

June 2008

Unconventional Resources • Enhanced Recovery • Carbon Sequestration

Advanced Resources International

QUARTERLY UPDATE

Advanced Resources International (ARI) is a professional services firm that provides geological, reservoir engineering, business and policy analysis and advice on a global basis related to unconventional gas resources, enhanced oil recovery and geologic carbon sequestration. Our quarterly update highlights current industry trends, ongoing and completed projects, recent publications, upcoming workshops and events, and company news. We encourage you to visit our website at www.adv-res.com to learn more about our company history, research and technology activities, industry news and much more. You may also contact our offices listed at the bottom of this page for additional information.

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COAL-SEQ CONSORTIUM - PHASE III EXPRESSIONS OF INTEREST SOUGHT

The Coal-Seq Consortium is a government-industry collaborative consortium with the objective of advancing industry's understanding of complex coalbed methane and gas shale reservoir behavior in the presence of multi-component gases via laboratory experiments, theoretical model development and field validation studies. This allows primary recovery, enhanced recovery and CO, sequestration operations to be commercially enhanced and/or economically deployed. The project was initially launched in 2000 as a U.S. Department of Energy sponsored investigation into CO₂ sequestration in deep, unmineable coalseams, and is continuing throughout 2008 as a government-industry collaborative consortium.

Expressions of interest for Phase III of the consortium are currently being sought, which will begin in late 2008. Some topics identified for investigation include further model development related to multi-component equations-of-state, sorption and diffusion behavior, inclusion of shale gas reservoirs and many others. To submit expressions of interest contact Scott Reeves at sreeves@adv-res-hou.com or for more information view:

Phase III Proposal Results, Status and Future Activities Paper



PUMP CANYON CO₂- ECBM/SEQUESTRATION PILOT ACTIVITIES **INITIATED**

The Pump Canyon Pilot in the San Juan Basin is one of many under the DOE's Regional CO₂ Partnership programs. ARI is serving as site manager for this pilot which is part of the Southwestern Partnership on CO₂ Sequestration. In April and May, a new injection well was drilled, a CO₂ pipeline installed, and various measurement, monitoring and verification (MMV) devices deployed. 20,000 tons of CO₂ will be injected over a six-month period into the Fruitland coals of the San Juan Basin beginning in June, 2008. A description of the site can be found at: Integrated Reservoir Characterization - Pump Canyon

DOE Regional Partnership Southwestern Partnership



CARBON SEQUESTRATION TESTING IN MISSISSIPPI

The U.S. DOE is sponsoring the Southeast Regional Partnership's field test at Mississippi's Power Plant Daniel, involving Southern Co., EPRI and ARI. To date, the project has drilled two deep wells, one CO, injection and one monitor well, into a large capacity saline formation (Lower Tuscaloosa Massive Sand). The project is currently integrating detailed formation characterization (logs, cores, seismic, etc.) with modeling of the CO₂ plume. CO₂ injection is planned for October, 2008.



CONFERENCE ON CARBON CAPTURE & SEQUESTRATION

ARI attended the Seventh Annual Conference on Carbon Capture & Sequestration in Pittsburgh, PA, May 5-8, 2008. Scott Reeves gave a presentation detailing the results and status of the Coal-Seq Consortium, which includes past accomplishments as well as predictions and graphics for future projects. George Koperna presented an update on the Mississippi Carbon Sequestration Testing Project discussed in the previous section of this newsletter. Coal-Seg Presentation

Mississippi CO2 Test Update



COALBED & SHALE GAS SYMPOSIUM

ARI attended the 2008 International Coalbed & Shale Gas Symposium in Tuscaloosa, AL, May 19-23, 2008. An ARI team presented a one-day short-course on COMET3, as well as the papers referred to in the Coal-Seq Consortium and Pump Canyon sections of this newsletter.



UPCOMING EVENTS

Rocky Mountain Geology & Energy Resources Conference July 9-11, 2008 - The Colorado Convention Center in Denver, CO

2008 Asia Pacific Coalbed Methane Symposium September 22-24, 2008 - Royal on the Park Hotel, Brisbane, Australia Register

9th International Conference on Greenhouse Gas Technologies (GHGT-9) November 16-20, 2008 - Omni Shoreham Hotel, Washington D.C. <u>Information</u>

For a complete list of industry news, recent white papers and case studies please visit our website www.adv-res.com or contact one or our offices: