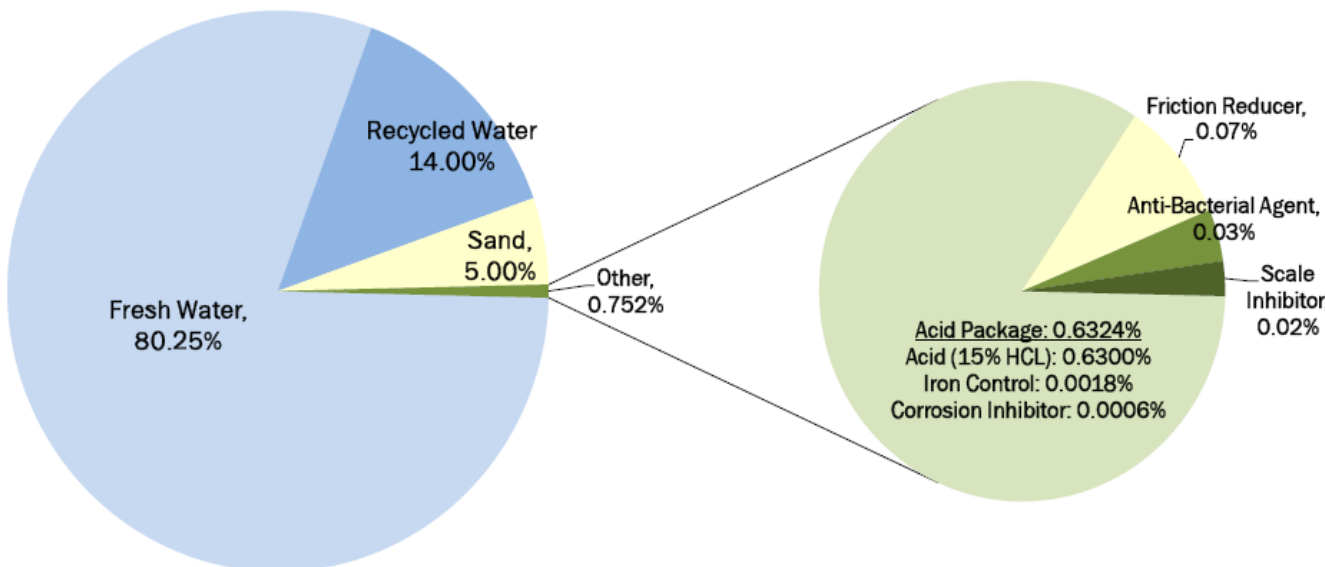


Water Resource Management for Shale Energy Development



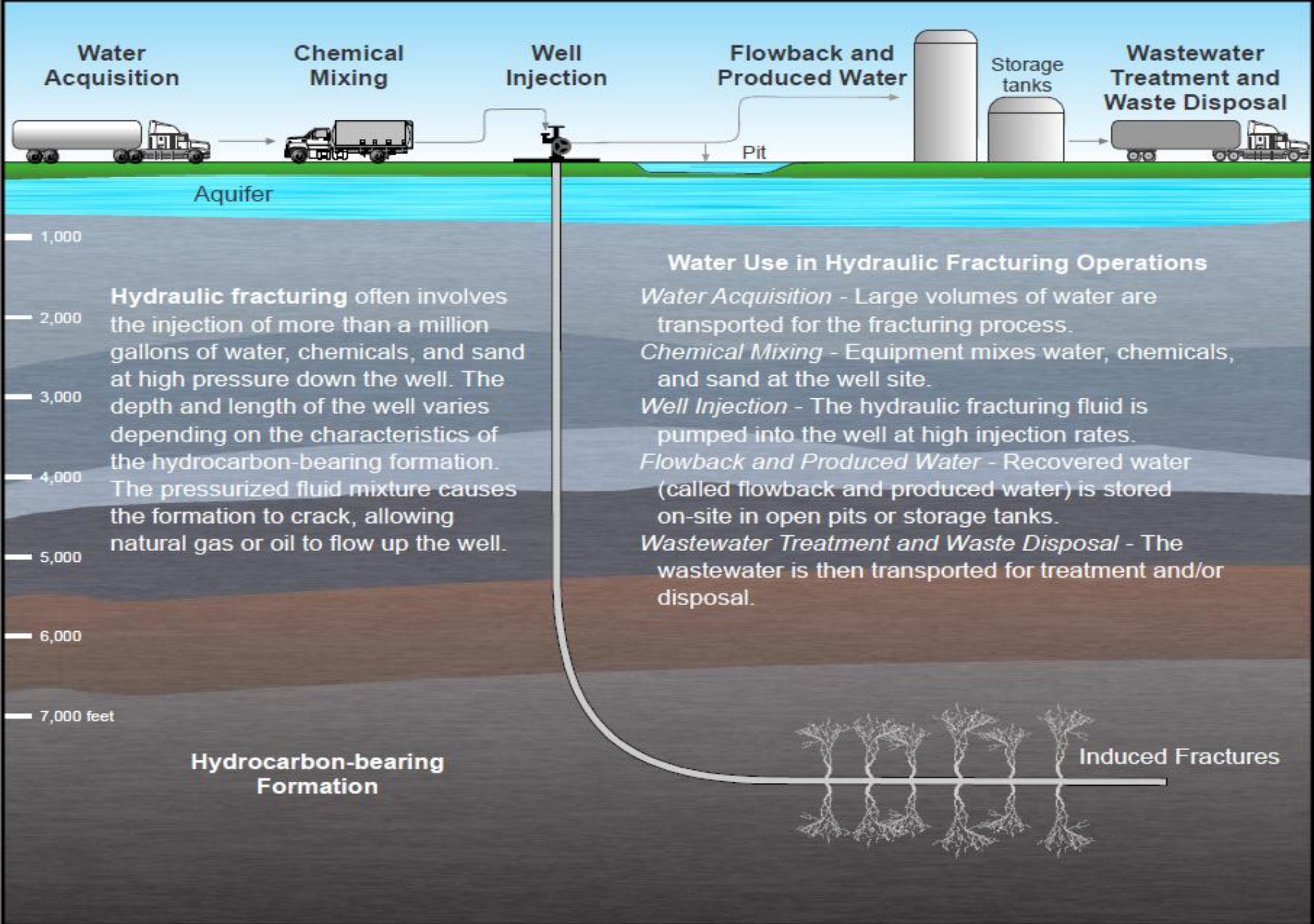
Presented by Dave Yoxtheimer, P.G.

Shale Gas Development Water Use



- ~400,000 L of water used during drilling
- 12-20 million L of water used during hydraulic fracturing
- Approximately 8-10% of injected fluids return as flowback water

Source: Chesapeake Energy

