THE UNIVERSITY OF ADELAIDE

COUPLED FLUID FLOW-GEOMECHANICS SIMULATIONS APPLIED TO COMPACTION AND SUBSIDENCE ESTIMATION IN STRESS SENSITIVE & HETEROGENEOUS RESERVOIRS

A THESIS SUBMITTED FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

by **Ta Quoc Dung**

Australian School of Petroleum, South Australia

2007

Acknowledgements

First of all, I would like to express my deep sense of gratitude to Dr. Suzanne Hunt for her principle supervision and important support throughout the duration of this PhD research. I am grateful to her not only for encouragement and guidance during academic years, but also for patience and help with regard to my English as well as spending time to understand me personally.

I am also highly indebted to Prof. Peter Behrenbruch for his constant direction through petroleum courses in the Australian school of Petroleum (ASP) and giving me guidance. His industrial experience contributes to my professional development.

I would like to thank my supervisor Prof. Carlo Sansour for his exceptional guidance and inspiration. He led me into the fascinating world of theory of continuum mechanics. In addition, he introduced me to the other beauty in my life: Argentinean Tango.

I also would like to take this opportunity to express my gratitude to all colleagues and administrators. Particularly, I would like to thank Do Huu Minh Triet, Jacques Sayers, Dr. Hussam Goda, Dr. Mansoor Alharthy, Son Pham Ngoc, Pamela Eccles and Vanessa Ngoc who have always been warm-hearted and helpful during the most challenging times of PhD life. Thanks go to all friends in the ASP who shared many hours of exciting soccer after working hours.

Financial support for both academic and life expenses was provided by the

Vietnamese Government. The ASP scholarship committee is highly acknowledged for approval of additional six months scholarship. Special thanks go to my Geology and Petroleum faculty at Ho Chi Minh City University of Technology for special support through this research.

Last, but not least, I would like to thank my family who believe in me at all times with their unconditional love.

Recently, there has been considerable interest in the study of coupled fluid flow – geomechanics simulation, integrated into reservoir engineering. One of the most challenging problems in the petroleum industry is the understanding and predicting of subsidence at the surface due to formation compaction at depth, the result of withdrawal of fluid from a reservoir. In some oil fields, the compacting reservoir can support oil and gas production. However, the effects of compaction and subsidence may be linked to expenditures of millions of dollars in remedial work. The phenomena can also cause excessive stress at the well casing and within the completion zone where collapse of structural integrity could lead to loss of production. In addition, surface subsidence can result in problems at the wellhead or with pipeline systems and platform foundations.

Recorded practice reveals that although these problems can be observed and measured, the technical methods to do this involve time, expense, with consideration uncertainty in expected compaction and are often not carried out. Alternatively, prediction of compaction and subsidence can be done using numerical reservoir simulation to estimate the extent of damage and assess measurement procedures. With regard to reservoir simulation approaches, most of the previous research and investigations are based on deterministic coupled theory applied to continuum porous media. In this work, uncertainty of parameters in reservoir is also considered.

This thesis firstly investigates and reviews fully coupled fluid flow – geomechanics modeling theory as applied to reservoir engineering and geomechanics research. A finite element method is applied for solving the governing fully coupled equations. Also simplified analytical solutions that present more efficient methods for estimating compaction and subsidence are reviewed. These equations are used in uncertainty and stochastic simulations. Secondly, porosity and permeability variations can occur as a result of compaction. The research will explore changes of porosity and permeability in stress sensitive reservoirs. Thirdly, the content of this thesis incorporates the effects of large structures on stress variability and the impact of large

structural features on compaction. Finally, this thesis deals with affect of pore collapse on multiphase fluid and rock properties. A test case from Venezuelan field is considered in detail; investigating reservoir performance and resultant compaction and subsidence.

The research concludes that the application of coupled fluid flow – geomechanics modeling is paramount in estimating compaction and subsidence in oil fields. The governing equations that represent behaviour of fluid flow and deformation of the rock have been taken into account as well as the link between increasing effective stress and permeability/porosity. From both theory and experiment, this thesis shows that the influence of effective stress on the change in permeability is larger than the effect of reduction in porosity. In addition, the stochastic approach used has the advantage of covering the impact of uncertainty when predicting subsidence and compaction.

