Unconventional Gas Reservoir Productivity in Australian Proterozoic Rocks –
Studies from the McArthur, Beetaloo, Mount Isa, and Amadeus*

Bruce A. McConachie†, Peter Stanmore†, Lucas McLean-Hodgson†, Anargul Kushkarina†, and Edward Lewis†

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†SRK Consulting, Brisbane, QLD, Australia ((bmcconachie@srk.com.au)).

Abstract

A large amount of available exploration data is readily available for many Proterozoic areas in Australia. The data ranges from seismic and conventional well data to cored and mineral bores not specifically focused on the search for hydrocarbons. Both Commonwealth- and State-based programs have also been focused on these rocks. Many Proterozoic basins occur in Australia; however, the Paleo-MesoProterozoic sequences of the McArthur and Mount Isa areas have been an important focus over the past few years. In the McArthur Basin the key organic-rich sequences comprise the Barney Creek and the Velkerri formations. At Mount Isa the Riversleigh and Lawn Hill formations have been the main targets assessed. Despite this activity, several units in the Proterozoic remain little tested, particularly the Wollogorang Formation of the Tawallah Group in the McArthur Basin with known vuggy oil and the organic-rich units of the Bowthorn Siltstone of the Mount Isa area. In the Amadeus Basin, Upper Proterozoic sequences containing organic-rich rocks are interpreted conventional source rocks for gas fields, such as Dingo. These source rocks are interpreted to have unconventional gas potential, and efforts are progressing to better understand the key focus criteria to recognise potential sweet spots to enable exploration focus. The key reservoir shales are commonly carbonate-rich with good fracture stimulation potential. The nature of unconventional reservoirs varies according to the contained gas characteristics and the reservoir conditions. Many situations can combine to provide higher gas production potential and increased wet gas components that can improve the financial returns for individual field areas. In the Proterozoic, one key factor is to target lower maturity rocks as all reservoirs leak, and older rocks have less chance of maintaining preservation conditions and higher formation pressures. Organic content and saturation plus structural controls are additional important factors that can influence hydrocarbon volumes accessible from an individual well bore. From a financial perspective, the main criterion for
good economic returns is the liquids content in the form of associated oil or condensate. As many Proterozoic basins in Australia contain organic-rich shaly rocks produced by Type I kerogens and have relatively low maturities, the setting offers significant potential to derive high-value liquids from such reservoirs.

Selected References


Falcon Oil & Gas Ltd., 2009, Beetaloo Basin, Northern Territories, Australia: PowerPoint presentation.


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SRK Consulting

Egilabria 2
Lawn Hill Formation, northern Mount Isa Basin (Isa Superbasin)
Contingent Gas Resource Estimation, ATP 1087
Unconventional Natural Gas Reservoirs

The talk will cover an appraisal of hydrocarbon frontiers principally Unconventional Natural Gas Reservoirs.

The basis is Proterozoic unconventional reservoir spectrum as seen in the many examples of PaleoProterozoic and MesoProterozoic sequences in Australian basins.

Issues like measuring gas volumes, production phases and production criteria will be addressed. Shale gas sweet spots, shale gas metrics, shale gas production and shale oil potential will be covered.

- The reservoir spectrum
- Estimating gas volumes
- The basins reviewed
- Shale gas sweet spots in Proterozoic Rocks
- McArthur, Beetaloo, Mount Isa, Amadeus
- Conclusions

Unconventional hydrocarbons
- Australia’s old rocks prove their worth

Marita Bradshaw
Geoscience Australia
Natural Gas Reservoirs

Low Cost
- Higher concentration
- Easier to develop
- More permeable

Conventional
- 100 mD High quality reservoirs
- 10 mD Low quality reservoirs

Unconventional
- Tight gas 0.1 mD
- Coalbed methane 0.1 mD
- Gas hydrates
- Shale gas 0.001 mD

Create Reservoir Pressure

Volume

High Cost
- Larger volumes
- More advanced technologies needed
- Natural Reservoir Pressure

Based on: IEA 2009, World Energy Outlook
"Unconventional" Natural Gas Reservoirs

Geologically complex and low permeability (<0.1 md normally) gas reservoirs that require special (non-standard) evaluation and technology.

Reservoir Spectrum

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“Tight Sand”  Fractured “Shale”  Coal
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0  25  50  75  100

Organic Content, wt. %

Gas Filled Porosity (Compression)

Water Filled Porosity

Gas Filled Micropores (Adsorption)
Gas containment in Shale Gas Plays

Petrophysical Model to Estimate Free Gas in Organic Shales
Michael Holmes, Dominic Holmes and Antony Holmes
Reserves and Resources as classified by PRMS (not to scale)
Beetaloo Sub-basin/McArthur Basin

Each area has proven hydrocarbons from pilot production Testing plus very large Prospective Resources
Relationship between the McArthur and Roper Groups
Main Roper Group deposition

(after Silverman et al 2007, Falcon 2009)
High TOC shale
Main unconventional potential

McArthur

Tawallah
Velkerri Oil Shale and early Roper Group
Eukaryotes (oil prone green algae)  Summons et al. (1988)
Gas Flare during Testing at Glyde #1 Lateral
Well Measured Well Depth of circa 670m

