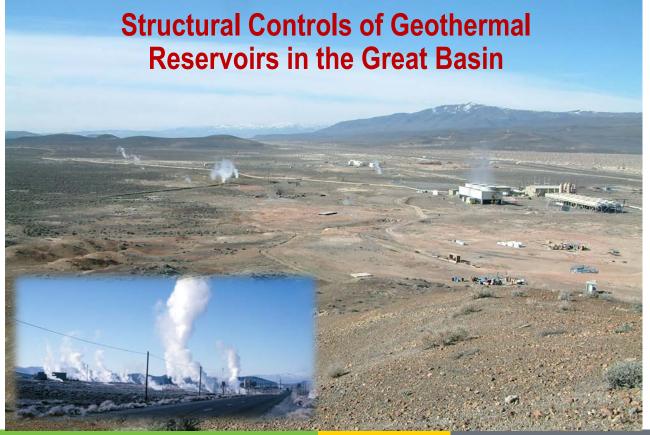


Energy Efficiency & Renewable Energy



Characterizing Structural Controls of EGS Candidate and Conventional Geothermal Reservoirs in the Great Basin: Developing Successful Exploration Strategies in Extended Terranes

May 19, 2010

This presentation does not contain any proprietary confidential, or otherwise restricted information.

Principal Investigator: James Faulds University of Nevada, Reno Track Name: Tracers and Exploration Technologies

Overview

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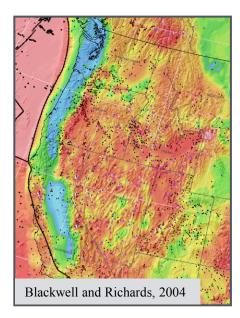
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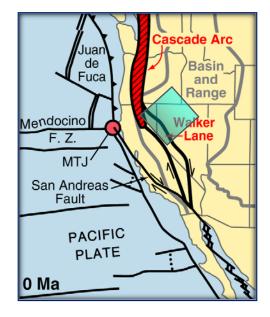
- Timeline
 - Initiation: 1/31/10, Funds Arrived 3/16/10, end date: 1/31/2013
- Budget
 - Project funding: \$1,170,505 total; \$935,505 (DOE); \$235,000 (awardee)
 - FY10: ~\$390,000
 - Leveraging significant match from UNR (Faulds), USGS STATEMAP funds for geologic mapping, and collaboration with industry
- Barriers
 - Ability to assess potential EGS resources, prioritize potential EGS sites, and achieve acceptable levels of site selection risk ahead of expensive drilling
 - Inadequate measuring techniques and knowledge preclude low-risk options to effectively select sites and characterize their physical parameters as potential EGS reservoirs before stimulation
- Partners (>30 yrs collective experience in geothermal studies)
 - University of Nevada, Reno (PI-James Faulds; co-PI's-Mark Coolbaugh, Nick Hinz, John Bell) – all with substantial experience analyzing geothermal systems
 - Helmholtz Center, GFZ, Potsdam, Germany (Dr. Inga Moeck) > 5 yrs experience in analyzing + modeling geothermal systems
 - Private consultant, gravity surveys 25 yrs experience

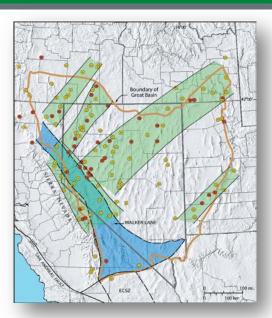
Relevance/Impact of Research: Background

Tectonic Setting

- Broad region of high heat flow, but geothermal activity focused in NW Great Basin
- \circ Walker Lane ~20% of plate motion
- o Dextral shear at NW end transferred to NW-directed extension
- o Transtensional to extensional domain
- Volcanism generally ceased in middle to late Miocene
- Geothermal belts = Loci of extension
 - o But details of favorable structural settings not well defined
 - \circ \quad Limited guides for exploration and targeting well sites
 - Many undiscovered blind geothermal systems



