

Geology of the Monterey Formation of California

With comments on recent oil field
developments

By Thomas MacKinnon

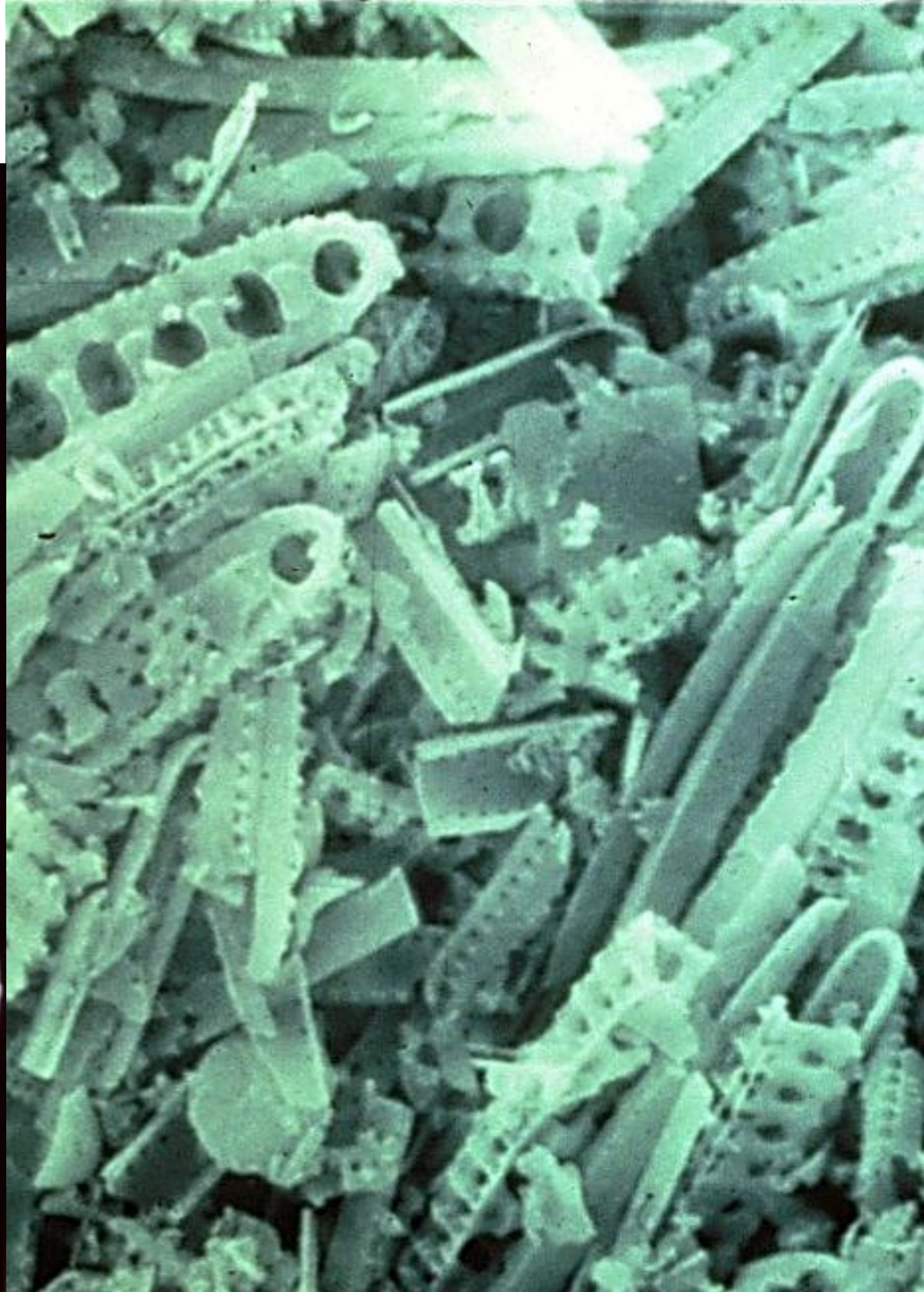
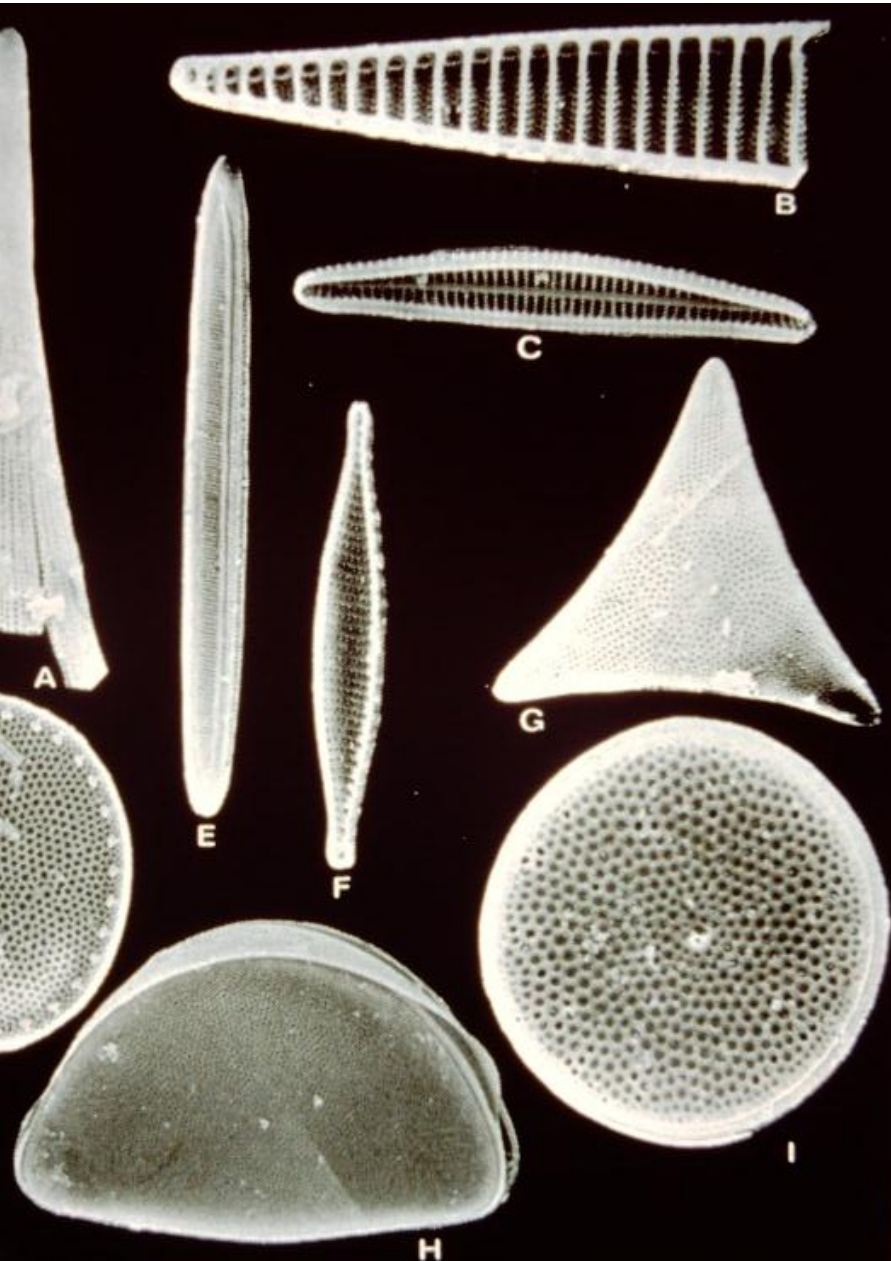
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Famous for silica (diatoms)
Chert and Porcelanite

Widespread in California
Typically 300 to 1000 m (up to 3000 m)

Diatoms: planktonic plants with siliceous shells



Fresh Diatomite "Hemipelagic"



