

Performance Evaluation of Multi-stage Fracing of Hz Wells "MFHW"

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Petro Management Group Quality Petroleum Engineering Consultants

Services:

- Reservoir Studies (Conventional/Simulation)
- Well Test Planning and Analysis
- Waterflood Design & Performance Monitoring
- Production Optimization
- Performance Evaluation of MFHW's (PTA, RTA, Numerical)
- Reserves and Economic Evaluations
- Complete frac design/optimization (Gohfer/KAPPA software)
- Government Submissions
- Customized course contents
- Expert Witness



Lunch and Learn Presentations

- Challenges of Reserves Estimate (Feb. 24)
- Waterflood Application for MFHW's (March 25)
- Applications of Mini Frac (DFIT) (May 7th)
- Performance Evaluation of Multi-Stage fracs Hz Wells (MFHW's) - June 18th, 2015
- How to get the Most out of Well Testing
- Frac Databases: benefits to improve frac results
- How can we improve your frac design/performance in this poor oil price environment





Performance Evaluation of Multi-stage Fracing of Hz Wells "MFHW"

Agenda:

- Introduction
- Data acquisition to improve frac design
- How to optimize the design of <u>MFHW</u>s
 - Open hole vs cased hole
 - Number of frac stages
 - Size of frac stages
 - How to take advantage of sweet spots
- Review of case study
- What is new in performance evaluation of MFHW's

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Drilling Activities in Canada



Drilling Statistics - USA (2015)



How Did "MFHW" Start?

- Early 1980's George Mitchell drilled the first wild cat well in the Barnett Shale; with limited success
- Two decades after, he managed to make shale gas commercial by applying "MFHW" new technology:
 - · Horizontal drilling and coiled tubing perforating
 - Multi-stage fracturing
- Devon Energy Corp (Oklahoma) bought out his technology and holdings for \$3.5 Billion, making Mitchell the 139 richest American in 2002







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Hydraulic Fracturing of Hz Wells

Major efforts/money spent on mechanical aspects of the frac -"it is a matter of "*Power*"!

- Water: up to 1.5 M gallons/frac
- ► Sands: 100 to 200 tons/frac
- Horsepower: large!, depends on depth and type of rock

Limited efforts/money spent on <u>optimization</u> of MFHW





How to Collect Meaningful Data?

Pre-fracing:

- Convention flow/buildup test; Rate Transient Analysis (RTA)
- PITA (Perforation Inflow Test Analysis)
- Mini-fracing (DFIT)
- Fracture orientation (FMI logs, wellbore Caliper)
- Injectivity fall-off tests to estimate permeability and pressure
 - Water (CBM)
 - N₂ (shale gas)



How to Collect Meaningful Data?

Post-fracing:

- ► Micro-seismic
- Tilt meter surveys
- Production logging
- Tracer surveys
- Analysis of production/pressure history, using Type Curve Matching; Rate Transient Analysis (RTA)

Optimization of Hz Well Design

Main objectives:

- Orientation of the Hz well; to intersect natural fractures
- Determine optimum spacing of Hz wells
- Open hole vs. cased hole completion/fracing
- Determine the optimum number of fracs
- Frac design; proppant, fluids, size
- Locate the sweet spots to frac; where to frac!!

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Hz Well Configurations

Drainage: 1 Pad (2.7 mi²) (1728 acre)

Nete m.

820 ft (250m) Hz well spacing

Apache Canada:

Spacing ≈ 124 acre/Hz well (5.2 Hz wells/section)

CONCEPTUAL MODEL

Apache is proposing a shale gas development model for its Canadian play that would include 28 horizontal wells per pad.

> Otter Park Shale 320 ft (98m) Carbonate < 60 ft (18m)

> > lua Shale 50 ft (46m

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New Technology Magazine | March 2009

EnCana (Upr Montney) at Swan:

- Hz well spacing = 200 m (8 wells/section)
- Eight fracs per well
- IP (1st month) = 10 MMscf/d

Hz Well Configuration (Bakken Play)

Improvements proposed by Lightstream (Petro Bakken):



Benefits:

- Oil recovery could increase from 12.5% to 22.5% by drilling multi-leg horizontals with shorter laterals (600 meters vs. 1,400 meters)
- ▶ Potential recoverable oil of Petrobakken's land could reach 400 MMBbl's