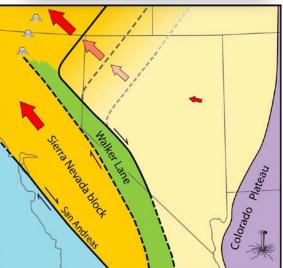




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Relevance/Impact of Research: Background



- Exploration Challenges
 - Hot dry wells
 - Overturn in down-hole temperature gradients
 - Wet cool wells
- EGS one answer
- But also need better conceptual models to guide exploration



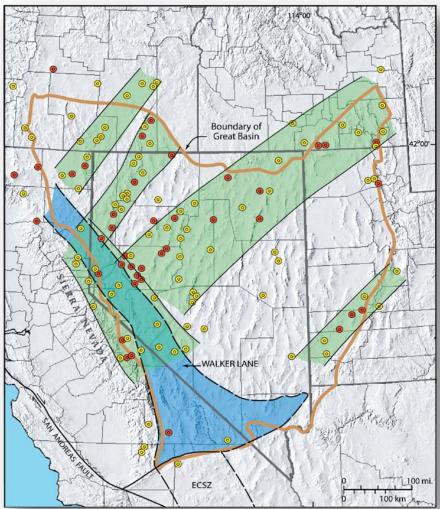




Relevance/Impact of Research: Project Objectives

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- Develop catalogue of favorable structural environments and models
- Improve site-specific targeting of resources through detailed studies of representative sites
- Compare structural controls and models in different tectonic settings
 - Basin and Range
 - Cascades
 - Walker Lane
 - Magmatic vs. nonmagmatic
 - High vs. low temperature
- Synthesize data
- Develop methodologies for enhancement of exploration strategies
 - Reduce risk of drilling non-productive wells in conventional systems
 - Selecting best sites for stimulation in EGS systems

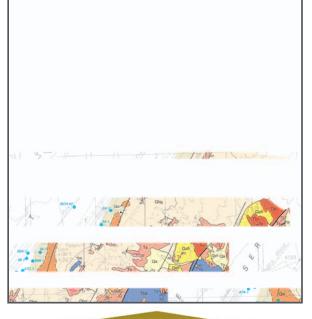


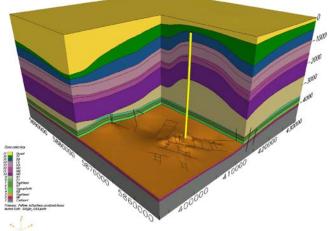
Previous Accomplishments/ Scientific Approach

- **ENERGY** Energy Efficiency & Renewable Energy
- Previous research initiated characterization of favorable structural settings in western Great Basin (since 2002)
 - Detailed studies 8 sites
 - Reconnaissance 10+ sites
 - 23 papers, 4 geologic maps, 2 M.S. theses, 3 senior theses
 - Facilitated development at Salt Wells, Desert Peak, Blue Mt
 - Facilitating anticipated development at Pyramid Lake, Hawthorne, Desert Queen, and San Emidio
- Approach More robust analyses needed
 - Comprehensive structural inventory
 - Comparative analysis of structural controls
 - Select representative sites for detailed analysis
 - Quantitative approach to elucidating fluid pathways, including slip tendency analysis and 3D modeling of systems
 - Enhance strategies
 - Exploration for undiscovered sites (blind)
 - Expansion of conventional systems
 - Best sites for EGS development

Review Criteria: Technical Merit and Innovation

- Combine conventional and modern techniques
 - Detailed geologic mapping
 - Structural analyses
 - Gravity studies
 - Integrating other geophysical data
- Innovative approaches
 - Slip tendency analysis of faults and fractures at both regional and local scales
 - 3D modeling of key systems
 - Generating 3D geologic maps
- Utilizing Great Basin as natural laboratory to elucidate 4D evolution of geothermal systems