Laminated



Bioturbated

Chert
Porcelanite,
Siliceous mudstone
Calcareous mudstone
Dolostone

silica, carbonate, and organic matter

Terrigenous

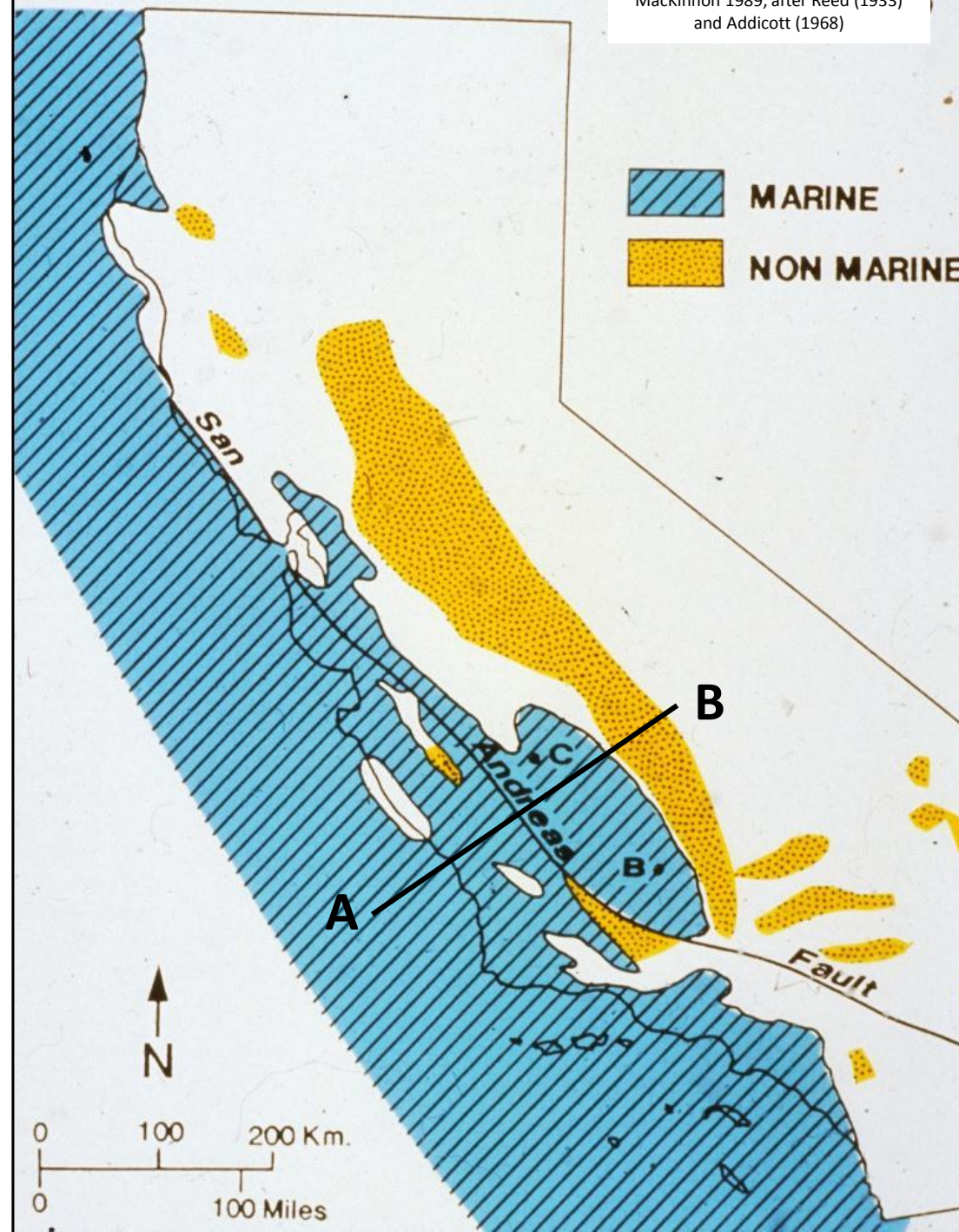
Planktonic

Diatoms
Radiolaria
Coccoliths
Unshelled algae
Bacteria

Benthic

Foraminifera (predominately)
Unshelled algae
Bacteria

Quartz
Feldspar
Clays
Other minerals

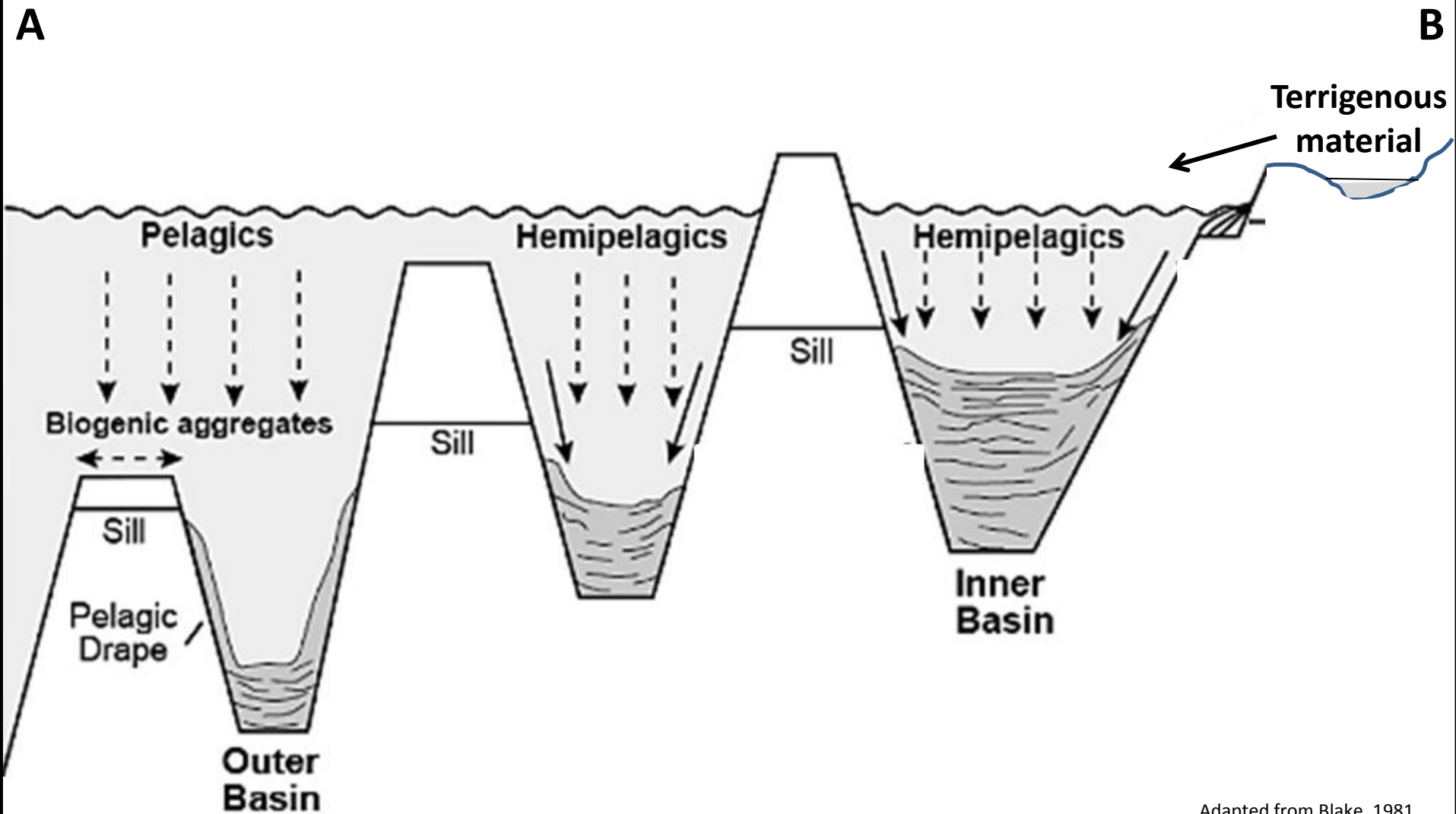


Mid to Late Miocene

- A trans-tensional continental margin
- Terrigenous material trapped on land or in nearshore basins
- High diatom productivity

Mid to Late Miocene:

- basins were isolated from terrigenous input
- Intense upwelling and biologic productivity