This thesis also demonstrates the influence of a large structure (i.e. a fault) on stress regimes. Mathematical models are derived for each fault model to estimate the perturbed stress. All models are based on Mohr–Coulomb's failure criteria in a faulted area. The analysis of different stress regimes due to nearby faults shows that effective stress regimes vary significantly compared to a conventional model. Subsequently, the selection of fault models, fault friction, internal friction angle and Poisson's ratio are most important to assess the influence of the discontinuity on the reservoir compaction and subsidence because it can cause a significant change in stress regimes.

To deal with multiphase flow in compacting reservoirs, this thesis presents a new method to generate the relative permeability curves in a compacting reservoir. The principle for calculating the new values of irreducible water saturation ($S_{\rm wir}$) due to compaction is demonstrated in this research. Using coupled reservoir simulators, fluid production due to compaction is simulated more comprehensively. In the case example presented, water production is reduced by approximately 70% compared to conventional modeling which does not consider changes in relative permeability. This project can be extended by applying the theory and practical methodologies developed to other case studies, where compaction and stress sensitivity dominate the drive mechanism.

PUBLICATIONS

Ta, Q. D., S. P. Hunt and C. Sansour (2005). Applying fully coupled geomechanics and fluid flow model theory to petroleum wells. The 40th U.S. Symposium on Rock Mechanics-USRMS, Anchorage, Alaska.

Ta, Q. D. and S. P. Hunt (2005). Investigating the relationship between permeability and reservoir stress using a coupled geomechanics and fluid flow model. 9th Conference on Science and Technology, held in Ho Chi Minh City University of Technology, Viet Nam.

Ta, Q. D. and S. P. Hunt (2005). Consideration of the permeability and porosity relationship in a FEM coupled geomechanics and fluid flow model. Intergrated geoenginering for sustainable infracstructure development. Hanoi Geoengineering 2005, Ha Noi - Viet Nam, Vietnam National University Publishing House

Ta, Q. D. and S. P. Hunt (2006). Stress variability around large structural features and its impact on permeability for coupled modeling simulations. 4th Asian Rock Mechanics Symposium (ARMS), Singapore.

Ta, Q. D., M. Al-Harthy, S. Hunt and J. Sayers (2007). The impact of uncertainty on subsidence and compaction prediction. First Sri Lankan Geotechnical Society (SLGS) International Conference on Soil and Rock Engineering, Colombo, Sri Lanka.

STATEMENT OF ORIGINALITY

This work contains no material which has been accepted for the award of any other degree or diploma at any university or other tertiary intuition and, to the best of my knowledge and belief, this thesis contains no material previously published or written by another person, except where due reference has been made in the text.

I give consent to this copy of my thesis, when deposited in the University Library, being available for loan and photocopying.

| a | Date |
|---------|--------|
| Signod: | L Noto |
| VIBUEU | |
| ~15 | |

CONTENTS

| CHAI | PTER 1: LITERATURE REVIEW ON COUPLED | |
|------|---|----|
| SIMU | LATION AND COMPACTION RESEARCH | 1 |
| 1.1 | Problem statement | 1 |
| 1.2 | Summary of literature and thesis overview | 2 |
| 1.2. | 1 Coupling of fluid flow and rock deformation. | 2 |
| 1.2. | 2 Stress sensitive permeability and porosity | 4 |
| 1.2. | 3 Numerical scheme – Finite element advancement | 7 |
| 1.2. | 4 Uncertainty in subsidence and compaction research | 8 |
| 1.2. | 5 Multiphase continua in the coupled model | 8 |
| 1.3 | Research objectives | 9 |
| 1.4 | Outline of the thesis. | 12 |
| CHAI | PTER 2: THE CONTINUUM MECHANICS THEORY | , |
| APPL | LIED TO COUPLED RESERVOIR ENGINEERING | |
| PAR1 | TICULARLY IN SUBSIDENCE AND COMPACTION | |
| RESE | EARCH | 14 |
| 2.1 | Introduction | 14 |
| 2.2 | Fundamental theories | 15 |
| 2.2. | 1 Liner elasticity definition | 15 |
| 2.2. | 2 Kinematics | 17 |
| 2.3 | Principle laws | 20 |
| 2.3. | 1 Conservation of mass | 20 |
| 2.3. | 2 Balance of momentum | 22 |
| 23 | 3 The balance of angular momentum | 23 |

