Shale
Source Rock Quality
and Thermal Maturity**

All Cambrian wells, to date

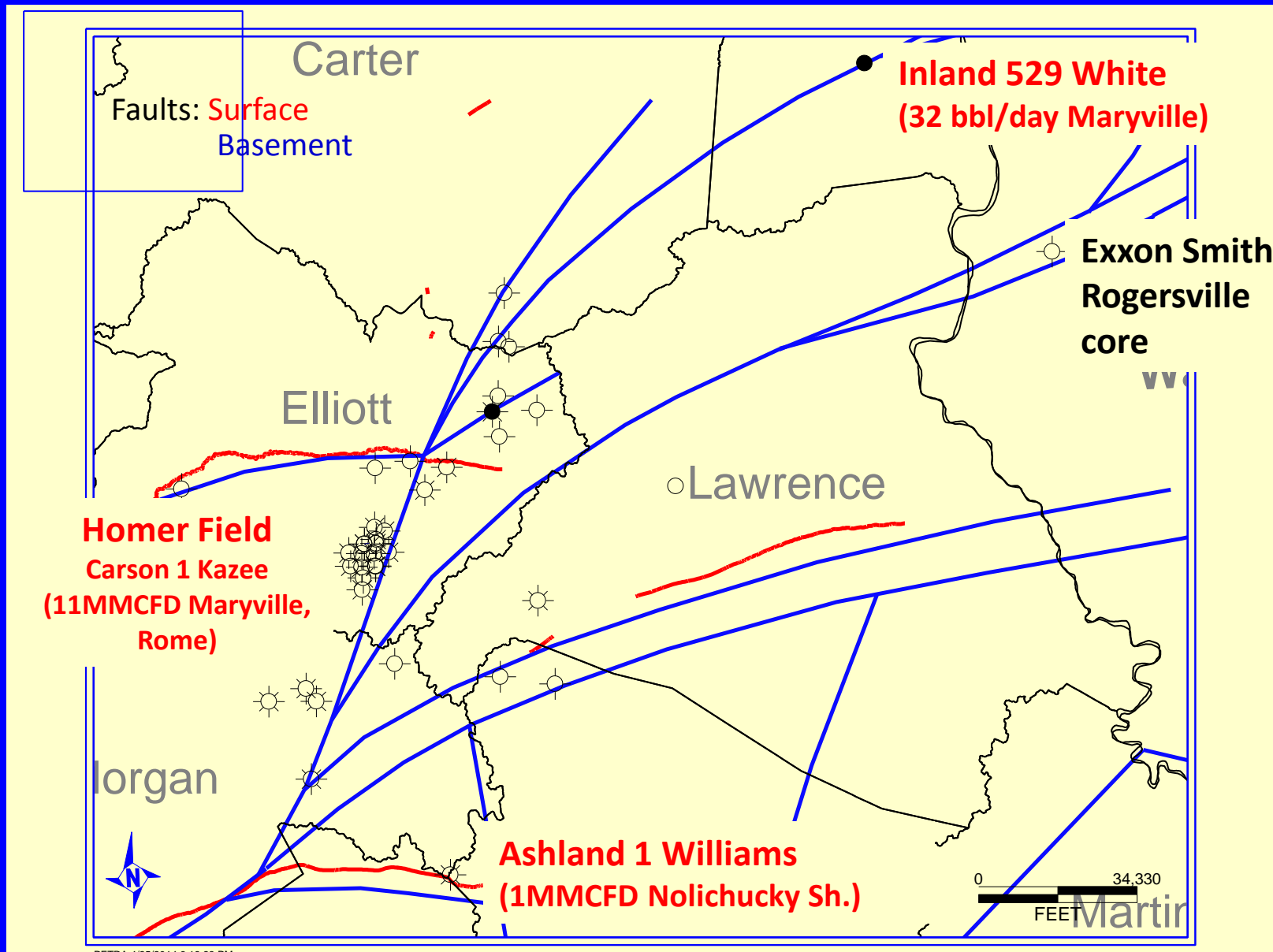
- Pre-1960 wells
- 1960's wells
- 1970's wells
- 1980's wells
- 1990's wells
- Early 2000's wells
- ◆ New Rogersville Shale tests (2014-'15)

Most deep wells have hydrocarbon shows, however, almost all are not sustainable or repeatable.

Image courtesy of J. Jenkins, Abarta Energy



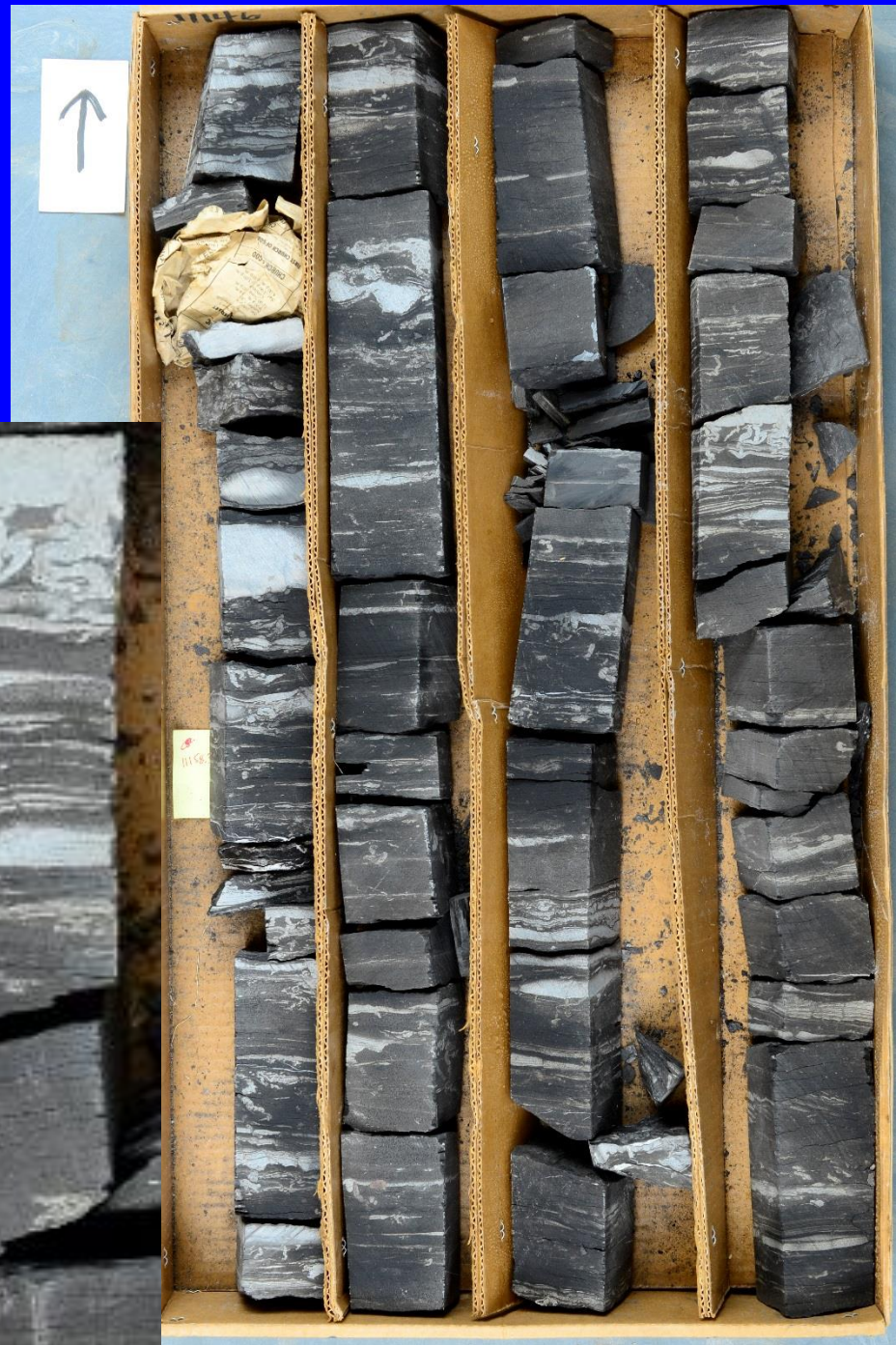
Rome Trough Production



Exxon #1 Smith
core:
11,191-11,200'



