

REDEFINING REFRACS

What Is, What Isn't,
& What Might Be...



Eric G. Schmelzl

VP Strategic Business

NCS Multistage

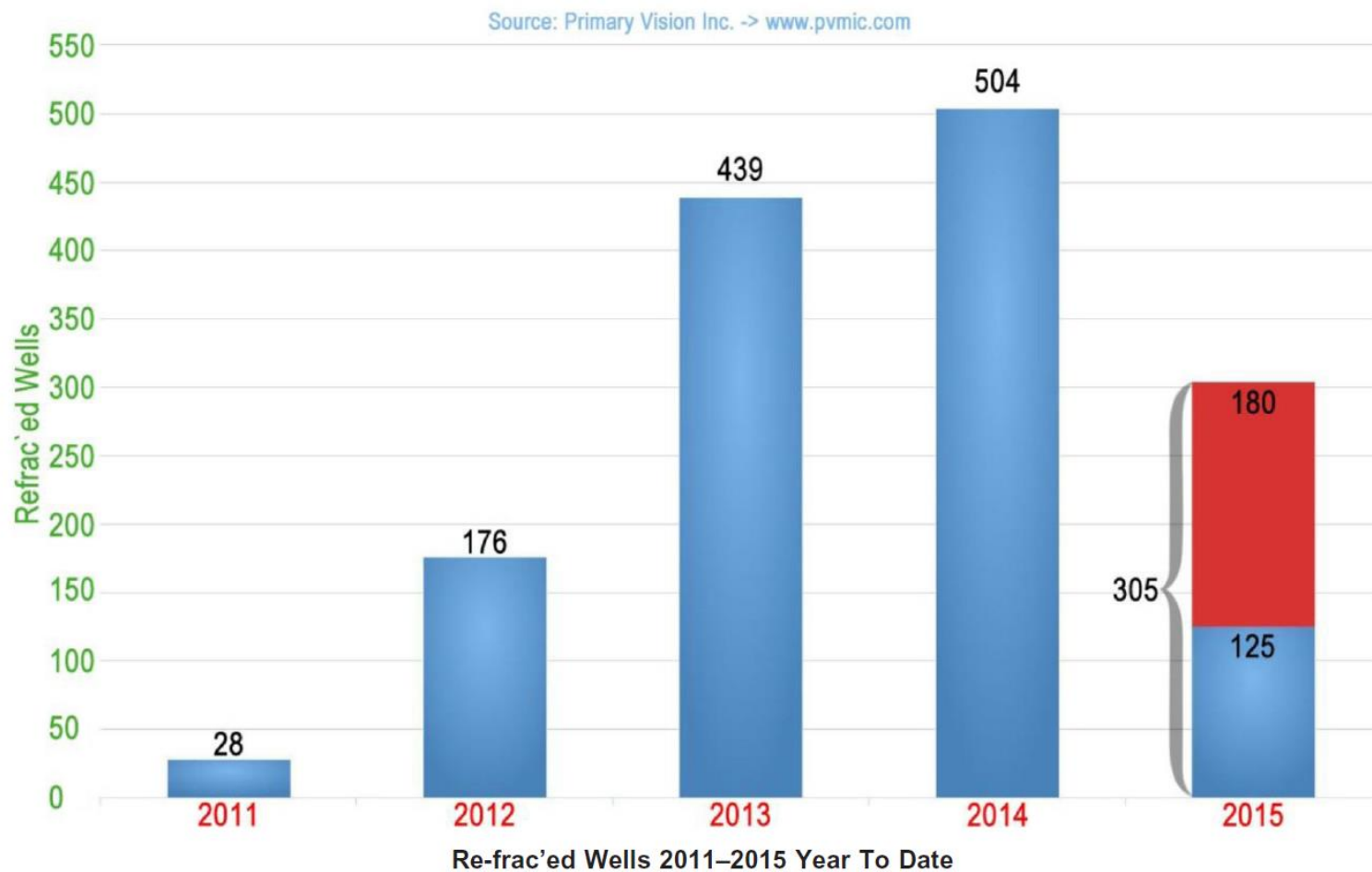
OUTLINE

- Refrac Activity & Challenges
- Refrac Diagnostics
- The IDEAL Refrac
- Hypothesis:
 - New Tools
 - + New Options
 - = New Results?

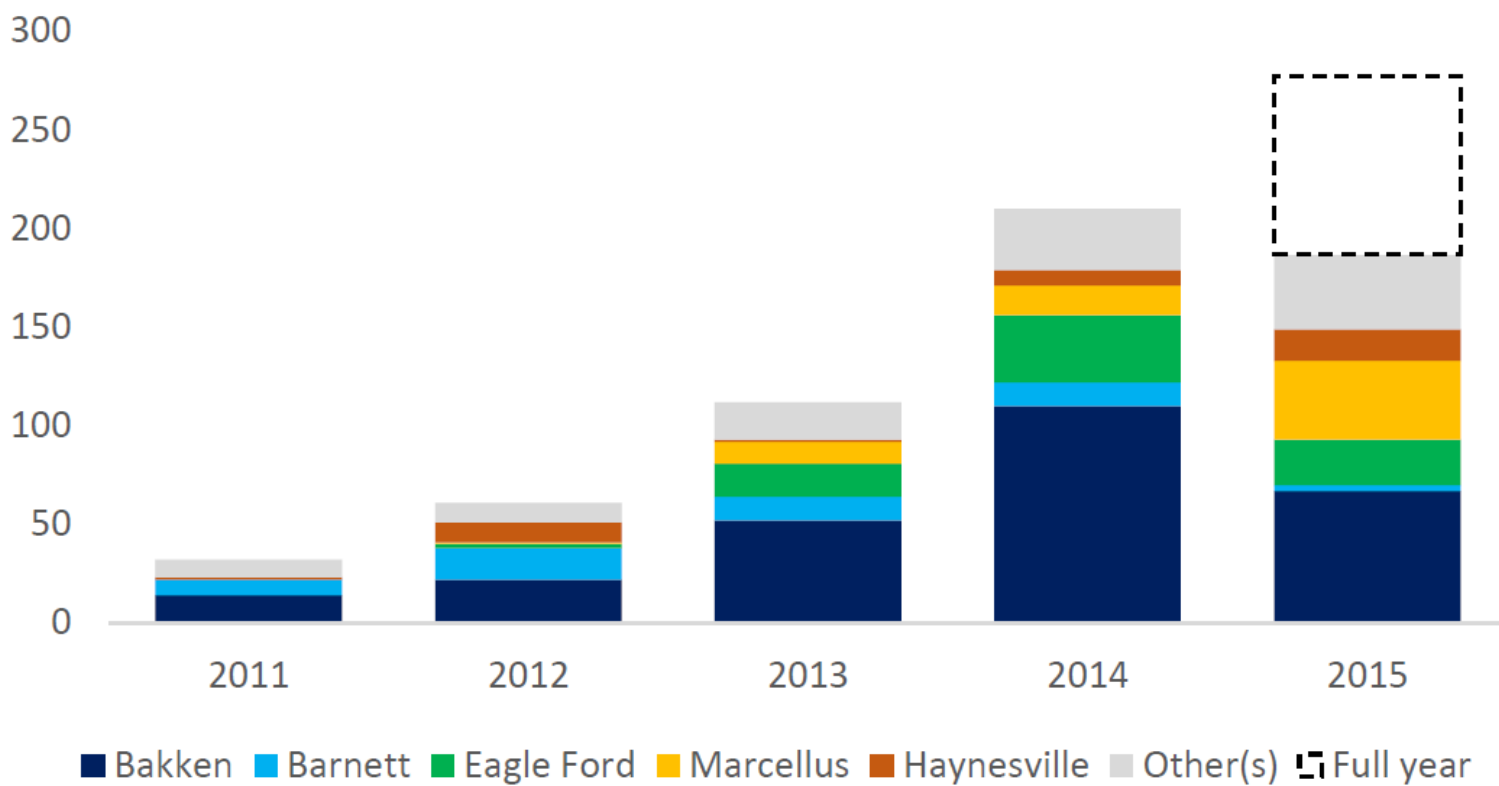


Hydraulic fracturing operations in the Montney Canada. Calfrac Well Services Photo.

REFRACS STILL HAPPEN....



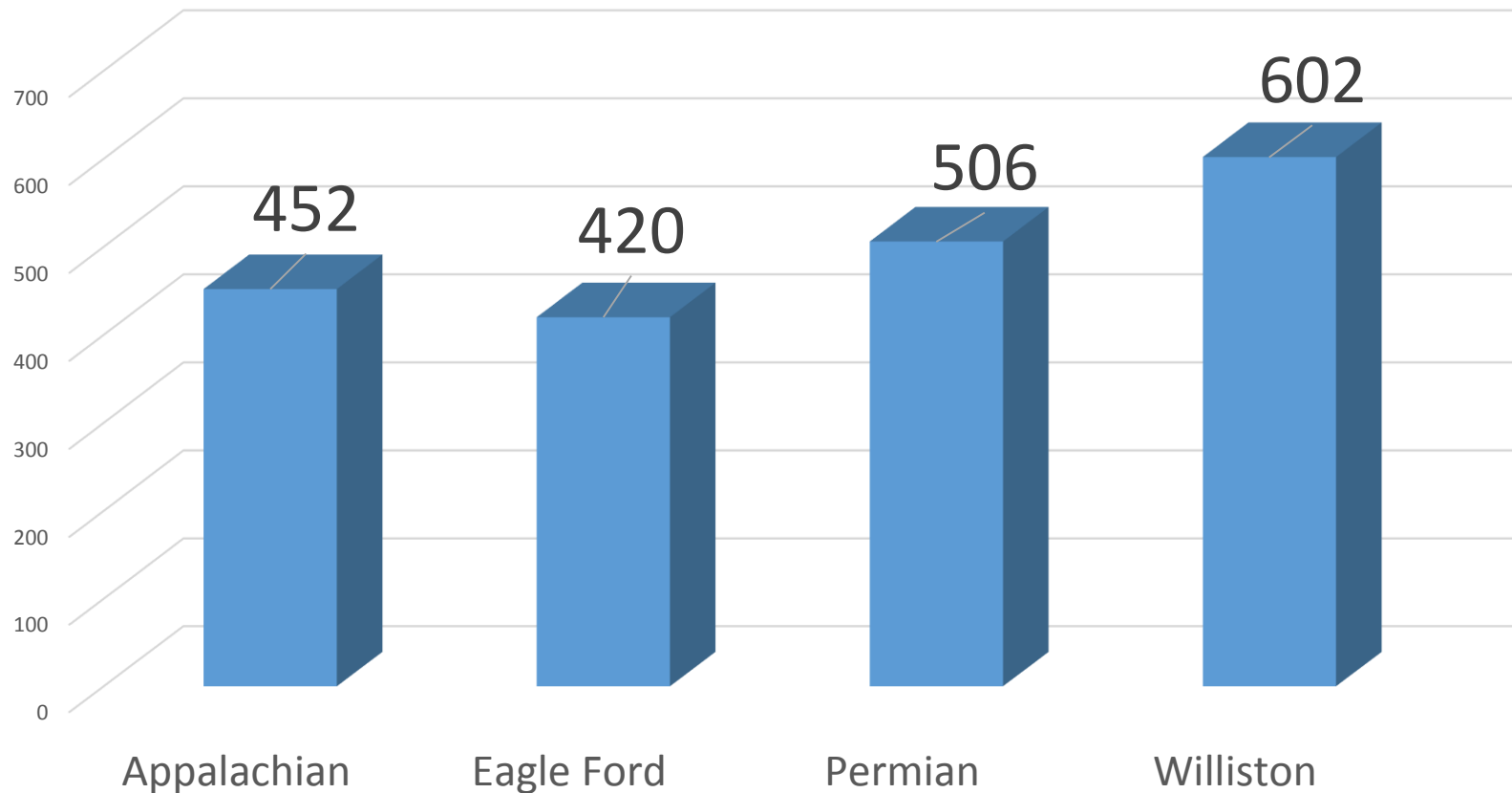
WHERE DO WE REFRACT?



*Number of refractured horizontal wells by play, as of August 2015. Source: Rystad Energy
NASWellData and Rystad Energy analysis.*

DUC's vs. REFRACS

ESTIMATED "DUCS" BY BASIN, YE 2015



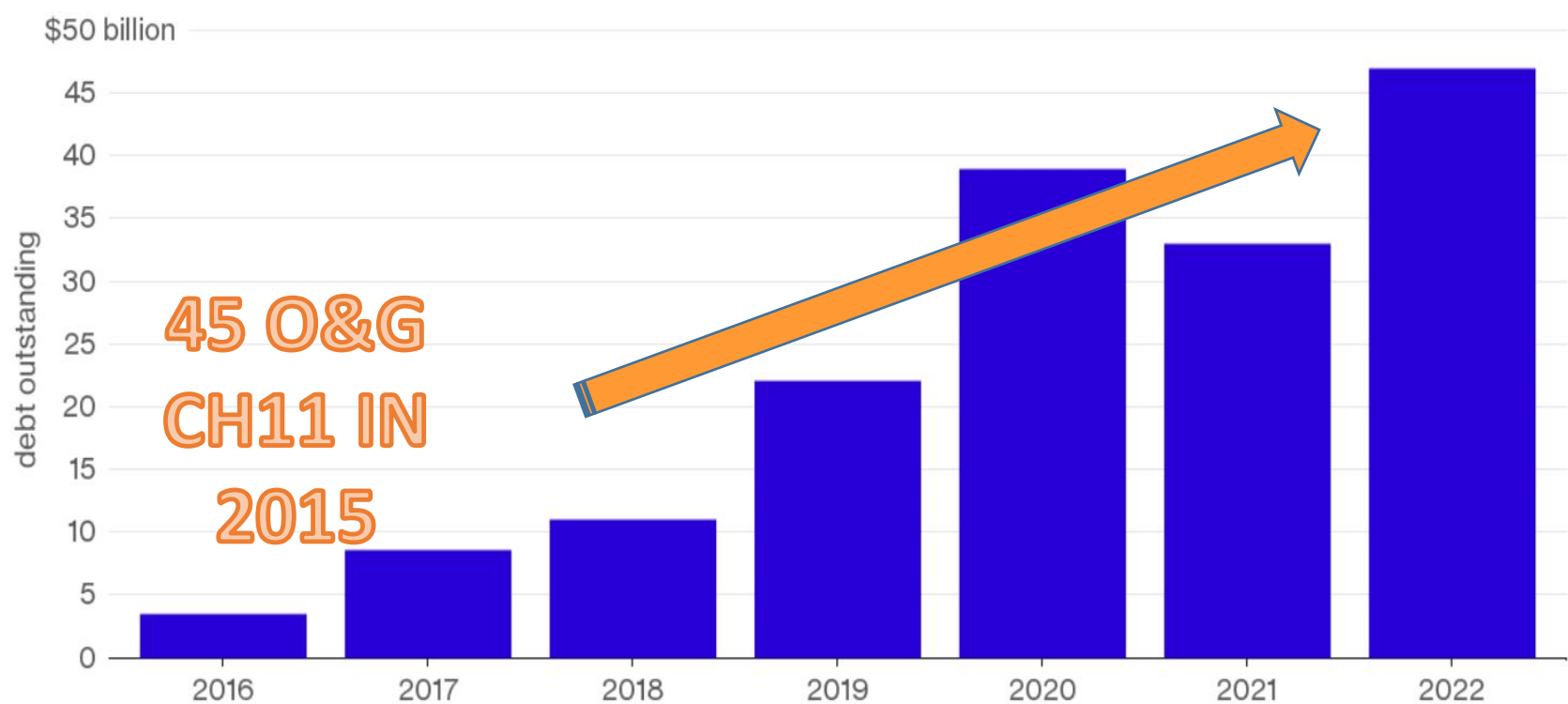
One Days Headlines, April 2016....

- ***Breaking:*** Goodrich Eyes Bankruptcy After Lackluster Offering
- Chaparral Warns of Bankruptcy; \$1.6B in Debt
- Midstates Saddled with \$1.9 Billion in Debt; Heading for Bankruptcy
- Southcross Parent Files Chapter 11 Bankruptcy
- W&T Offshore Credit Line Cut 60%; Heading for Bankruptcy
- Bakken E&P Black Ridge Talks Restructuring Plans

LOWER FOR LOOOOONGER ?

Debt Wall

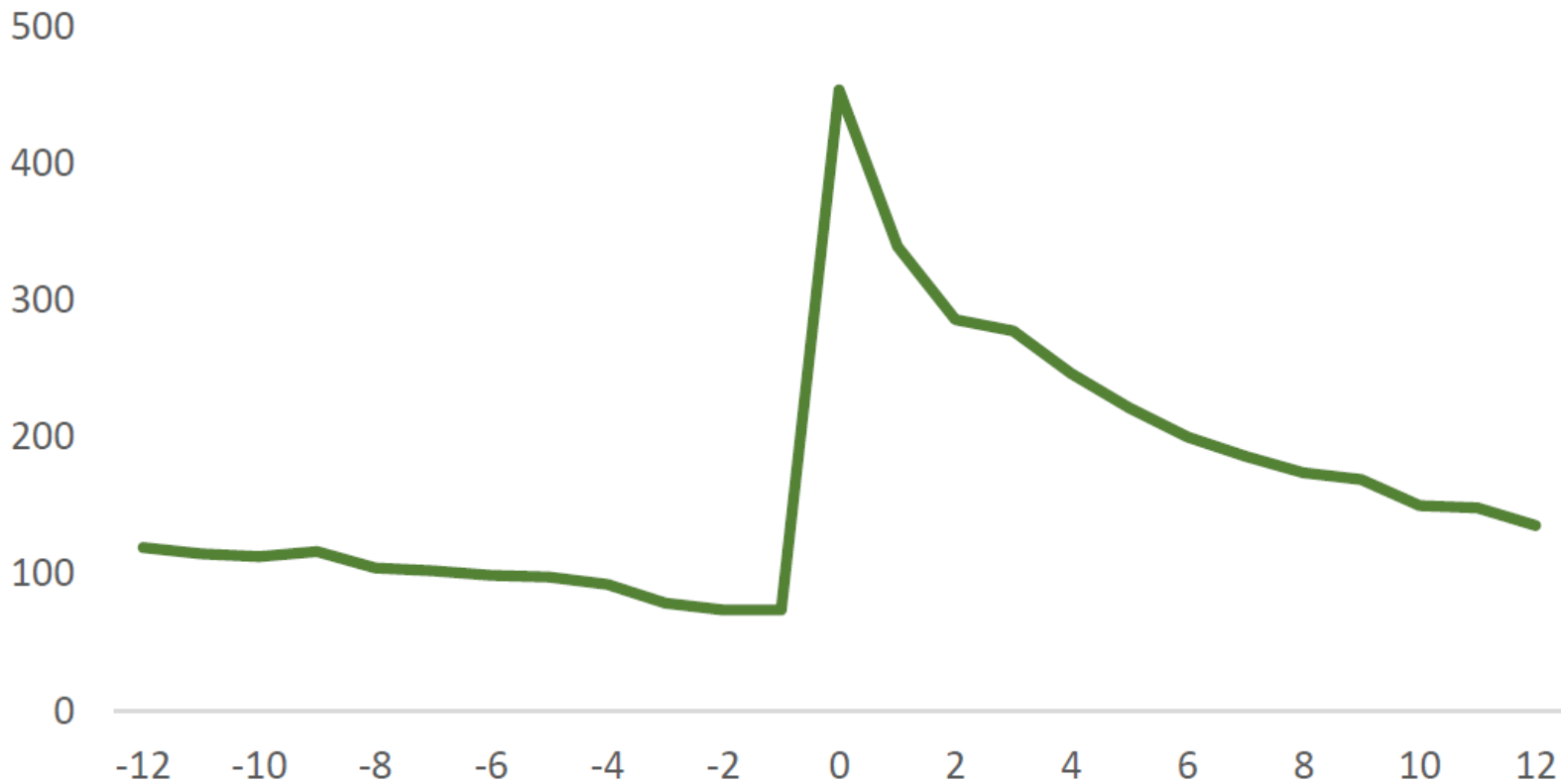
How much U.S. junk-rated energy companies owe over the next seven years



Bloomberg data

Bloomberg

WHY REFRACT?