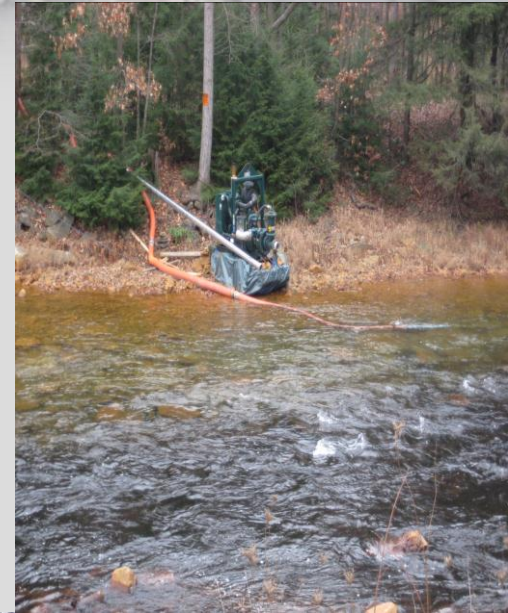


Source: Draft EPA Hydraulic Fracturing Study Workplan

Water Supply Considerations

Number of factors to consider:

- Access to water near the drilling project area
- Proximity to well site: piping vs. trucking
- Availability-seasonal or perennial
- Will pass-by flows be required?
- Water quality
- Drilling schedule vs. permitting schedule
- Permitting complexity
- Budget