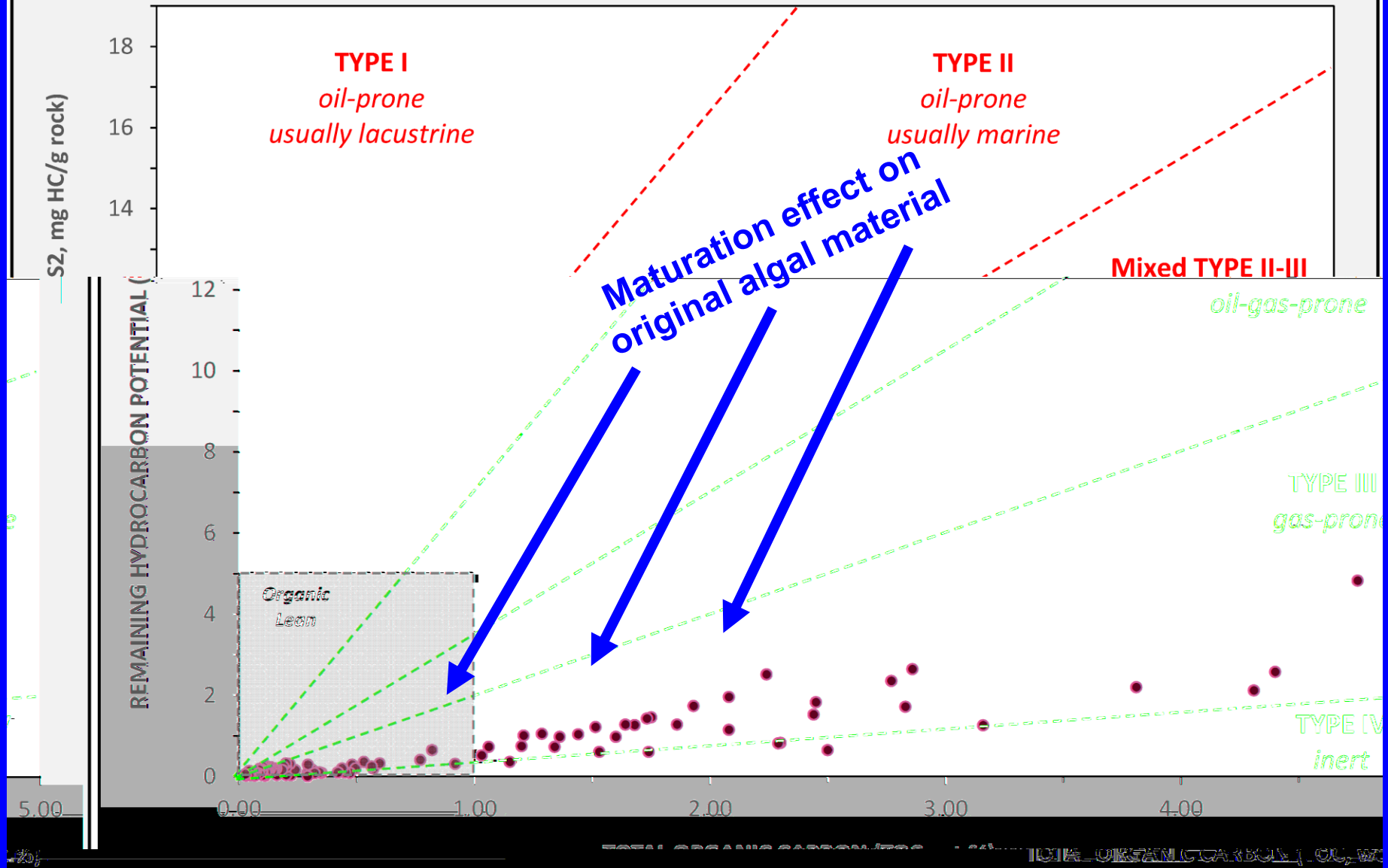
Exxon #1 Smith
core:
11,146-11,157'



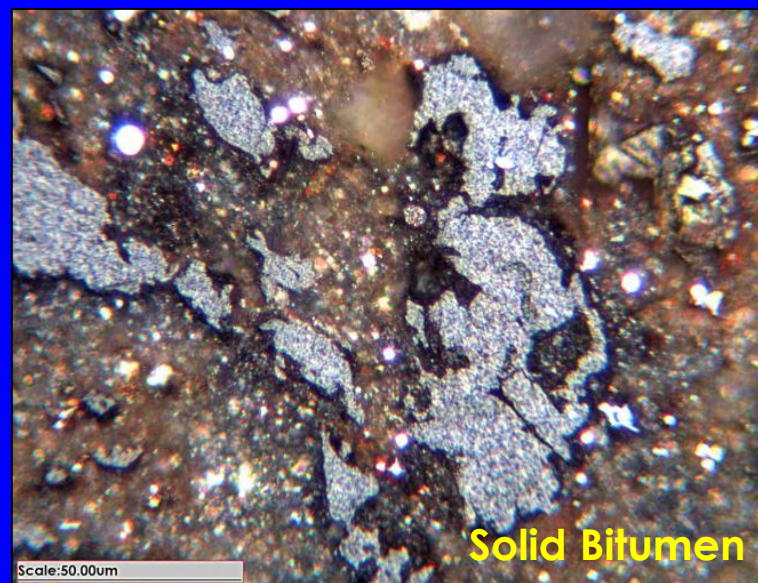
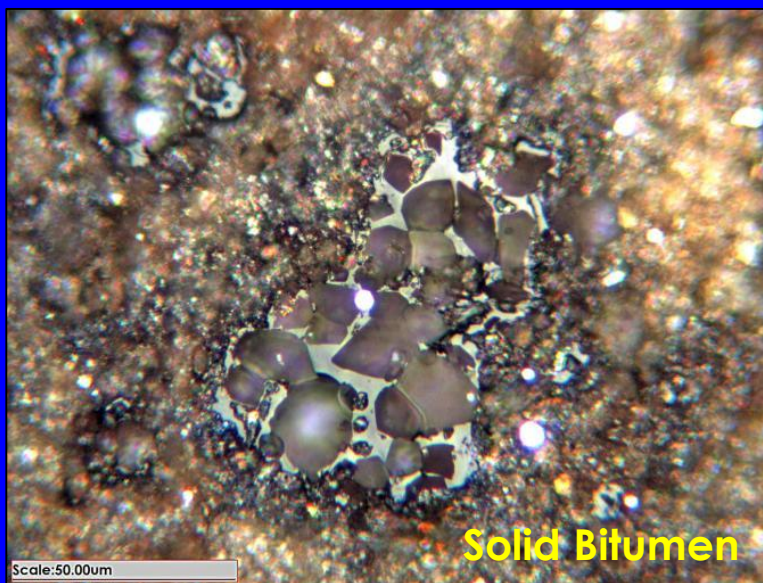
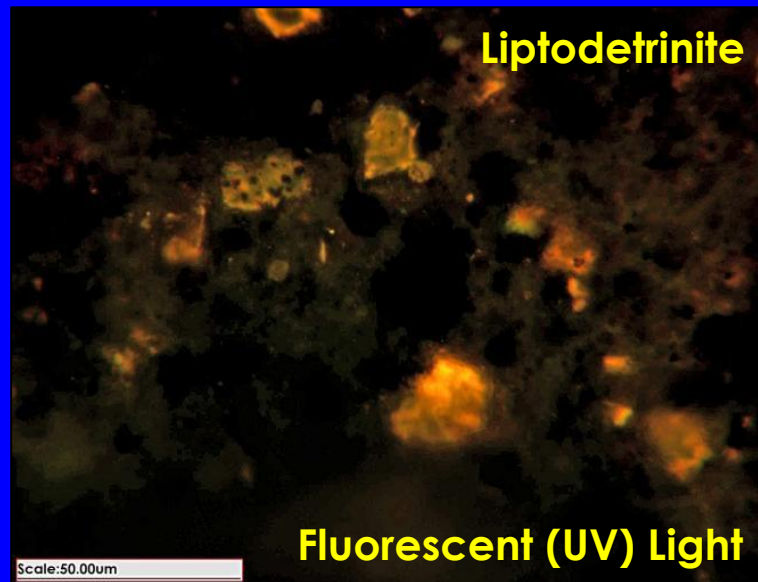
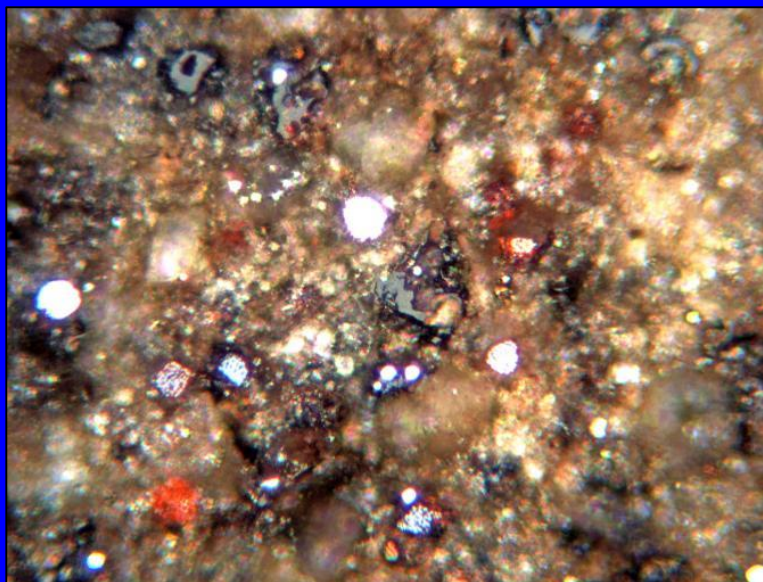
Rogersville Shale Deposition