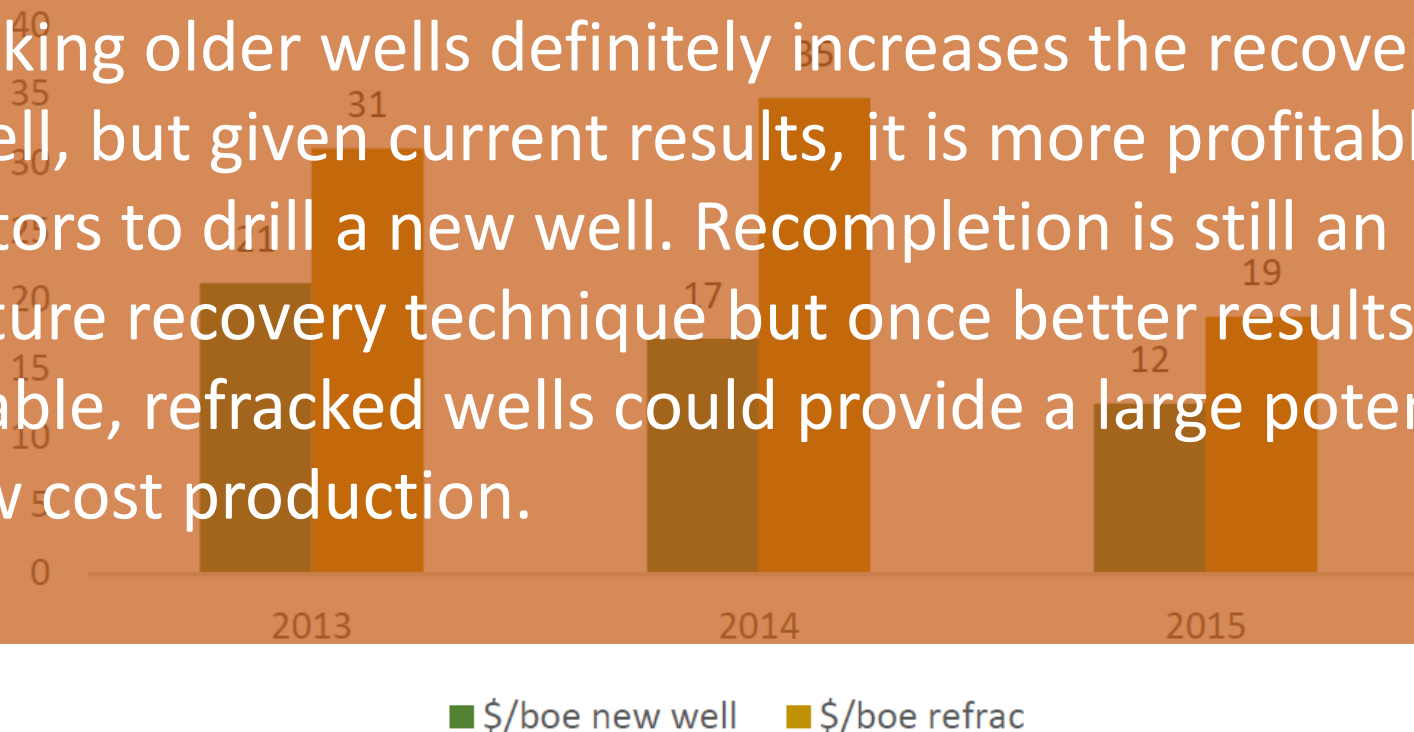


Average daily production (boe/d) for Bakken wells refracked in 2014 and 2015.

Rystad Energy NASWellData and Rystad Energy analysis.

WHY REFRAC?

Refracking older wells definitely increases the recovery of the well, but given current results, it is more profitable for operators to drill a new well. Recompletion is still an immature recovery technique but once better results are replicable, refracked wells could provide a large potential for low cost production.

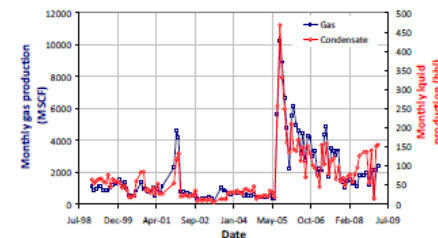
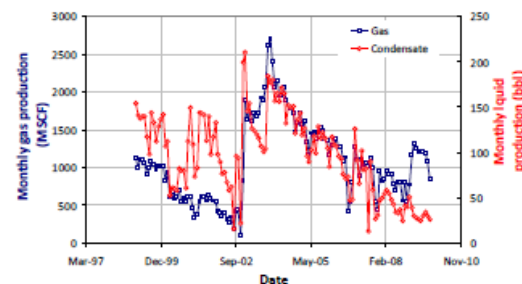
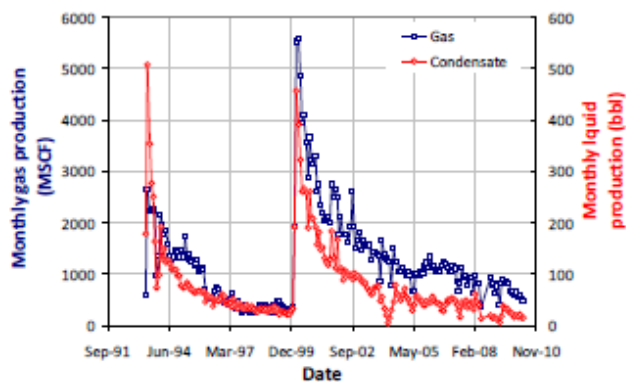
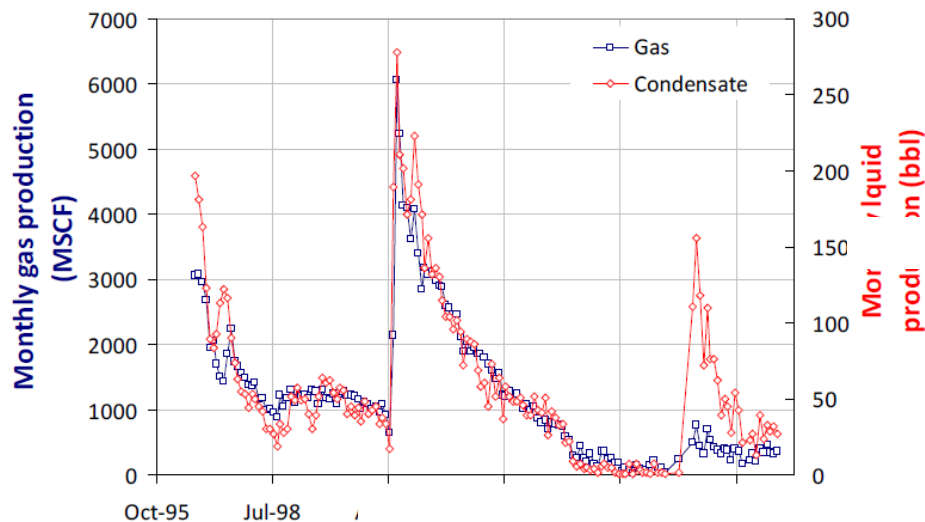


Development cost per boe for Bakken wells compared to refrack wells in each year.

Rystad Energy NASWellData and Rystad Energy analysis.

SUCCESSFUL REFRACS

1. Increase EUR
&/or
2. Provide Rate
Acceleration



Ref: RPSEA Report
M. Sharma

REFRACS CAN

1. RESTORE FRACTURE CONDUCTIVITY
(Re-Touch “Old” Rock)
2. FRAC NEW ROCK
 - ADD FRAC STAGES (Reduce Stage Spacing)
 - Diversion & Reorientation
3. APPLY NEW FRAC LEARNINGS
(Fluids, Proppants, Chemistry etc)
4. PROVIDE FRAC-HIT “PROTECTION”
5. PRESERVE CAPITAL

DATA, STUDIES, SUMMARIES & COMMONALITIES

Refracs: Why Do They Work, and Why Do They Fail in 100 Published Field Studies?



Vincent, Mike C., Insight Consulting

134330-MS SPE Conference Paper - 2010

Restimulation of Unconventional Reservoirs: When are Refracs Beneficial?



Vincent, Mike C., Insight Consulting

136757-MS SPE Conference Paper - 2010

Lessons Learned: Refracs from 1980 to Present



Grieser, Bill, Halliburton
Calvin, James, Halliburton
Dulin, James, formerly Halliburton

179152-MS SPE Conference Paper - 2016

A Case History of Refracs in the Oak Hill (Cotton Valley) Field



Hunter, J.C., Graham Resources Inc.

14655-MS SPE Conference Paper - 1986

Stress Field Change Due to Reservoir Depletion and Its Impact on Refrac Treatment Design and SRV in Unconventional Reservoirs



Han, Jiahang, Baker Hughes
Hurt, Robert, Baker Hughes
Sookprasong, Andy, Baker Hughes

178496-MS SPE Conference Paper - 2015

Surface Tiltmeter Mapping Shows Hydraulic Fracture Reorientation in the Codell Formation, Wattenberg Field, Colorado



Wolhart, Stephen Lee, Pinnacle Technologies
McIntosh, Gregory Edward, Kerr-McGee Rocky Mountain Corp.
Zoll, Michael Bruce, Noble Energy Inc.
Weijers, Leen, Pinnacle Technologies

110034-MS SPE Conference Paper - 2007

A Commercial Evaluation of Refracturing Horizontal Shale Wells



Indras, P., Wood Mackenzie
Blankenship, C., Wood Mackenzie

174951-MS SPE Conference Paper - 2015

SPF 134330

SPE 134330

[illegible][illegible]

SPE 134330

SEE 134330

8

[illegible]

FROM SPE 134330

“The efforts of many researchers have already cast much darkness on the subject, and it is likely that if they continue, we will soon know nothing about it at all.”

Mark Twain

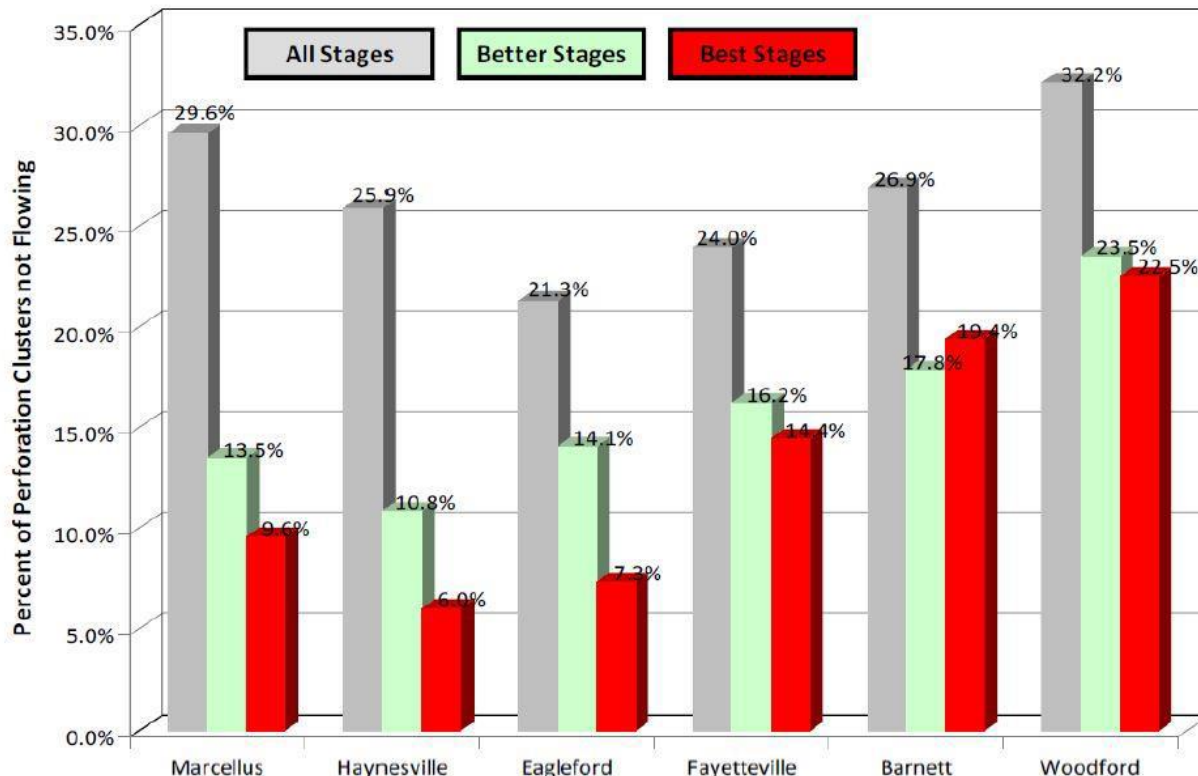
SOME “TYPICAL” OBSERVATIONS

- “Initial completions exhibit inconsistent proppant coverage across the perforated interval.” – SPE-174979, Leonard, Moore, Woodruff, Senters
- Wells employing (refrac) diversion techniques ... are not consistently contacting new rock. - SPE 174979
- “ The biggest challenge in re-stimulating old wells is how to handle the existing perforations.” - SPE 174979
- “...the variation in (refrac) outcomes is too wide for refracturing to be adopted on a large scale today.” – SPE 174951, Indras, Blankenship
- “... Can we design wells that can be easily isolated and refractured?” – SPE 136757, M. Vincent

WHAT TO CONSIDER

- WELL CONFIGURATION & HYDRAULIC ISOLATION
 - Balls/Perfs/Ports/Baffles/Plugs
- WELL INTEGRITY
 - Casing Size, Weight, Erosion, Corrosion, Cement Integrity, External Packers, Casing Deformation etc.
- Existing Fractures
 - Conductivity, Location, Dimensions, Inter-well Communication
- Remaining Resource (Recovery Factor)
 - Where Is It & How Do We Target It