| 2.4 | Coupled fluid flow – geomechanics models | 28 |
|---|--|--|
| 2.4.1 | General form of coupled fluid flow – geomechanics | |
| mode | els | 29 |
| 2.4.2 | Coupled radial single-phase fluid flow – geomechanics | |
| mode | .1 | 32 |
| 2.4.3 | Coupled two phase fluid flow – geomechanics model | 37 |
| 2.5 | Numerical solution of the governing equations | 38 |
| 2.5.1 | Finite Difference Method (FDM) | 38 |
| 2.5.2 | Finite Volume Method (FVM) | 39 |
| 2.5.3 | Finite Element Method (FEM) | 40 |
| 2.5.4 | Equation discretization | 40 |
| 2.6 | Analytical solutions for compaction and subsidence | 43 |
| 2.7 | Conclusions | 44 |
| | TER 3: THE IMPACT OF UNCERTAINTY ON | |
| SUBSI | TER 3: THE IMPACT OF UNCERTAINTY ON DENCE AND COMPACTION Introduction | 45 |
| SUBSI | DENCE AND COMPACTION Introduction | 45 |
| 3.1 3.2 | DENCE AND COMPACTION | 45 |
| SUBSI 3.1 3.2 and con | DENCE AND COMPACTION Introduction Why do we need to investigate uncertainty on subsider | 45 |
| SUBSI 3.1 3.2 and con | DENCE AND COMPACTION Introduction Why do we need to investigate uncertainty on subsident paction Geostatistics principle | 45 nce 46 |
| 3.1 3.2 and cor 3.3 3.3.1 | DENCE AND COMPACTION Introduction Why do we need to investigate uncertainty on subsident paction Geostatistics principle | 45 ace 46 47 |
| 3.1 3.2 and cor 3.3 3.3.1 | Introduction Why do we need to investigate uncertainty on subsidering action Geostatistics principle Histograms of data The normal distribution | 45 ace 46 47 |
| 3.1 3.2 and cor 3.3 3.3.1 3.3.2 3.3.3 | Introduction Why do we need to investigate uncertainty on subsider npaction Geostatistics principle Histograms of data The normal distribution | 45 46 47 47 |
| 3.1 3.2 and cor 3.3 3.3.1 3.3.2 3.3.3 | Introduction Why do we need to investigate uncertainty on subsidering action Geostatistics principle Histograms of data The normal distribution The lognormal distribution | 45 46 47 47 48 49 50 |
| 3.1 3.2 and cor 3.3 3.3.1 3.3.2 3.3.3 3.4 3.5 | Introduction Why do we need to investigate uncertainty on subsidering a | 45 46 47 47 48 49 50 |
| 3.1 3.2 and cor 3.3 3.3.1 3.3.2 3.3.3 3.4 3.5 | Introduction Why do we need to investigate uncertainty on subsidering in paction Geostatistics principle Histograms of data The normal distribution The lognormal distribution Stochastic model - Monte Carlo simulation Validation the results of stochastic based simulation we | 45 46 47 47 48 49 50 |
| 3.1 3.2 and cor 3.3 3.3.1 3.3.2 3.3.3 3.4 3.5 numeri | Introduction Why do we need to investigate uncertainty on subsidering action Geostatistics principle Histograms of data The normal distribution The lognormal distribution Stochastic model - Monte Carlo simulation Validation the results of stochastic based simulation we cal reservoir based simulation Reservoir rock properties | 45 ace 46 47 48 49 50 ith 55 |