- Shallow marine shale, with minor amounts of limestone and sandstone
- Peritidal bedding textures
- Numerous zones contain bioturbation features

Rogersville Shale Kerogen Quality



Rogersville Organic Petrography

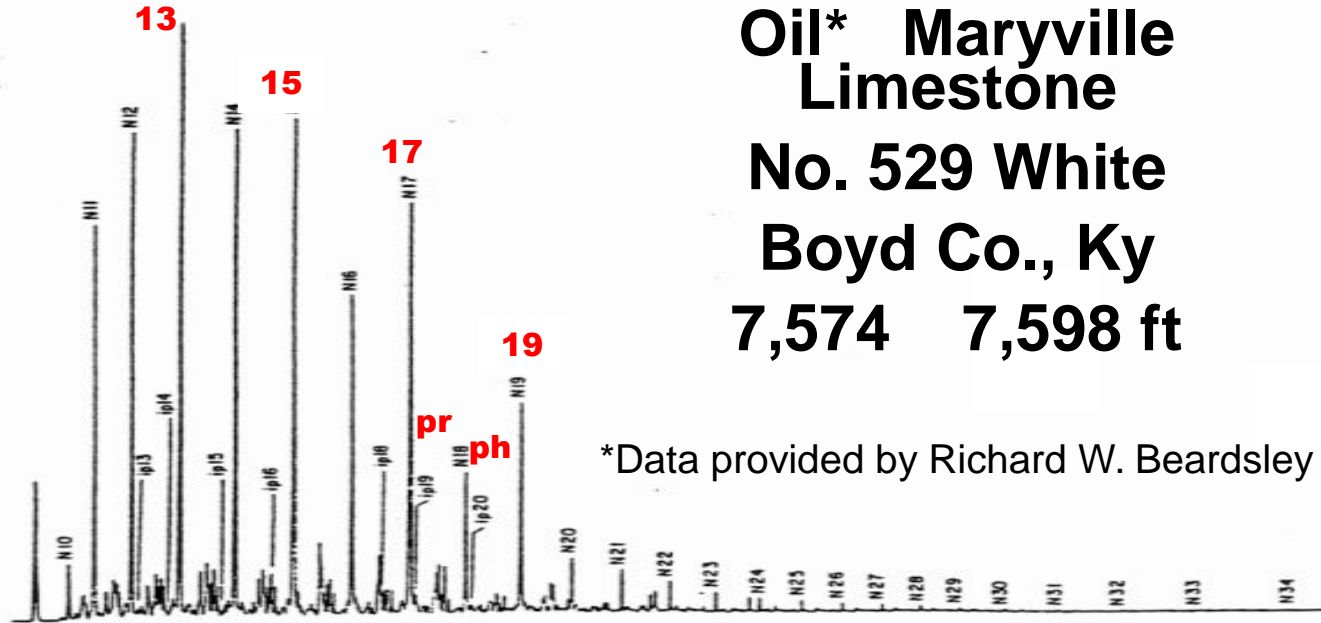


Source Rock Maturity

4709901572 - Exxon #1 Smith, Wayne Co., WV

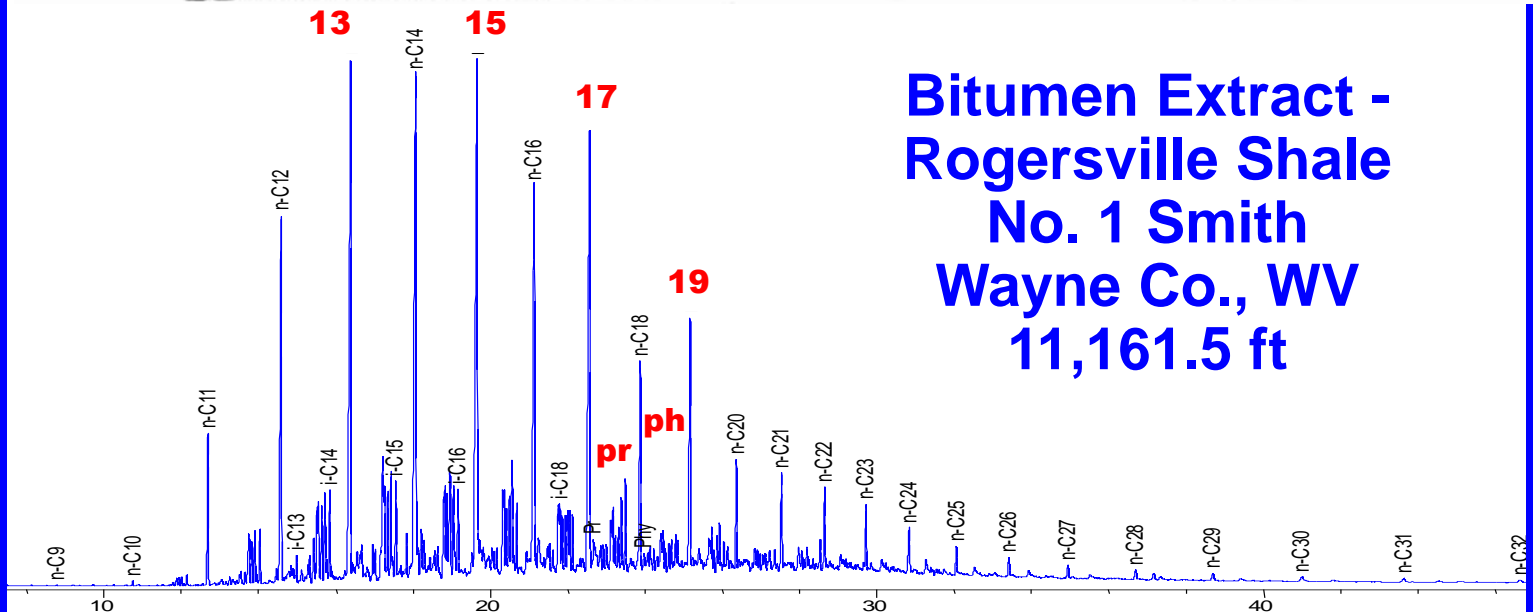
Bitumen Reflectance				
Core Depth (ft, md)	11167	11178	11191	11197
Average R_o random	1.76	1.80	1.80	1.84
Maximum R_o random	2.11	2.11	2.04	2.10
Minimum R_o random	1.50	1.47	1.53	1.59
Standard deviation	0.14	0.16	0.13	0.13
Observations/sample	50	50	50	50
Calculated R_o equivalent	1.49	1.51	1.51	1.54
$(R_o \text{ random} * 0.618) + 0.4$				
(Jacob, 1989)				
Indicated T_{max} from				
calculated R_o equiv.	480	482	482	484