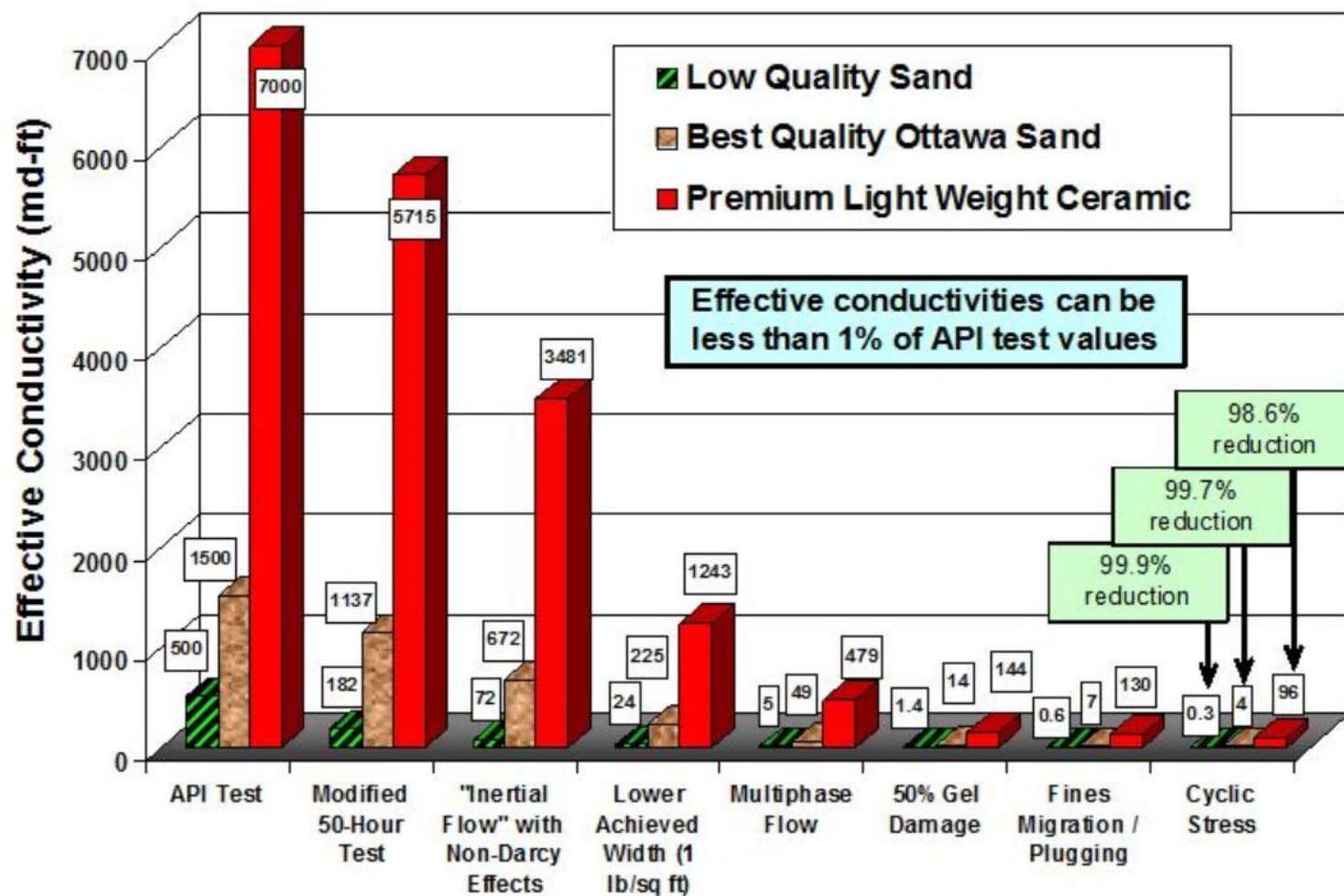
PERF CLUSTER PERFORMANCE



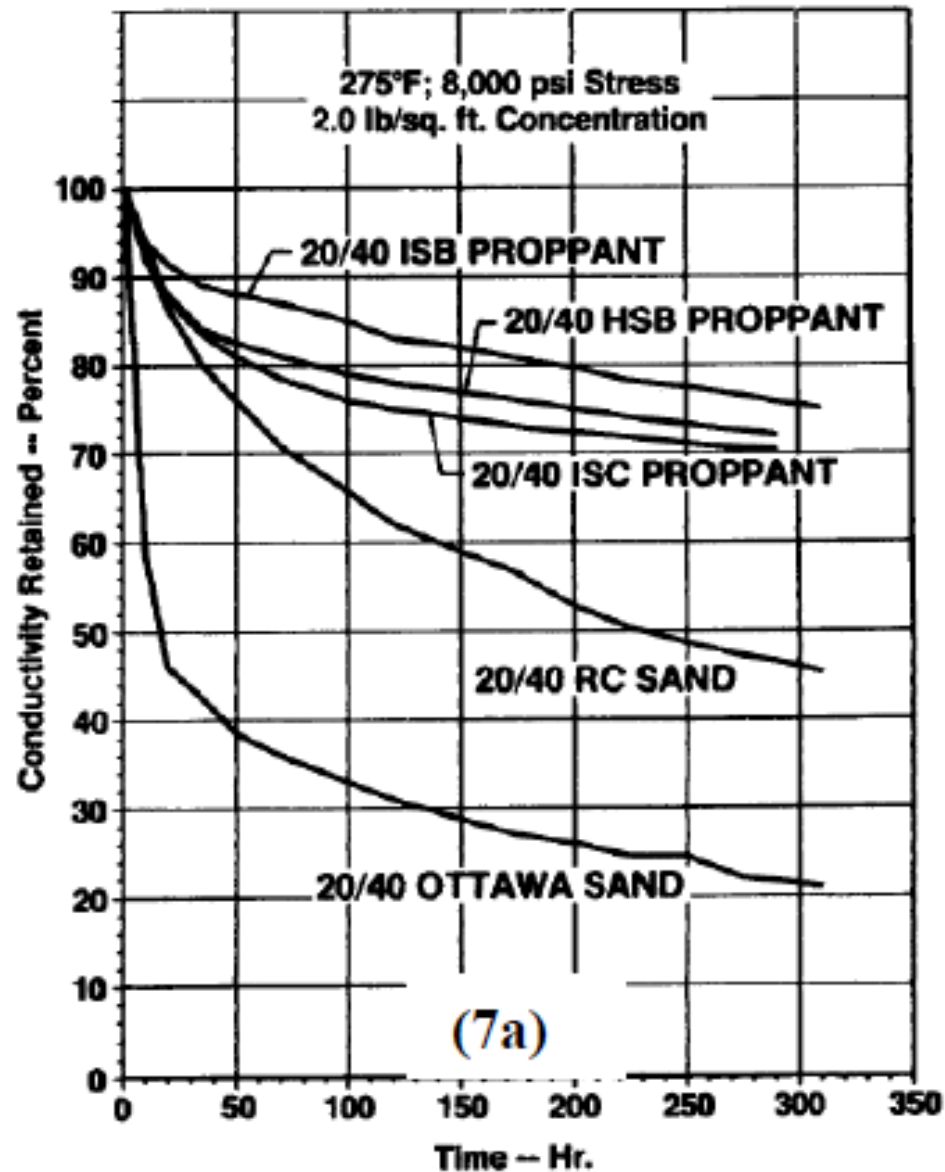
SPE 155485

Percentage of all perforation clusters that are not producing. Gray bars include all fracture stages. Green is for stages producing from 110% to 150% above the average rate. The red bars are for stages producing greater than 150% the average rate (Miller et al. 2011).

Realistic Conductivity Reductions



HOURS,
NOT
MONTHS



OPPORTUNITIES

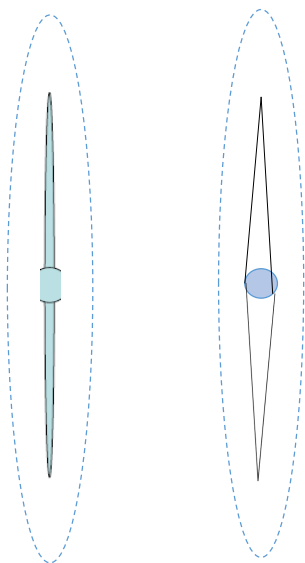
..... 40% to 60% of stages produce little or no hydrocarbons, while 30% of the stages represent 80% of a well's entire production. Baker Hughes estimates that ineffective stages have come at an annual cost upward of USD 40 billion.

Why Refracture

The simple reason to refracture a well is to boost production. But to do that, operators need to pinpoint the problems they seek to remedy and then design the proper refracture treatment.

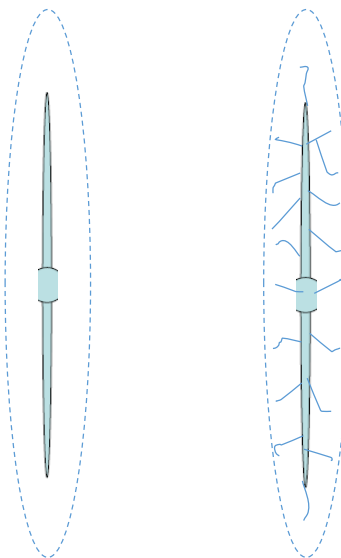
- Address proppant embedment or rock creep.
- Implement new completion learnings.
- Contact virgin rock by adding perforations, diversion, or reorientation.
- Reorient existing fractures to new areas of the reservoir.
- Replace crushed or low-conductivity proppant.
- Bypass damage caused by salt deposition, scale, or fines plugging.
- Fix stages where proppant was overflushed or flowed back into the wellbore.
- Improve the durability of initial proppant.
- Repressurize an existing well before offset drilling and completions.
- Re-energize natural fractures or rearrange existing proppant pack.
- Deliver production chemicals such as emulsion breakers and scale inhibitors.

Measuring Refrac Performance



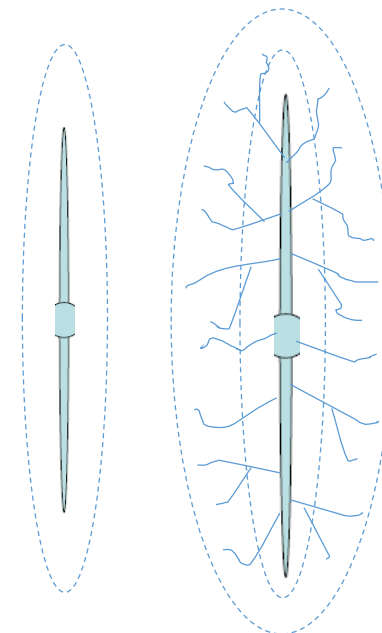
Restore or Improve
Apparent Conductivity

$k_f w$



Increase Fracture Area

A



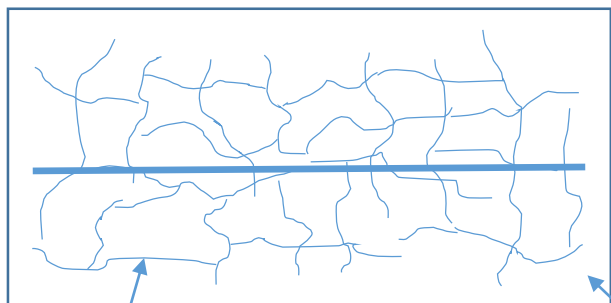
Increase Stimulated
Reservoir Volume

OGIP or OOIP

RTA Modelling & The Concept of Effective Permeability

Physical Description

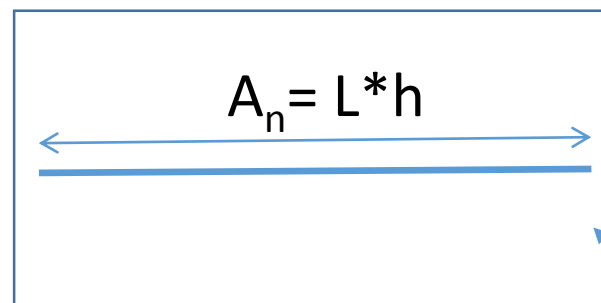
Fractured reservoir with matrix permeability



=

Functional Model

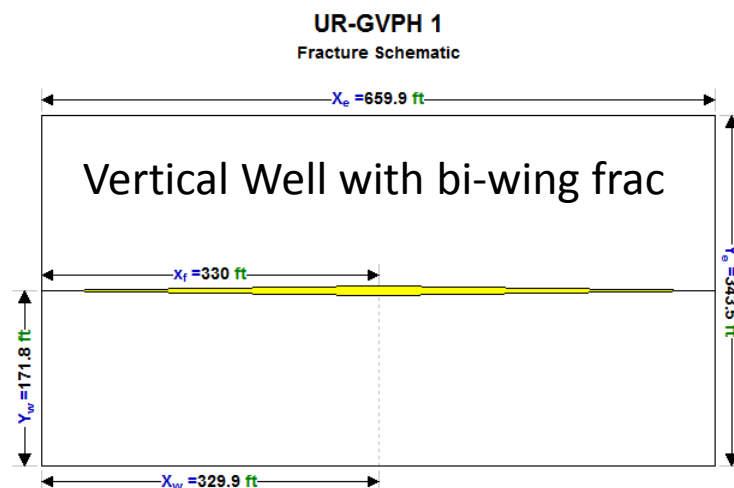
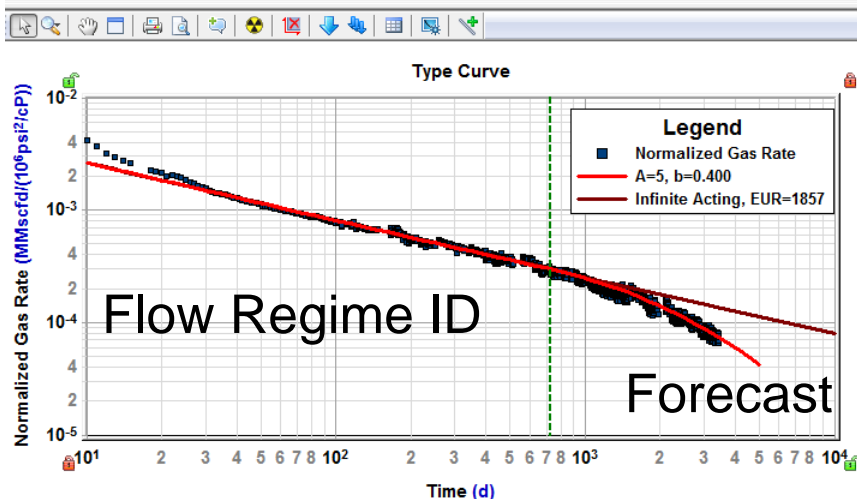
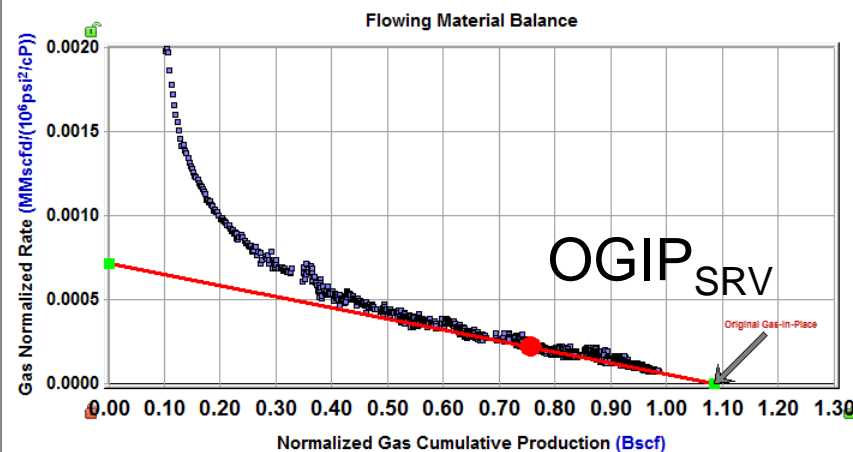
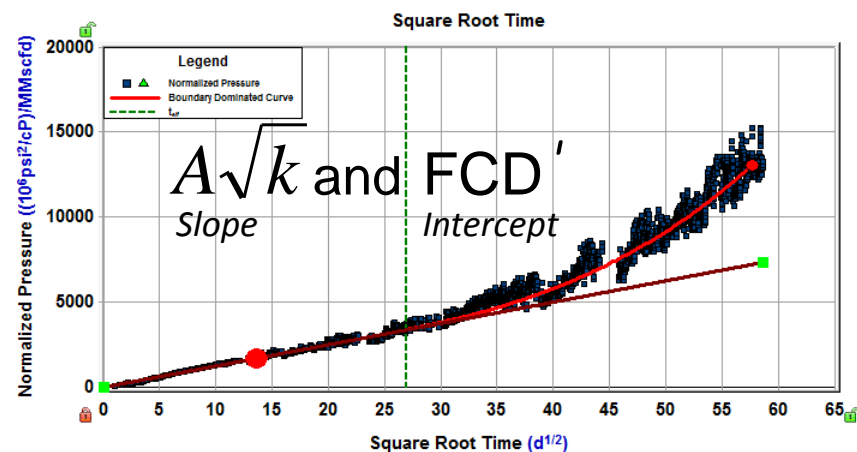
Unfractured reservoir with equivalent permeability