Pass-by Flow Requirements

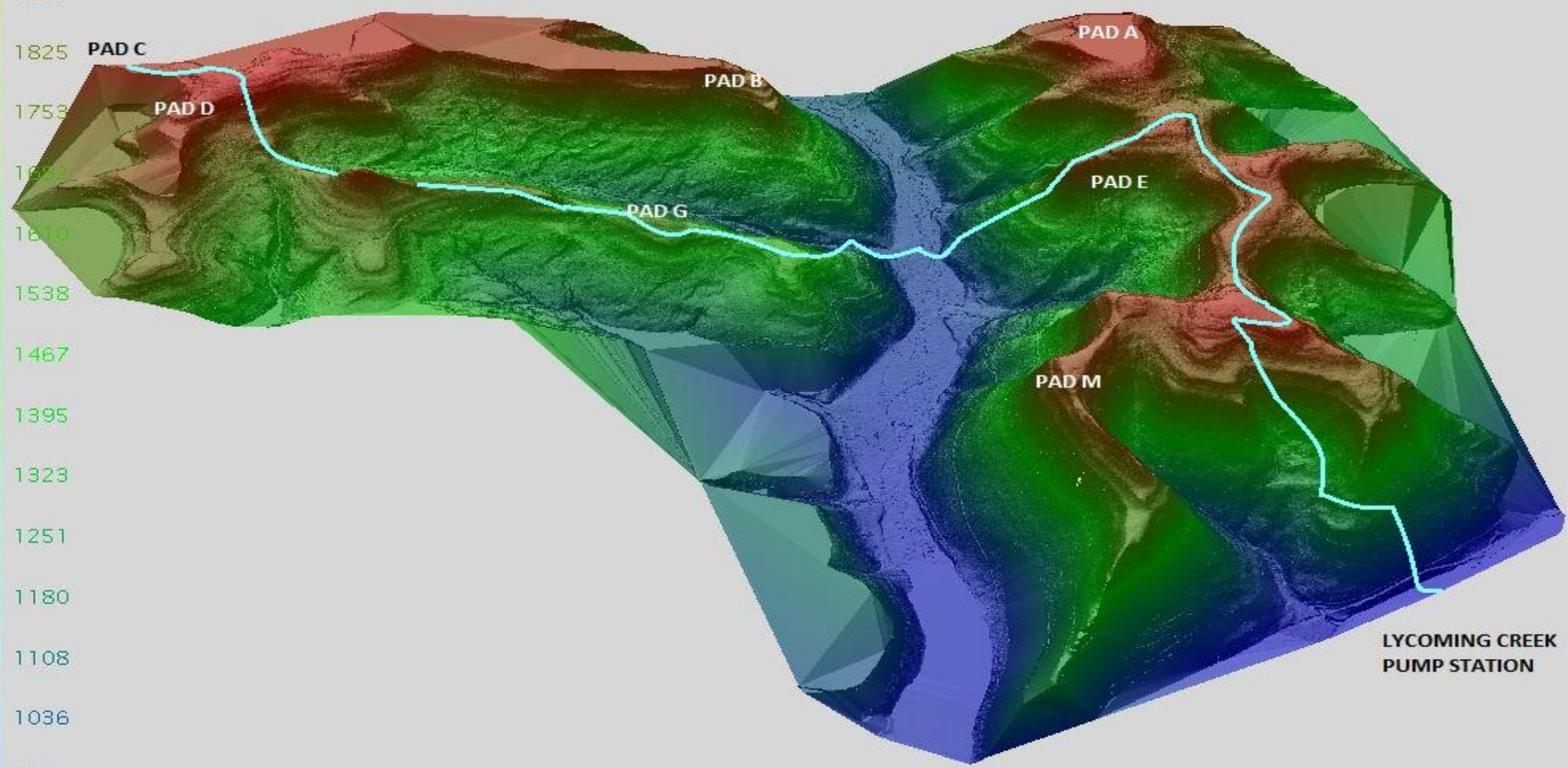
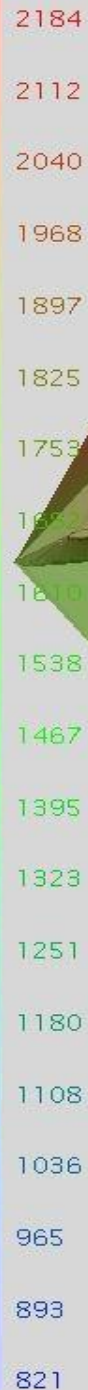
- Need to allow sufficient downstream flow
- A reference gauge may be used to determine if there is sufficient flow
- On site gauge may be installed
- Many surface withdrawal points taken off-line during summer