| 3.5. | 4 Results and Discussions | 58 |
|--------|--|------------|
| 3.6 | Conclusions | 70 |
| CHAF | PTER 4: POROSITY AND PERMEABILITY IN | |
| STRE | SS SENSITIVE RESERVOIR | 72 |
| 4.1 | Introduction | 7 2 |
| 4.2 | The relationship between permeability and reservoir | |
| stress | in coupled fluid flow – geomechanics model | 7 3 |
| 4.3 | The relationship between porosity changing and | |
| perme | eability reduction due to stress variation. Carmen – | |
| Kozer | ny's equation | 75 |
| 4.3. | 1 Case study using the advantage of modified Carmen – | |
| Koz | zeny's equation to predict subsidence and compaction. | 76 |
| 4.3. | 2 Results and discussion | 79 |
| 4.4 | Analytical equation of sensitive permeability with in | |
| deplet | tion reservoir pressure. | 83 |
| 4.4. | 1 Determination current permeability with production fie | ld |
| data | ı | 84 |
| 4.4. | 2 Determination of current permeability from tested core | |
| data | ı. | 86 |
| 4.4. | 3 Planning for management in reservoir with the change | in |
| peri | meability. | 87 |
| 4.4. | 4 Applications | 87 |
| 4.5 | Permeability and porosity core data in South Australia | a oil |
| field | | 89 |
| 4.5. | 1 Apparatus and experimental procedure | 89 |
| 4.5. | 2 Porosity, permeability properties at overburden stress | |
| con | dition | 90 |
| 4.6 | Conclusions | 92 |

| CHAPT | ER 5: STRESS VARIABILITY AROUND LAR | GE |
|---------|--|----------|
| STRUC | TURAL FEATURES AND ITS IMPACT ON | |
| PERME | ABILITY FOR COUPLED MODELING | |
| SIMUL | ATIONS. | 94 |
| 5.1 I | ntroduction | 94 |
| 5.2 I | Petroleum geomechanics | 95 |
| 5.3 T | Theory of stress variation due to a large structure. | 98 |
| 5.3.1 | Effective stress principle | 101 |
| 5.3.2 | Influence of pore pressure on stress field | 102 |
| 5.3.3 | Effect of fault or a large structure on stress field. | 103 |
| 5.4 S | Sensitivity of permeability to stress perturbation ar | ıd |
| | e of a discontinuity on permeability | 107 |
| 5.5 (| Case study on the impact of large structure feature | s on |
| permeal | | 108 |
| _ | Introduction of case study | 108 |
| 5.5.2 | Model description | 111 |
| | Results and discussions | 113 |
| 5.6 (| Conclusions | 115 |
| | | |
| _ | ER 6: DETERMINATION OF NEW RELATIVE | |
| | EABILITY CURVE DUE TO COMPACTION AND TS ON RESERVOIR PERFORMANCE | 117 |
| | | • • • • |
| 6.1 I | ntroduction | 117 |
| 6.2 I | End-points in relatives permeability curve | 118 |
| 6.2.1 | Irreducible water saturation | 118 |
| 6.2.2 | Predicting the variation of $S_{\mbox{\scriptsize wir}}$ according to the vari | ation of |
| porosi | ity | 121 |
| 6.2.3 | Water production due to compaction | 124 |
| 6.2.4 | Residual oil saturation | 126 |

| 6.3 | Relative permeability models | 127 |
|-------|----------------------------------|----------|
| 6.4 | Practical implementation | 134 |
| 6.4.1 | Description of Lagoven | 135 |
| 6.4.2 | Material properties of reservoir | 137 |
| 6.4.3 | Fluid properties | 137 |
| 6.4.4 | Interpretation of historic data | 139 |
| 6.4.5 | Results and discussions | 143 |
| 6.5 | Conclusions | 147 |
| CHAP | TER 7: DISCUSSIONS | 149 |
| CHAP | TER 8: CONCLUSIONS AND RECOMME | NDATIONS |