$$k_{eff} = \left[\frac{A \sqrt{k_{matrix}}}{A_n} \right]^2$$

A = total connected fracture area
Sum of all connected $x_f h_f$

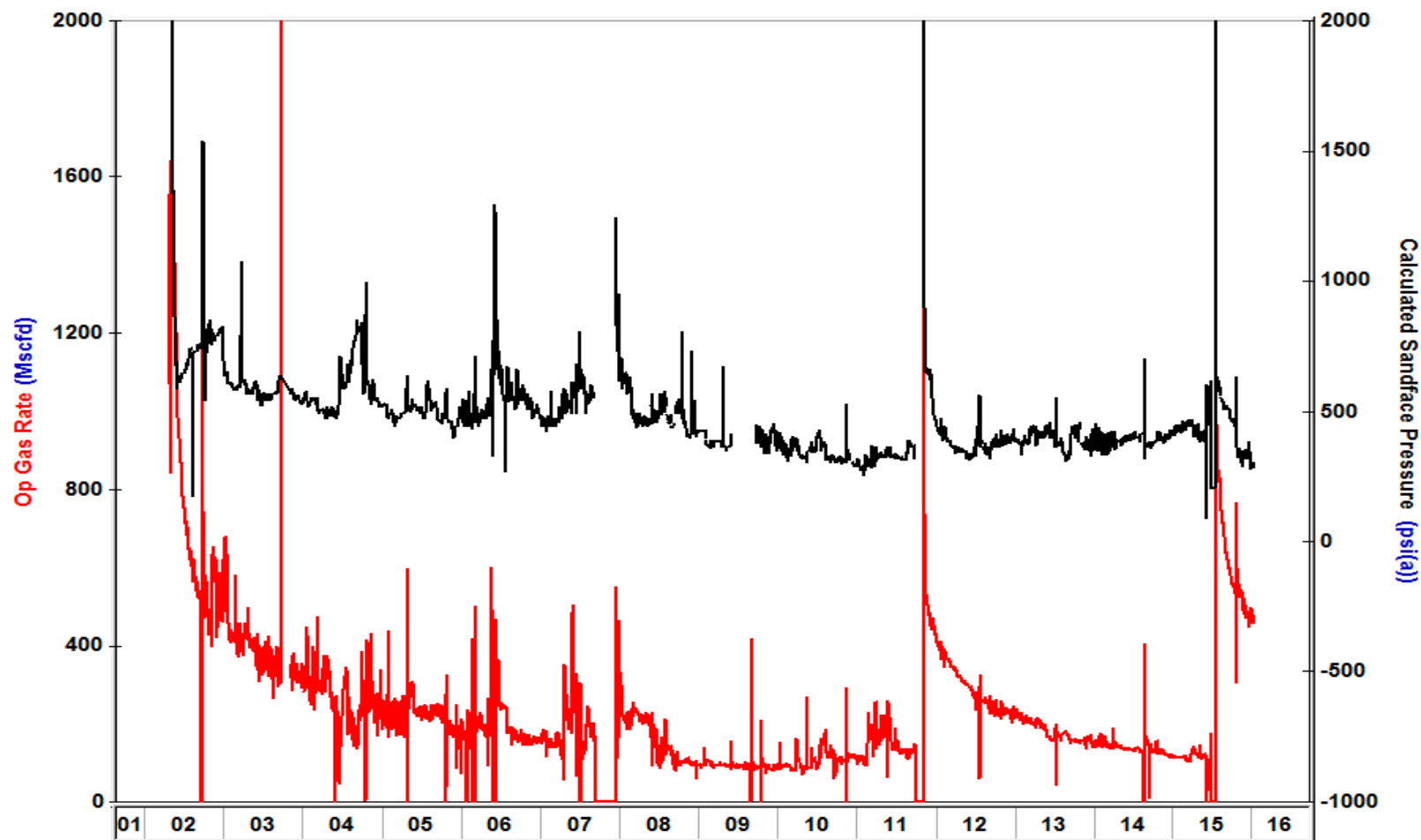
RTA Methodology



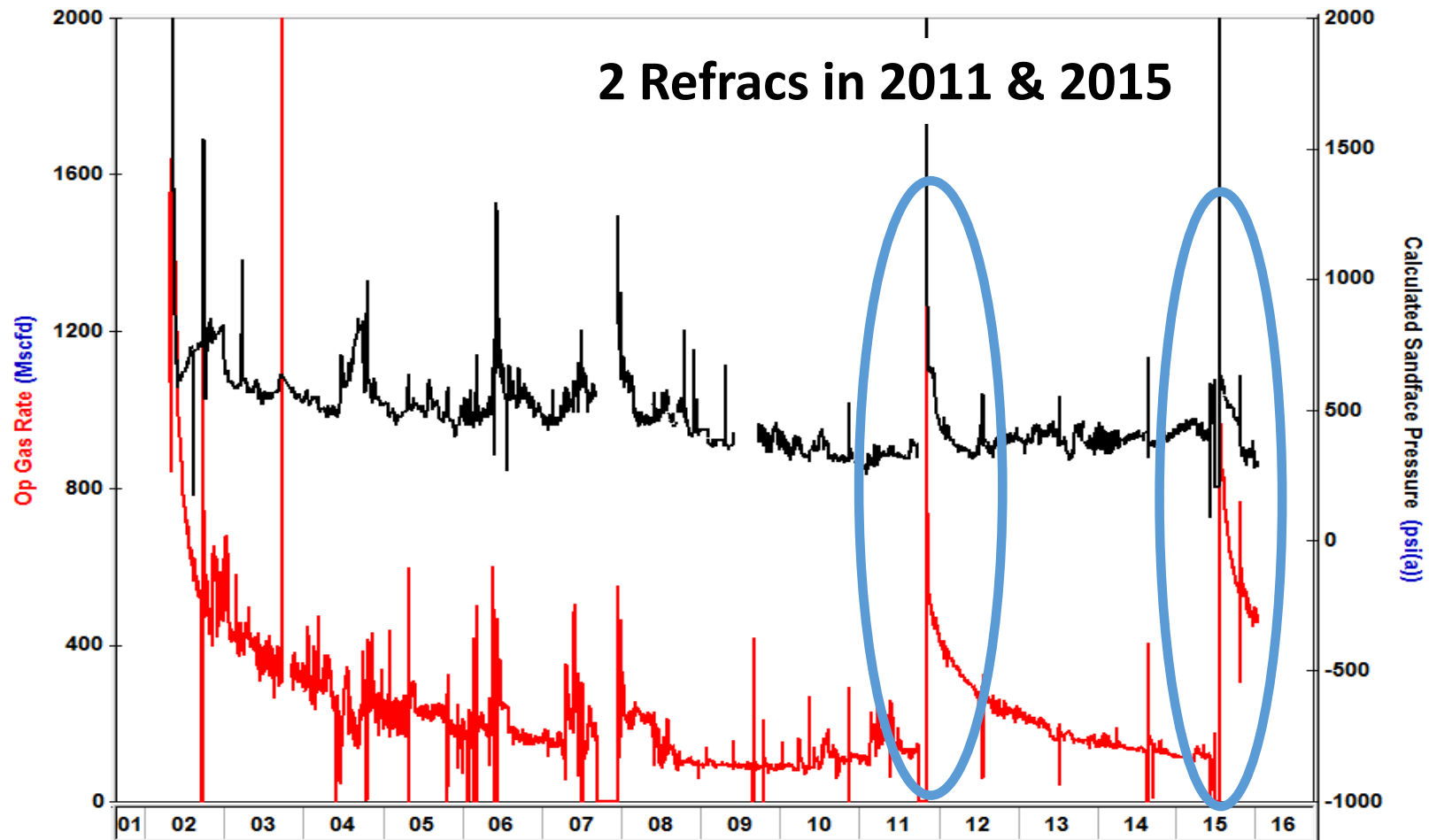
Barnett Well Case Studies

- 1) Vertical Well with 2 Refracs
- 2) Horizontal Well with 1 Refrac

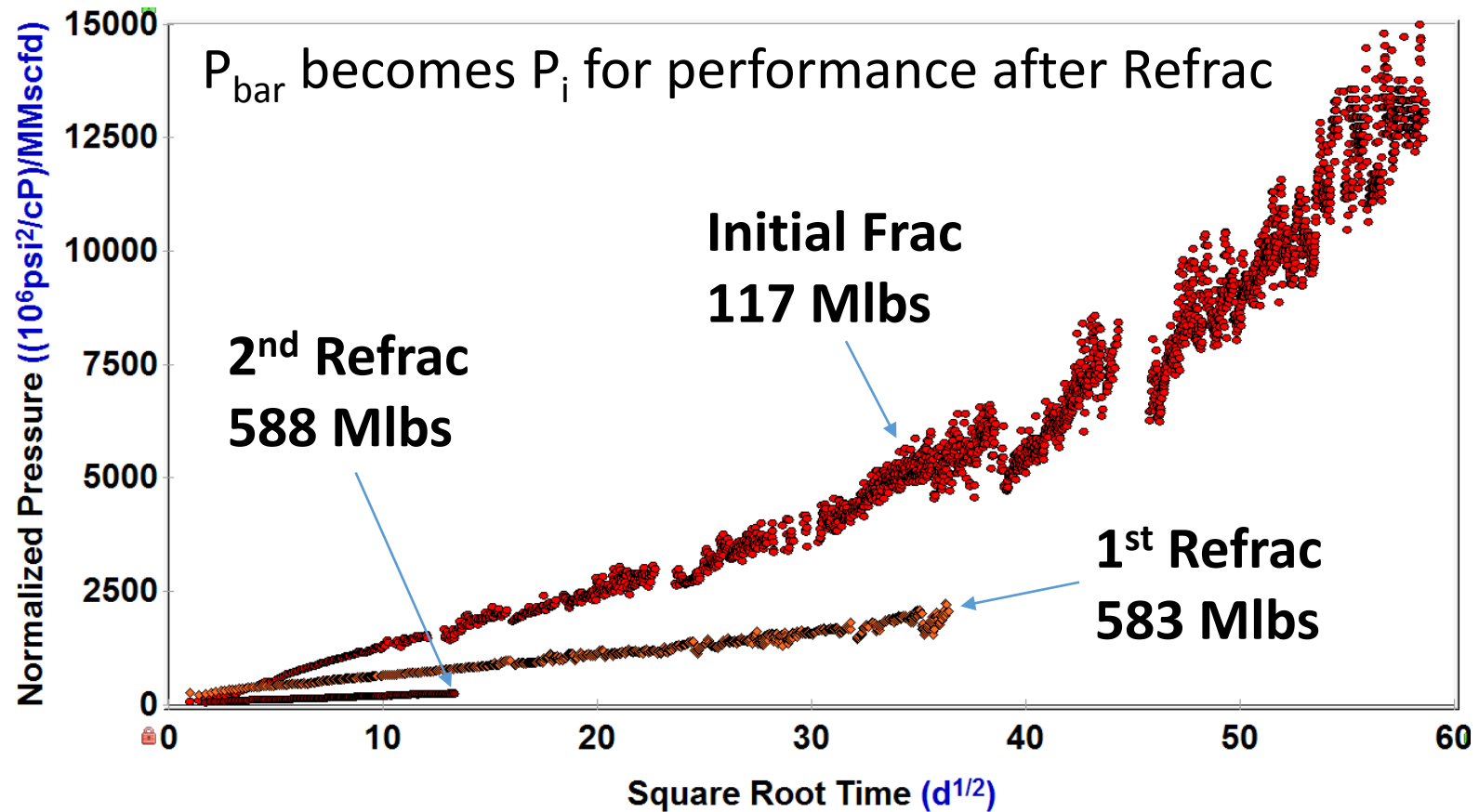
Barnett Field Example 1 – Vertical Well



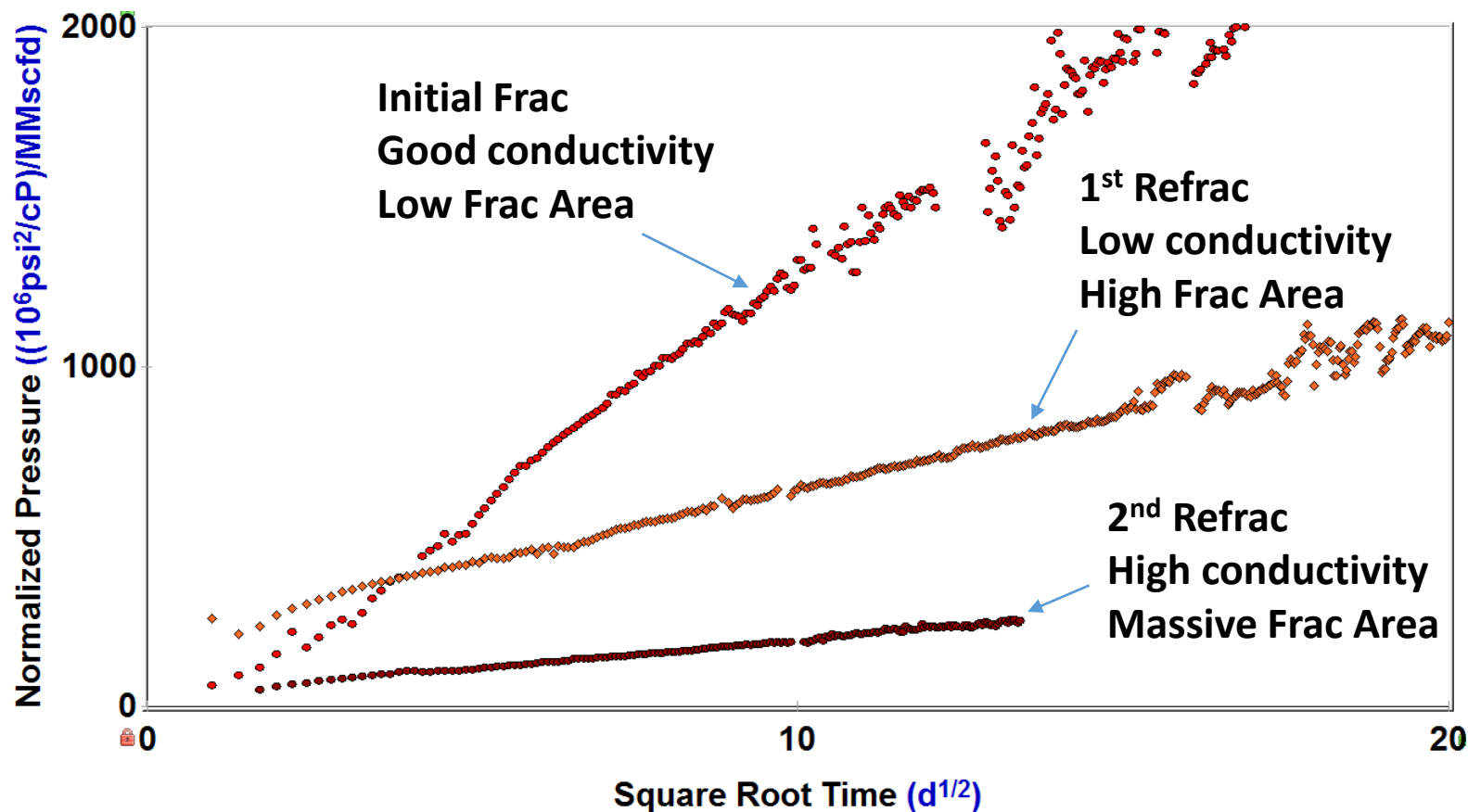
Barnett Field Example 1 – Vertical Well



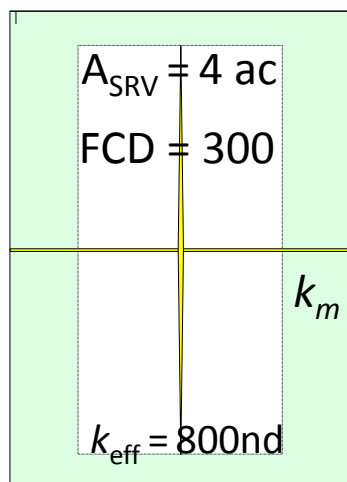
Ex. 1 - Reinitializing with Sqrt Time Plot



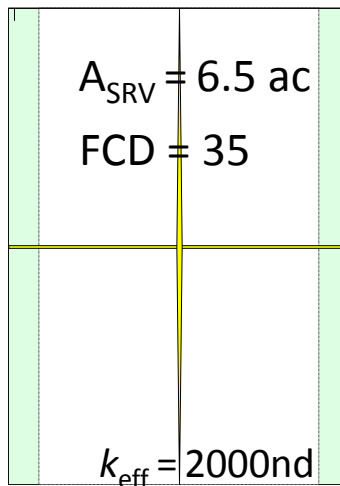
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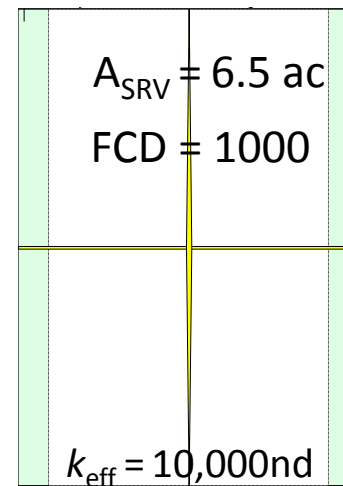
Example 1 – Performance Modeling



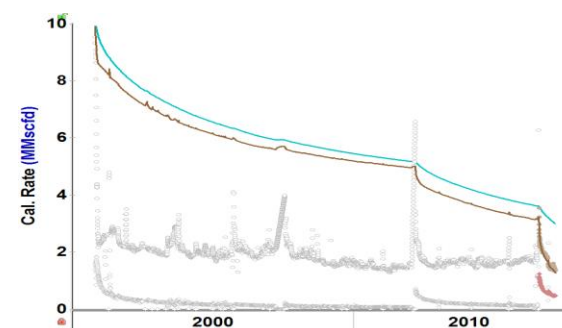
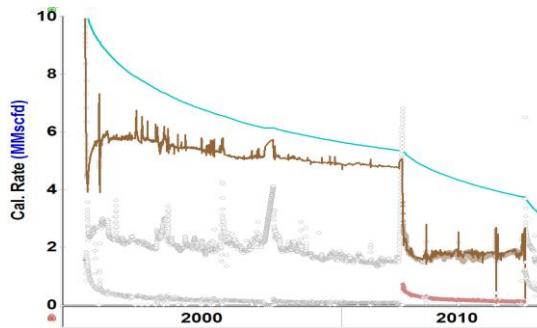
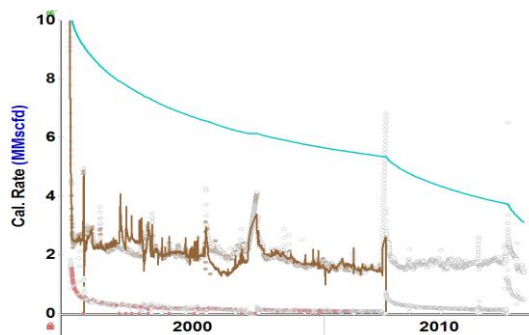
Initial Completion