Optimization of Hz Completion/Frac Techniques

- Evaluation of well completion options:
 - Cased hole completion/frac
 - Open hole completion/frac

Cased Hole Completion (Perf & Plug)

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Flow through fracs only:



Considerations:

- Ability to perform a large number of fracs
- Less sand production problems and good wellbore integrity
- Good hydraulic isolation between frac stages is possible, if a good provide the stage of the sta



Open Hole Completion

Flow through both fracs and wellbore:



Considerations:

- Flow can occur through both the fracs and wellbore, for reasonable formation permeability
- Simple to perform; neither cement nor perforating required
- Fast to perform; well could be on production soon

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Open hole vs Cased Hole (gas)



Sensitivity of No. of Fracs vs. Gas Rate



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- The larger the no. of fracs, the higher the IP, but..
- Will the larger no. of fracs result in increased reserves, or it is merely a production acceleration?

Costs/Benefits of Multi-Stage Fracing



- Each frac increases IP by 0.5 to 1.5 MMscf/d
- Cost of frac treatment and closeness to infrastructure, significantly affect the economics of shale gas in Canada

Sensitivity of Number of Fracs



Sensitivity of Frac Half-Length, X_f



Optimum Number of Fracs



Optimization of Frac Location

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How to locate the "sweet spot":

- Open hole logs
- Specialized logging tools: FMI, sonic
- Mud logging
- Advanced seismic interpretations
- ► Core

Mud Logging



Cuttings samples are collected at the shaker, analyzed and logged (i.e gamma ray)

- Detailed lithological study
- Rock composition
- Fracture identification
- Porosity determination
- Porosity type
- Swelling clays
- Hydrocarbon indication (gas detector)

Identification of Hydrocarbon and Fracture



Highlighted zones for pinpoint frac stimulation









Impact of Frac. Location and Completion Technique on Performance



Evolution of *"MFHW"*s Well Test Analysis Techniques

- Do not test or evaluate !!
- A vertical well model with a negative model !!
- A horizontal well model with a skin factor
- Use of appropriate model (MFHW) <u>Saphir</u> software
 - Analytical model
 - Numerical model

Analysis Techniques Well Testing (PTA) **Rate Transient Analysis (RTA) Constant Rate Constant flowing Press** Rate and WHFP Rate and BHFP P_{wf} (matched) P_{wh} (input) Time Time Constant BHFP Constant production rate Declining BHFP Declining production rate Accurate and frequent measurements Sparse and inaccurate/noisy pressure data; usually WHFP Short test duration Long period of flow data

Case Study - Shale Gas

Horn River Basin (HRB) B.C - Canada

Use of production analysis (PA) to estimate:

- Reservoir parameters; k, s, P*
- Evaluate frac parameters
- Production forecast and reserves

Background Information (Well B)

Three-well pad development:

- Six frac stages were attempted; only 3 were successful.
- Sand was not pumped in 3 stages due to unexpected high break-down pressure
- During the frac operation of well "A", the frac broke-through into well "B"
- Production history of well "B" after the frac break-through was excluded from the analysis





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History Matching Results Model: Equal Frac Parameters



Production Forecast - Equal Frac Model



ARPS vs. Modelling (b = 1.58)





Horn River Field Development

Orientation of subsequent Hz wells is revised

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Transverse vs Longitudinal Frac



Sensitivity Analysis - No. of Frac Stages



Sensitivity Analysis - Size of Fracs (X_f)



History Matching Results Model: Variable Frac Parameters



Comparison of Prod Forecasts Fixed and Variable Fracture Parameters



Flowing Material Balance (no desorption)



Flowing Material Balance (with desorption)



Well Fracability

Well fracability describes the ability to initiate and create a desired frac extension with good conductivity. The main factors that affect well fracability are:

- Formation mechanical properties
- Rock mineralogy
- Presence of natural fractures
- Pre-existing local stresses
- Formation permeability
- Pore pressure vs treating pressure

Rock Mechanical Properties

The formation geo-mechanical Characteristics should be included in the <u>frac design optimization</u> to maximize well performance, by utilizing the formation geo-mechanical parameters below:









Poisson's Ratio (v)

Poisson's ratio is the ratio of transverse contraction strain to longitudinal extension strain in the direction of stretching force



 $rac{darepsilon_{trans}}{darepsilon_{axial}}$

Use of (v**):**

To convert the effective vertical stress component into an effective horizontal stress component. The effective stress is defined as the total stress minus the pore pressure.