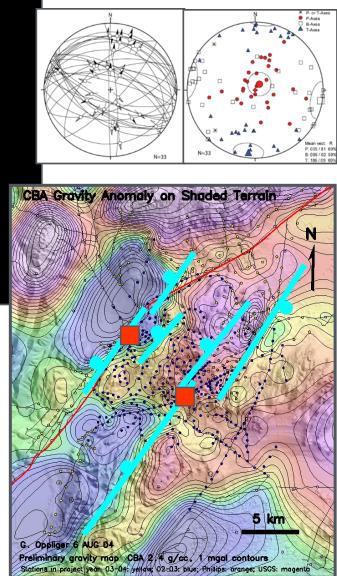




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Scientific/Technical Approach: Methods

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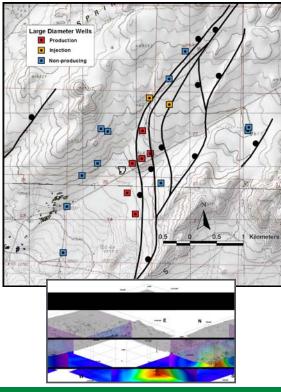


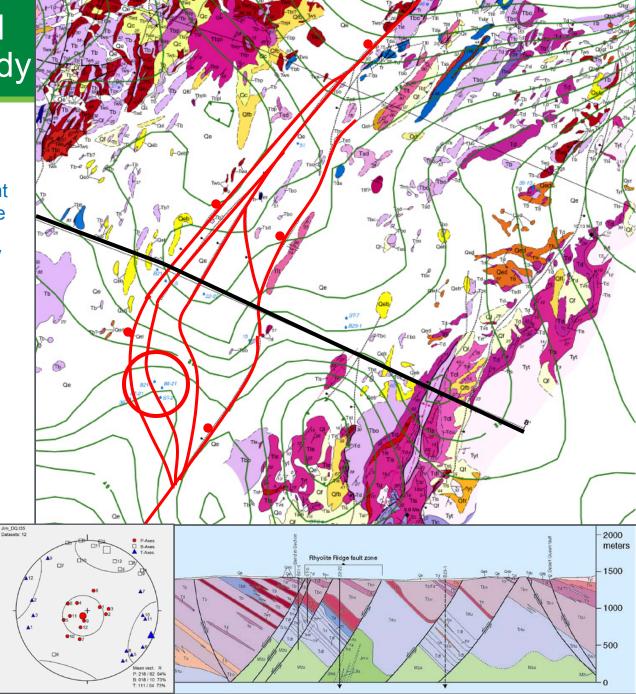
- Detailed mapping
- Structural analysis
 - Fault kinematics
 - Stress determinations
- Studies of surficial geothermal features
- Gravity surveys
- Integrate available geophysics
- 3D Modeling

Scientific/Technical Approach: Case Study

Desert Peak

- Blind reservoir-218°C
- 12.5 MWe flash plant
- Potential-further development
- Stepover in normal fault zone
- Multiple fault splays produce subvertical conduits of highly fractured rock
- Provide avenue for fluids