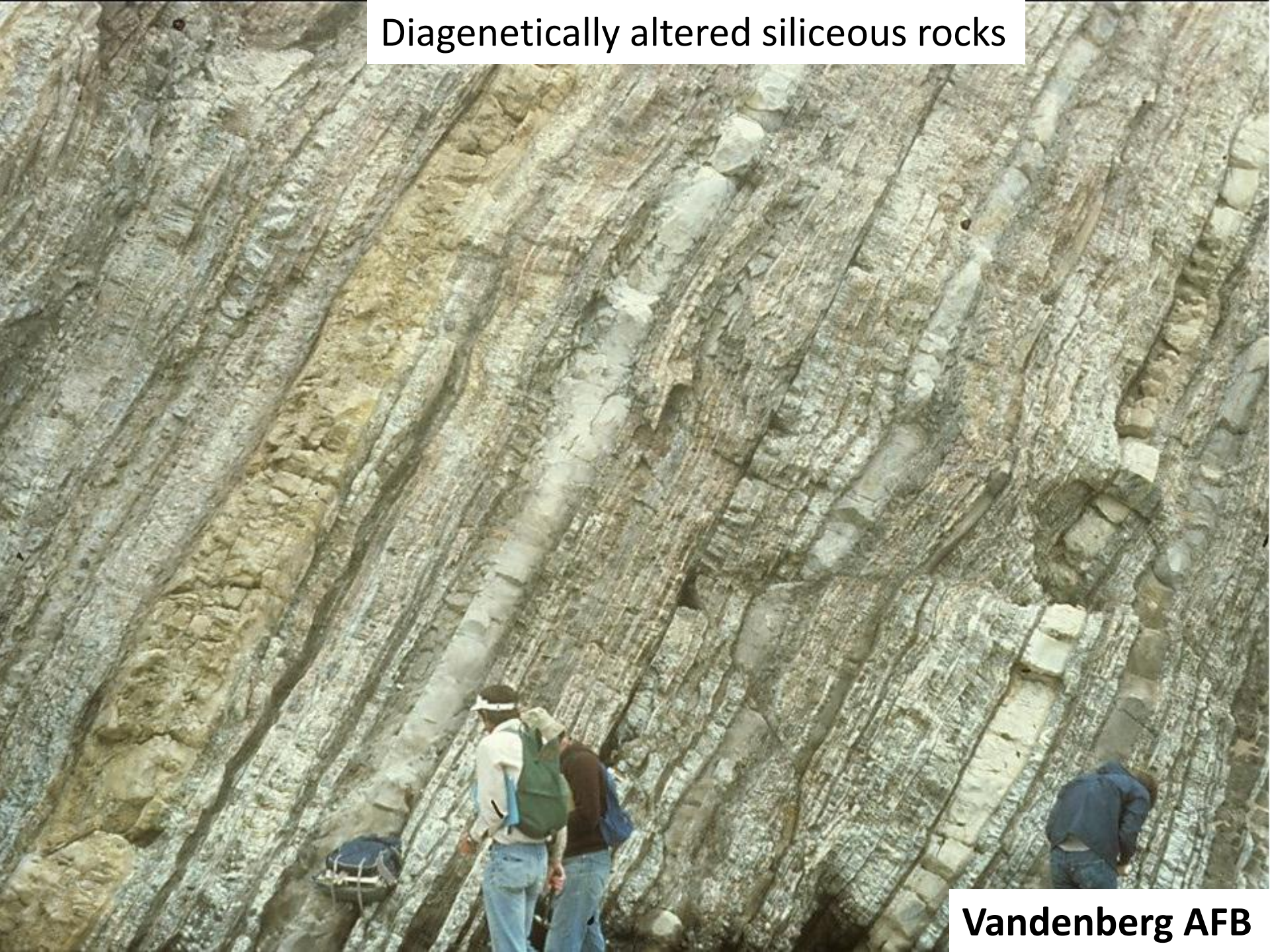


Weathered Diatomite



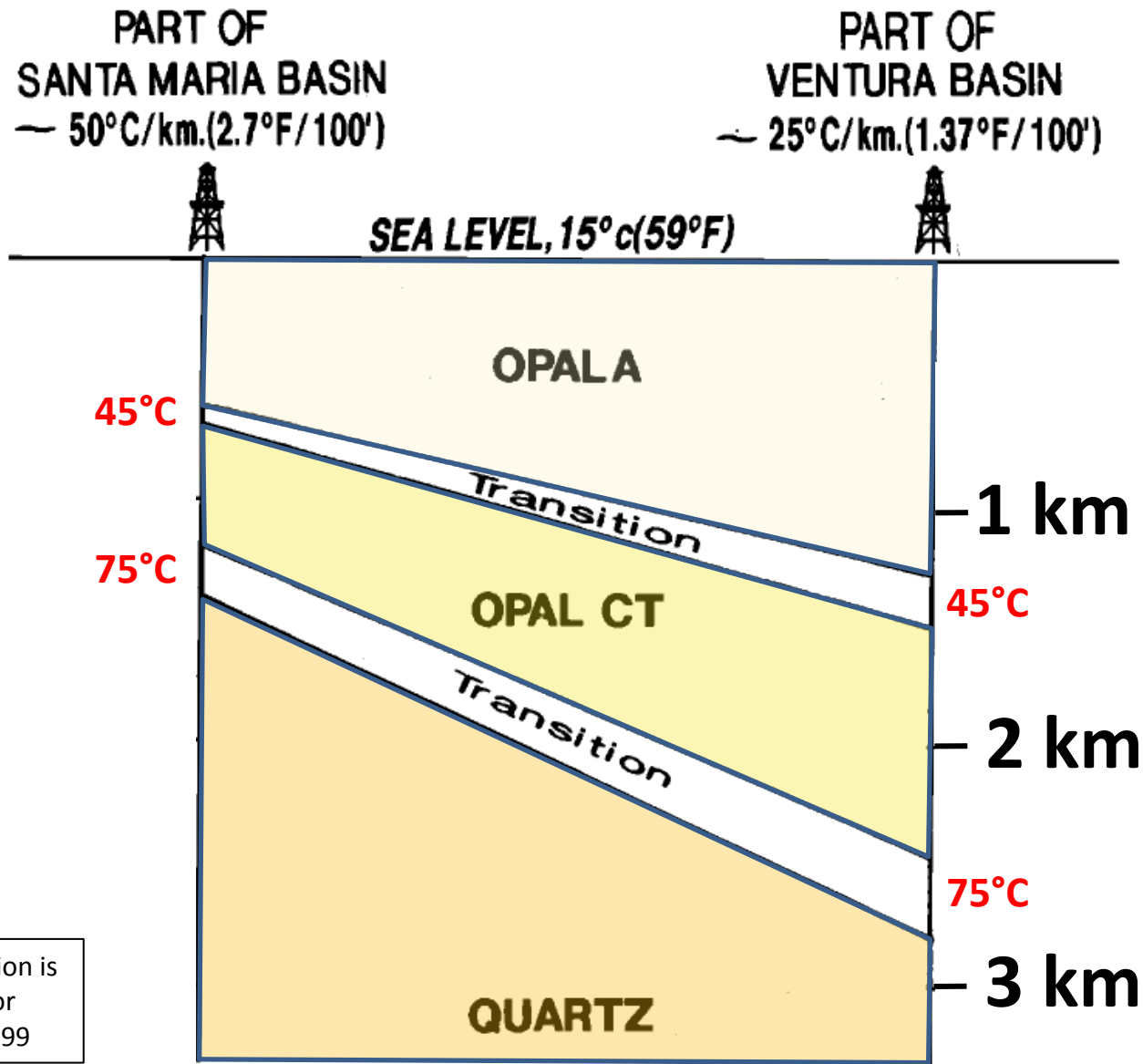
Lompoc

Diagenetically altered siliceous rocks



Vandenberg AFB

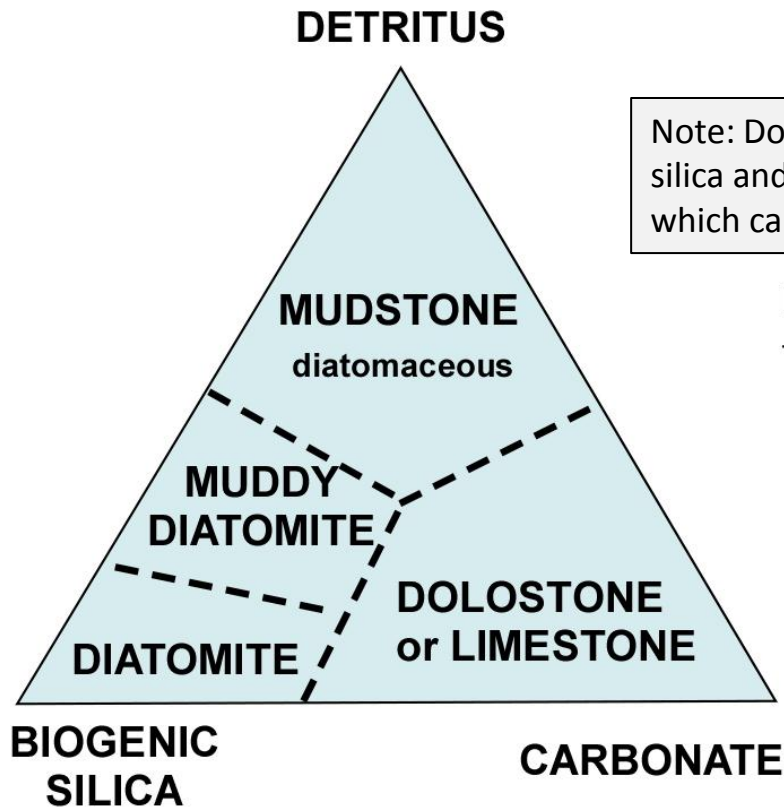
- Imagine its all diatomaceous and at maximum burial depth



bulk composition is also a factor
See Behl, 1999

Chert:	glassy, won't scratch, conchoidal fracture
Porcelanite:	unglazed porcelain, will scratch, conchoidal to splintery fracture

Opal A



Note: Does not take into account silica and carbonate migration which can be significant

heat and pressure
→

Opal CT or Quartz

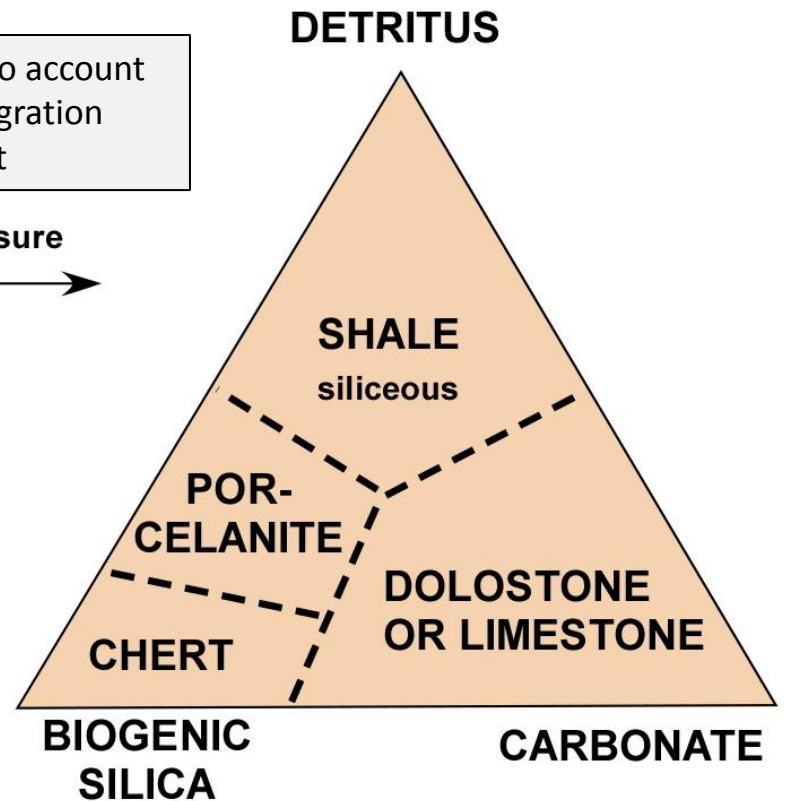




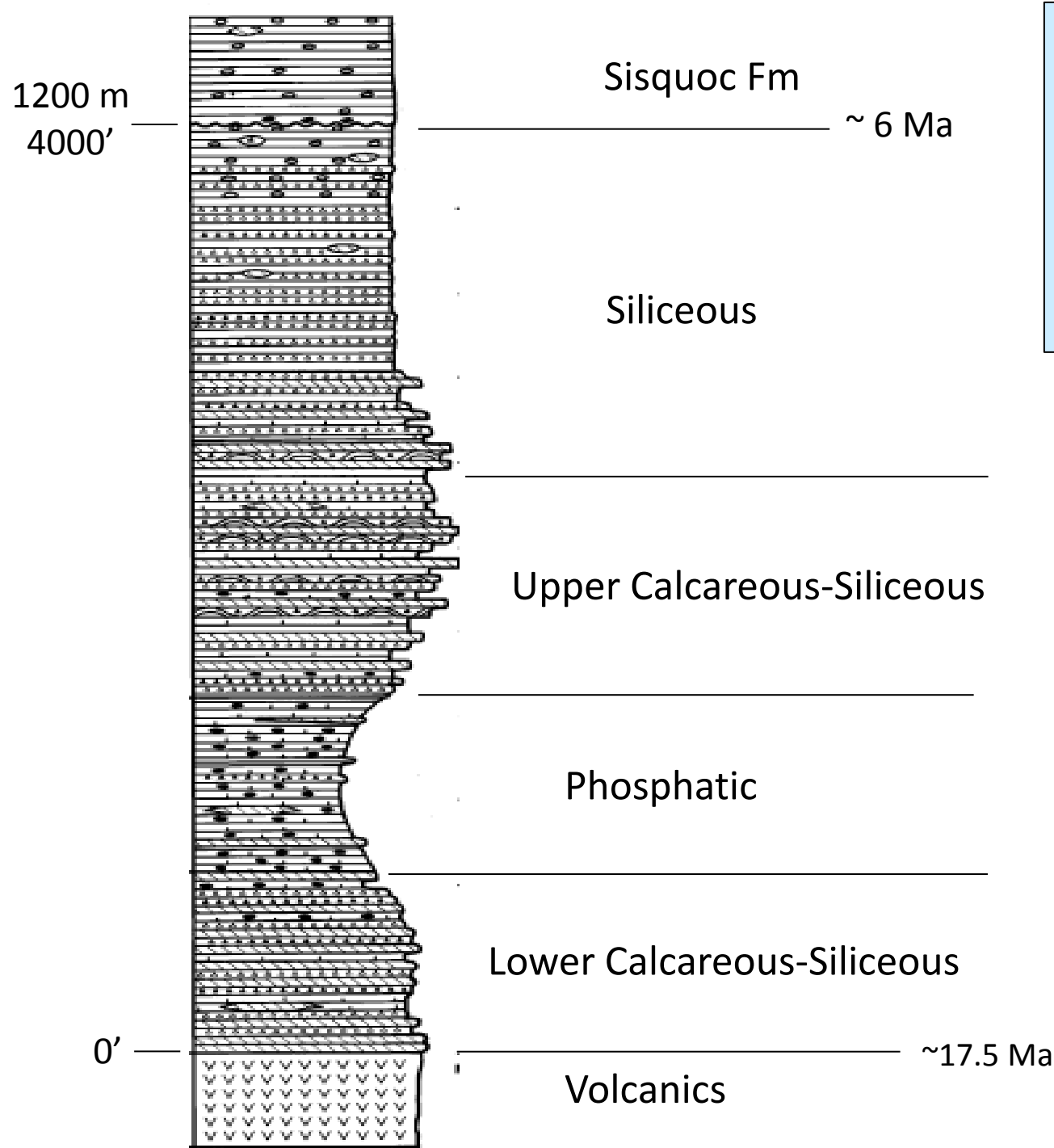
Photo By Rick Behl

Bedding origin

1. Compositional differences
2. Silica migration
3. Carbonate migration
4. Turbidites

**The Monterey
can be
subdivided
stratigraphically**

**Pt Arguello &
Pt Conception Area**





Monterey Fm

Rincon Fm

Santa Barbara

Lower Calcareous-Siliceous member





Phosphatic Member

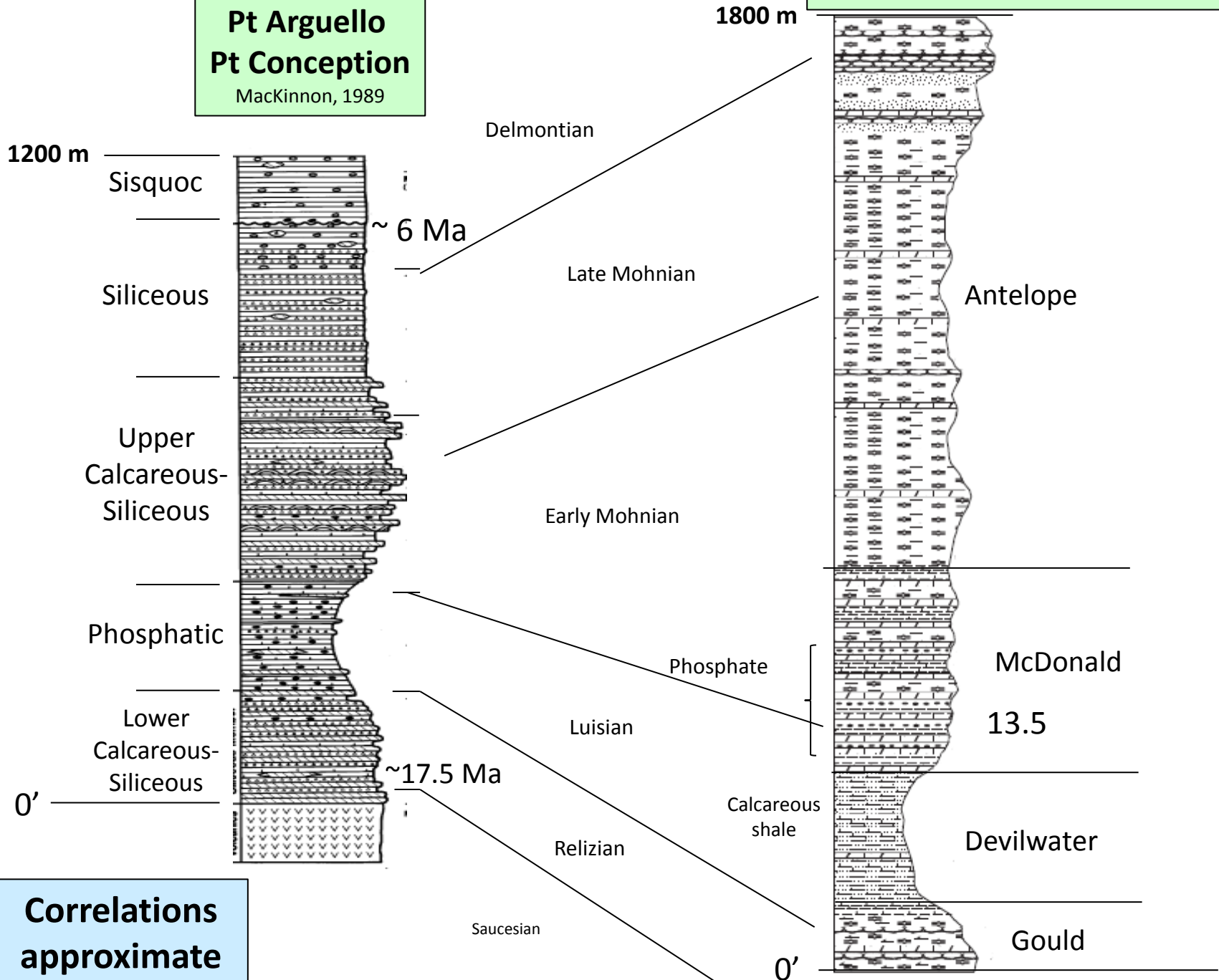
Upper calcareous-siliceous member



Clayey-siliceous member



Pt Arguello
Pt Conception
MacKinnon, 1989



1200 m

1800 m

0'