Water Transport



SENECA RESOURCES - DCNR TRACT 100 FRESH WATER PIPELINE



PAD C

PAD D

PAD B

PAD G

PAD A

PAD E

PAD M

LYCOMING CREEK
PUMP STATION

Pumping Station



Intake Structure



Fresh Water Storage

Example impoundment design specifications (PaDEP):

- Store < 50 ac-ft
- <15' deep w/minimum 2' freeboard at all times
- Stay out of water course
- 3:1 side slope w/minimum 12' berm width
- 30-mil poly liner required



Above Ground Storage



Vertical Storage Tanks

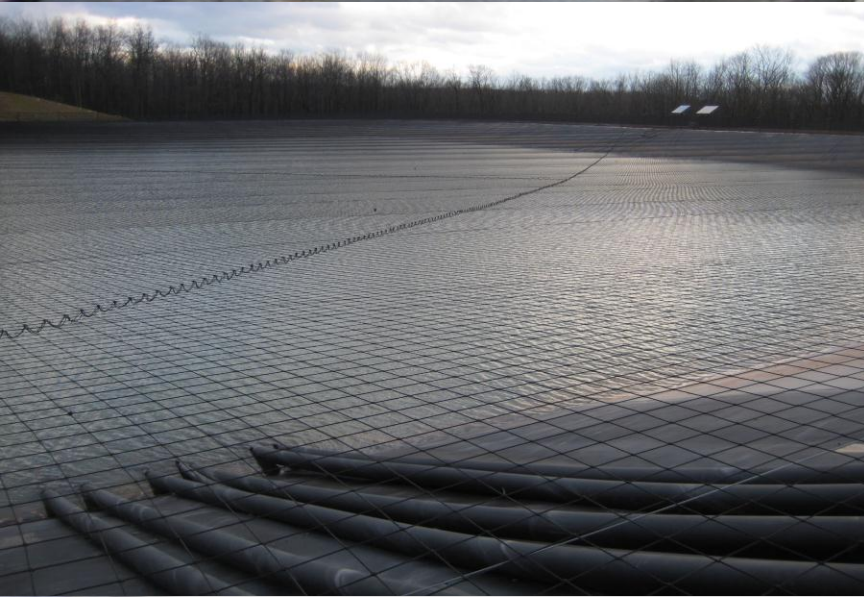


Centralized Impoundment Dam Permit for Flowback Water

- 3:1 side slope w/suitable material
- Minimum 12' berm width
- Two 40-mil poly liners required
- Leak detection and monitoring system required (wells and sumps)
- Setbacks distances from floodplains, wetland, water supplies, occupied dwellings



Produced Fluids Storage



Flowback may be stored in lined impoundments for reuse

- Groundwater monitoring wells and leak detection
- Bird netting



Steel tanks are often used to store flowback and produced fluids

- Minimizes potential for spill

Closed Loop Drilling System



Flowback Water Management Options

- Direct reuse (blending)
- On-site treatment w/reuse
- Off-site treatment w/reuse
- Off-site treatment and disposal (UIC wells)