Scientific/Technical Approach: Summary – Structural Controls

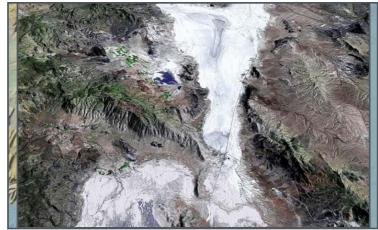


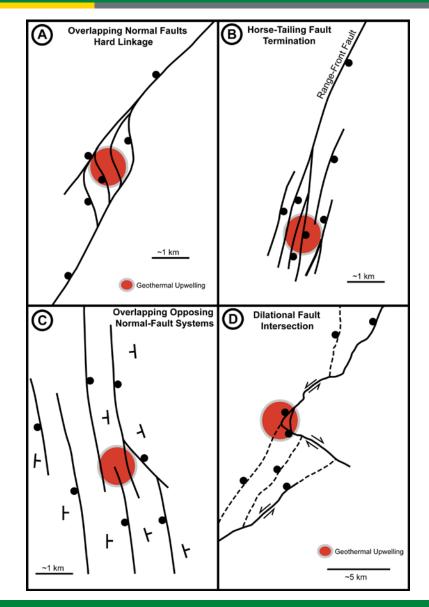
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- Most fields <u>not</u> on major faults
- Most on less conspicuous normal faults
- Most common occurrences
 - Discrete steps in normal fault zones
 - Terminating, horse-tailing faults
 - Overlapping opposing fault zones
 - Intersecting faults dilational
 - Small pull aparts in strike-slip faults

• Indicative features

- Steps in range fronts
- Interbasinal highs
- Ranges of low discontinuous ridges
- Lateral terminations of mountain ranges

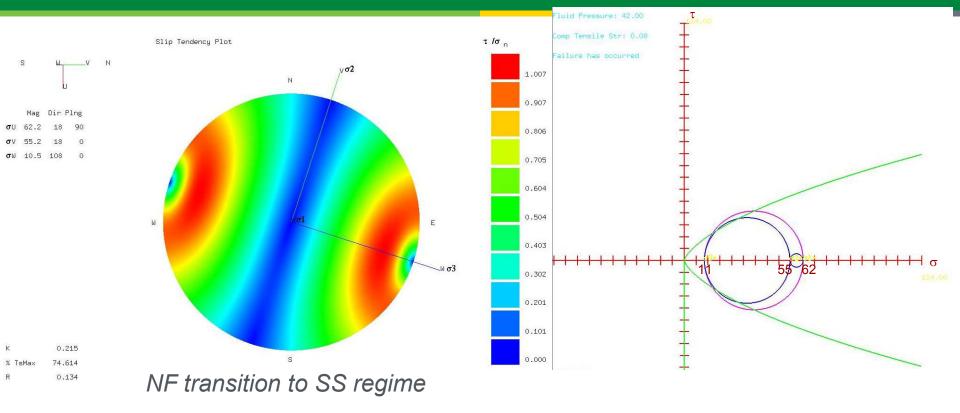




Scientific/Technical Approach: Slip Tendency Analysis



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In situ stresses: σ_V =104 MPa, σ_{Hmax} =97 MPa, σ_{hmin} =53 MPa; P_p=42 MPa Effective stresses: σ_{Veff} =62 MPa, $\sigma_{Hmaxeff}$ =55 MPa, $\sigma_{hmineff}$ =11 MPa;

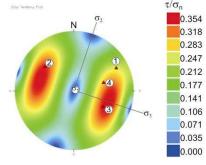
Hoek-Brown strength parameters for a moderately fractured rock: m=2.301 and s=0.00198; UCS=80

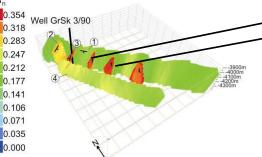
All Figures from Moeck et al. 2008

Scientific/Technical Approach: Slip Tendency Analysis

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Normal faulting stress regime: SHmax/SV=0.78, Shmin/SV=0.55



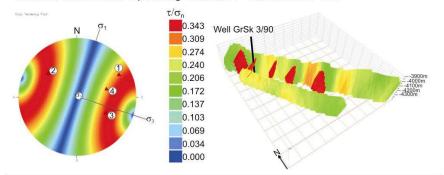


Faults with high shear stress and high slip tendency

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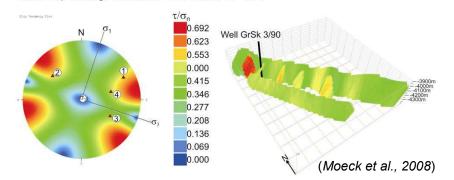
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Transition normal-strike slip faulting: SHmax/SV=1.0, Shmin/SV=0.55