0'

Sisquoc

Siliceous

Upper
Calcareous-
Siliceous

Phosphatic

Lower
Calcareous-
Siliceous

Delmontian

~ 6 Ma

Late Mohnian

Early Mohnian

Phosphate

Luisian

~17.5 Ma

Relizian

Saucesian

Antelope

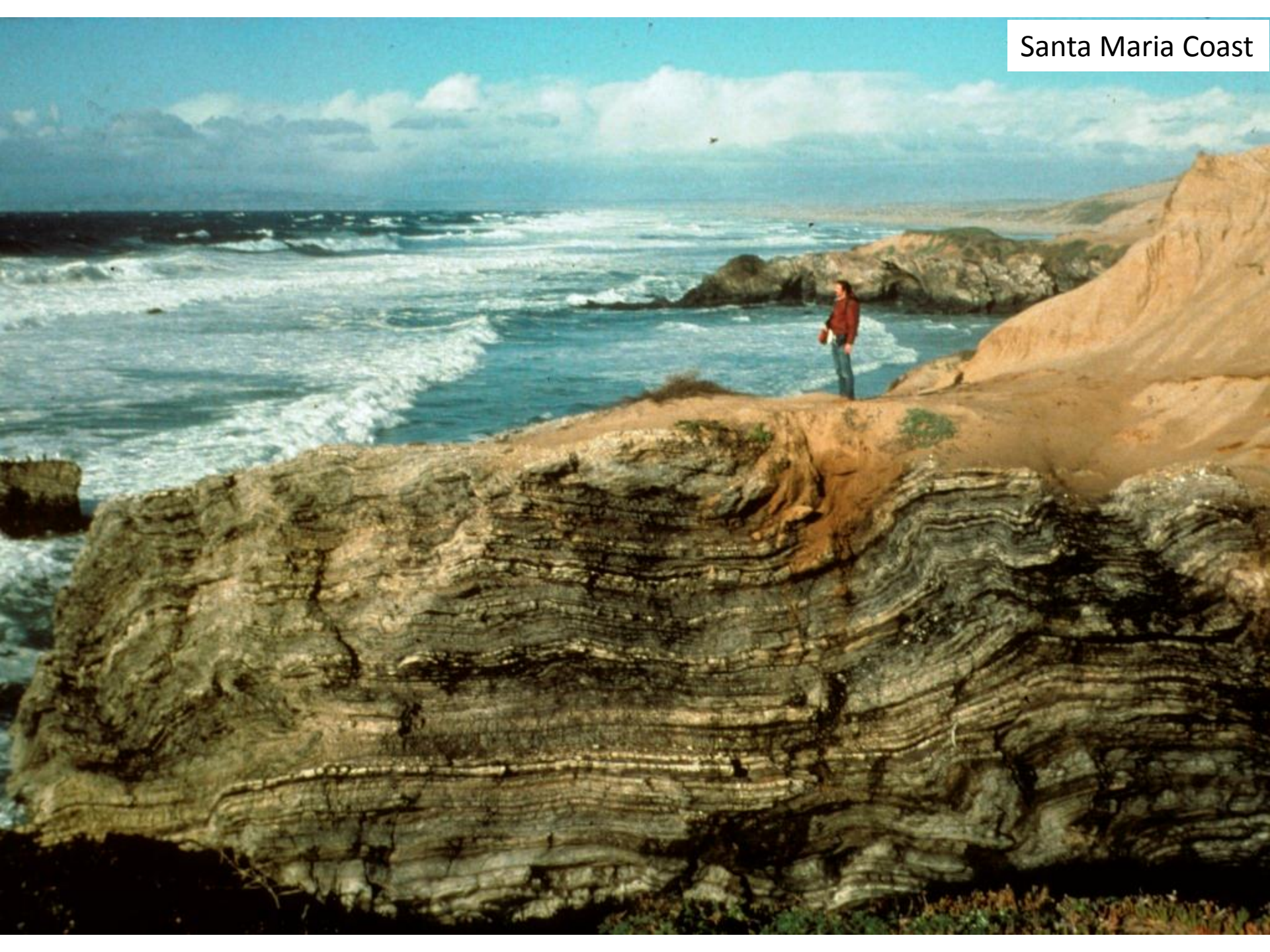
McDonald

13.5

Devilwater

Gould

Correlations
approximate



West side, San Joaquin Valley,
mainly porcelanite



Photo By Rick Behl

Newport Back Bay



Santa Cruz Island
Porcelanite and chert



Phosphatic member



Central Coast



Photo from Andrew Alden website



Pt Reyes



Pt Arena

Pt Arena



~29 to 18
m.y.a.

Shift from subduction to transform.
California margin subsided due to transtension

~18 m.y.a

Monterey deposition begins

Abrupt decrease in terrigenous material to offshore
Increased upwelling; high productivity
transform faulting, extension, volcanism, rotation.

~15 m.y.a.

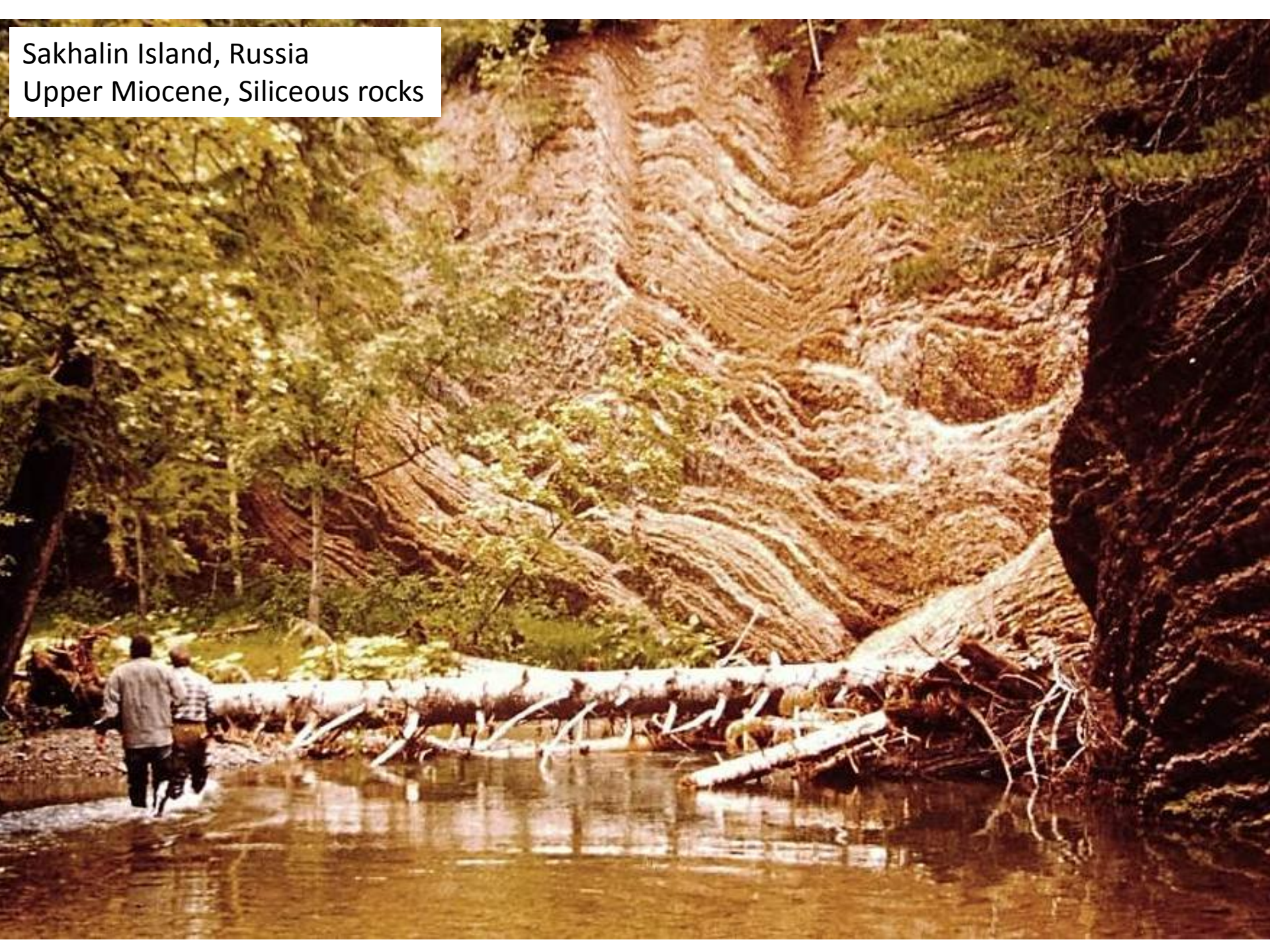
Polar cooling, even more upwelling.
High productivity continues

~6 m.y.a.

End of Monterey deposition

Shift to transpression,
Coast Ranges begin to form;
Terrigenous deposition increases.