McArthur Basin
Beetaloo Sub-basin

Completion Summary – Shenandoah-1A

- **Stage 1-Middle Velkerri Lower “B” Zone**
  - 2529m to 2548m; carbonate-rich shale
  - Fracture stimulation-37% of load recovered
  - Fracture half length approx. 50 meters
  - Reservoir pressure of 0.662 psif/ft to 0.567 psif/ft
  - Flow back tested 50 mscfpd, w/ 43° API condensate

- **Stage 2-Middle Velkerri Upper “B” Zone**
  - 2481m to 2498.5m; low porosity gas sand
  - Fracture stimulation-50% of load recovered
  - Fracture half length approx. 46 meters
  - Reservoir pressure of 0.653 psif/ft to 0.556 psif/ft
  - Flow back flared sustained, unassisted 80 mscfpd

- **Stages 3 and 4-Moroak sandstone**
  - Various intervals 1,728m – 1,910m
  - Conventional perforation tests
  - Little to no commercial hydrocarbons present at this location

- **Stage 5-Lower Kyalla**
  - 1631m-1649m; silica-rich shale
  - Fracture stimulation-30% of load recovered
  - Fracture half length approx. 39 meters
  - Reservoir pressure of 0.653 psif/ft to 0.556 psif/ft
  - Produced burnable gas
Isa Superbasin
Low to high thermal maturity area
Shale Gas Production

Pilot testing Egilabria-2DW1
Assessed 22.5 trillion cubic feet (Tcf) of Mean Prospective Resource (gas) in the middle Proterozoic aged Lawn Hill Shale in ATP1087 (MBA Consultants). Additional gas prospectivity has now also been identified by Armour Energy in the underlying Riversleigh Shale that extends across the entire tenement.
Compressionally Folded and Faulted terrain

Simplified geological map showing distributions of the major rock units by Group

Map From: Structural architecture, 3D modelling and target generation in the Lawn Hill Platform, Queensland

Barry Murphy, Laurent Ailleres, Ben Jupp, Lawrence Leader, Terry Lees and Indrajit Roy

South Nicholson Group outcrop (basin and dome folded south of Elizabeth Creek Fault)

Palaeomagnetism and mineral exploration related studies in Australia: a brief overview of Proterozoic applications
Mart Idnurm & Lesley Wyborn
Penecontemporaneous basin erosion/uplift orogenesis (flexural inversion) 1650-1670Ma About the same time as Broken Hill/Cannington/Mount Isa
Isa Superbasin (1670–1590 Ma)
The Isa Superbasin is best represented on the Lawn Hill Platform where it comprises 8km of rhythmically-bedded turbidites, carbonaceous shales and stromatolitic dolostone deposited in a shallow to deep water marine environment (Hutton and Sweet, 1982; Krassay et al., 2000).

George M. Gibson1, Paul A. Henson1, Narelle L. Neumann1, Peter N. Southgate1 and Laurie J. Hutton2
Paleoproterozoic–earliest Mesoproterozoic basin evolution in the Mount Isa region, northern Australia and implications for reconstructions of the Nuna and Rodinia supercontinents

Outcrop scarp
Base of South Nicholson Group in outcrop
West of the seismic line
Isa Superbasin
(mainly unconformable contact but
conformable on most seismic lines)
Well path section showing Egilabria 2 hydraulically stimulated DW 1 lateral and Egilabria 2 vertical intersecting Top Lawn Formation
Egilabria 2
Modified ΔLogR technique
To identify potential hydrocarbon bearing shale intervals

High amplitude event organic-rich shale

Top Lawn 1610.1m MD

Main shale gas zones

SRK Consulting analysis
Hydrocarbon containment can occur via pore space and pressure plus via adsorption.

High TOC rocks form Proterozoic basins tend to be brittle suggesting extensive clay dewatering. Pressure gradients are commonly close to hydrostatic.
Amadeus Basin

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Legend:
- Source: gas reservoir
- Oil and gas reservoir
- Arreyonga Movement
- Amata/Gardner Event
- Giles Event
- Petermann Ranges Orogeny (D2 & D3)
- Petermann Orogeny
- South Range Movement (Petermann D1)
Lowstand system tract evidence - basal Arumbera Sandstone
Lowstand system tract evidence for the basal Arumbera Sandstone and upper Julie Formation
Conventional source and unconventional reservoir in the Pertatataka
Direct Economic Impact of the Value Chain of a Marcellus Shale Gas Well

William E. Hefley and Shaun M. Seydor
Conclusions

• Vast volumes of organic-rich rocks are known in many Proterozoic basins in Australia
• Hydrocarbons occur today in the form of oil and gas shows and pilot tests/DSTs have demonstrated hydrocarbon production from both conventional and unconventional systems
• Most older basins have pressure regimes close to hydrostatic and the largest volumes of hydrocarbons discovered to date occur mainly as adsorbed gases
• Australia's old rocks can prove their worth – but they will do it based on their unique characteristics

Unconventional hydrocarbons
- Australia’s old rocks prove their worth

Pilot testing Egilabria-2DW1 Isa Superbasin
Acknowledgements

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Thank you for your attention