LIST OF FIGURES

| Figure 1-1: Flow chart showing objectives of the PhD research. | 11 |
|--|----|
| Figure 2-1: Schematic showing of fluid flow in a single element | 33 |
| Figure 3-1: Histogram of Young's modulus data | 48 |
| Figure 3-2: Example of lognormal distribution | 50 |
| Figure 3-3: Stochastic vs. the deterministic model | 51 |
| Figure 3-4: Distribution data for (a) Young's modulus (e) which | |
| fitted with the exponential distribution and truncated where a | |
| minimum value of 40,000psi and maximum value of | |
| 230,000psi. (b) Poisson's ratio (v) distribution fitted with a | |
| normal distribution, Poisson's ratio distribution has a mean of | |
| 0.29 and a standard deviation of 0.09 and it is truncated leaving | |
| a range of $0.02-0.5$. (c) reduction of pore fluid pressure (Δpf) | |
| which has uniform distribution with minimum value of 1500psi | |
| and maximum value of 2000psi. | 53 |
| Figure 3-5: Eight layers reservoir model measuring $10000 \times 10000 \times$ | |
| 160ft, grid cell size $500 \times 500 \times 20$ ft in the x, y and z direction, | |
| respectively. total number of cells is 3200. | 55 |
| Figure 3-6: Compaction versus production period. deterministic | |
| values of geomechanical rock properties used E=86500psi, | |
| v=0.21 | 58 |
| Figure 3-7: Compaction profile along at center of reservoir model at | |
| the end of numerical simulation. $E=86,500$ psi, $v=0.21$. | 59 |
| Figure 3-8: Compaction profile along at center of reservoir model at | |
| the end of numerical simulation taking into account influence of | |
| Poisson's ratio on compaction. (case 1 with E=86,500psi, | |
| v=0.21, case 2 with E=86,500psi, v=0.29). | 60 |
| Figure 3-9: Compaction (δh) distribution for experiment-2. the mean | |
| of Young's modulus used in the experiment-2 is 86,508.81psi | |

| and a standard deviation is 41.17psi. The constant value of | |
|--|----|
| Poisson's ratio is 0.21 | 63 |
| Figure 3-10: Subsidence (s) distribution for experiment-2. The mean | |
| of Young's modulus used in the experiment-2 is 86,508.81psi | |
| and a standard deviation is 41.17psi. The constant value of | |
| Poisson's ratio is 0.21 subsidence distribution for experiment-2 | 64 |
| Figure 3-11: The impact of Young's module on compaction and | |
| subsidence | 65 |
| Figure 3-12: Compaction (δh) distribution for experiment-3. The | |
| mean of Young's modulus used in the experiment-3 is | |
| 86,508.81psi and a standard deviation is 41.17psi. The mean of | |
| Poisson's ratio distribution used is 0.29 and a standard | |
| deviation is 0.09 | 66 |
| Figure 3-13: Subsidence (s) distribution for experiment-3. The mean | |
| of Young's modulus used in the experiment-3 is 86,508.81psi | |
| and a standard deviation is 41.17psi. The mean of Poisson's | |
| ratio distribution used is 0.29 and a standard deviation is 0.09. | 66 |
| Figure 3-14: Tornado plot for (a) compaction, (b) subsidence | 67 |
| Figure 3-15: Tornado plot for compaction where with pore pressure | |
| reduction is added | 69 |
| Figure 3-16: Compaction as uncertainty variables (E, ν and Δpf) are | |
| added | 70 |
| Figure 4-1: Production well model | 77 |
| Figure 4-2: Variation of permeability and porosity with modified | |
| Carmen-Kozeny's relationship | 78 |
| Figure 4-3: Sink subsidence with different production time. | 79 |
| Figure 4-4: Subsidence of sink at differently initial porosity | 80 |
| Figure 4-5: Pore pressure reduction with differently initial porosity | |
| models. | 81 |
| Figure 4-6: Normalized permeability and porosity (current by initial) | |
| plotted as function of effective stress. the initial porosity and | |
| permeability values are given. | 82 |
| Figure 4-7: Effective stress increasing plotted with production times | 83 |