Sakhalin Island, Russia
Upper Miocene, Siliceous rocks



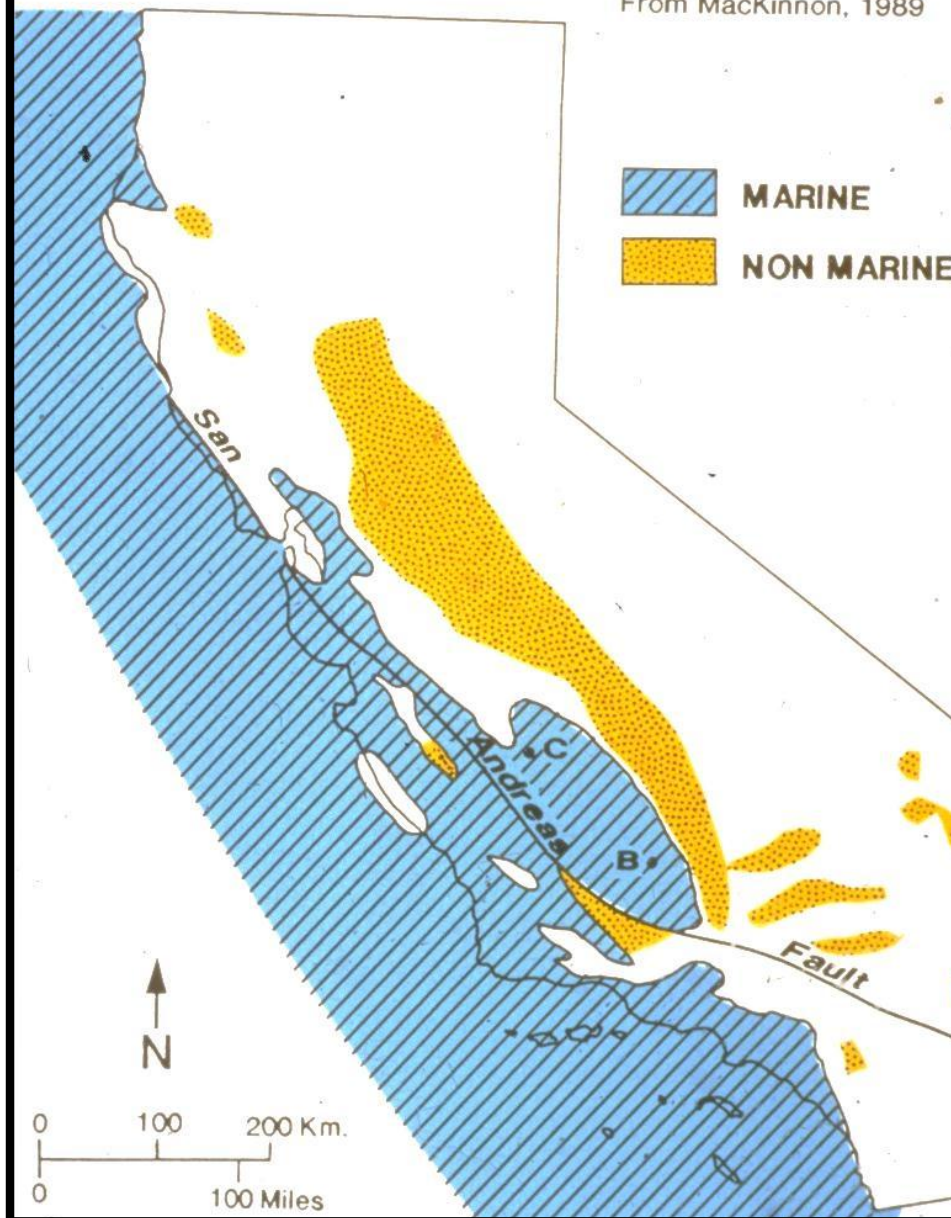
~90% of oil produced in California was sourced from the Monterey.



Lompoc Coast

Paleogeography

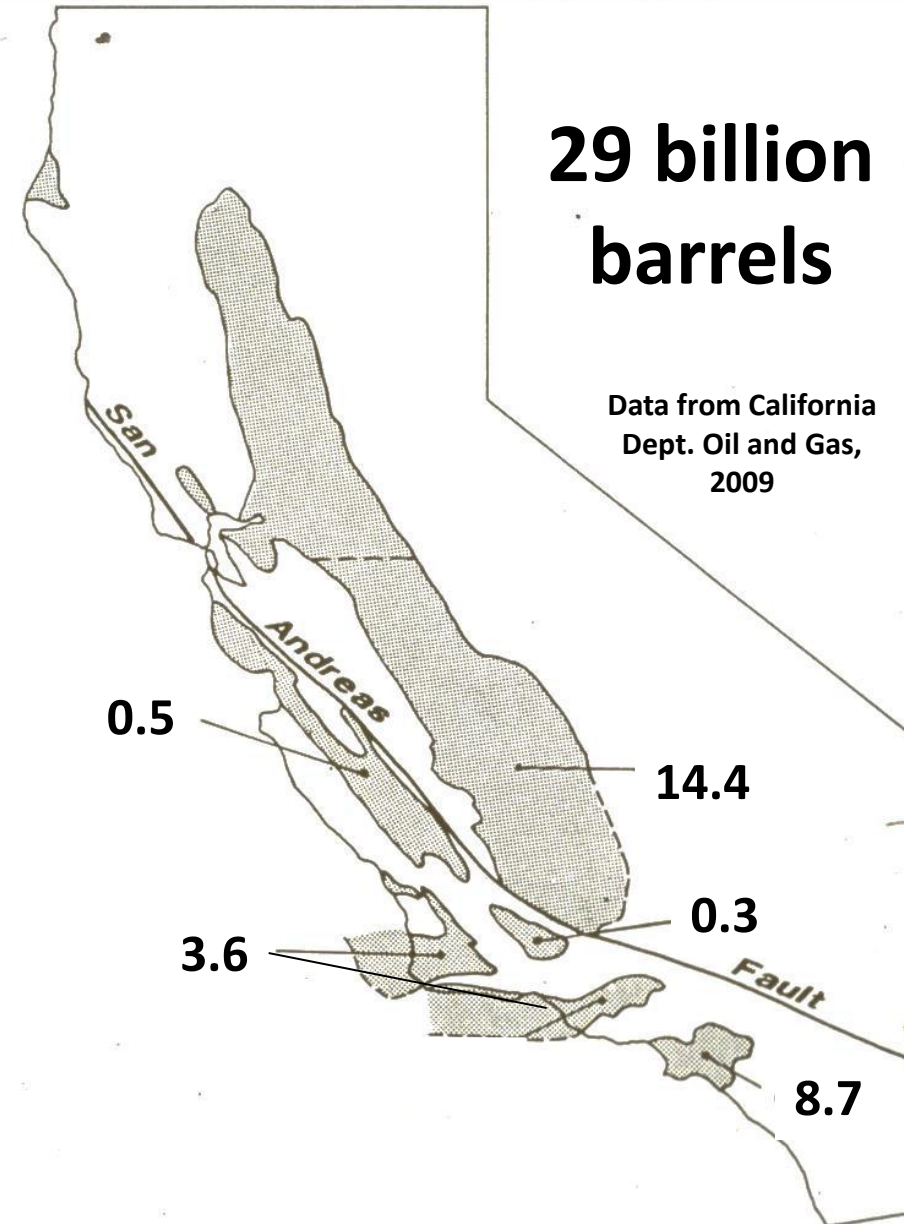
From MacKinnon, 1989



Billions of barrels Produced

29 billion barrels

Data from California
Dept. Oil and Gas,
2009



Source

Kerogen type II

diatoms, foraminifera, coccolithophores,
dinoflagellates, and bacterial mats

Total organic carbon (TOC)

typically 3-5% by weight, 2.5% is good

Generating depths ???

5000 to 17000'