**Oil* Maryville
Limestone
No. 529 White
Boyd Co., Ky
7,574 7,598 ft**



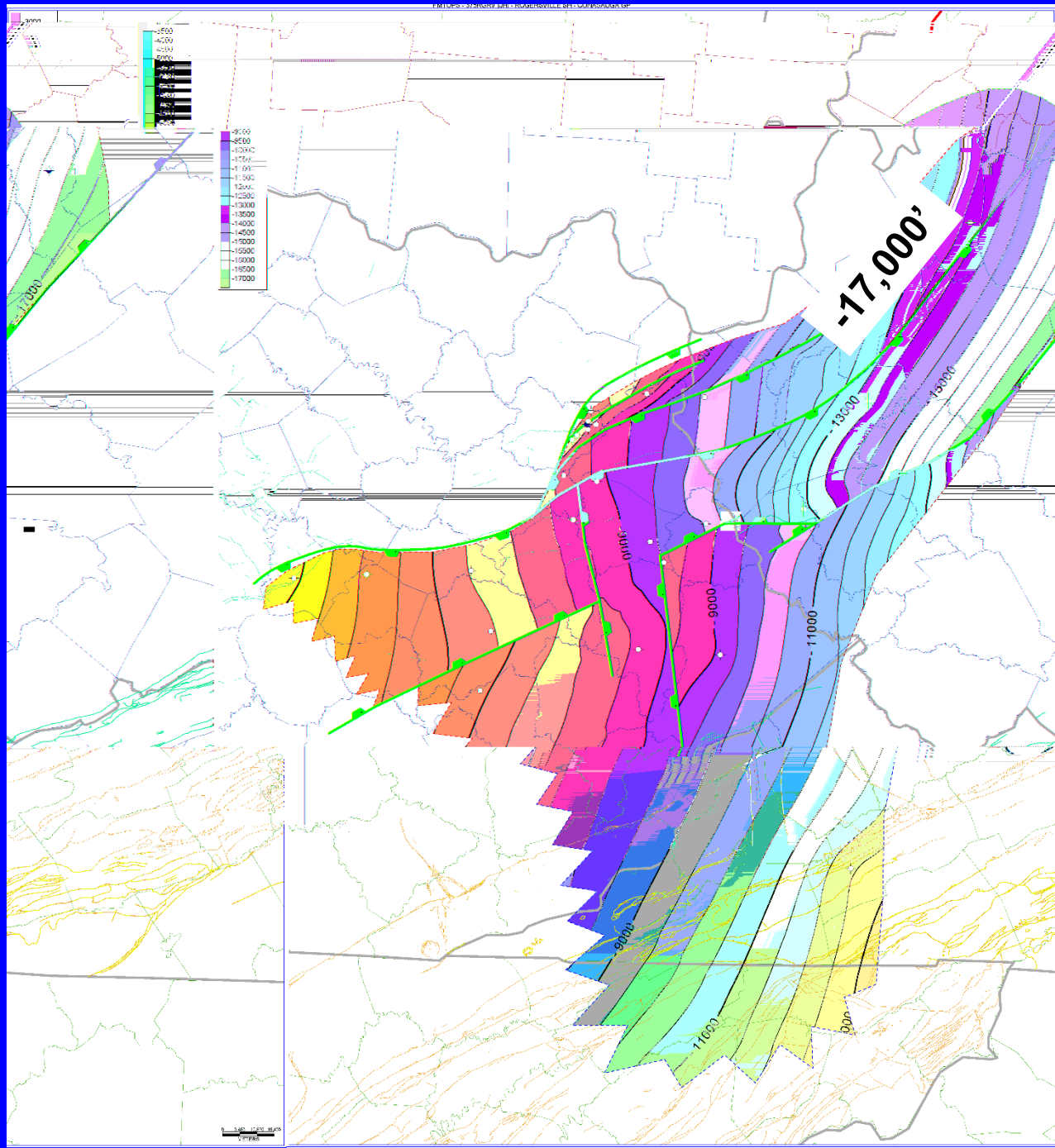
*Data provided by Richard W. Beardsley

**Bitumen Extract -
Rogersville Shale
No. 1 Smith
Wayne Co., WV
11,161.5 ft**



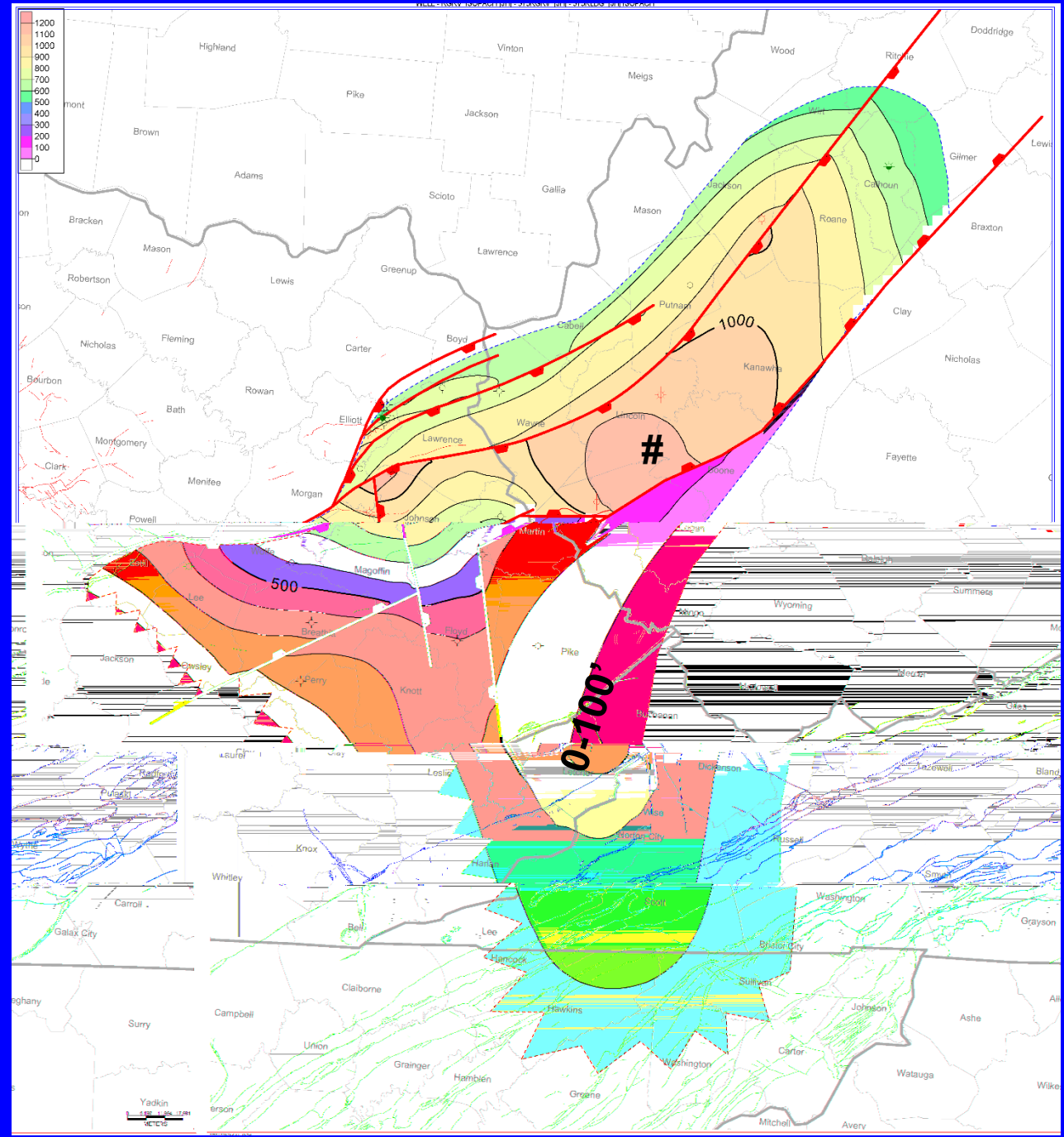
Rogersville Shale Structure Map

4,500 – 17,000 feet below sea level



Rogersville Shale Isopach Map

0 to ~1,125
feet thick



Rogersville Shale Summary

- 5,000 to 18,000 ft deep within Rome Trough
- Up to 1,100 ft thick, but limited to deeper parts of Rome Trough
- Contains up to 4.8% TOC in parts, but not all is organic rich
- Current maturity near wet gas – dry gas transition
- Has generated gas and condensate