| Figure 4-8: Plot of log of the ratio qi/q as function of reservoir | |
|---|-----|
| depletion pressure | 88 |
| Figure 4-9: Plot of log of the ratio ki/k as function of pressure | |
| decrease in laboratory | 88 |
| Figure 4-10: LP401 permeameter | 90 |
| Figure 4-11: Normalized permeability as a function of effective | |
| overburden stress for Eromanga basin. Core 1 and core 2 are th | e |
| Berea sandstone used for comparative purpose | 92 |
| Figure 5-1: Three different stress regimes, after (Hillis 2005) | 96 |
| Figure 5-2: Stress variation in field. | 97 |
| Figure 5-3: Mohr's circle | 99 |
| Figure 5-4: Stress state at failure situation | 100 |
| Figure 5-5: Moving of Mohr's circle due to fluid injection | 101 |
| Figure 5-6: Variation of Mohr's circle due to fluid production within | 1 |
| a passive basin regime | 103 |
| Figure 5-7: Variation of Mohr's circle due to fluid production within | 1 |
| normal stress regime. | 105 |
| Figure 5-8: Variation of Mohr's circle due to fluid production within | ı |
| thrust stress regime. | 106 |
| Figure 5-9: Stratigraphy summary of Eromanga basin (Boreham and | l |
| Hill 1998) | 109 |
| Figure 5-10: Stress perturbation around the tip of fracture | 110 |
| Figure 5-11: Symmetric well model | 112 |
| Figure 5-12: Subsidence variation between conventional | |
| permeability (permeability fixed throughout model run) and | |
| stress sensitive permeability (permeability permitted to vary | |
| throughout model run) models after 200 days of production (ki | |
| $= 30 \text{md}, \phi i = 0.15$). | 114 |
| Figure 5-13: Influence of a large structure on subsidence, $\Delta \sigma 3$ is the | : |
| variation in the predicted applied horizontal stress possible | |
| around a discontinuity such as a fault, (applied in the stress | |
| sensitive permeability models after 200days with ki=30md, | |
| $\phi i=0.15$). | 114 |

| Figure 6-1: Water production due to compaction | 126 |
|---|-----|
| Figure 6-2: Distribution of input data for calculation of no and nw | 132 |
| Figure 6-3: Distribution of no and nw | 133 |
| Figure 6-4: Tornado graph to invest the impact of parameters on bot | h |
| no and nw | 134 |
| Figure 6-5: Structure map of Bachaquero reservoir and reservoir are | a |
| grid | 136 |
| Figure 6-6: Relative permeability curves used in Lagoven area | |
| before sand rearrangement | 139 |
| Figure 6-7: Historic data from Lagoven field | 140 |
| Figure 6-8: Water cut rate and subsidence rate in Lagoven area. | 141 |
| Figure 6-9: Relative permeability curves used in Lagoven area after | |
| sand rearrangement | 143 |
| Figure 6-10: Water production rate due to the change in relative | |
| permeability. | 144 |
| Figure 6-11: Prediction of oil production rate and water production | |
| rate | 145 |
| Figure 6-12: Compaction contour | 146 |
| Figure 6-13: Compaction profiles | 147 |

LIST OF TABLES

| Table 3-1: Rock and model properties for the Gulf of Mexico | 54 |
|---|-----|
| Table 3-2: Fluid properties | 57 |
| Table 3-3: Compaction with different values of Poisson's ratio | 60 |
| Table 3-4: Numerical simulation results | 61 |
| Table 4-1: The summary relationships of stress sensitive | |
| permeability. | 74 |
| Table 4-2: Material properties of reservoir in the simulation | 78 |
| Table 4-3: Porosity and permeability at ambient conditions (ac) and | |
| overburden condition (oc) in the Cooper basin | 91 |
| Table 5-1: Material properties of reservoir in the simulation | 111 |
| Table 6-1: Summary information | 131 |
| Table 6-2: Summary of input data for calculation of no and nw | 132 |
| Table 6-3: Summary of n _o and n _w | 133 |
| Table 6-4: Material properties of reservoir in the simulation | 137 |
| Table 6-5: Summary of fluid properties | 138 |
| Table 6-6: Critical phase saturation and relative permeability data | 138 |