Reservoir Rocks

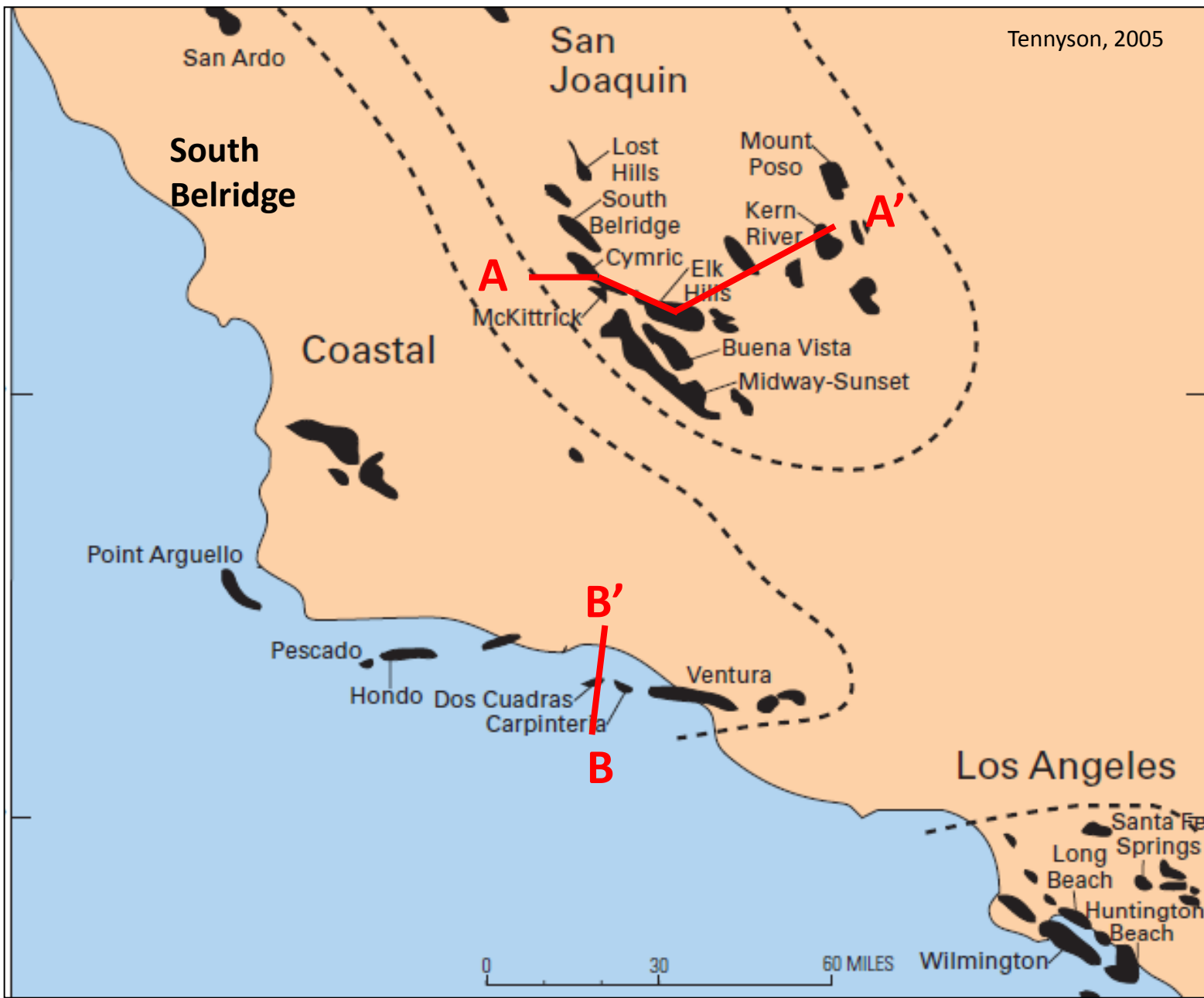
29 billion barrels

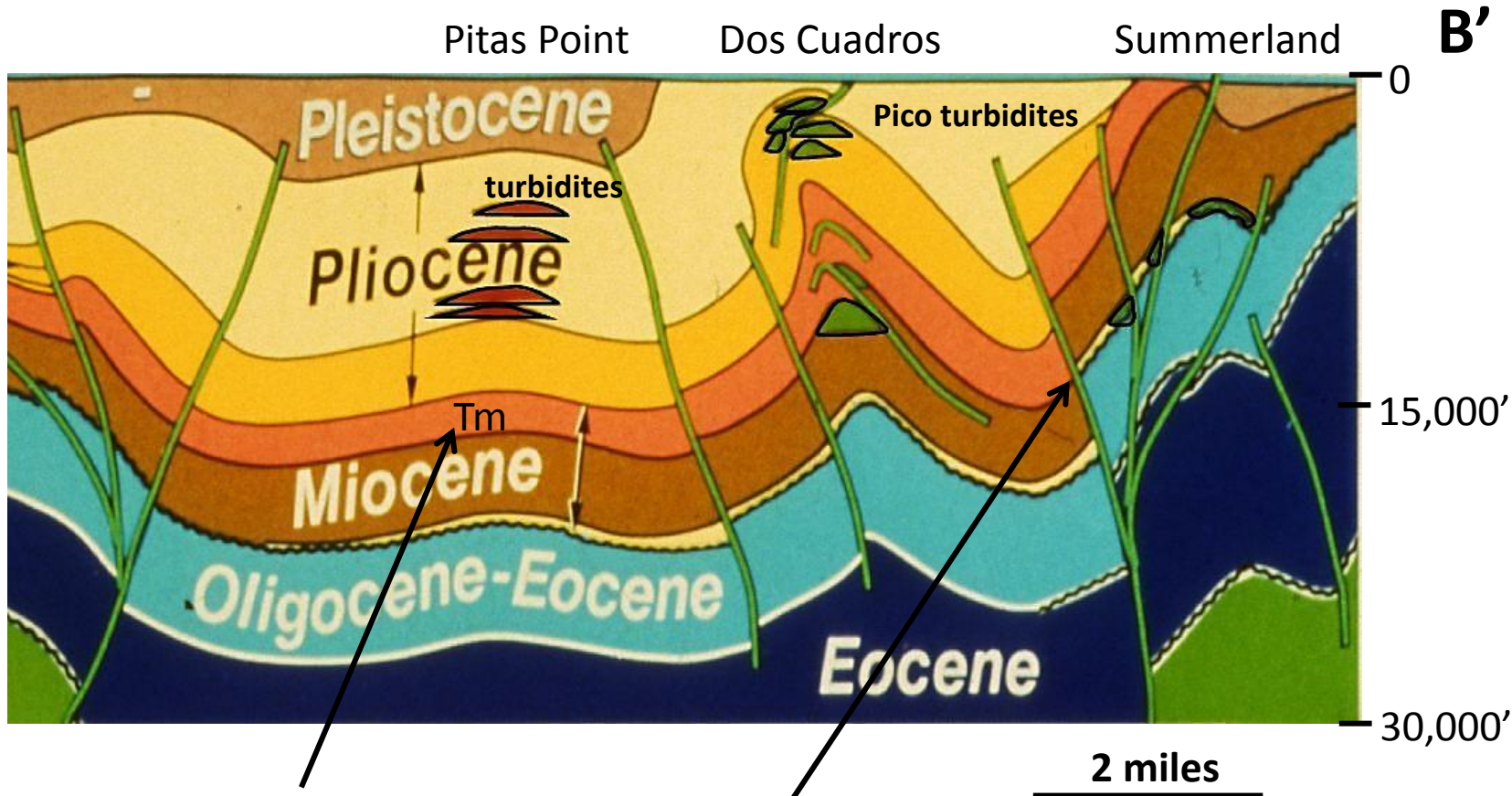
~10% produced from Monterey rocks

~90% produced from sandstones

above, adjacent and within the Monterey

Only 10% of total oil produced is from Monterey reservoirs



B**B'**

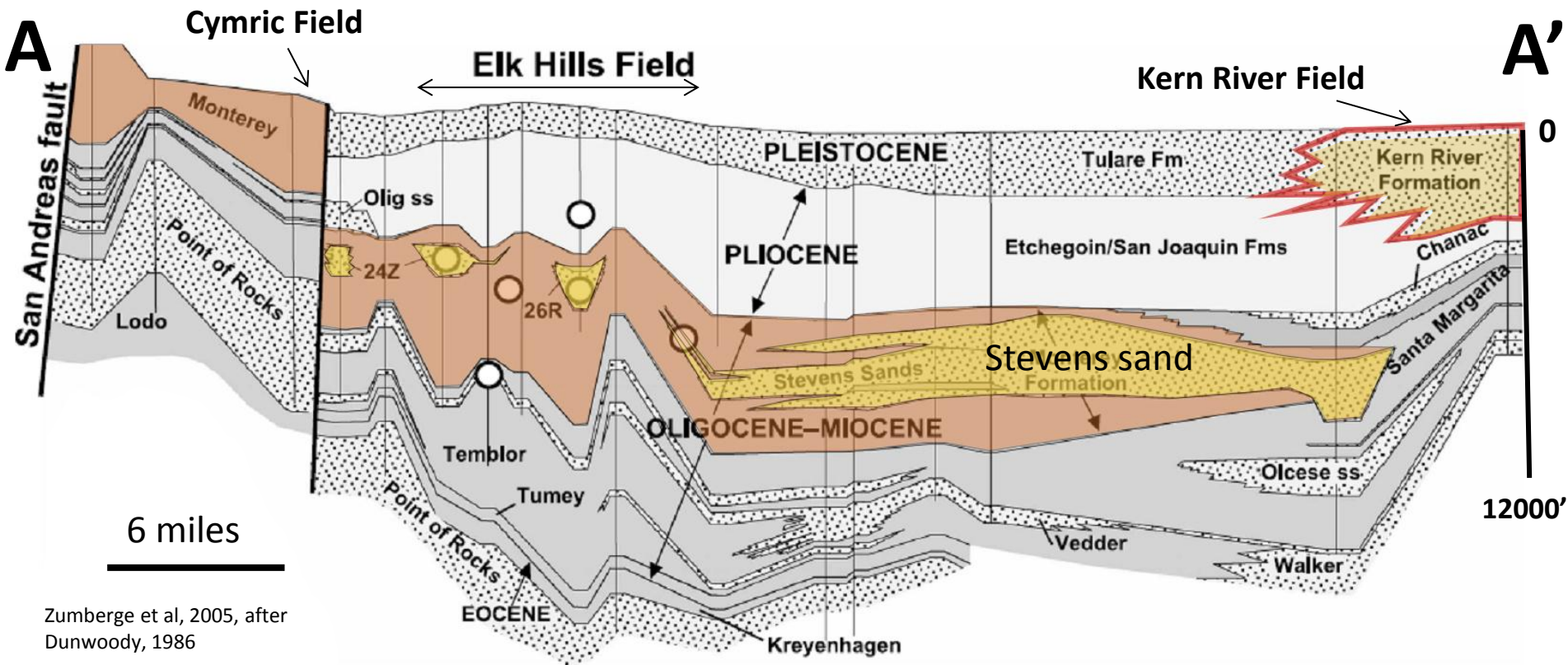
Monterey

Source route
To Vaqueros

Overlying turbidite sands are dominant play type here and in LA Basin

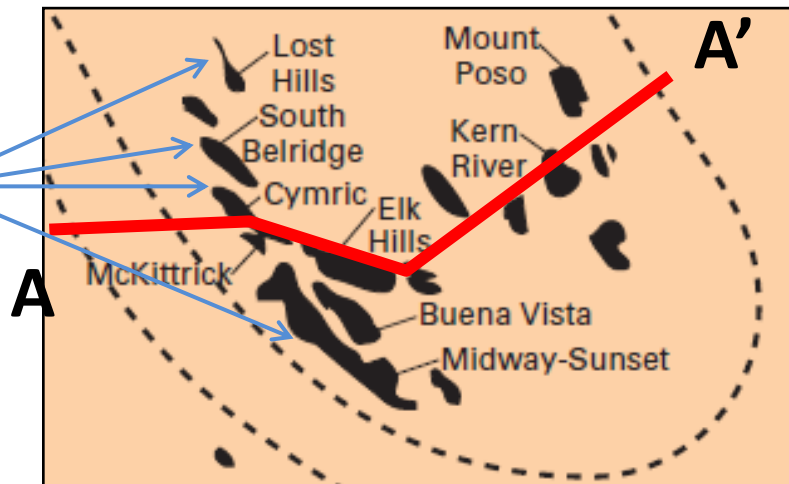


Bulk of production is from Stevens turbidite sands and overlying Plio/Pleistocene clastics



Monterey Fm

Diatomite fields



What about the 10% of oil that comes from Monterey Formation Reservoirs?