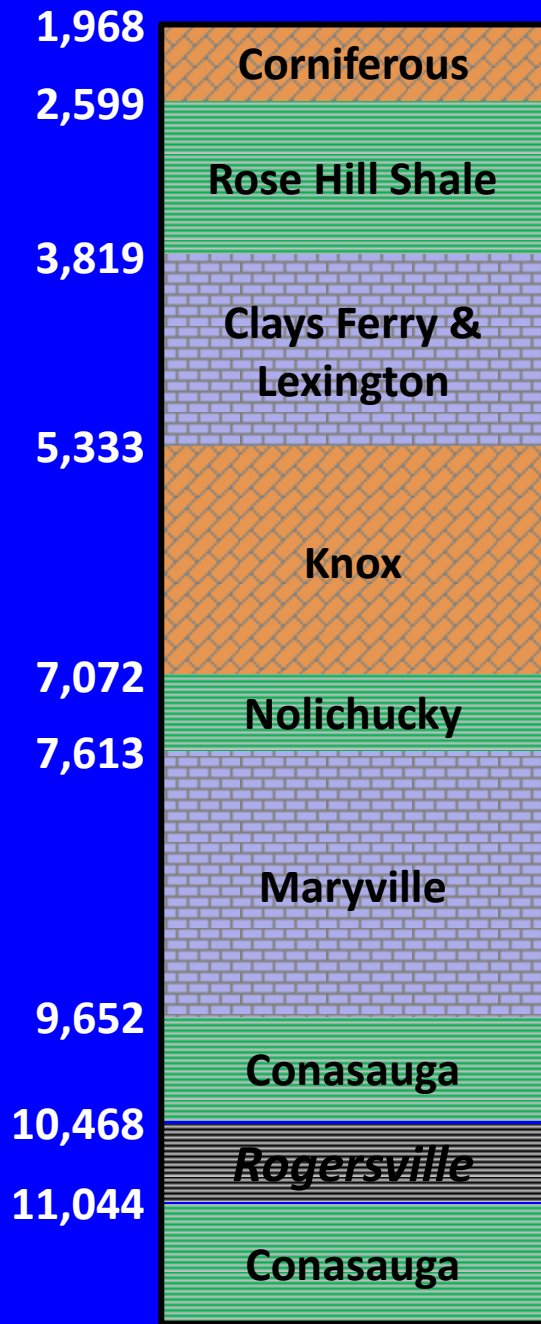
Rogersville Shale

**Unconventional Shale
Exploration Target**

Bruin Exploration #1 Young Lawrence County, Kentucky

- Permitted as a stratigraphic test, and drilled to a total depth of 12,169 ft in late 2013.
- Logs, samples from stratigraphic test held confidential for 5 years.
- Re-permitted as oil and gas well in 2014 to complete and test well.
- New horizontal leg permitted 9/04/15.

Bruin #1 Young Lawrence County

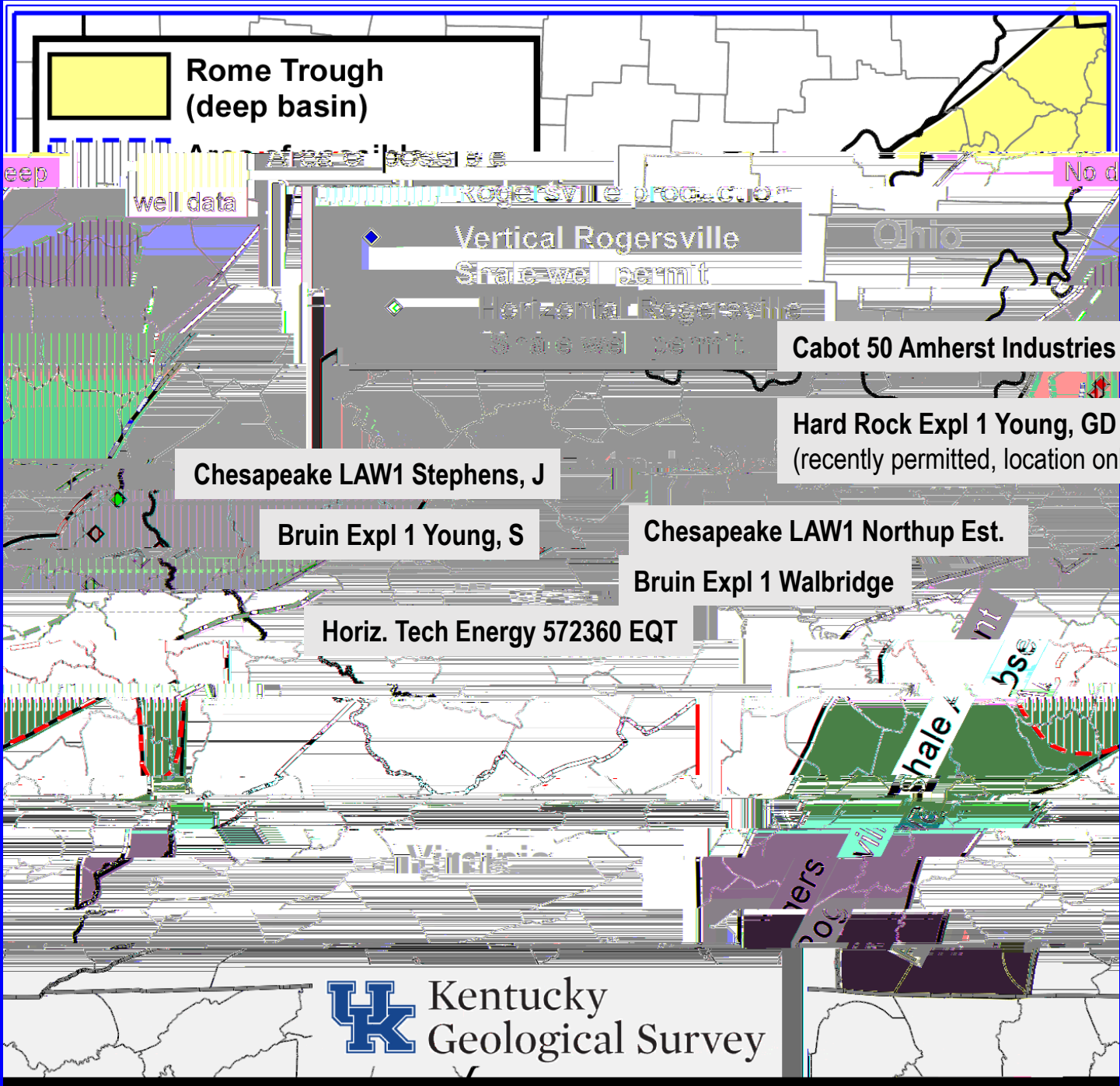


TD 11,967, Rome

- Slickwater frac (677,000 gal fluid, 600,000 lb sand), 576 ft interval
- Tested 115 MCFPD and 19 BOPD (5/6/2014), 2599 psi SIP
- Shut-in 5/30/2014
- 4,800 ft horizontal lateral permitted

New (2014-

- After rumored success of the Bruin #1 Young well, leasing boom for deep rights in Johnson, Magoffin, and Lawrence Cos., Ky
- More than 4,275 deep leases were sold in 18 months ending June 2015 (Cate, 2015)
- Prices per acre are now \$250-300 where \$25-50 was common 5 years ago



**Rome Trough
(deep basin)**

deep well data Rogersville production No d

Vertical Rogersville
State well permit

Horizontal Rogersville
State well permit

Cabot 50 Amherst Industries

**Hard Rock Expl 1 Young, GD
(recently permitted, location only)**

Chesapeake LAW1 Stephens, J

Bruin Expl 1 Young, S

Chesapeake LAW1 Northup Est.