Where:

v : Poisson's ratio

 $\begin{array}{l} \epsilon_{trans}: \mbox{ Transverse strain (negative for tension or stretching), positive for axial compression \\ \epsilon_{axial}: \mbox{ Axial strain (positive for axial tension), negative for axial compression . \\ \begin{tabular}{c} \mbox{ M} \\ \mbox{ G} \end{array} \end{tabular}$





Permeability Estimate in Shale Gas



What is New in Performance Evaluation of MFHW's

Segmented decline curve analysis

PLT and Tracer surveys

Performance Evaluation Tools Besides RTA

Facts:

RTA tools are reliable, but it take a long time to perform and requires pressure data.....

Reality:

My boss wants me to finish my reserves evaluation for 200 wells in one week, how about decline curve analysis (DCA)?





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Limitations of DCA

- The decline curve analysis by <u>Arps</u>, should only be applied when production is stabilized; when <u>P.S.S</u> is reached
- Arps assumes that the values <u>"b" and "D" are constants</u> for the full production history, which might not be appropriate for tight formations
- Bottom hole flowing pressure is assumed constant
- No change in operating conditions
- Fetkovich (1990) indicated that a value of <u>b > 1</u> should not be used for reserves determination (SPE 116731)

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Different DCA Tools

DCA is an empirical tool, using different curve/line fitting to match production history and extrapolate to predict future performance

- Arps in 1945 (fixed decline constant)
- Modified hyperbolic
- Power Law Loss-Ratio by Ilk in 2008 (variable decline constant) - SPE # 116731
- Stretched exponential Valko (SPE 134231)
- Duong linear model (SPE 137748)
- Segmented decline model (KAPPA/Topaze)



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What is New in Performance Evaluation of MFHW's

- PLT and Tracer surveys
- Segmented decline curve analysis

Production Logging Tools (PLT)

To identify production contribution from each frac stage



Issues of concerns:

- Is not cheap
- Yield a one-time (instantaneous) production data profile
- Well intervention could create operational problems.



A manoeuvrable arm to deploy 5 sensors along the vertical axis for non-vertical wells to obtain velocity measurements in mixed and segregated flow regimes.

Conventional Tracer Survey

Typical operation:

- Tracers; chemical or radio-active, are injected with the frac fluids.
- Different type of tracers are injected in each frac stage
- The well is placed on flow back, after completion of the frac job. Based on the concentration and type of tracers recovered, production is allocated to each frac stage



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Controlled Release Tracer Surveys*

- Risk-free: no cables, no connections, no intervention, and no major changes to completion design.
- Long-term: oil Intelligent Tracers (RES•OIL) can achieve up to 5 years of life. The water Intelligent Tracers (RES•H2O) can have longer life-spans because they are dormant until activated by contact with water.
- Cost-efficient: no additional rig time, no expensive completion hardware, and no extra personnel required at the well site.
- HSE-friendly: RESMAN chemicals are used in extremely low concentrations (down to parts per trillion) and are compatible for water discharge. No radiation is used.

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hat these chemical signatures are unique in nature possibility of mistaking RESMAN's chemical





* By: Resman - Norway

Results of Tracer Survey

The RES•OIL systems were placed in the annular space, adjacent to the frac valves from each stage via pup-joint carriers. The equipment was run in-hole without deviating from normal procedures and with no additional rig time or extra personnel at site.



Installation of controlled Release Tracers



A number of ICD's were opened by the ICD contractor, controlled release tracer was wrapped around the base pipe of the ICD and secured in place. ICD was sealed trapping the tracer within. Results in 145 days confirmed flow from Toe

By: Tracerco (London/UK)

Closing Comments

- It is essential to evaluate the design options of MFHW's to maximize the NPV.
- The PTA and RTA analysis of MFHW's is still a challenge; additional information can improve interpretations, such as:
 - FMI logging
 - Micro-seismic
 - Tracer and PLT surveys
 - · Advanced software with features suitable for the unconventional
- Explore the costs and benefits of the application of <u>new</u> technology to maximize the economic benefits





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