Opal CT and quartz ~2-35% porosity

Diatomite ~ 35-70% porosity

All rock types < 1 md permeability

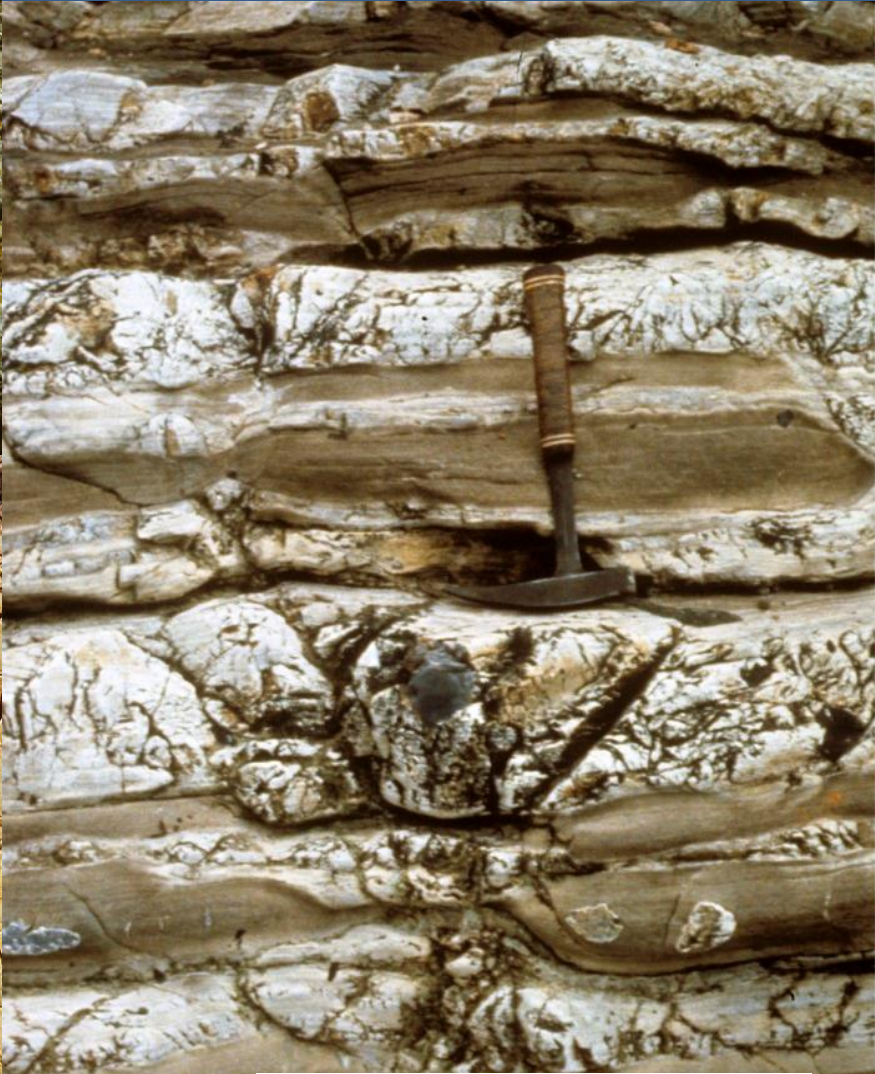
Sand ~1000 md
Sandst. ~100's md

Oil stored in Matrix
Produced from Natural or induced fractures

chert

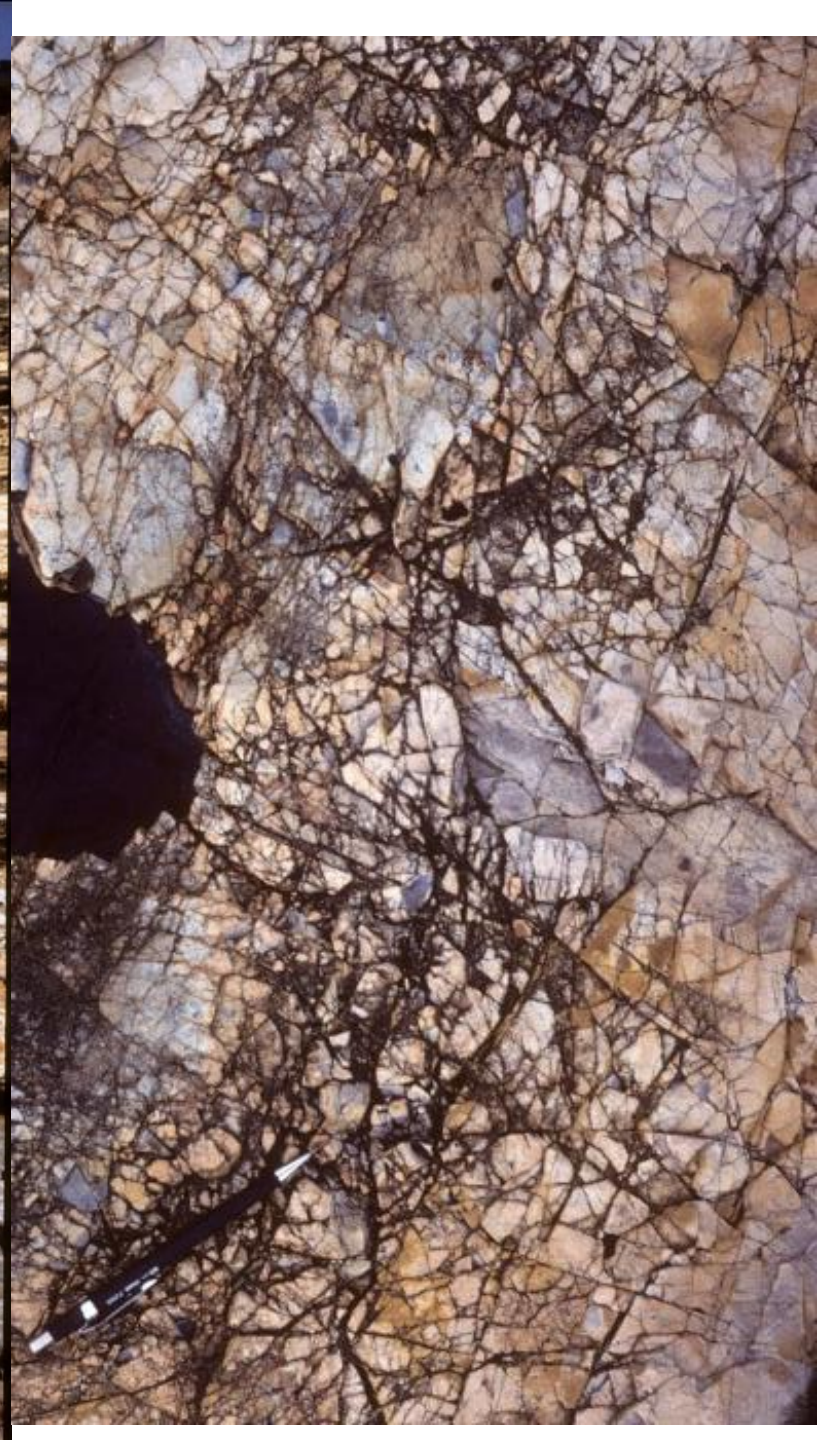


Fractured Reservoirs



Dolostone

Porcelanite and mudstone

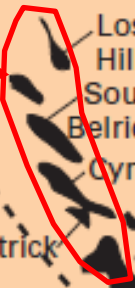


Diatomite reservoir...few fractures

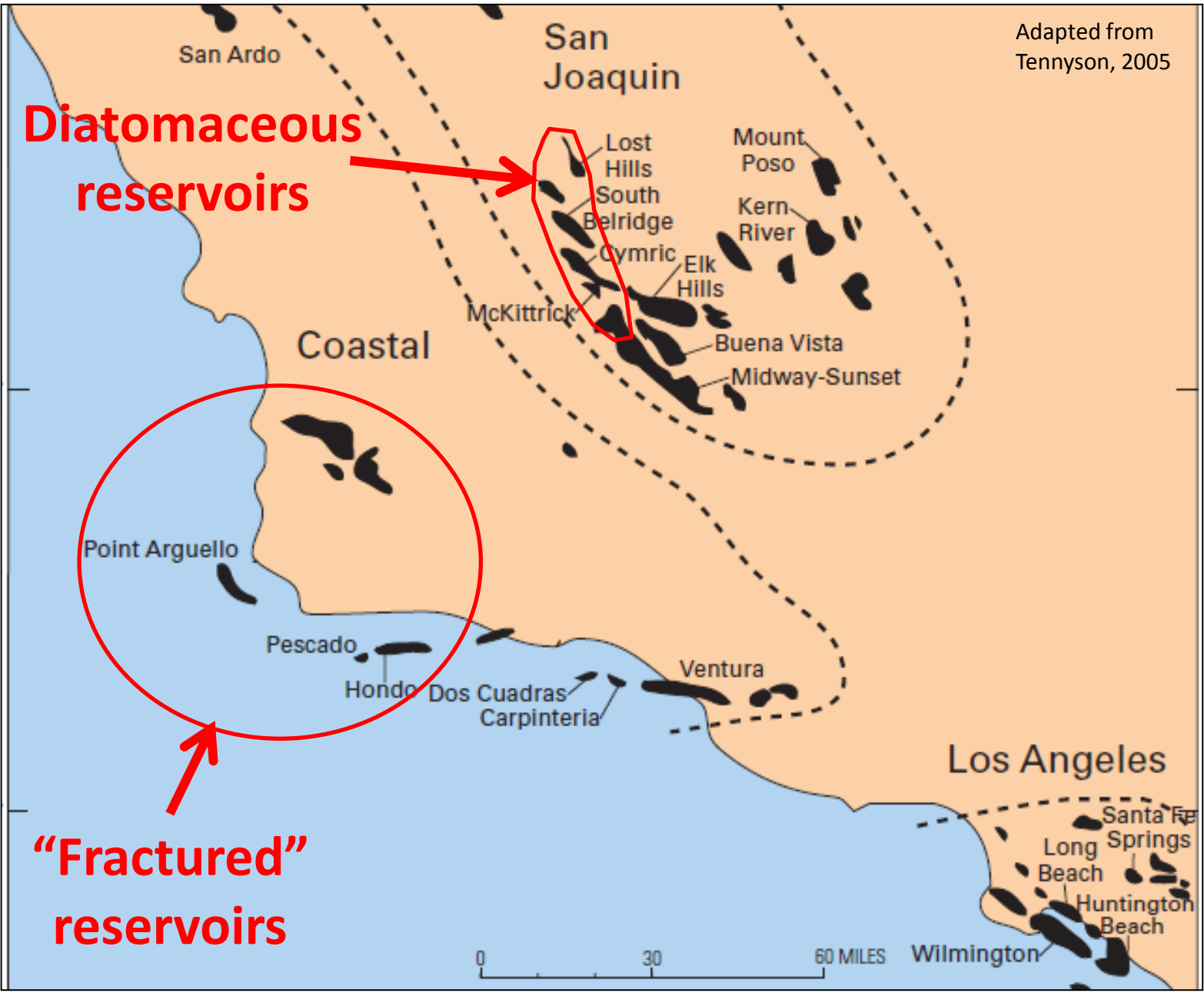


Adapted from
Tennyson, 2005

**Diatomaceous
reservoirs**



**“Fractured”
reservoirs**





©Sara Leen, National Geographic

**Diatomite reservoir
South Belridge field**

**“Fractured”
reservoir
Pt Arguello field**

Pt Arguello, Chert & Porcelanite

Primary, water flood; no fracking
Deviated wells drilled to intersect fractures
Selective perfing of highly fractured intervals
Acid jobs to clean up wellbore

3600 acres

High initial production, fast decline
Fluids move rapidly through natural fractures
Recovery factor 6-8%??

56 wells

2008

2,500 BOPD
177,000,000 cum
reserves ~ 36 million

Belridge field, Diatomite

Propped frac stimulation and
waterflood (since 1977)
Steam flood in selected areas

3500 acres

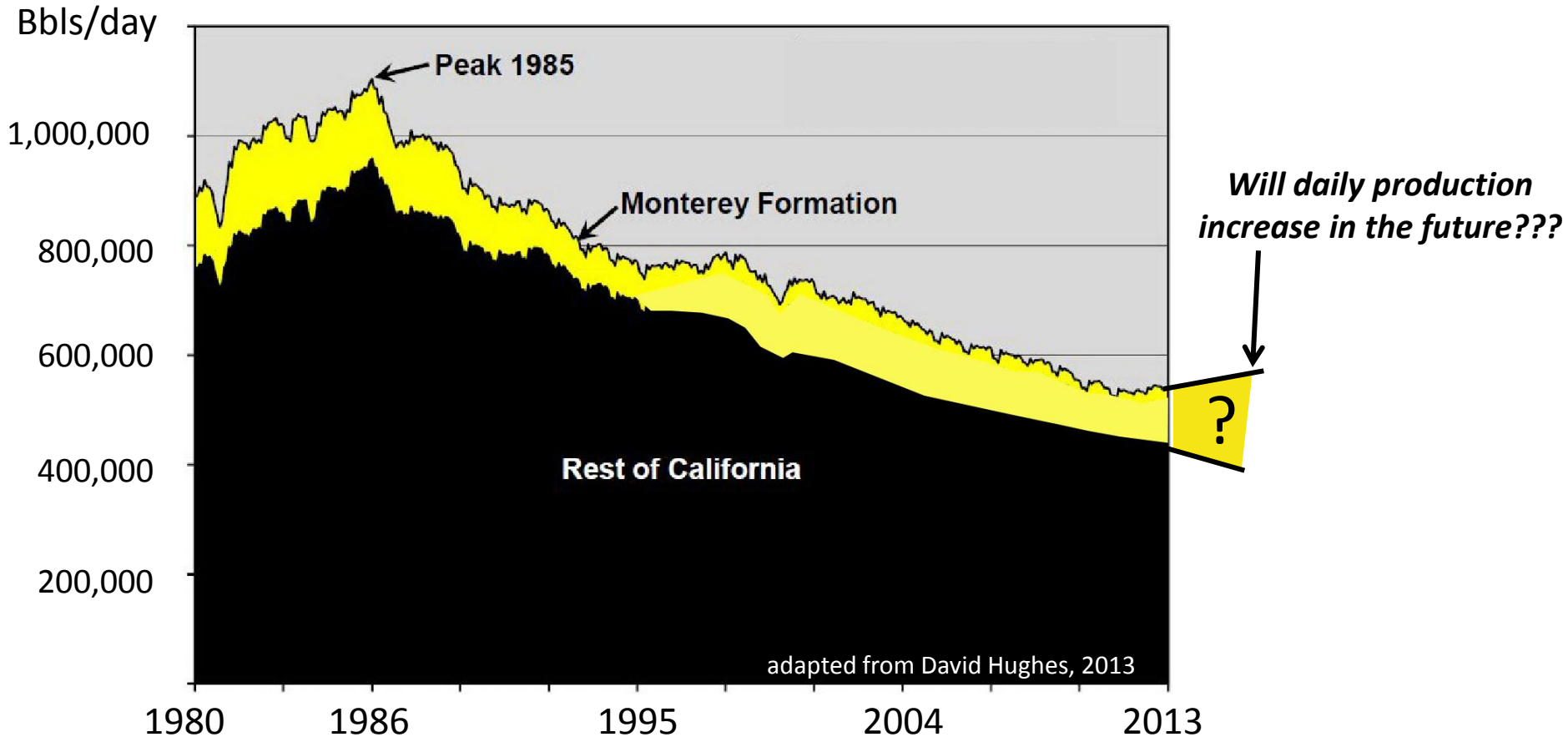
Low initial production, slow decline
Fluids move 0.3 to 1 meter per year
Recovery factor 10%??

4129 producers, 1343 injectors, 380 steam

2009

40,000 BOE per day
270,000,000 cum
reserves ~ 300 million

California Production



- Diatomite reservoirs holding fairly steady or increasing
- chert and porcelanite production has declined.
- New fields are not being discovered
- Remaining reserves with existing technologies = ~ 10 billion barrels (USGS)

**“Vast Oil Reserve May Now Be Within Reach,
and Battle Heats Up”**

New York Times, Feb 2013

“Fixing California: Will fracking bonanza be allowed?”

The States new law on fracking could clear the path for enormous economic growth”

San Diego U-T, September 2013

OR

“The Monterey Shale: Big Deal or Big Bust?”