Bruin Expl 1 Walbridge

Horiz. Tech Energy 572360 EQT

Shale

Current Play Status

- Five wells drilled to date
 - *Bruin Expl. (Cimarex)*: apparent discovery (shut-in) Lawrence Co., Kentucky
 - *Cabot Oil & Gas*: 1 vertical, Putnam Co., West Virginia, producing dry gas, zone unknown
 - *Chesapeake Energy*: 2 verticals (shut-in), Lawrence County, Kentucky
 - *Horiz. Tech. Energy (EQT)*: 1 horizontal, (under evaluation?), Johnson Co., KY
- Three horizontal lateral permits
- Most activity on hold due to low prices

KGS Microseismic Research

- Two monitoring programs to collect baseline data:
 - Microseismic: 12 stations installed; partnering with Cimarex Energy, Nanometrics
 - Groundwater quality from domestic wells
- Establishing background data prior to development will allow recognition of natural vs. man-made events
- Goal: avoid induced seismicity, fracking concerns seen in other areas

Chesapeake #1 Stephens

October 19, 2015

Google

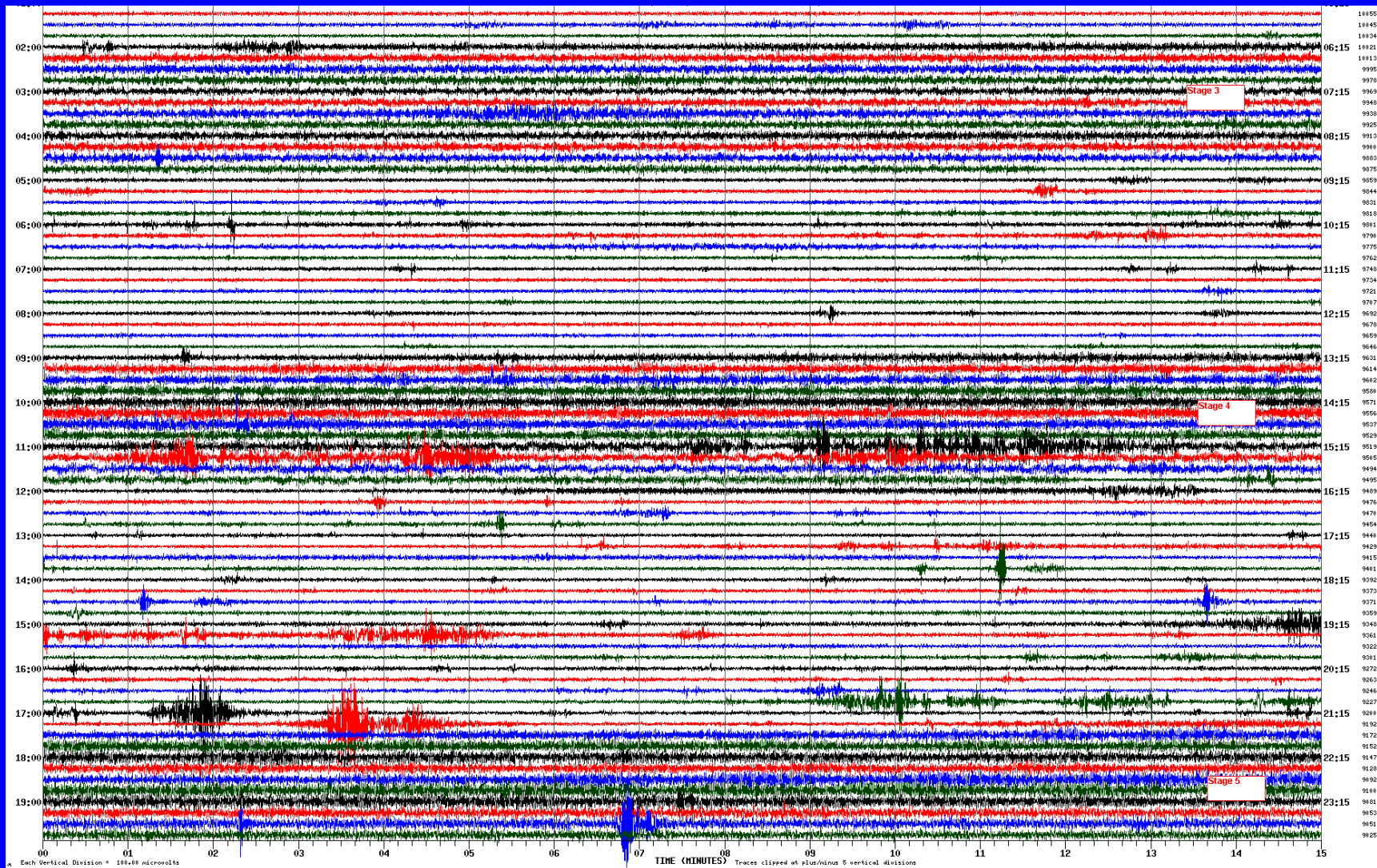
180 ft



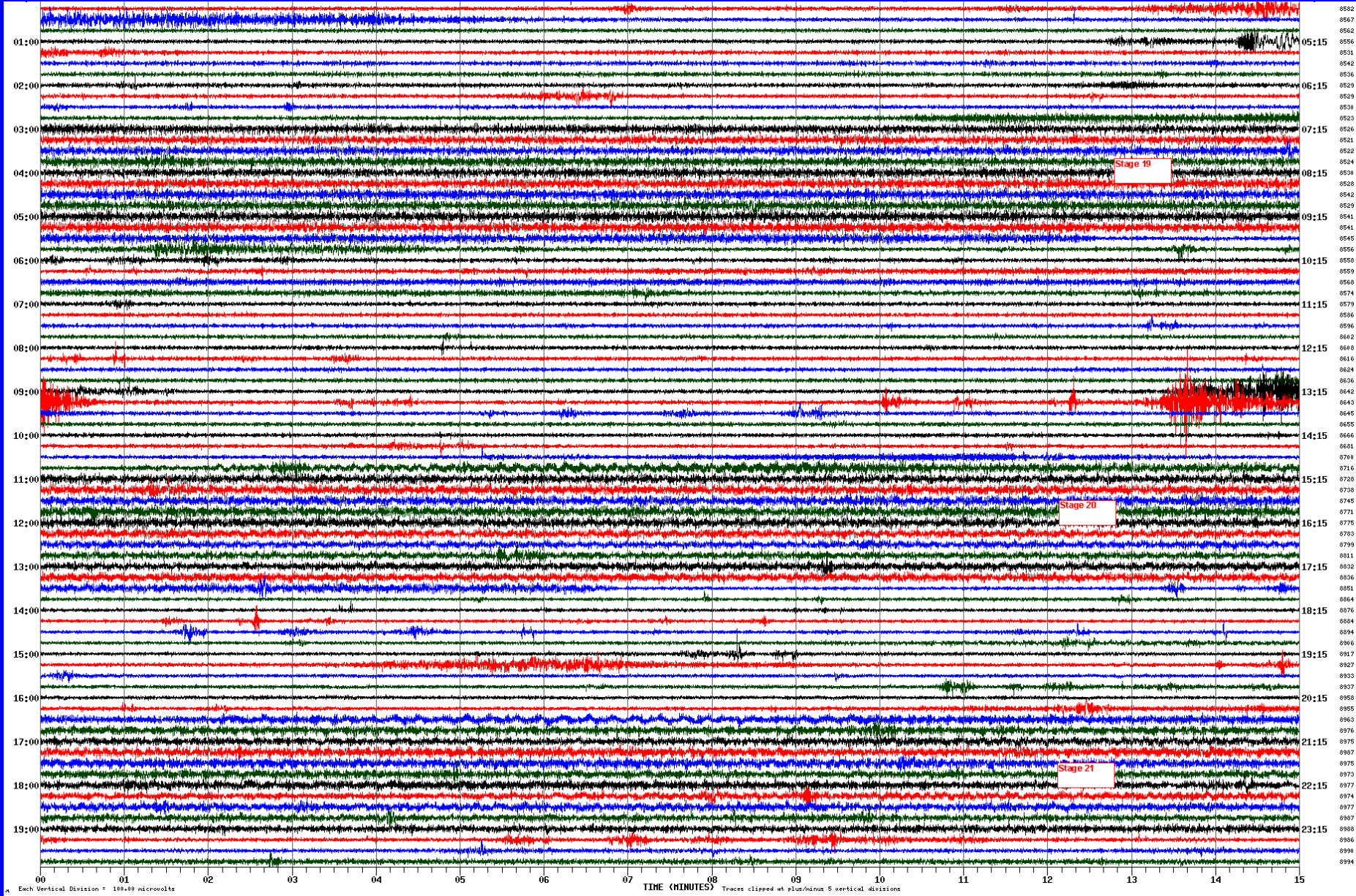
2004

Imagery Date: 10/18/2015 38°12'38.25" N 82°45'45.12" W elev 899 ft eye a

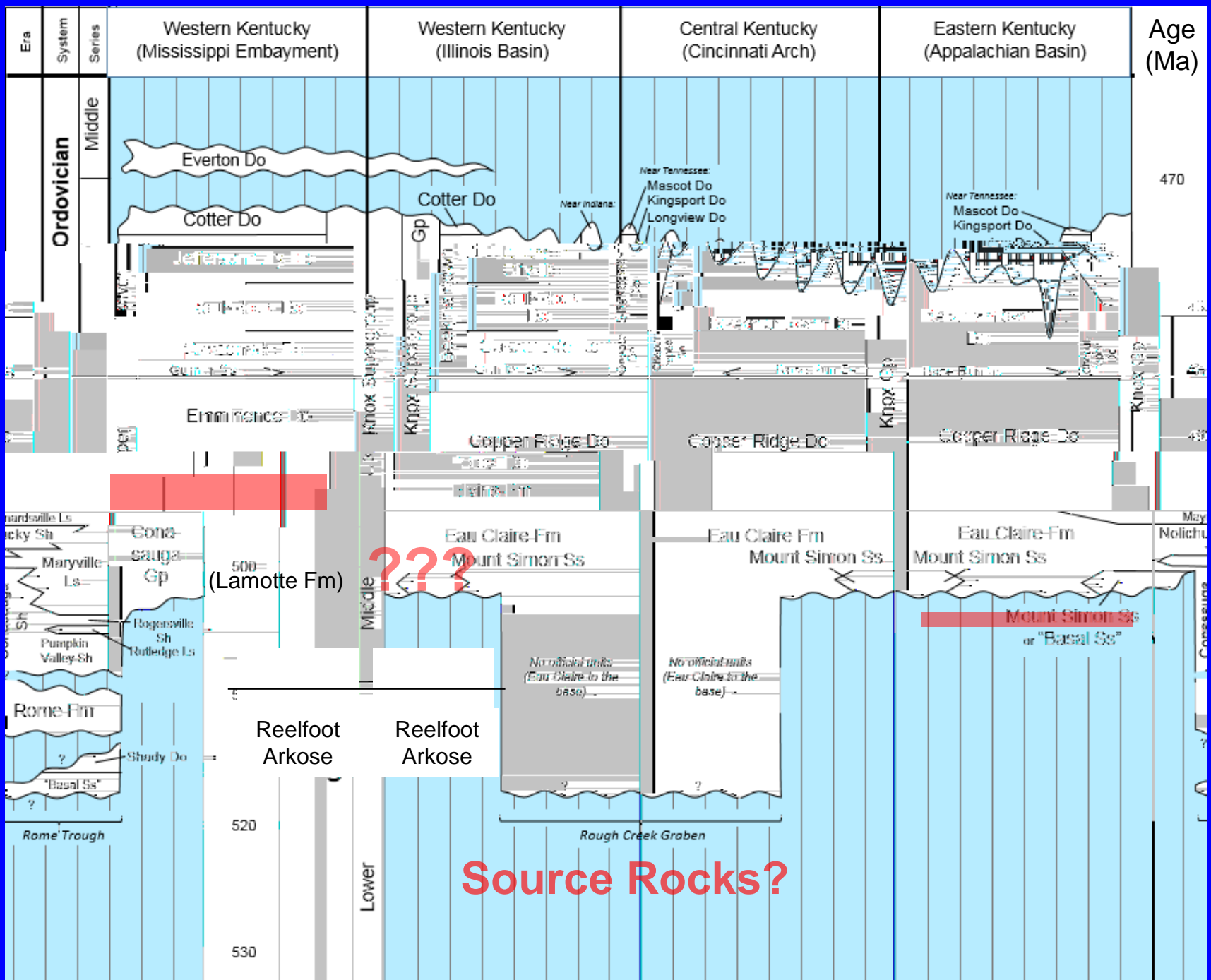
Microseismic response to multi-stage fracking