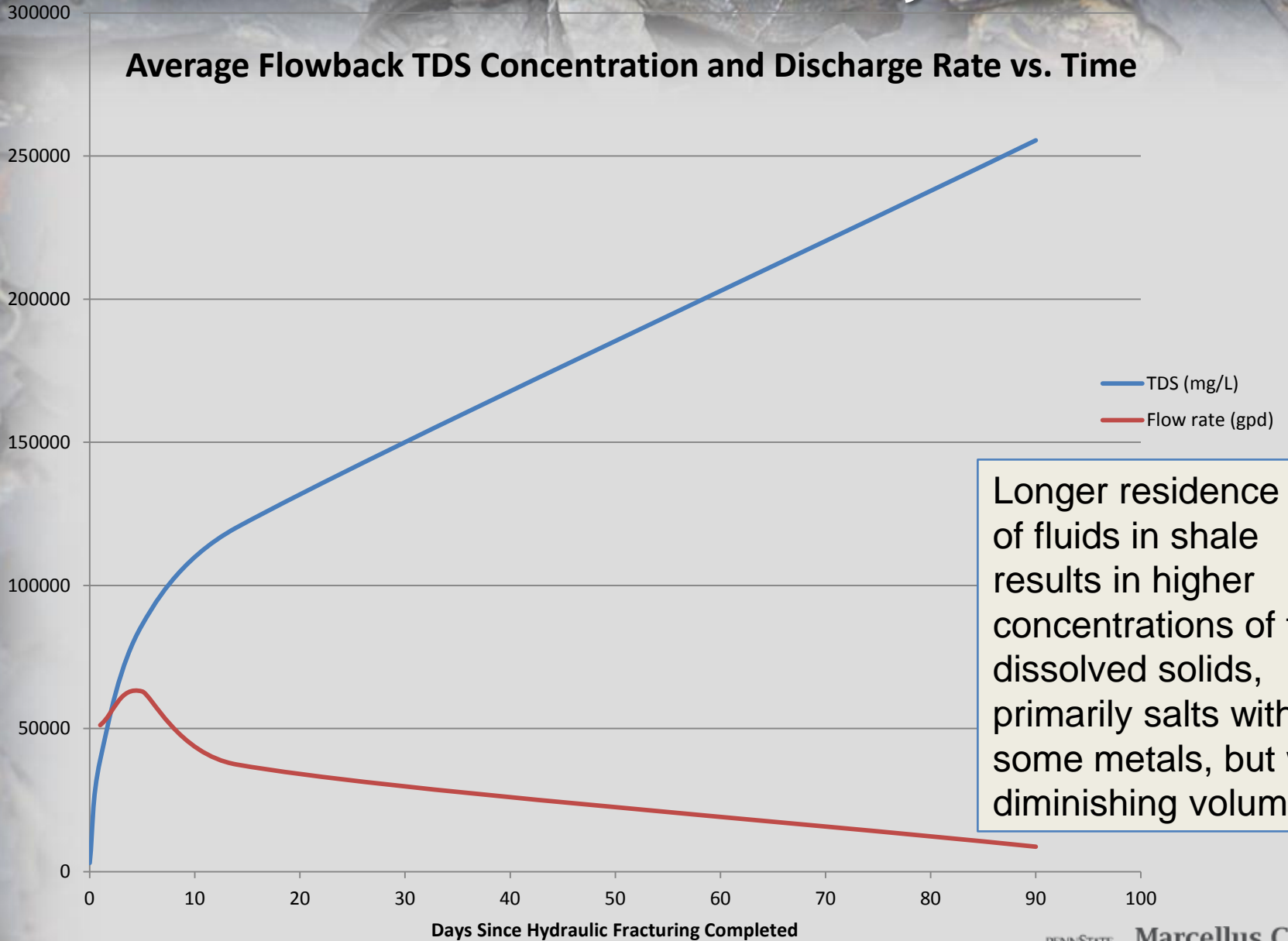
~90% flowback and produced water reuse in Pennsylvania as of June 2012

Treatment standards for new or expanding treatment facilities that will discharge