1st Refrac

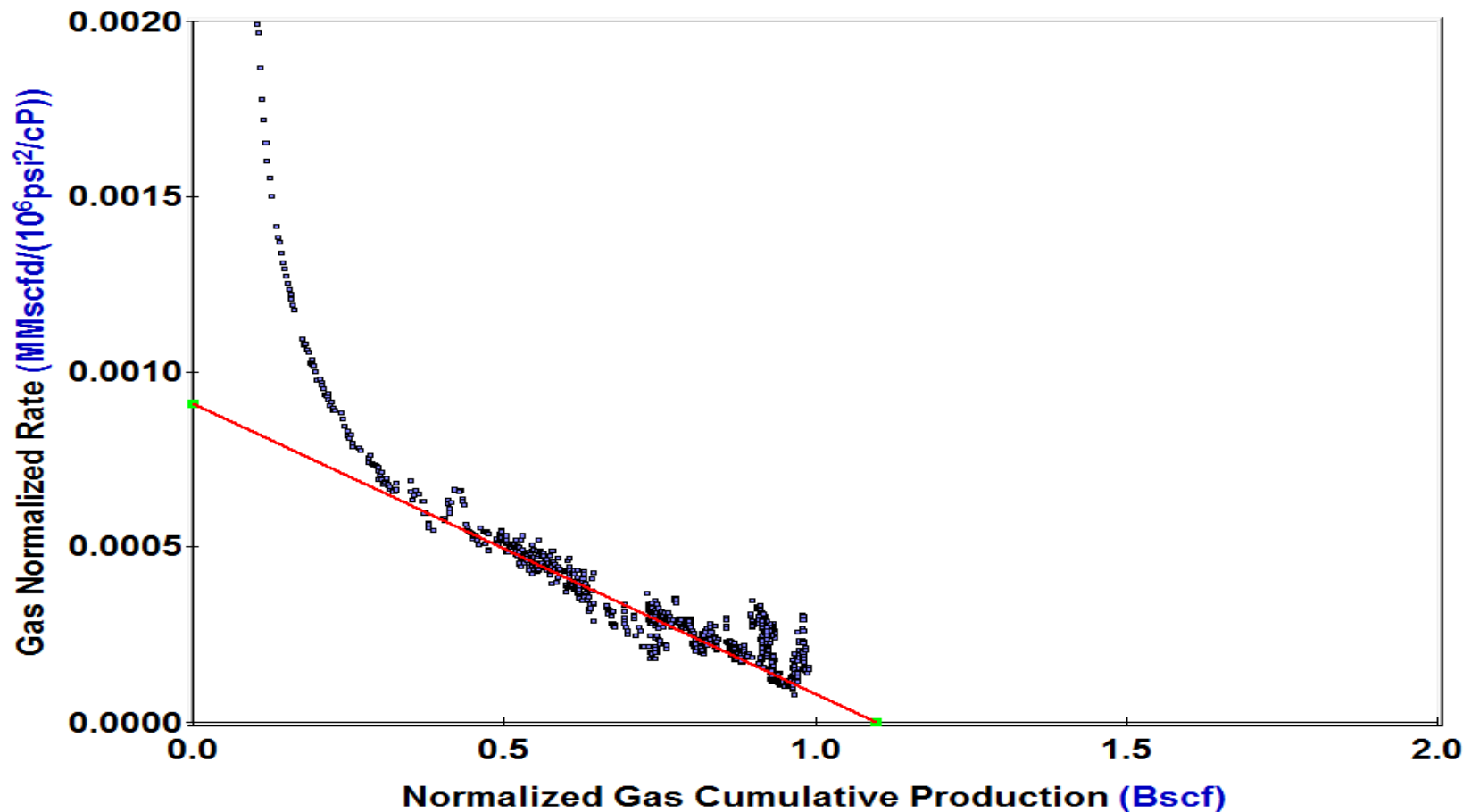


2nd Refrac

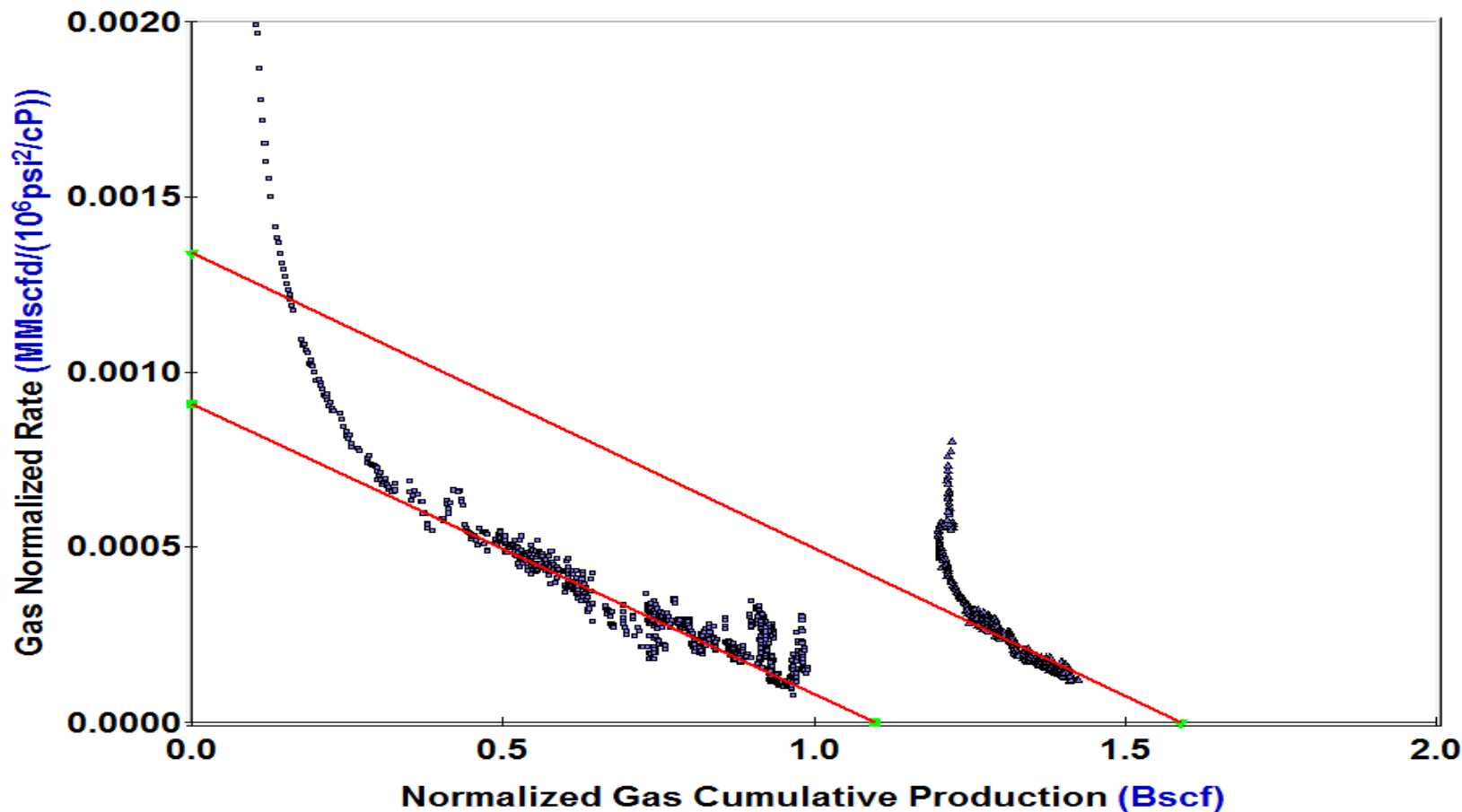


History matching bottomhole flowing pressure

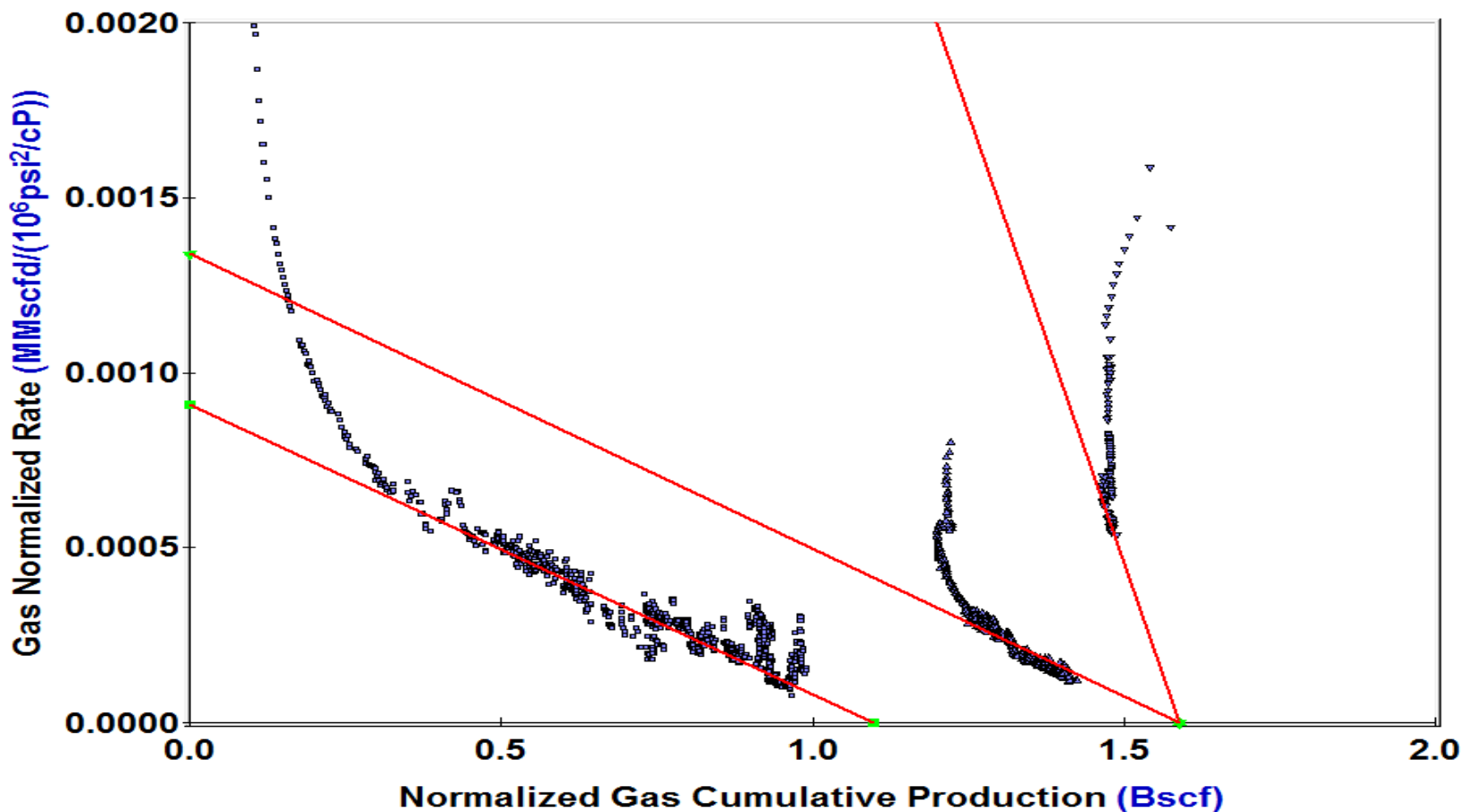
Example 1 - FMB Analysis



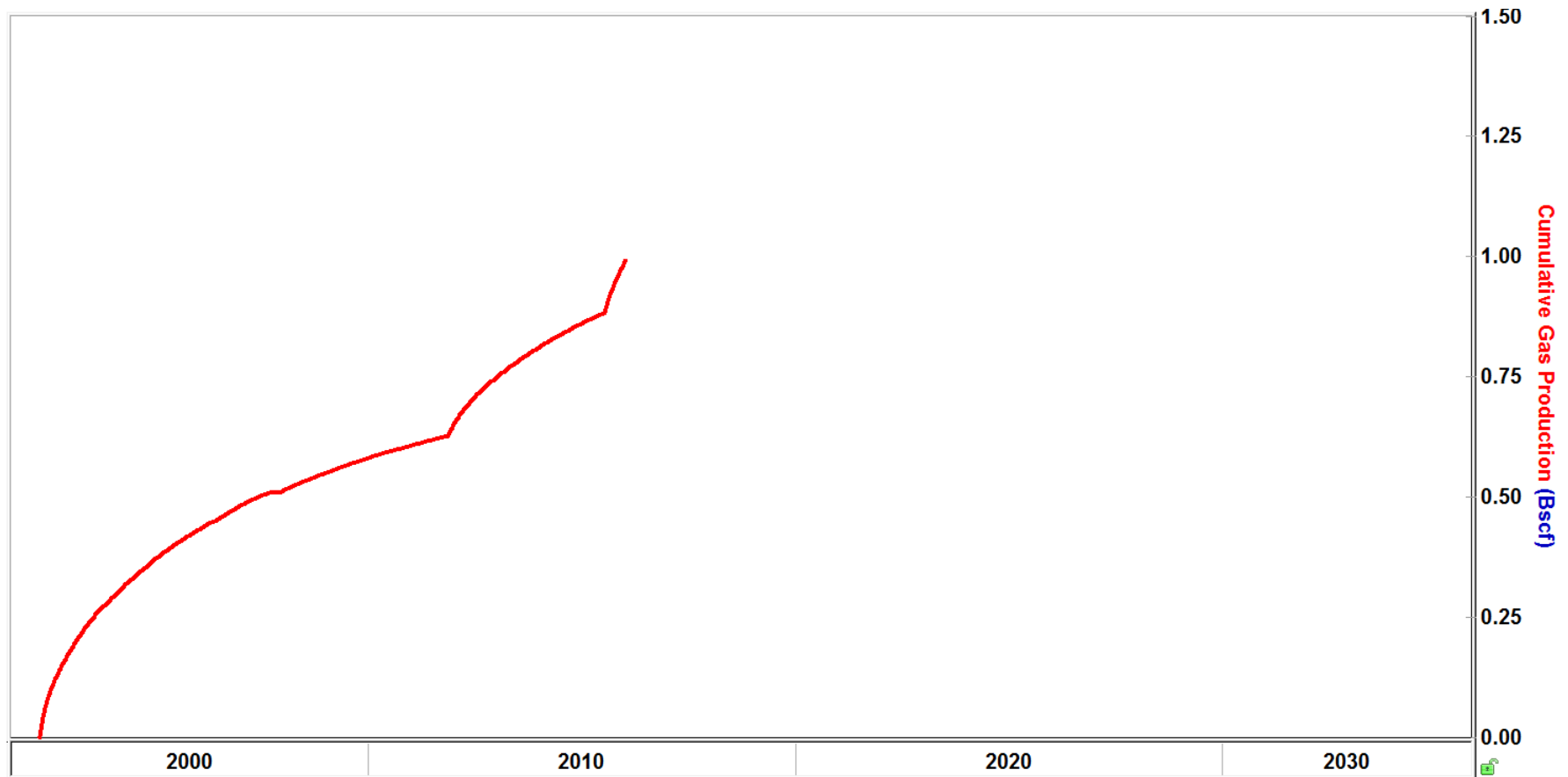
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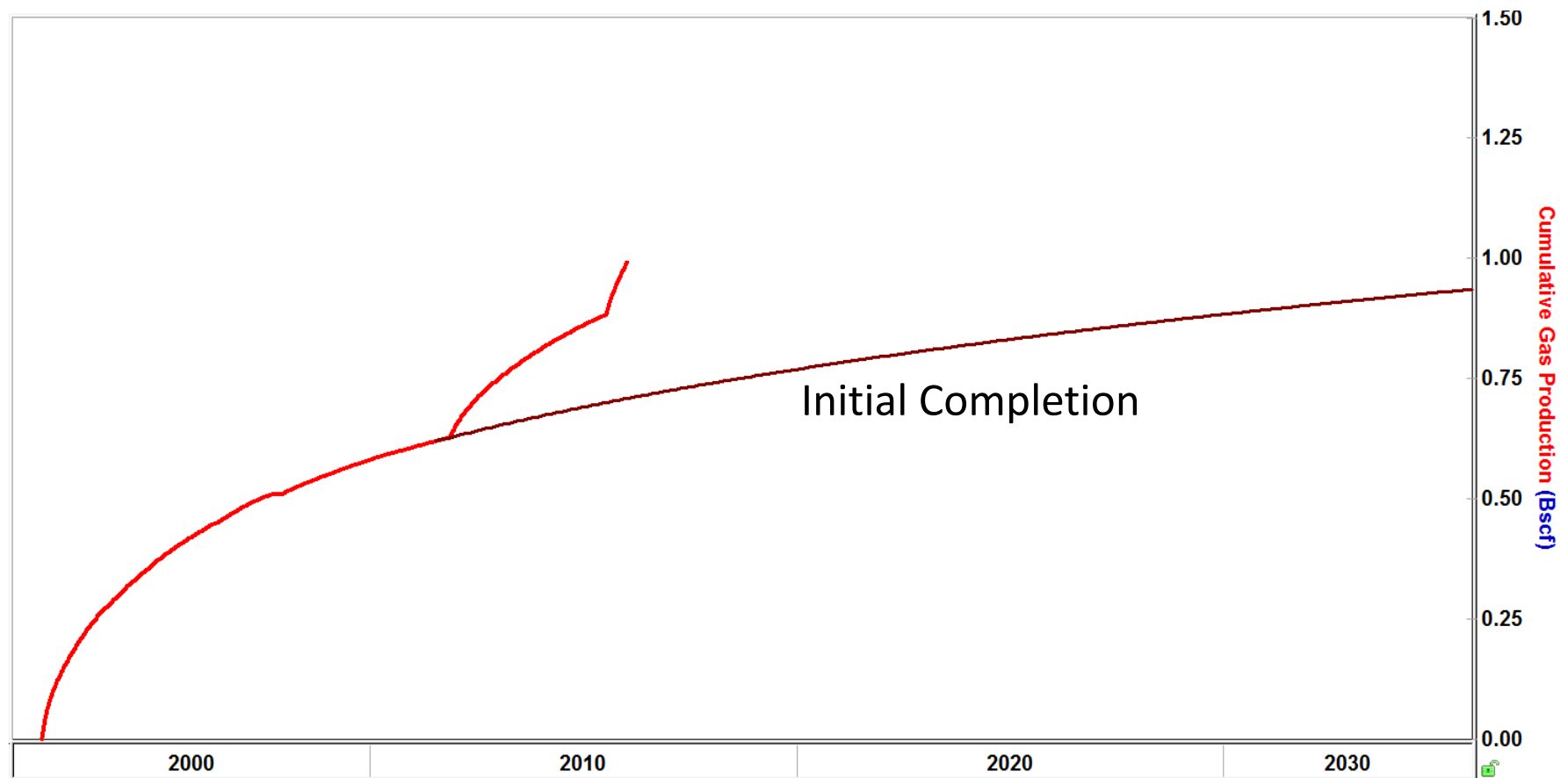
Example 1 - FMB Analysis



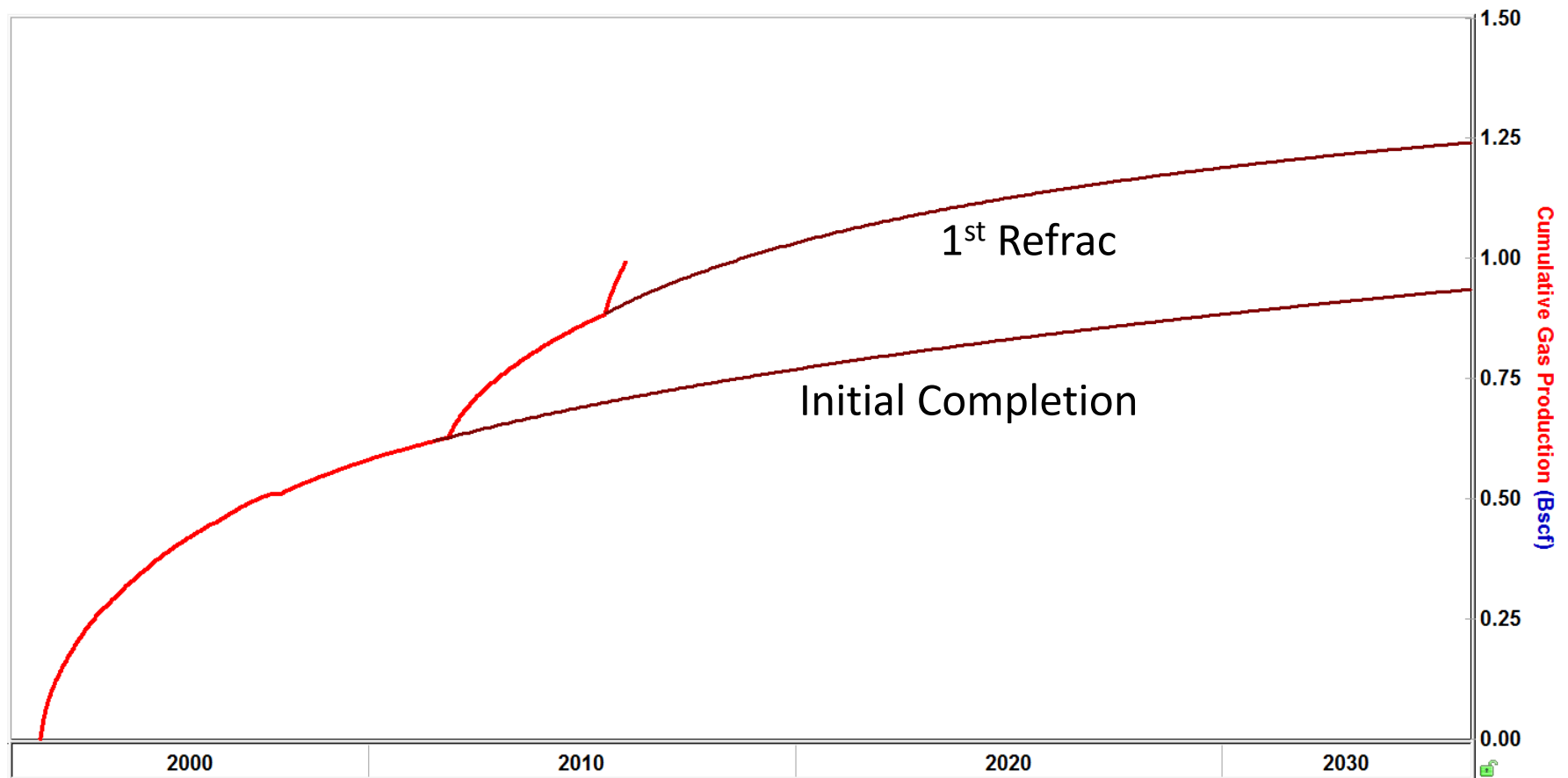
Example 1 - Cum vs. Time (Forecasting)