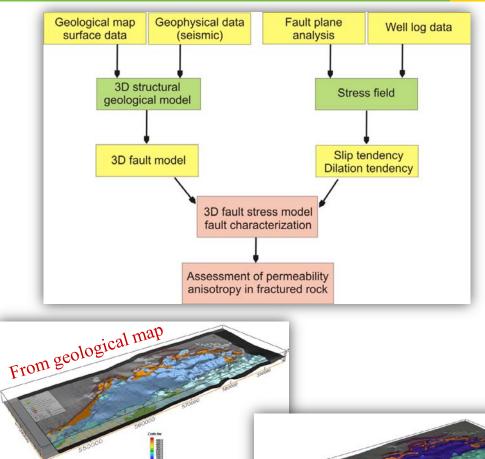
Potential fluid flow along critically stressed faults

Strike slip faulting: SHmax/SV=2.1, Shmin/SV=0.79

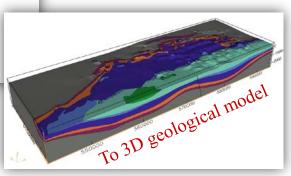


Assessment of reactivation potential of faults with high slip tendency

Scientific/Technical Approach: **3D Modeling Results**



From Moeck et al. (2005)

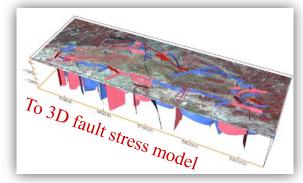


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3D Model Permits

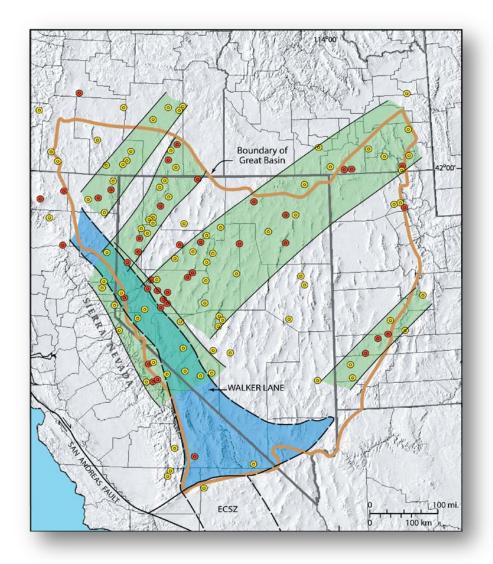
- Subsurface fault geometries
- Cross sections any orientation, multiple slices
- Stress modeling favorable fluid pathways
 - Near surface
 - At depth
- Determine slip and dilation tendency - faults and fractures of various orientations
 - Fluid flow paths
 - Induced seismicity
- Field optimization by understanding • fluid flow
- Basis for selecting future well sites and paths



Project Management/Coordination

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- Year 1 (Regional Assessment)
 - Recruit-add students to research team
 - Structural inventory
 - Compile different settings
 - Regional slip tendency analysis
 - Initiate detailed studies
- Milestones (Year 1)
 - Preliminary structural catalogue (3/2011)
 - Favorable settings defined (1/2011)
 - Regional slip tendency map (1/2011)
 - Students initiate thesis research (8/10)
- Project Reporting (all 3 years)
 - Faulds coordinates all quarterly and annual reports
 - Subcontractors provide quarterly reports
 - Several meetings of research team/year
- Leveraged UNR match, industry support, USGS STATEMAP funding (all years)
- GBCGE staff ensures data from project incorporated in National Geothermal Data System (all years)

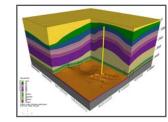


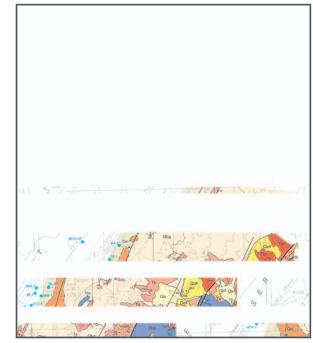
Project Management/Coordination

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• Year 2 (Detailed Investigations)