- TDS-500 mg/L
- Chlorides-250 mg/L
- Strontium-10 mg/L
- Barium-10 mg/L



Flowback Water Quality Trends



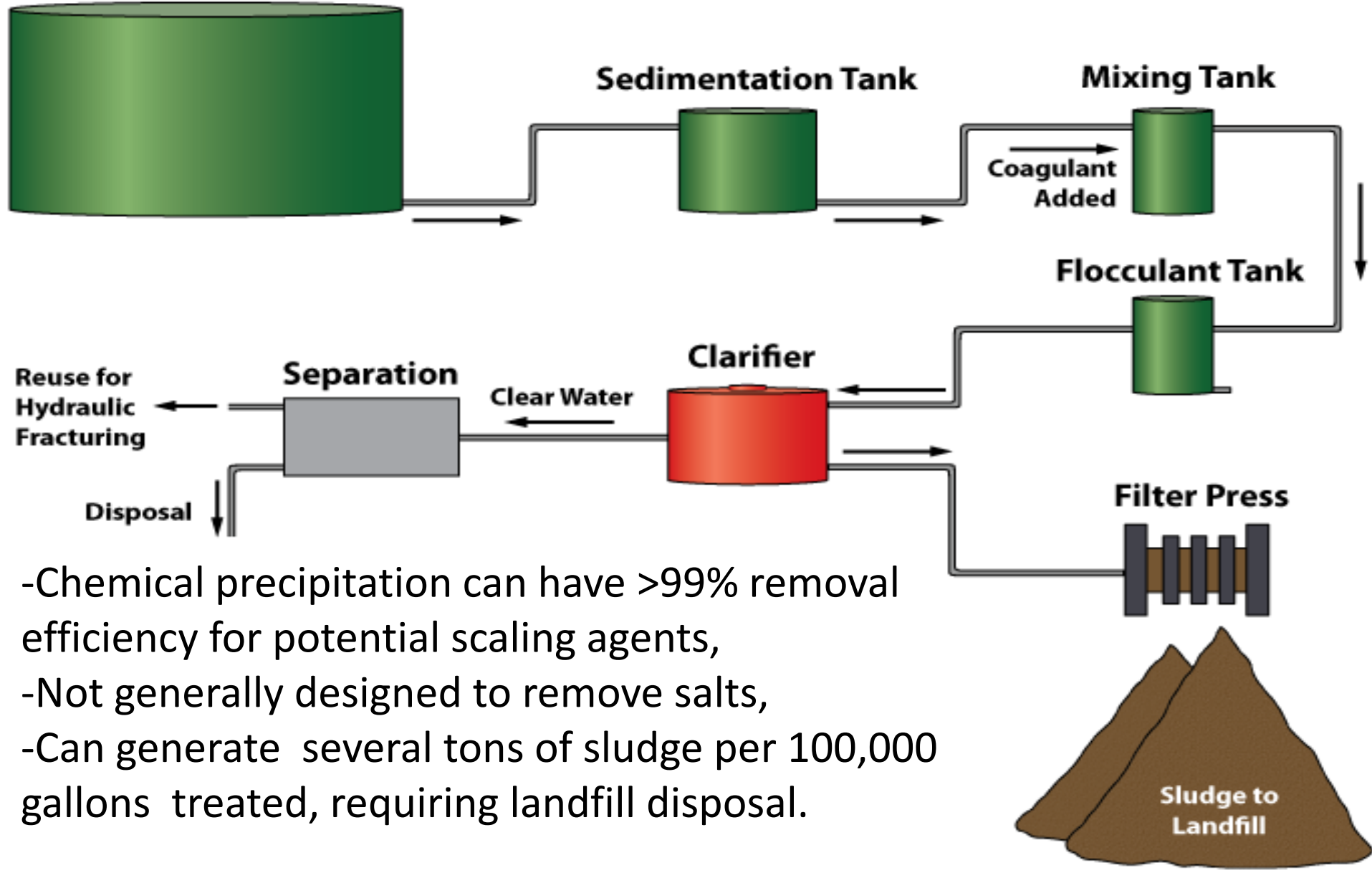
Longer residence time of fluids in shale results in higher concentrations of total dissolved solids, primarily salts with some metals, but with diminishing volumes.