AAPG Explorer, November 2012

How misinformation started

“In 2011, the U.S. Energy Information Administration (EIA) published a report by INTEK Inc. which stated that the Monterey Formation contains **15.4 billion barrels*** of technically recoverable tight oil “

Using this estimate, a “University of Southern California (USC) economic analysis...projected as much as a \$24.6 billion per year increase in tax revenue and 2.8 million additional jobs by 2020.”

From Hughes, J.D., 2013, Drilling California, a reality check on the Monterey Shale

***15.4 billion barrels estimate is for unconventional “tight oil” similar to Bakken shale play; no trap is required**

**INTEK's
Assumptions
Are
mind-boggling**

**Non-field lease holdings in the San
Joaquin Valley total 1,121,500 net
acres = 1,752 square miles**

550,000 B/O per well

	Active
Depth (ft)	11,250
Thickness (ft)	1,875
Porosity (%)	11
Total Organic Content (% wt)	6.5

	Active
Area (sq. miles)	1,752
EUR (MBO/ well)	550
Well Spacing (wells/ sq. mile)	16
TRR (BBO)	15.42

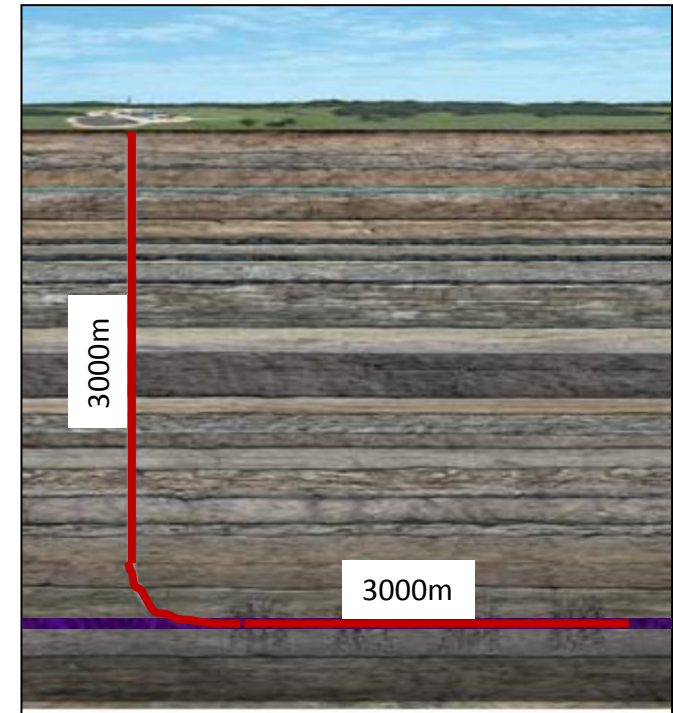
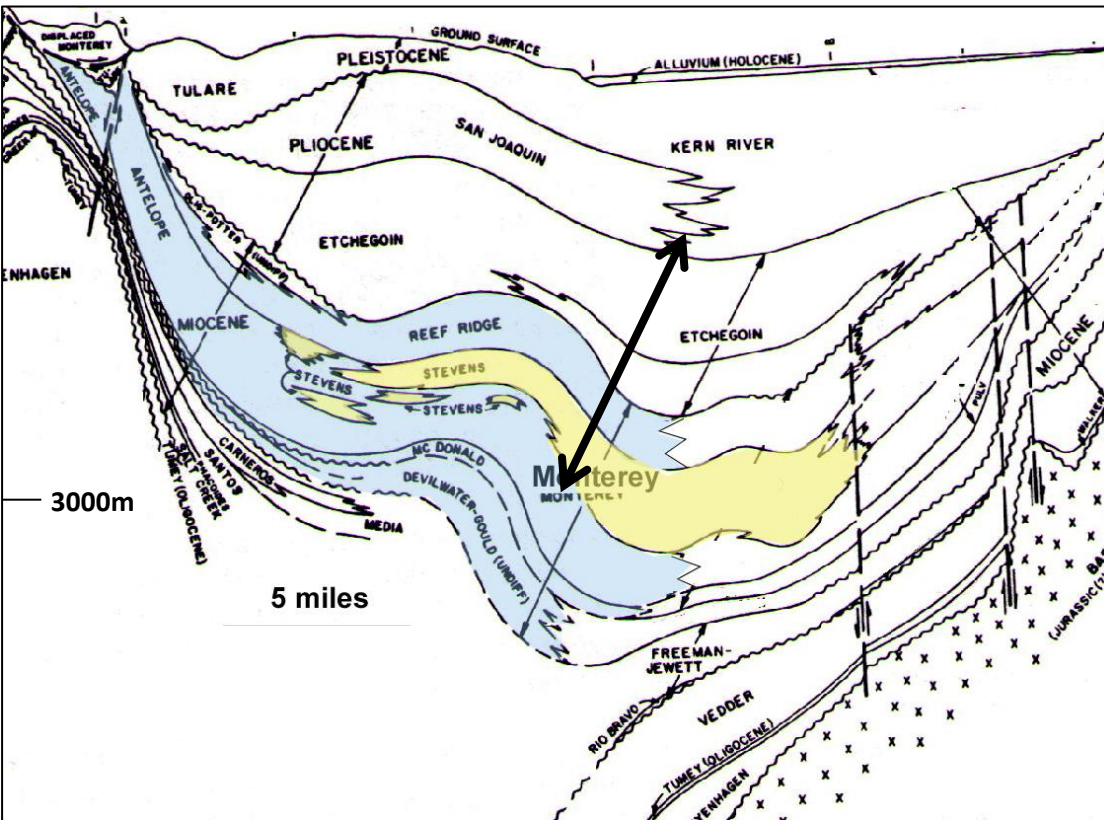
16 wells per sq. mile x 1752 sq. miles = 28,000 wells

28,000 wells x 550,000 BOPW = 15.4 billion barrels

Note: our taxes paid a contractor for this report.
USGS would have done it right

Monterey versus Bakken “oil shales”

	<u>Bakken</u>	<u>Monterey</u>
TOC	High	High
Porosity	2-15	2-25*
Permeability	<1md	<1md
Thickness	100-250'	6000+
Structure	simple	complex



Development



40/160 acre spacing

Bakken oil and gas



1/4 acre spacing

Monterey oil

Other key differences

- **Oil in the Monterey can migrate out as it is generated, leaving oil that is relatively immovable.**
- **In the Bakken, oil is generated but cannot get out without human intervention.**
- **Bakken oil is lighter (API gravity) and is overpressured**
- **Pore structure apparently is different**

What happened to The “Bonanza”?

Recent drilling in non-structural traps has been unsuccessful

New estimate is 600 million, down from 15.4 Billion

revised in Spring 2014

What about the remaining “conventional” Monterey oil?

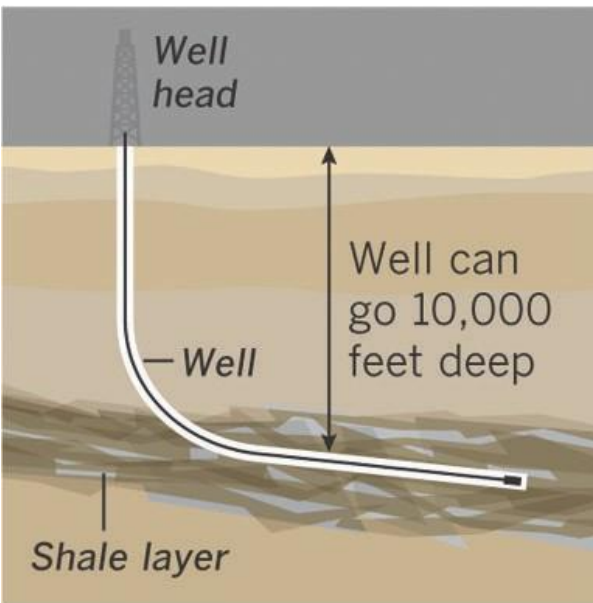
- **Current Recovery factor: <10%**
- **Billions of barrels remain in already discovered fields,** Tennyson et al, 2012, USGS

Fracking

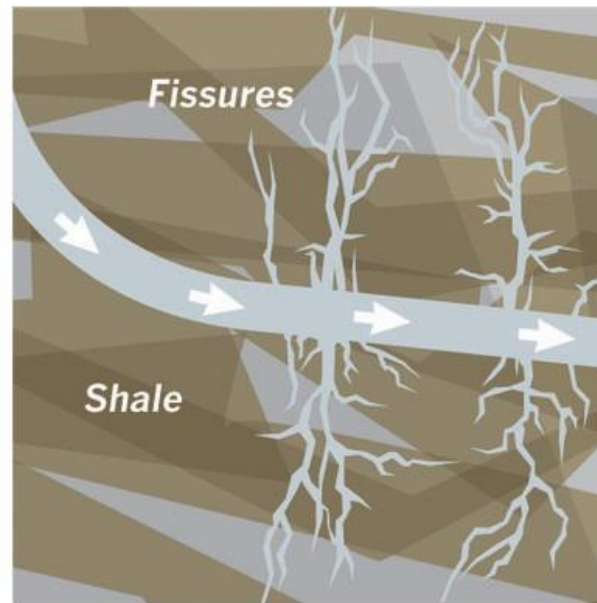
- The first commercially successful applications by 1950.
- As of 2012, ~2.5 million hydraulic fracturing jobs performed worldwide
- more than one million of them in the United States.
- Used in vertical, deviated and horizontal wells

King, 2012, SPE

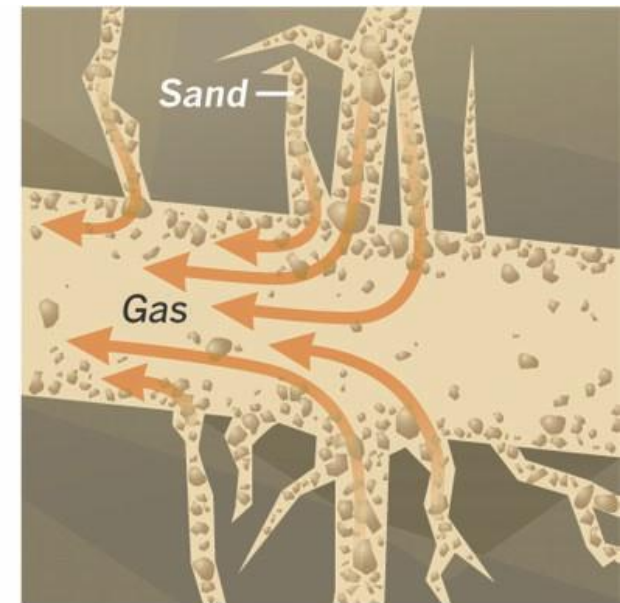
Drill



frac



Propents keep fracs open



Graphic: Doug Stevens, 2012, LA Times

Mix of water, chemicals and proppent “forcefully” injected into formation

**Fracking itself is not the problem,
it's the associated activities**

1. Potential Contamination of Aquifers (casing failure)
2. Air pollution near wellsite
3. Utilization of Scarce Water Supplies
4. Earthquakes caused by Injection of Flow-back Water
5. **Methane Leakage From Wells & pipelines**

Government oversight is required

New Fracking law passed:

- Fracking procedure more tightly controlled
- Chemicals now revealed.
- If you live near a fracking site, you will receive notice
- You can request a baseline water test

Has fracking increased in California?

- Current rates about the same as “pre-recession”
- records not kept in past, will be in future
- ~1500 wells per year

Calif. Council Science and tech report, 2014

Gas versus coal

- **Smog – gas clearly better than coal**

No particulates (e.g. sulfur (acid rain), mercury, and ash)
Millions of people will live longer and be healthier

- **Greenhouse Gases**

Replacing gas with coal will reduce greenhouse gas emissions
as long as methane leakage is controlled

- **Long term**

Replacing all coal with gas will not solve our climate problems



From Cypress coast surfboards website