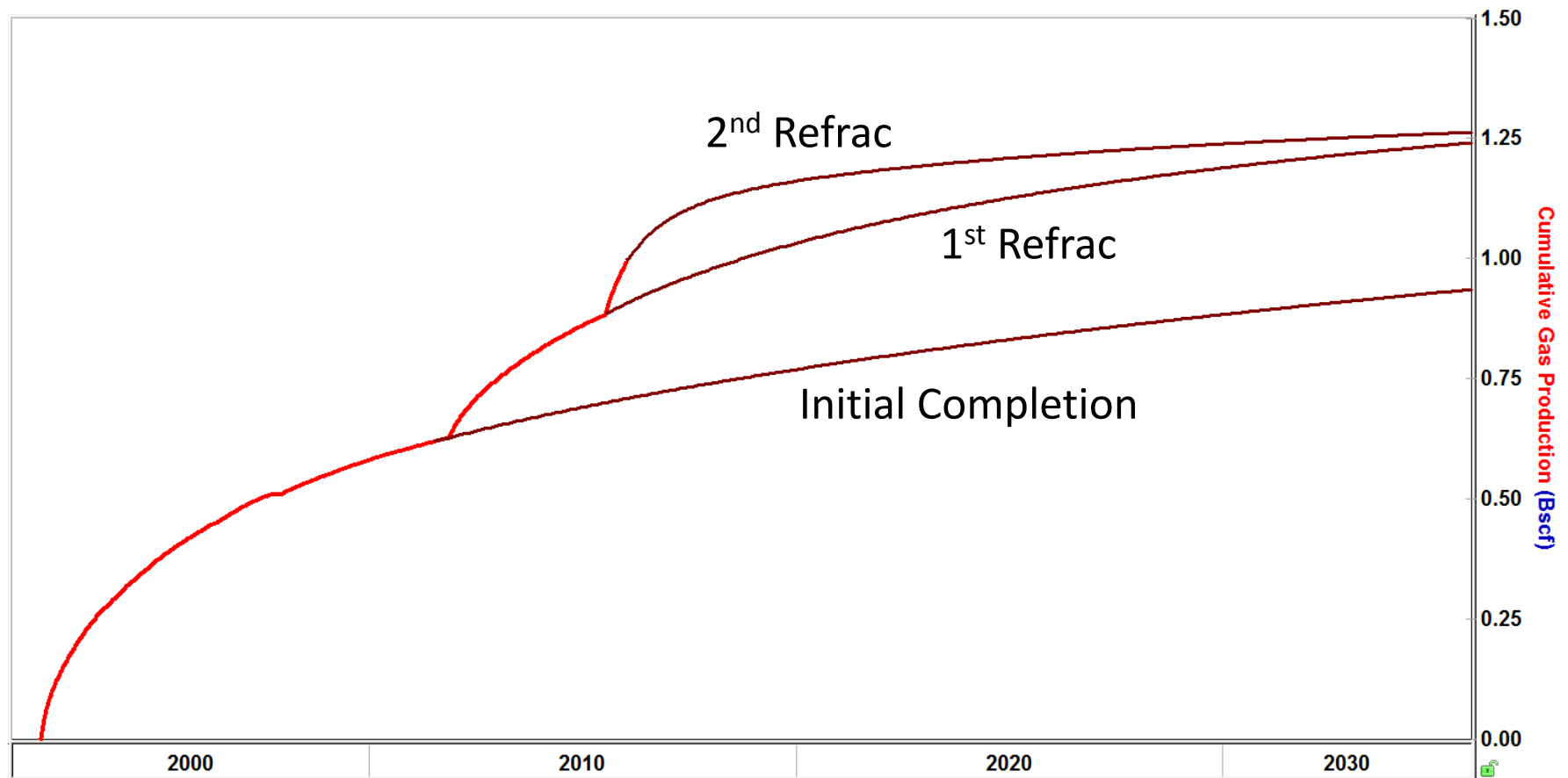
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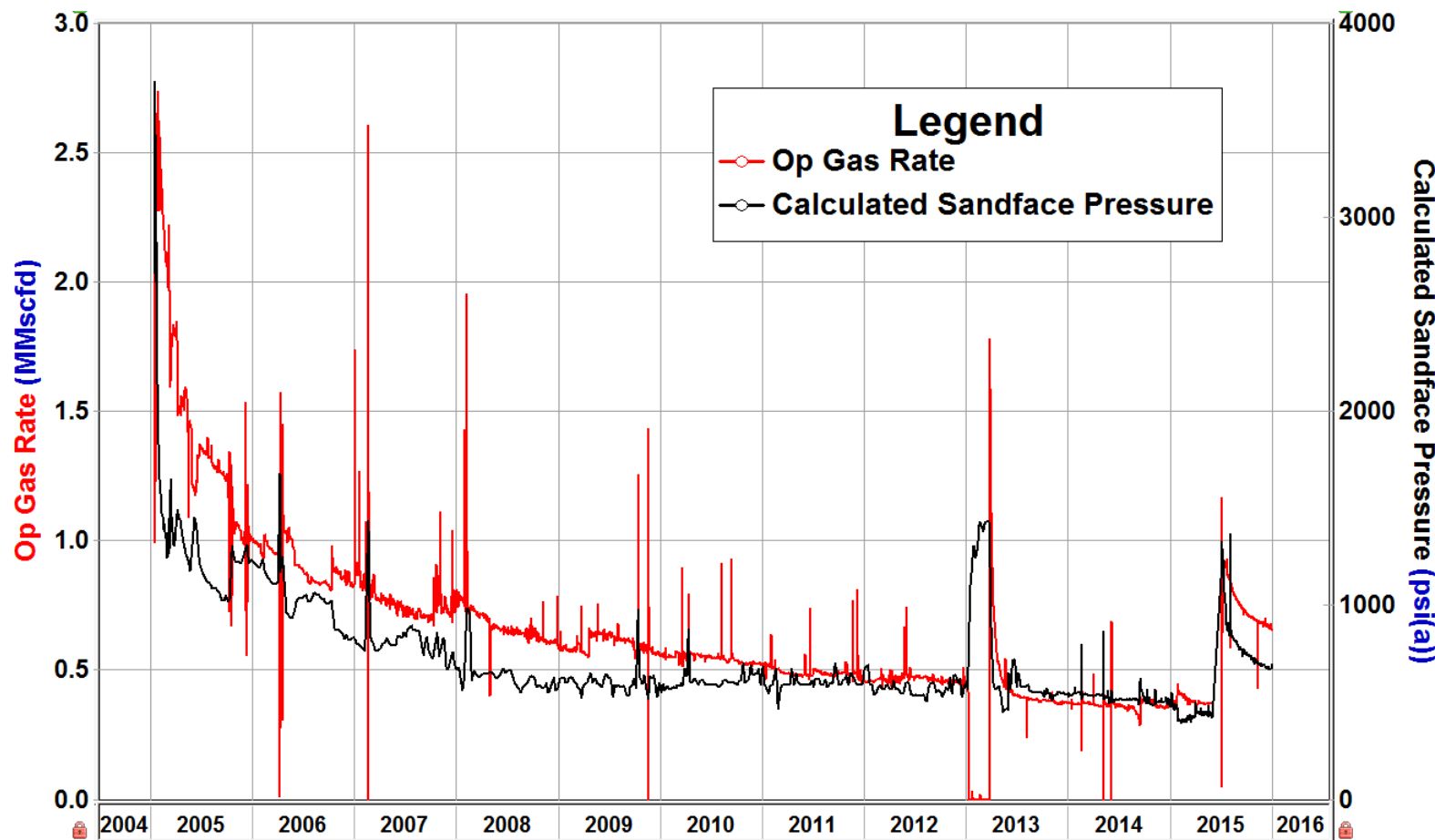
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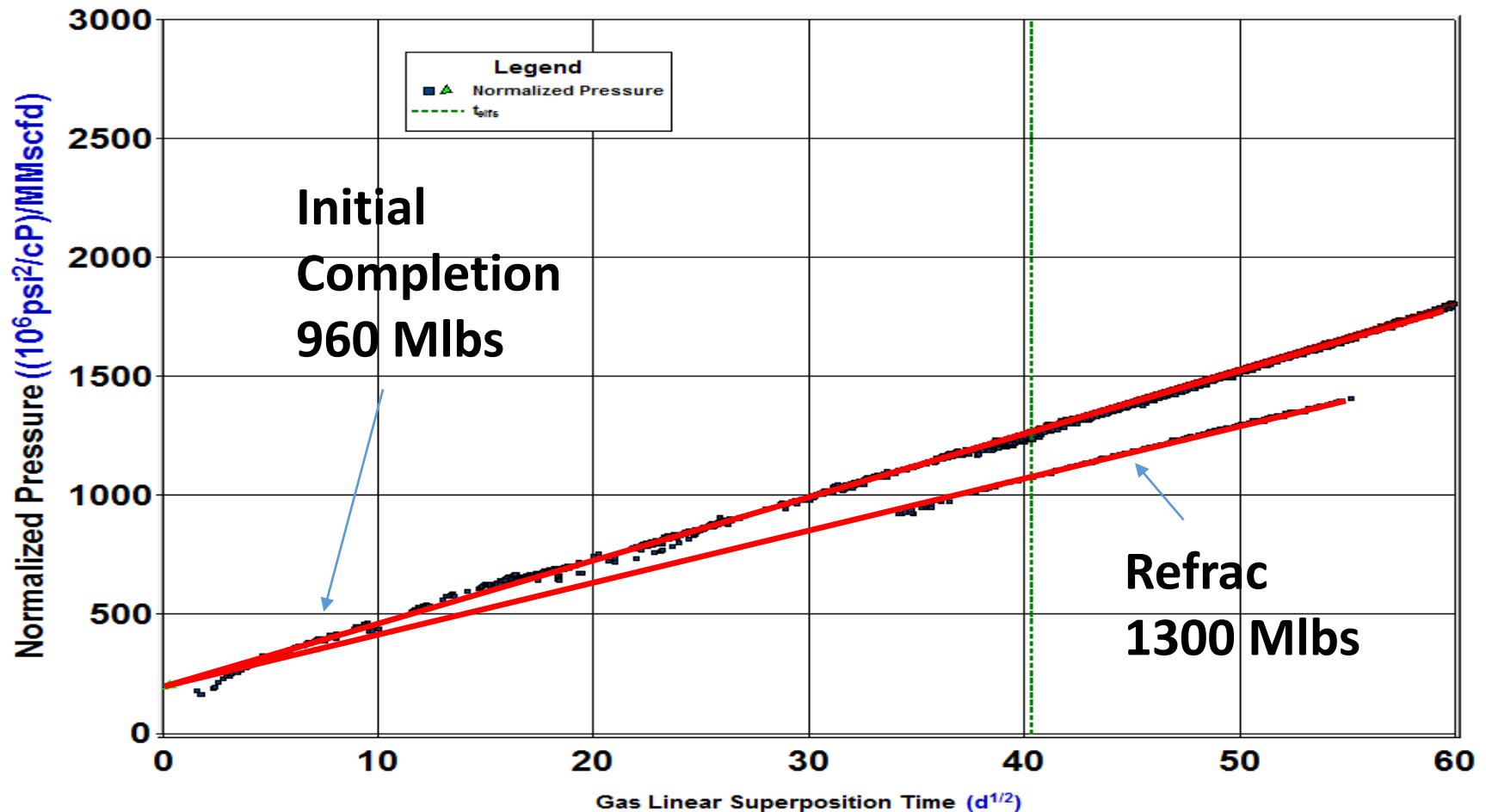
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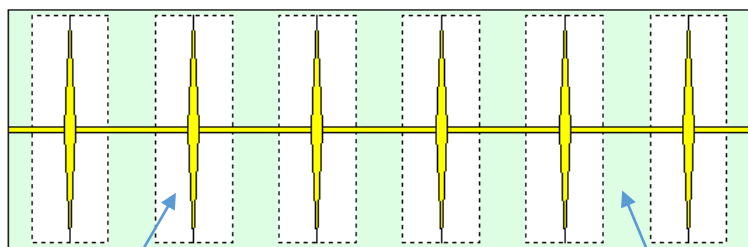
Barnett Field Example 2 – Horizontal Well



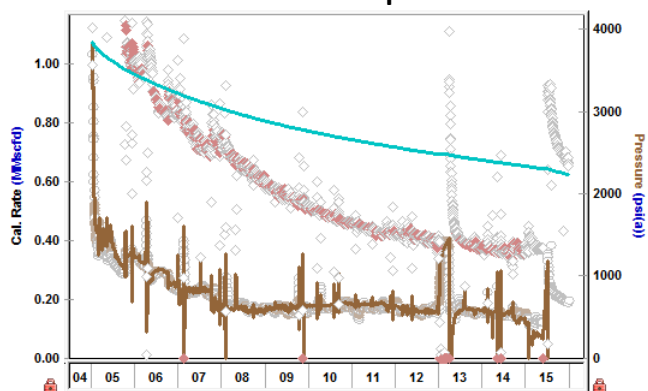
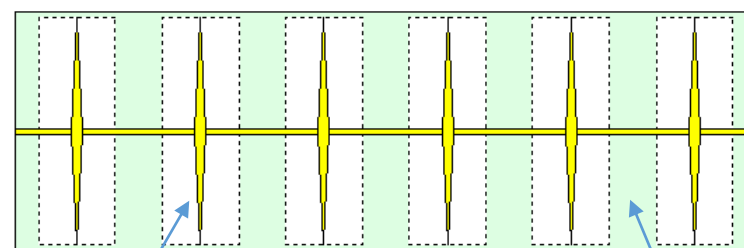
Ex. 2 – Linear Superposition Time Analysis



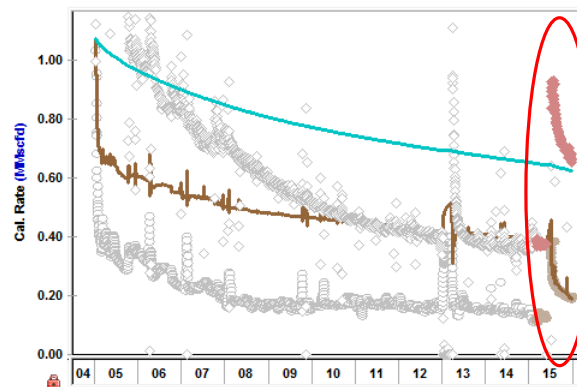
Example 2 – Performance Modeling

 $A_{SRV} = 27 \text{ ac}$ $A_d = 46 \text{ ac}$  $k_{eff} = 216 \text{ nd}$ $k_m = 50 \text{ nd}$

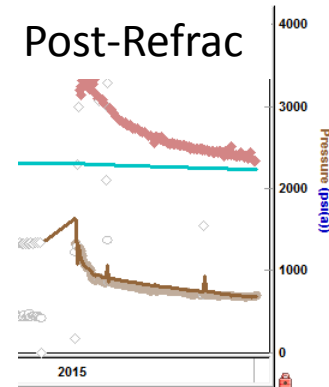
Initial Completion

 $A_{SRV} = 27 \text{ ac}$ $A_d = 46 \text{ ac}$  $k_{eff} = 400 \text{ nd}$ $k_m = 50 \text{ nd}$

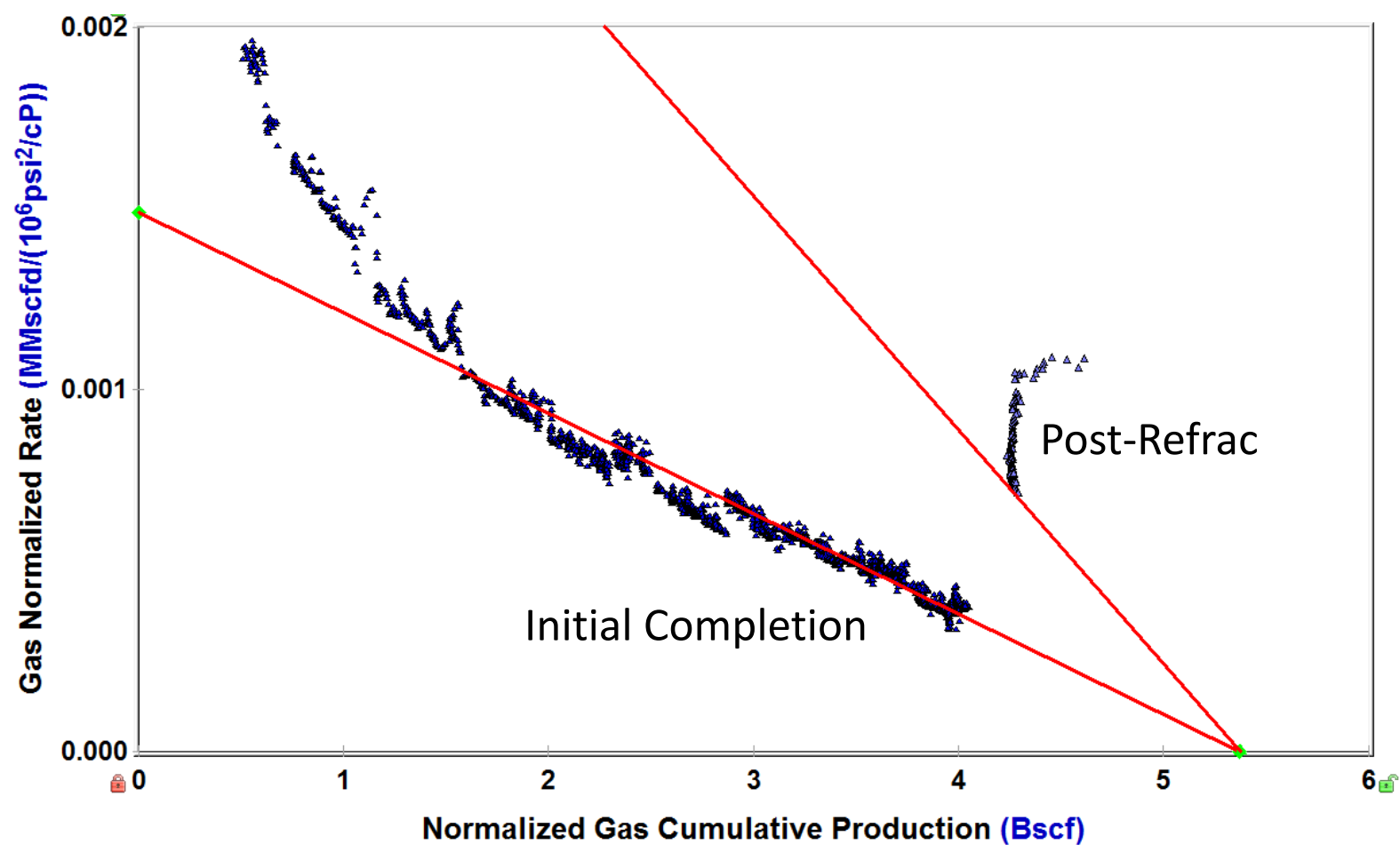
Same SRV following Refrac!