Typical Flowback Water Quality for Parameters of Concern

<u>Parameter</u>	<u>Concentration Range</u>
Total dissolved solids:	10,000 - >300,000 mg/L
Chloride:	5,000 - >150,000 mg/L
Sodium:	2,500 - >75,000
VOCs (primarily BTEX):	ND – 2 mg/L
Radium 226:	100 pCi/L – 16,000 pCi/L

Typical Treatment Scheme for Reuse

Brine Water Storage Tank



- Chemical precipitation can have >99% removal efficiency for potential scaling agents,
- Not generally designed to remove salts,
- Can generate several tons of sludge per 100,000 gallons treated, requiring landfill disposal.

High TDS Treatment Options

<u>Technology</u>	<u>Maximum TDS (mg/L)</u>
Reverse osmosis	45,000
Evaporation	100,000
Membrane distillation	250,000
Crystallizer	300,000



Mobile Treatment Technology



Mobile treatment use increasing due to reduction in:

- Costs
- Trucking transport
- Fresh water use
- Environmental impact

Flowback Treatment Specifications

Example flowback treatment levels for recycling purposes per industry standards:

- Total cations 10 - 2,000 ppm range
 - Acceptable levels range from company to company
 - Primary focus on Ba and Sr, but Ca also a concern
 - Ba, Sr , Fe, Mn, Mg < 10 ppm
 - Ca <1,000 ppm
- Processed water sulfates levels <30 ppm
- TSS <30 ppm
- TDS is variable, >50,000 ppm can be acceptable

Potential Water Resource Impact Pathways

- Faulty well construction
 - Allow methane or other hydrocarbons to migrate upwards into an aquifer
 - Possible fracturing fluid migration pathway
- Surface spills
 - Well blowouts
 - Tear in flowback storage impoundment liner
 - Leaking valve in tanks
 - Spill of fracturing fluids
 - Fuel spills

24" conductor casing (brown) is installed up to 50 feet deep and cemented (grey) to the surface.

20" casing is installed through the 24" casing and continuing up to 500 feet deep. This casing is cemented to surface to isolate and protect near-surface groundwater.

13 3/8" casing is installed through the 20" casing and continuing up to 1000 feet deep. This casing is also cemented to the surface to protect the groundwater aquifer from the gas well.

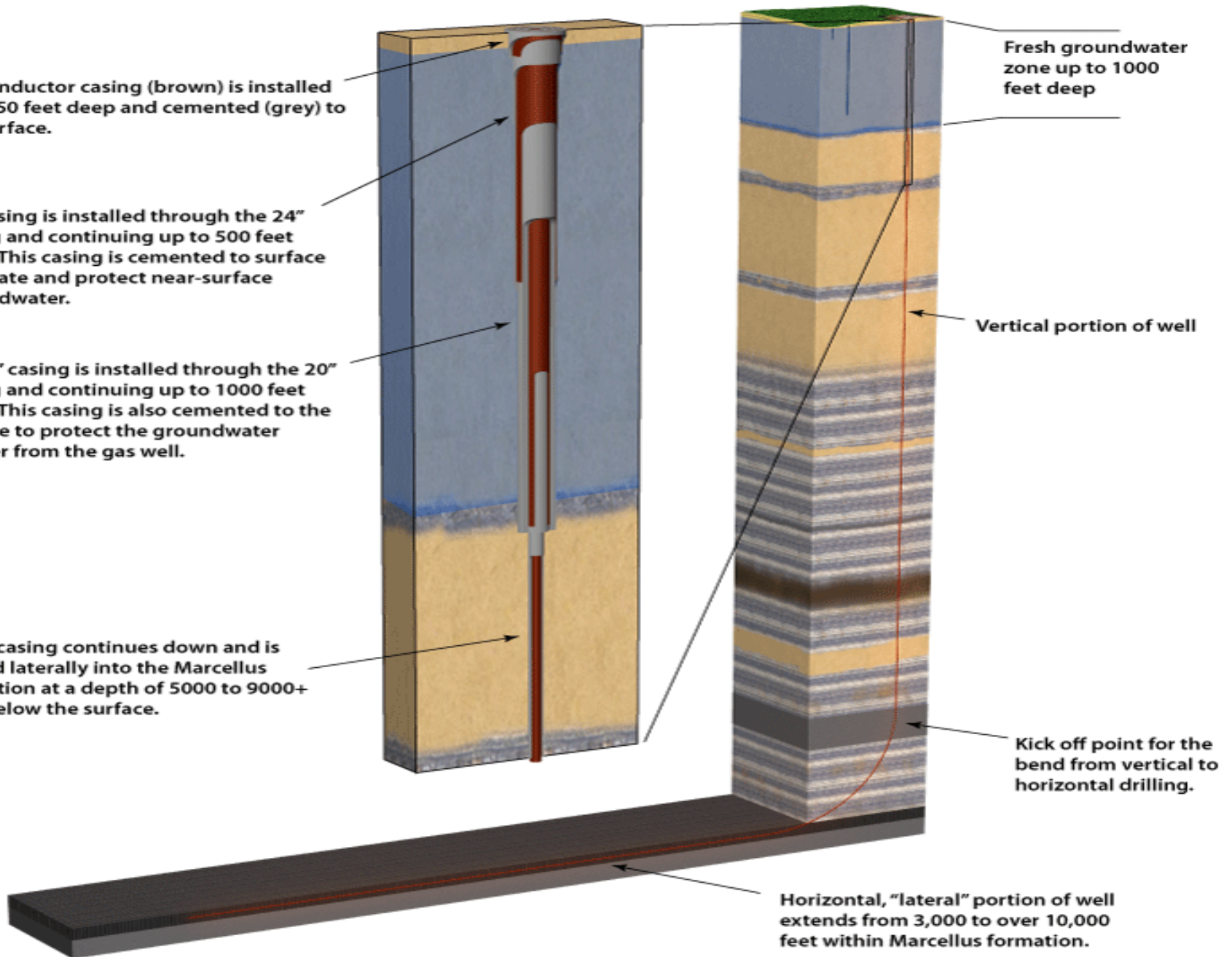
5 1/2" casing continues down and is turned laterally into the Marcellus formation at a depth of 5000 to 9000+ feet below the surface.

