

ADVANCED TECHNOLOGIES FOR STRIPPER GAS WELL ENHANCEMENT

QUARTERLY REPORT

1 JANUARY 2001 – 31 MARCH 2001

**Charles M. Boyer II, Principal Consultant, Project Director
Ronald J. MacDonald P.G., Senior Geologist, Principal Investigator**

April 2001

DE-FG26-99FT40700

**Schlumberger
Holditch-Reservoir Technologies Consulting Services**

**1310 Commerce Drive
Park Ridge 1
Pittsburgh, PA 15275-1011**

DISCLAIMER

This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

ABSTRACT

As part of Task 1 in Advanced Technologies for Stripper Gas Well Enhancement, Schlumberger – Holditch Reservoir Technologies (H-RT) has joined with two Appalachian Basin producers, Great Lakes Energy Partners, LLC, and Belden & Blake Corporation to develop methodologies for identification and enhancement of stripper wells with economic upside potential. These industry partners have provided us with data for more than 700 wells in northwestern Pennsylvania.

Phase 1 goals of this project are to develop and validate methodologies that can quickly and cost-effectively identify wells with enhancement potential. We are currently in the final stages of developing and testing our new MicrosoftTM Access/Excel based software. We will be processing this well data and identifying potential candidate wells that can be used in Phase 2 to validate these methodologies. Preparation of the final technical report is underway.

TABLE OF CONTENTS

DISCLAIMER	I
ABSTRACT	II
TABLE OF CONTENTS	III
INTRODUCTION.....	1
EXPERIMENTAL	1
RESULTS AND DISCUSSION	2
CONCLUSION	2

INTRODUCTION

During this report period, we continued to work with two industry partners, Great Lakes Energy Partners, LLC (Great Lakes), and Belden & Blake Corporation (B&B). Great Lakes supplied data for approximately 205 wells located in Warren, Venango, and Crawford counties, Pennsylvania, and B&B provided information for \pm 501 wells situated in Venango and Warren counties, Pennsylvania. We are using this data to finish our MicrosoftTM Access/Excel software and recognize underperformers.

EXPERIMENTAL

We are utilizing our software tools to conduct a quick, first-pass search for wells possessing enhancement potential. To begin the process, we generate a single Production Indicator (PI) capable of representing the entire production life of a well. The software has the ability to calculate two PI's (x-year cumulative versus Date of First Production (DOFP), and normalized rate versus DOFP). The first indicator is obtained by determining the cumulative gas production over a user-specified input period (e.g. 3 yr, 5 yr, 8 yr, etc.) versus a well's DOFP, and the second PI is determined by calculating the normalized (i.e. the average monthly production rate for the desired year) gas production rate for the chosen year of production.

We are able to compare the PI's of a target well relative to the average of its offsets within a user-defined radius (e.g. 5000 ft), and identify target wells that are underperforming.

The software compares the PI of a target well to the average indicator of its offsets. A user chooses a percentage (e.g. $\geq 50\%$) that a target well's PI must be below the wells within its domain in order to be recognized as a low-performer. The entire well list is processed and qualifying target wells that meet the chosen criteria are recognized. This provides a rapid, efficient, and automated method to identify wells that are underperformers and that may have potential for production enhancement.

Once this first pass is completed and we have identified a group of wells with enhancement potential, we will work with the industry partners to review completion, geologic, and production data in more detail. We will then further refine the list and establish a good basis for a Phase II field demonstration.

RESULTS AND DISCUSSION

The well data has been downloaded into Microsoft ACCESS™ databases and has been quality-checked for internal errors or omissions. During this process, B&B discovered that some well data had not been provided to us. This information has been obtained and our files updated with it. Our Access database has been linked to a new Microsoft Excel file specifically designed to aid in recognizing wells with possible production enhancement potential.

A user-friendly interface has been of paramount importance in making the program relatively easy to use by the operators. The development work for this interface was nearly completed during this reporting period. Finalization of this will occur in the next quarter and the software product will be completed and included in the final report.

CONCLUSION

We have received data for more than 700 wells and are in the final stages of identifying wells with possible production enhancement potential. The software for well identification is in its final stage of development and when completed will provide an easy and fast way to identify wells that may have upside potential.

From our experience in the Appalachian Basin, we are confident that a good sample of stripper wells with enhancement potential can be found in this data set. We are also confident that the methodologies developed to date can quickly and economically select stripper wells with economic upside potential. By accomplishing this, we will provide producers throughout the U.S. a means of increasing existing gas production and increase the U.S. natural gas reserve base.