- Selection of 5-6 sites for detailed studies using following criteria:
 - Quality of exposure
 - Geothermal surface manifestations
 - Potential for development
 - Available data
 - Type of system
- Detailed Studies
 - Geologic mapping
 - Delineate reservoir hosts
 - Structural analysis-fault kinematics + stress determinations
 - Geochronology
 - Gravity Surveys
 - 3D modeling
 - Slip tendency analysis
 - GIS Database compilations
- Develop geothermal exploration course



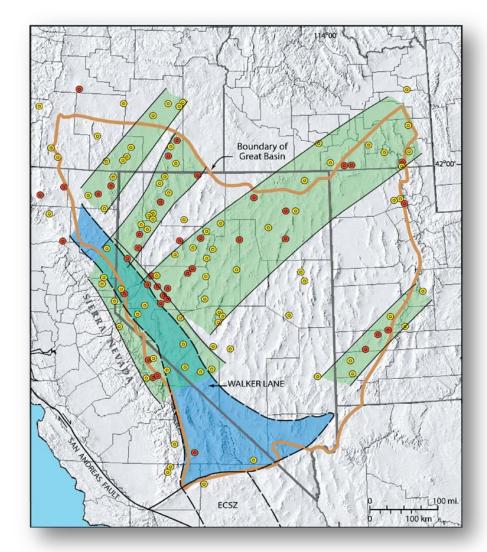


- Milestones
 - Complete detailed analyses of 3 representative sites (3/2012)
 - Embellish catalogue (1/2012)
 - Several additional papers (3/2012)
 - Teach geothermal exploration course (Spring 2012)

Project Management/Coordination

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- Year 3 (Detailed Investigations & Synthesis)
 - Detailed analyses continue
 - Comparative analysis of different systems in different settings
 - Completion of structural catalogue
 - Development of exploration strategies
- Milestones
 - Complete detailed analyses of 2-3 additional representative sites (1/2013)
 - Publish catalogue of favorable structural settings (3/2013)
 - Revise geothermal potential maps based on findings (1/2013)
 - Prepare papers (3/2013)
 - Systems studied in detail
 - Comparative analysis
 - Exploration strategies



Expected Outcomes/Future Directions **ENERGY**

- Expected Outcomes Deliverables
 - Catalogue (NBMG report) and accompanying peer-reviewed paper describing favorable settings
 - Several papers structural controls of representative systems studied in detail
 - Published geologic maps of systems studied in detail
 - Comparative analysis paper
 - Geothermal exploration course
 - Infusion of techniques (structural analysis, 3D modeling, etc.) into industry with training of next generation (grad students)
 - Validation of innovative exploration techniques
 - Enhance exploration strategies in extended terranes (conventional + EGS)
- Future Research
 - Expand detailed studies to better define various structural controls
 - Incorporate cost-effective 3D modeling and slip tendency analysis as standard techniques in geothermal exploration
 - Investigate other tectonic settings e.g., magmatic arcs
 - Applications to understanding induced seismicity in EGS systems
 - Linking processes of active geothermal systems with those in epithermal mineral deposits

Summary Slide

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- Main objectives
 - Develop catalogue of favorable structural settings
 - Improve site-specific targeting of resources through detailed studies of representative sites
 - Compare structural controls and models in different tectonic settings
 - Synthesize data
 - Develop methodologies for enhancing exploration strategies
- Experienced Pl's
- Methods
 - Detailed geologic mapping
 - Structural analysis
 - Gravity surveys
 - Integrate other geophysical data
 - Slip tendency analysis
 - 3D modeling
 - Systematic work plan
 - Year 1 Regional assessment
 - Year 2 Detailed investigations
 - Year 3 Detailed studies + synthesis
 - Significant potential impacts
 - Training next generation in modern-innovative techniques
 - Refinement of exploration strategies
 - Enhancing understanding of hydrothermal processes