Fresh groundwater zone up to 1000 feet deep

Vertical portion of well

Kick off point for the bend from vertical to horizontal drilling.

Horizontal, "lateral" portion of well extends from 3,000 to over 10,000 feet within Marcellus formation.



Methane Migration

- Methane detected in shallow groundwater often occurs naturally prior to any natural gas drilling
 - ~25% to >50% of private wells have detectable methane prior to drilling in Pennsylvania and New York,
 - Up to 80% of private wells in some areas of northeastern Pennsylvania have pre-existing methane
- Increased levels of methane have been detected in water wells after gas well drilling primarily in NE PA
 - Inadequate gas well construction (ie bad cement seal) allowed methane to migrate upward into aquifers
 - Approximately 12-15 cases of methane migration attributable to Marcellus drilling operations
- Need to distinguish between pre-existing methane and its source (thermogenic vs. biogenic)

Recommended* Analytes for Water Supply Testing

Analyte (Inorganic)

Alkalinity

Chloride

Conductivity

Hardness

Oil and Grease

pH*

Sulfate

Total Dissolved Solids*

Residue - Filterable

Total Suspended Solids

Residue – Non Filterable

Analyte (Trace Metal)

Barium

Calcium

Iron*

Magnesium

Manganese*

Potassium

Sodium*

Strontium

Analyte (Organic)

Ethane*

Methane*

Analyte (Microbiology)

Total Coliform/E.coli

Considerations for pre-drilling testing:

- Have an independent third party collect and analyze samples
- Need to have proper chain-of-custody for samples
- Need to use state-certified lab for analysis
- If change in water quality within 12 months and 2,500 feet of shale well then operator assumed liable and must remedy

*From PaDEP recommendations

Conclusions

- Pre-drilling water quality is essential to establish back ground conditions,
- Understanding the geology is a key element proper gas well design,
- Gas well construction with sufficiently deep casing and high-integrity cement seals are critical to minimize methane or fluid migration,
- Fluids management at surface requires use of best management practices such as lined pads and secondary containment,
- Hydraulic fracturing itself does not pose a significant threat to groundwater in deep shale formations.

The End

Questions??

Thank you!!

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