Post-Refrac



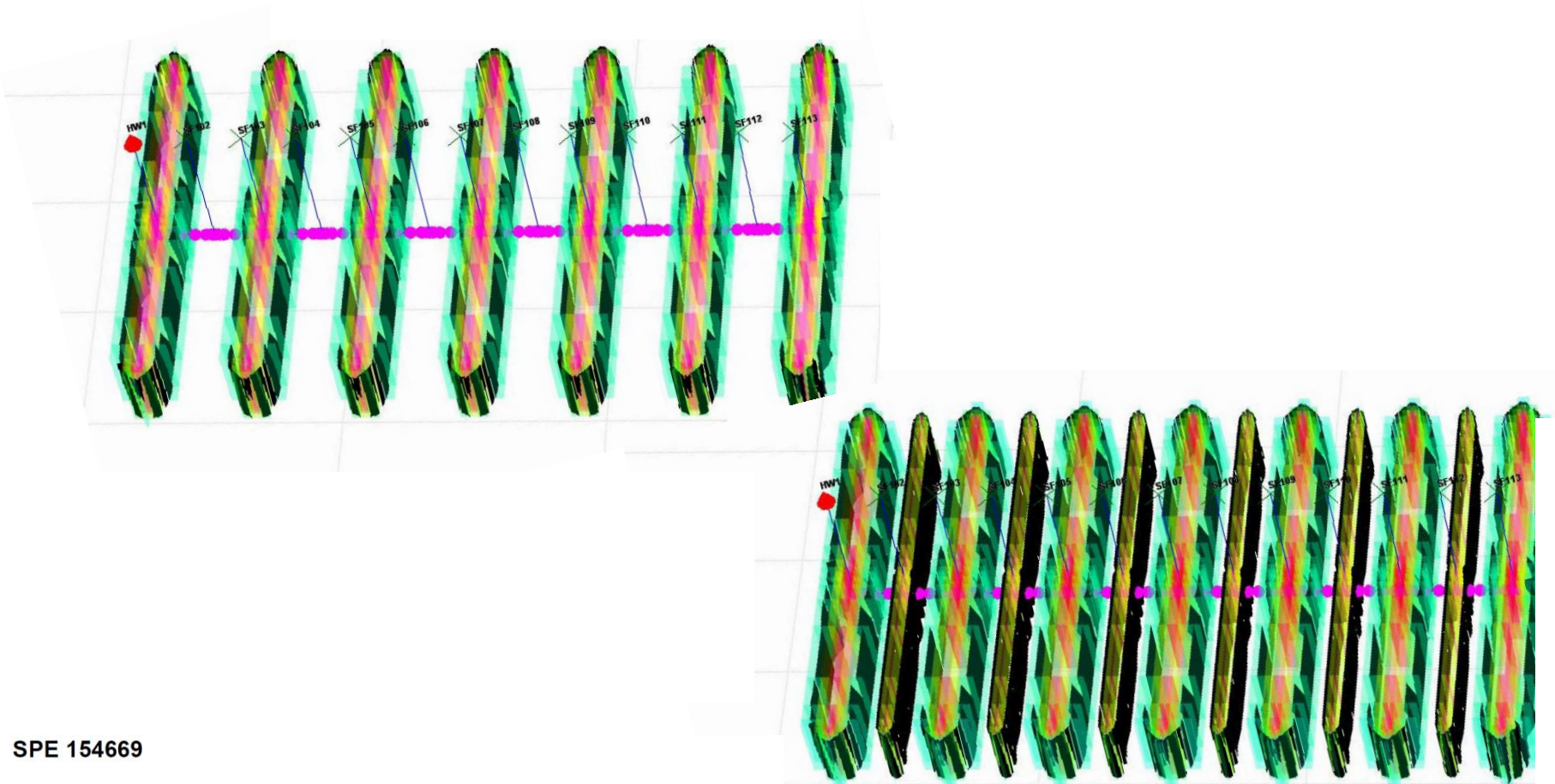
Example 2 - FMB Analysis



MUCH NEEDED ANSWERS

- While production data analysis cannot tell us the specifics of fracture geometry, it can tell us if a refrac has accomplished the following:
 - 1- Increased SRV
 - 2- Increased fracture area (*effective permeability*) within SRV
 - 3- Changed fracture conductivity
-

The Goal; Frac Placement Control

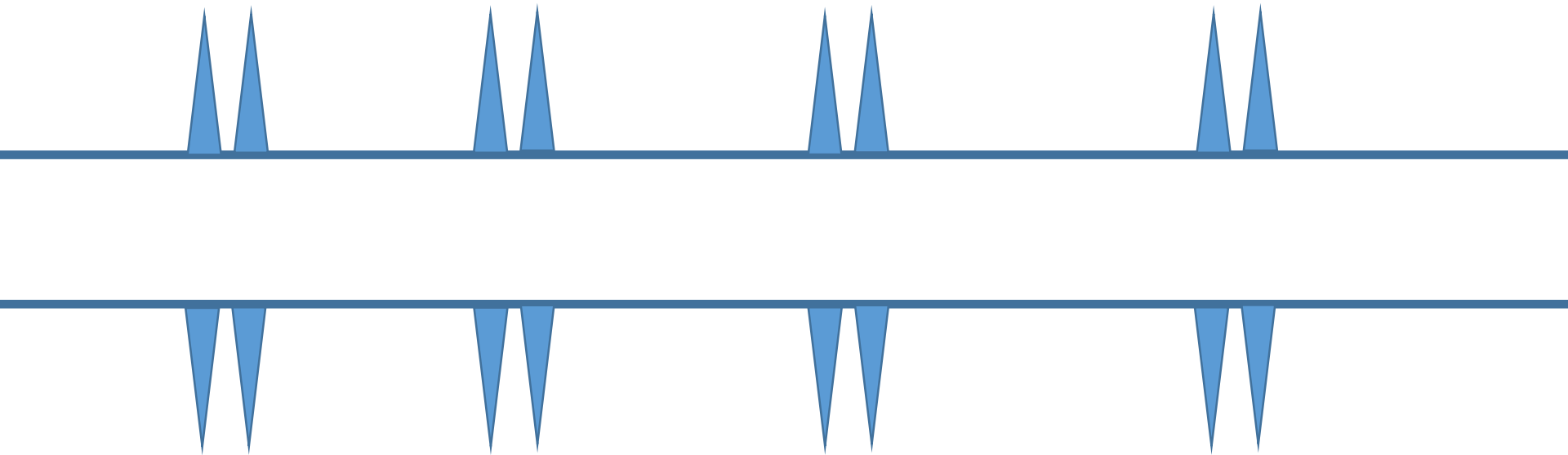


SPE 154669

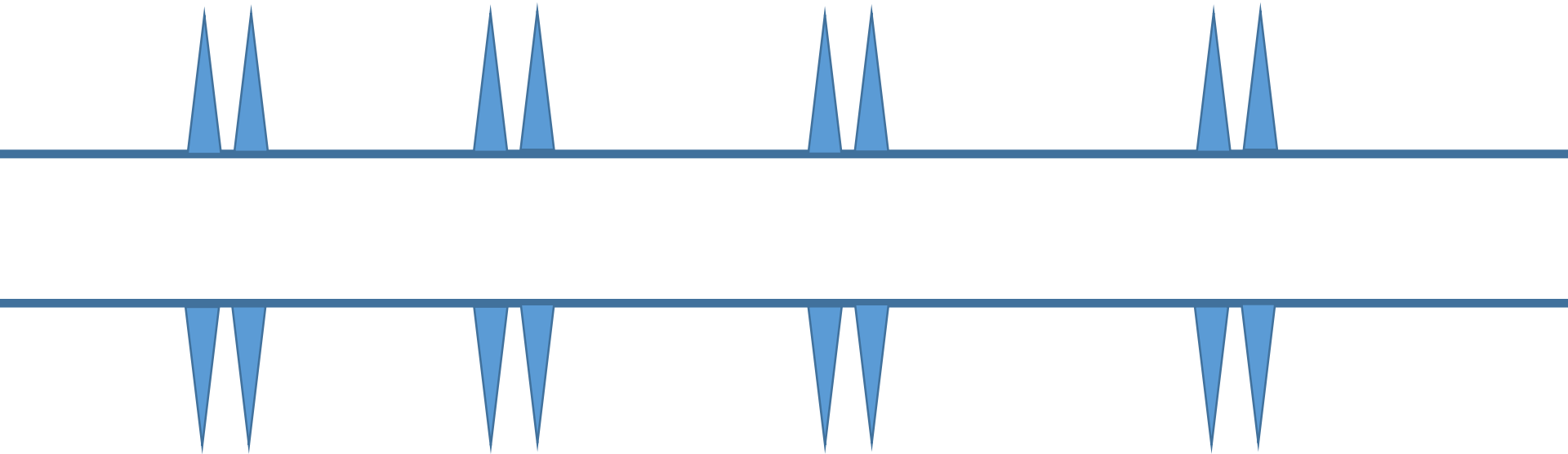
Barnett Shale Horizontal Restimulations: A Case Study of 13 Wells

Mark Craig, SPE, and Steve Wendte, SPE, Devon Energy Corp; Jim Buchwalter, SPE, Gemini Solutions

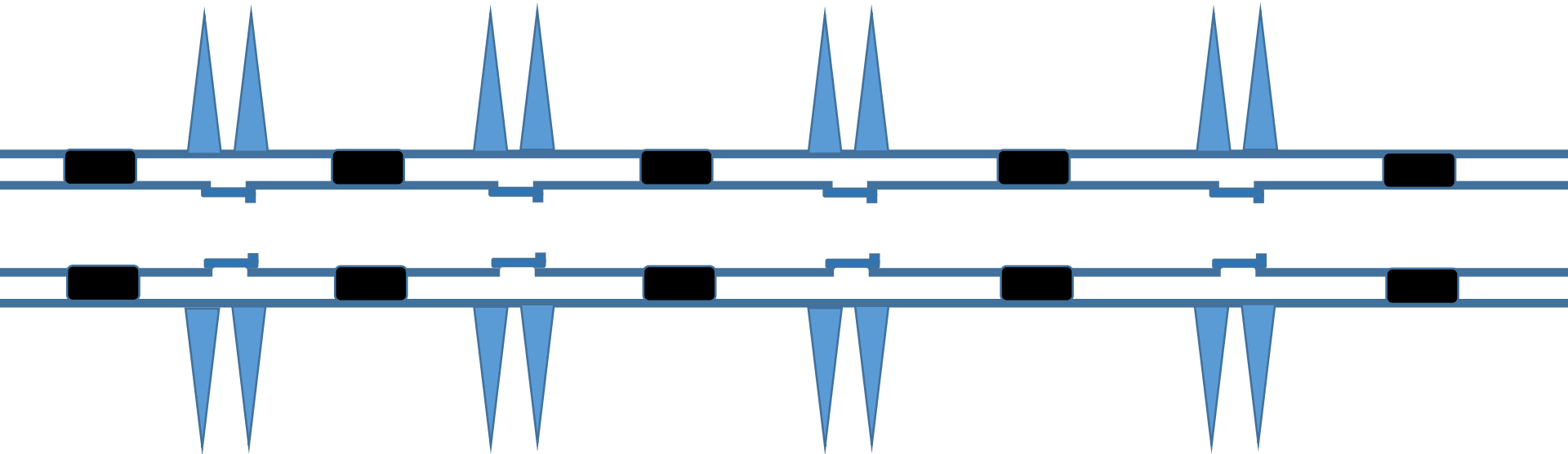
Mechanical ReFrac Systems



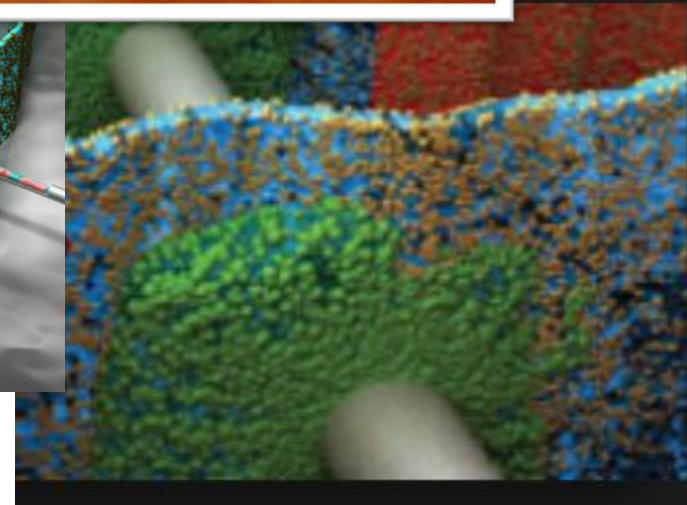
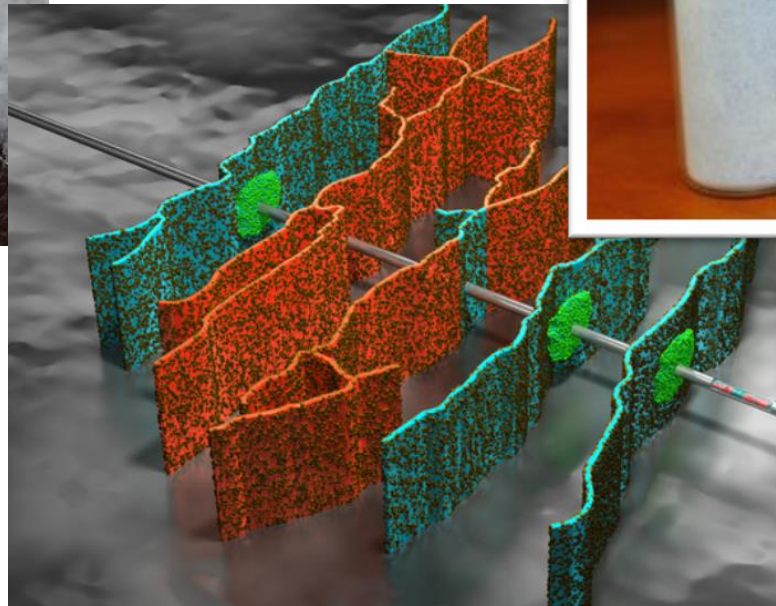
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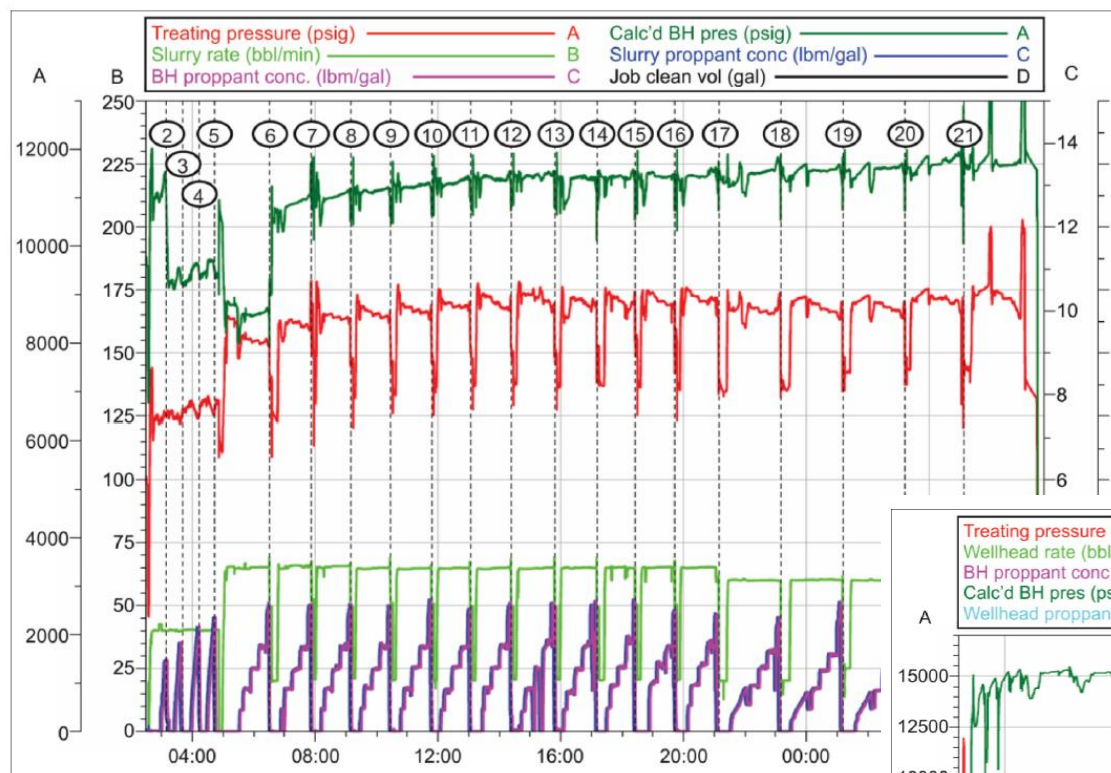
Mechanical ReFrac Systems



DEFAULT TO DIVERSION



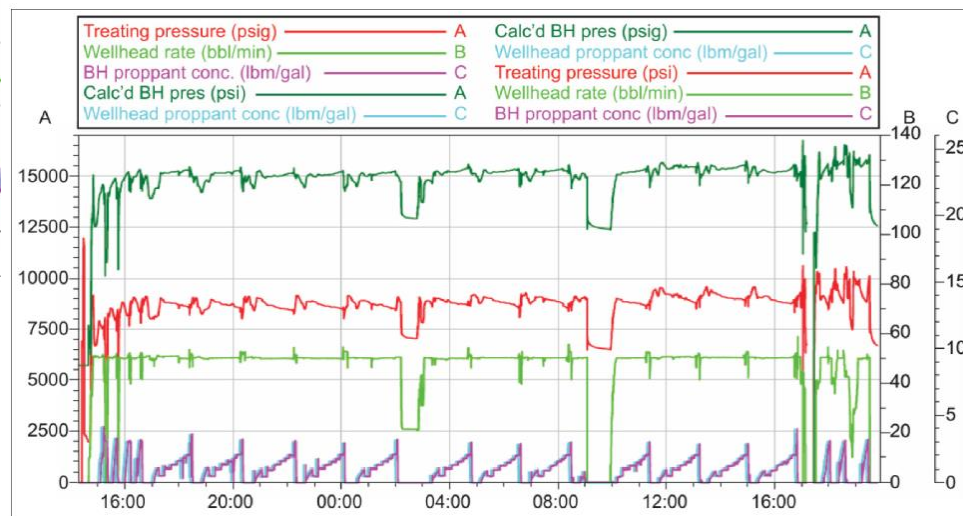
CONTROL OF FRAC PLACEMENT?