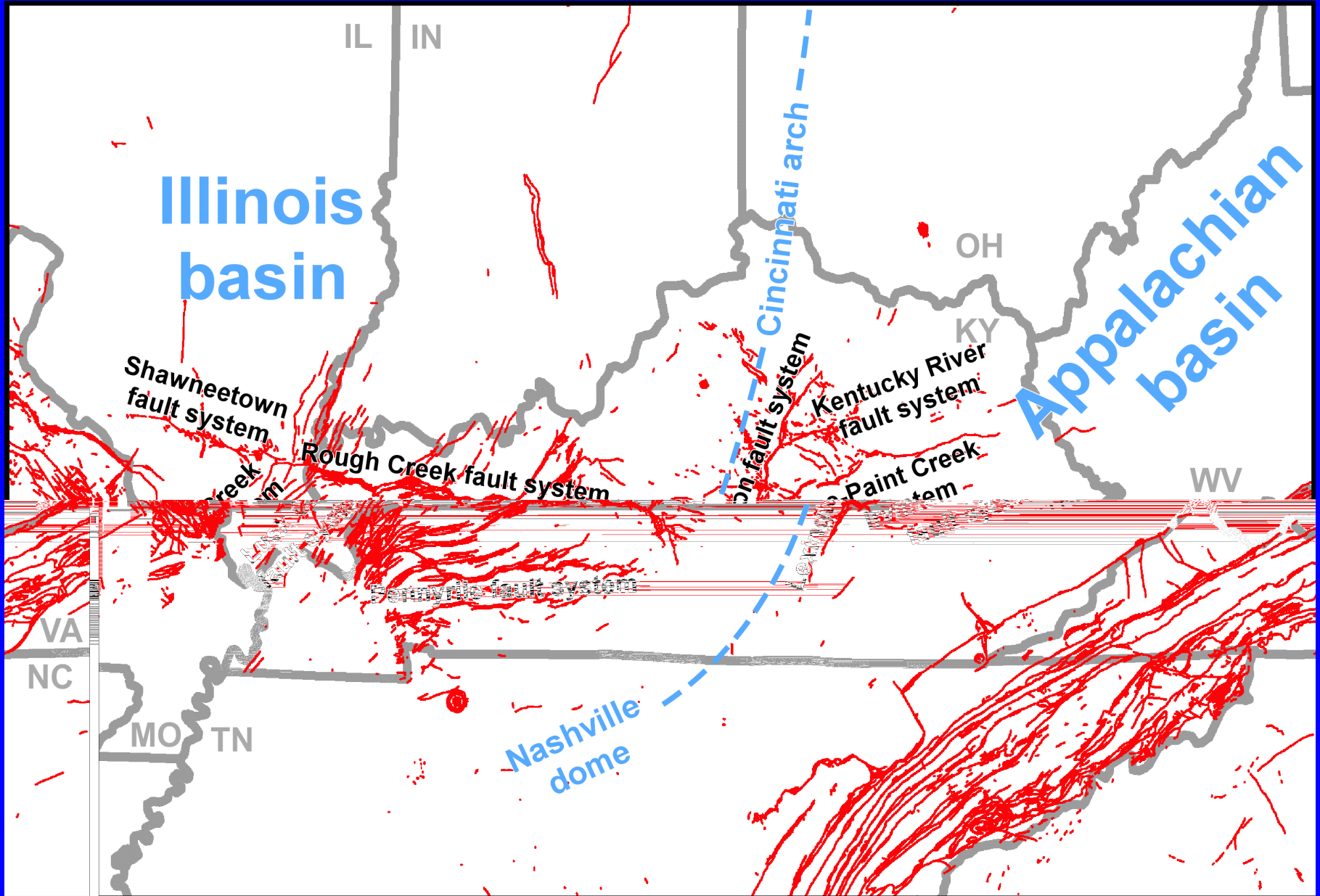
Microseismic Response



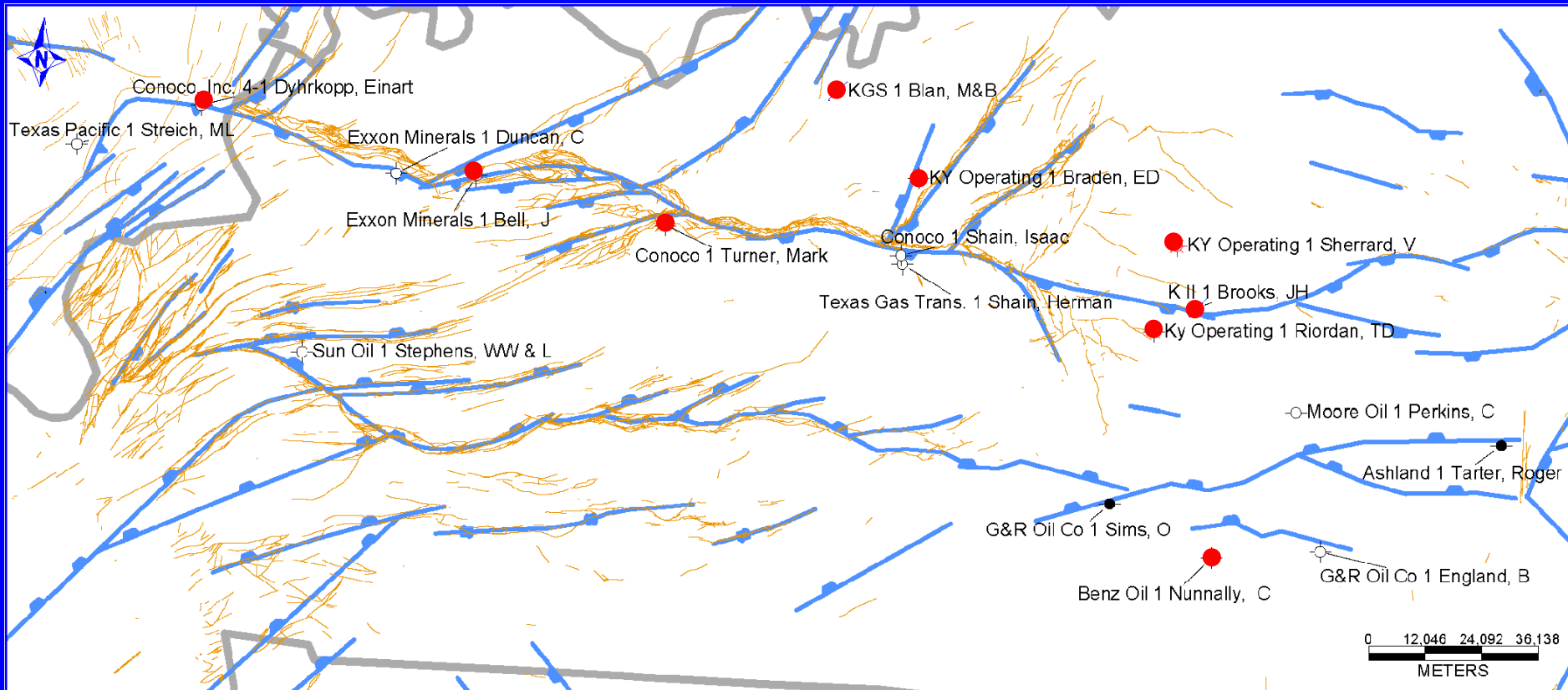
**Rough Creek Graben,
Cambrian depocenter
in the southernmost
Illinois Basin**



Current Surface Features

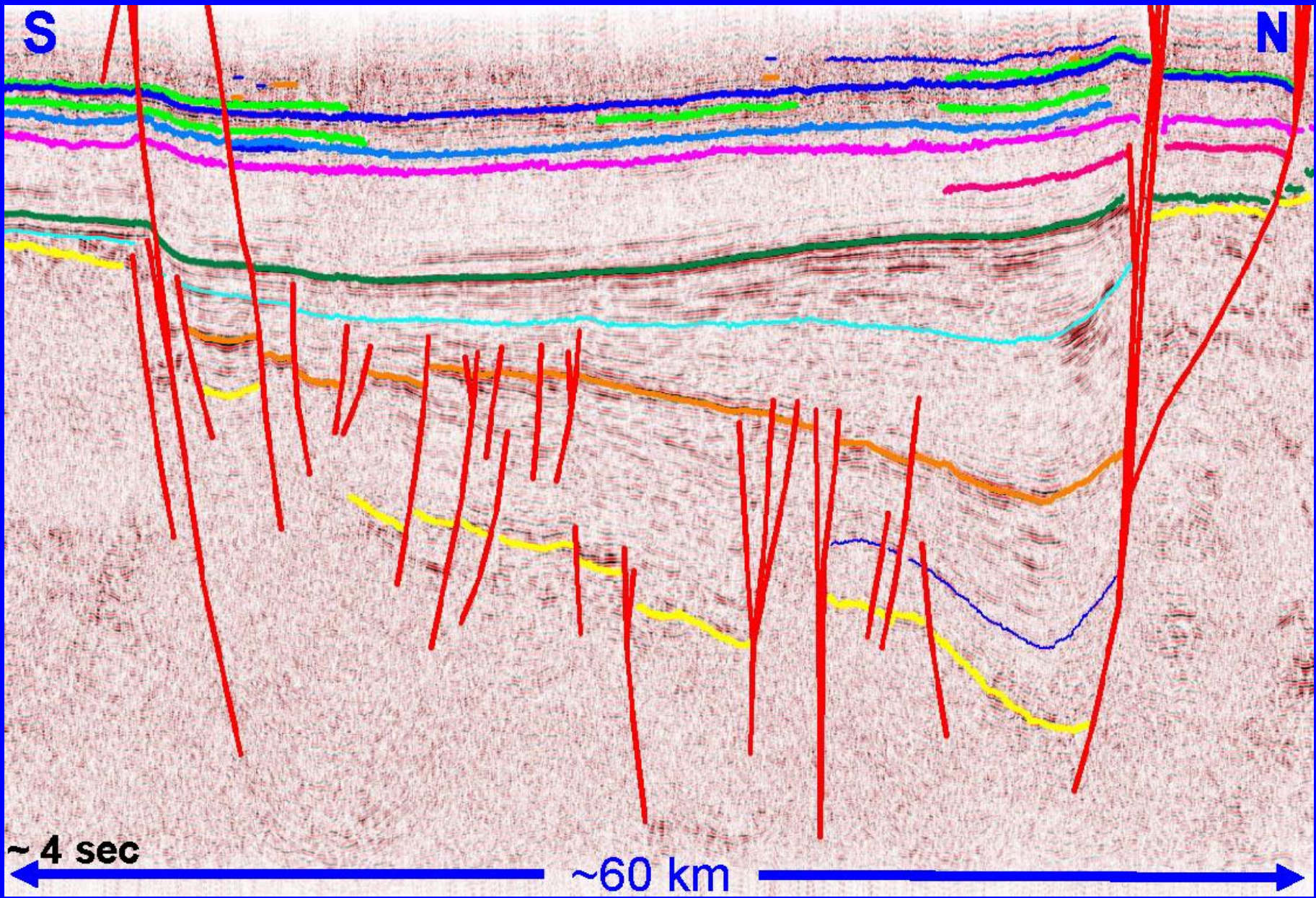


Rough Creek Graben Exploration



Eighteen wells drilled deeper than Knox Group (Arbuckle equiv.) in region.
Nine basement tests (in red), all along (or just outside) graben boundary faults.

Rough Creek Graben seismic profile



Conclusions

- Organic-rich horizons similar to the Rogersville Shale may exist within the Eau Claire Fm of the Rough Creek or Mississippi Valley Grabens (but have not been identified to date).
- Because of complex history of faulting, structure data (seismic, gravity, magnetics) will be a key tool in developing rift-related Cambrian shale plays.



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