SPE-177306-MS

Refracturing Design for Underperforming Unconventional Horizontal Reservoirs

J. T. Krenger, J. Fraser, and A. J. Gibson, Devon Energy; A. Whitsett, J. Melcher, and S. Persac, Halliburton



WHAT MIGHT AN “IDEAL” REFRAC LOOK LIKE ??

- FLUID & PROPPANT PLACEMENT CONTROL
- REDUCED RISK OF WELL BASHING
- REFRAC EXISTING STAGES
- CAPACITY TO ADD NEW STAGES
- MULTIPLE REFRACS OVER WELL LIFE
- LOWEST OPERATIONAL RISK
- PRODUCTION MANAGEMENT
- MAXIMUM SRV

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- REDUCED RISK OF WELL BASHING DISCRETE STAGES
- REFRAC EXISTING STAGES RELIABLE STAGE ISOLATION
- CAPACITY TO ADD NEW STAGES PRE-INSTALLED, OR ADD
- MULTIPLE REFRACS OVER WELL LIFE FULL ID RETAINED
- LOWEST OPERATIONAL RISK SCREENOUT MITIGATION
- PRODUCTION MANAGEMENT SELECTIVE PRODUCTION
- MAXIMUM SRV FRAC DESIGN OPTIMIZATION

START WITH THE END IN MIND:

START WITH THE END IN MIND:
RE-CLOSABLE FRAC SLEEVES

START WITH THE END IN MIND: *RE-CLOSABLE FRAC SLEEVES*

- MEETS ALL “IDEAL” CRITERION
- NEEDS FIELD TRIALS IN REFRAC APPLICATIONS
- A POTENTIAL STEP-CHANGE IMPROVEMENT
 - Proppant Distribution
 - Refrac Capabilities

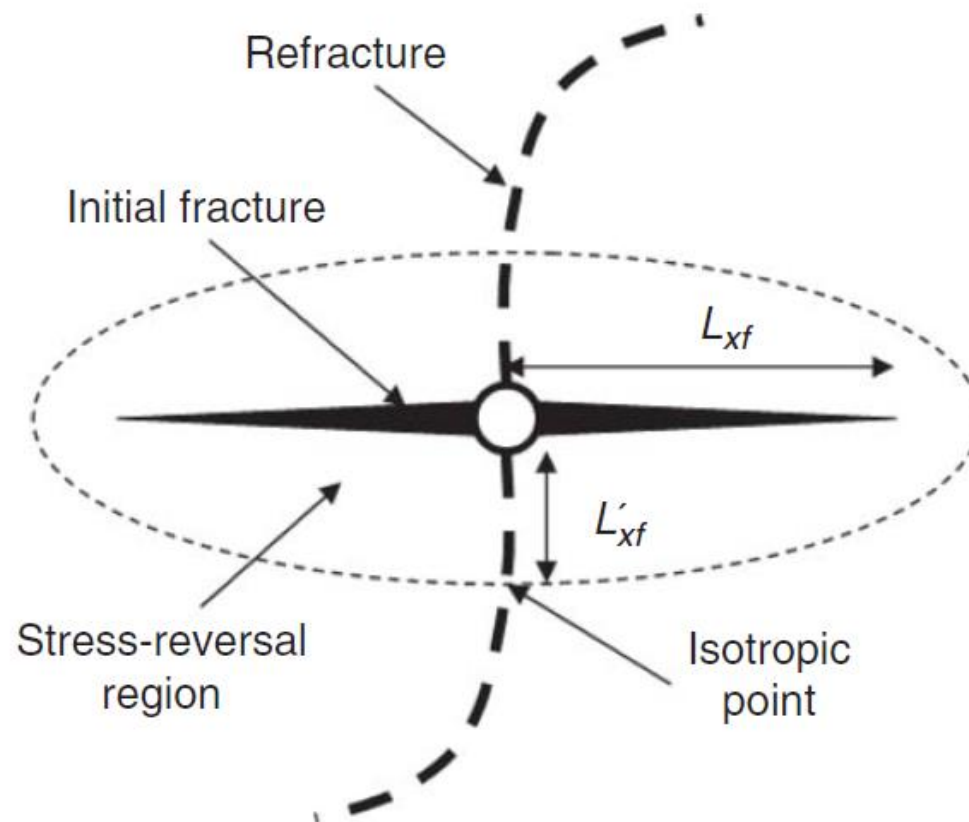
TO DATE: ONE WELL ONLY...

1. SLEEVES OPENED & ACIDIZED (Individually)
2. PRODUCED FOR SEVERAL WEEKS
3. SLEEVES CLOSED
4. SLEEVES FRACTURED INDIVIDUALLY
5. WELL PLACED ON PRODUCTION

WHAT MIGHT AN “IDEAL” REFRAC LOOK LIKE ??

- FLUID & PROPPANT PLACEMENT CONTROL PINPOINT
- REDUCED RISK OF WELL BASHING DISCRETE STAGES
- REFRAC EXISTING STAGES RELIABLE STAGE ISOLATION
- CAPACITY TO ADD NEW STAGES PRE-INSTALLED, OR ADD
- MULTIPLE REFRACS OVER WELL LIFE FULL ID RETAINED
- LOWEST OPERATIONAL RISK SCREENOUT MITIGATION
- PRODUCTION MANAGEMENT SELECTIVE PRODUCTION
- MAXIMUM SRV FRAC DESIGN OPTIMIZATION
... ? INDUCED COMPLEXITY ?

Vertical Well Frac Re-Orientation



ZIPPERFRACS & MODIFIED ZIPPERFRACS

SPE 159786

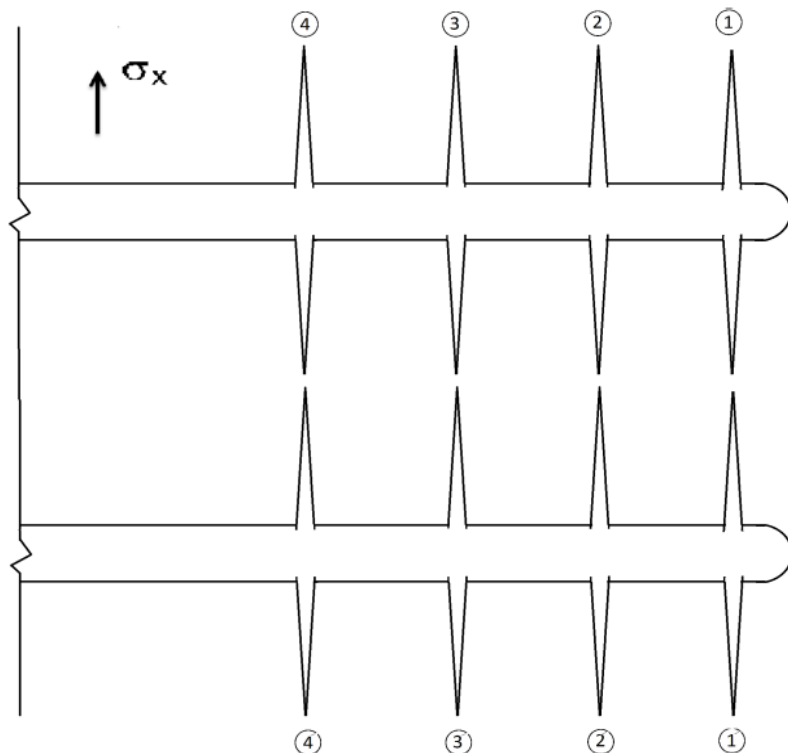


Fig. 15—Fracture placement in zipper-frac design

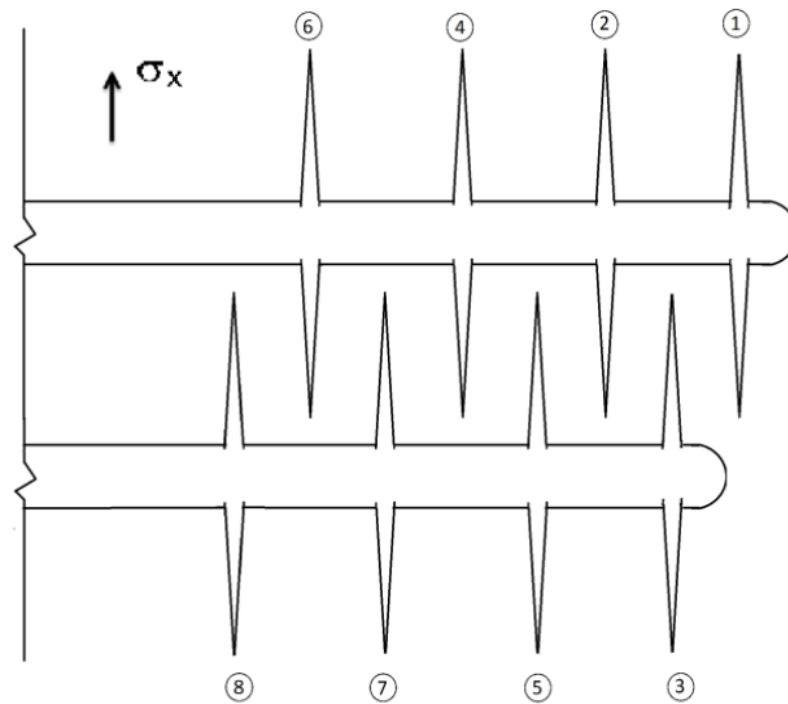
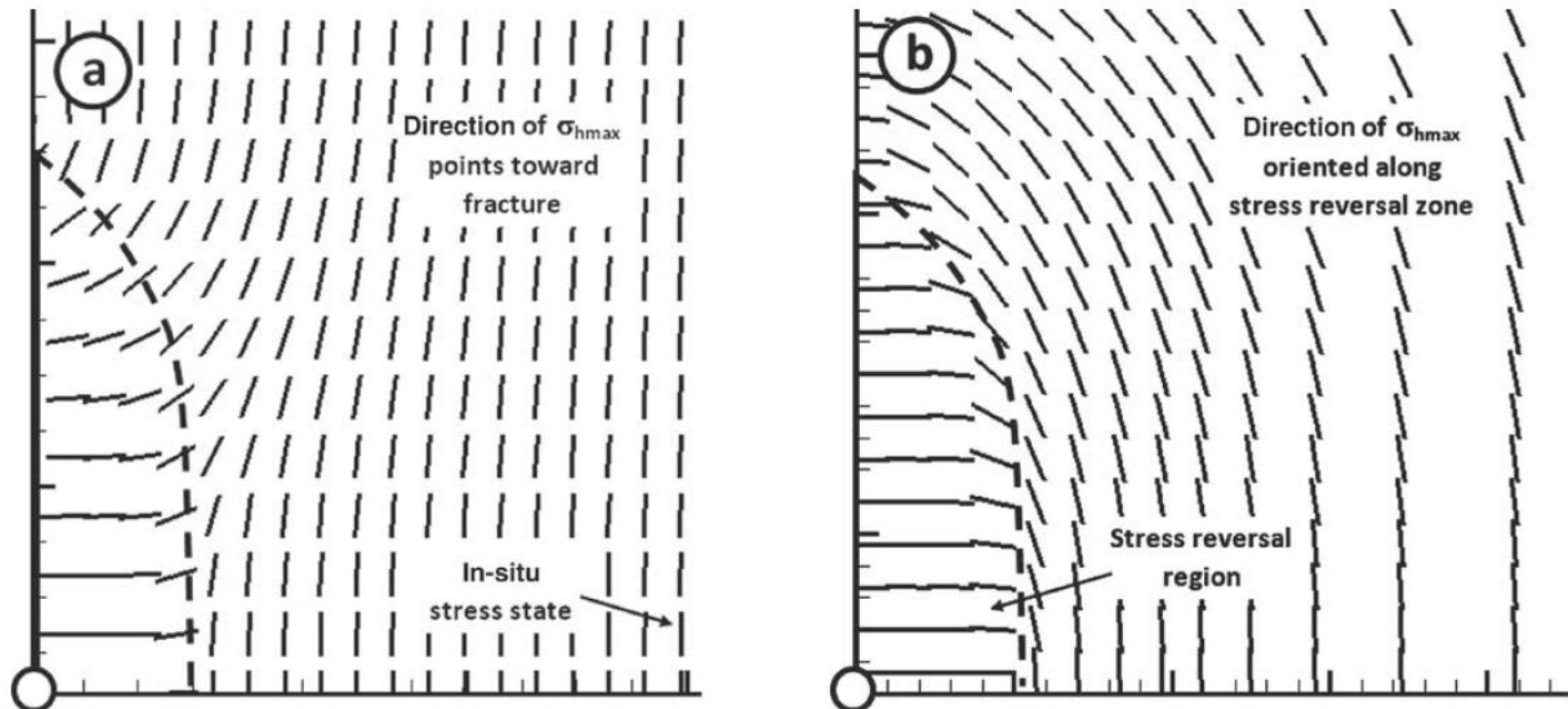
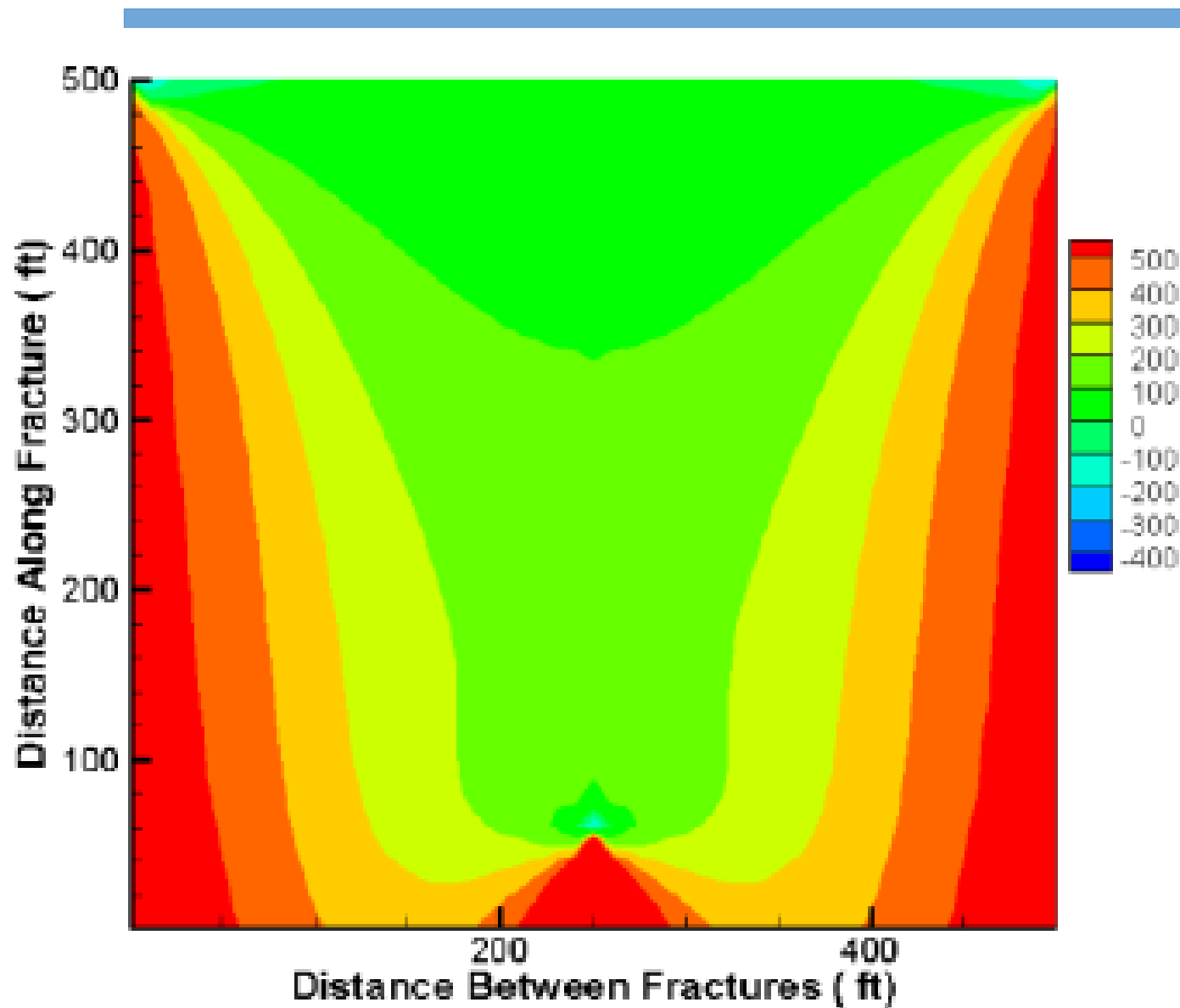


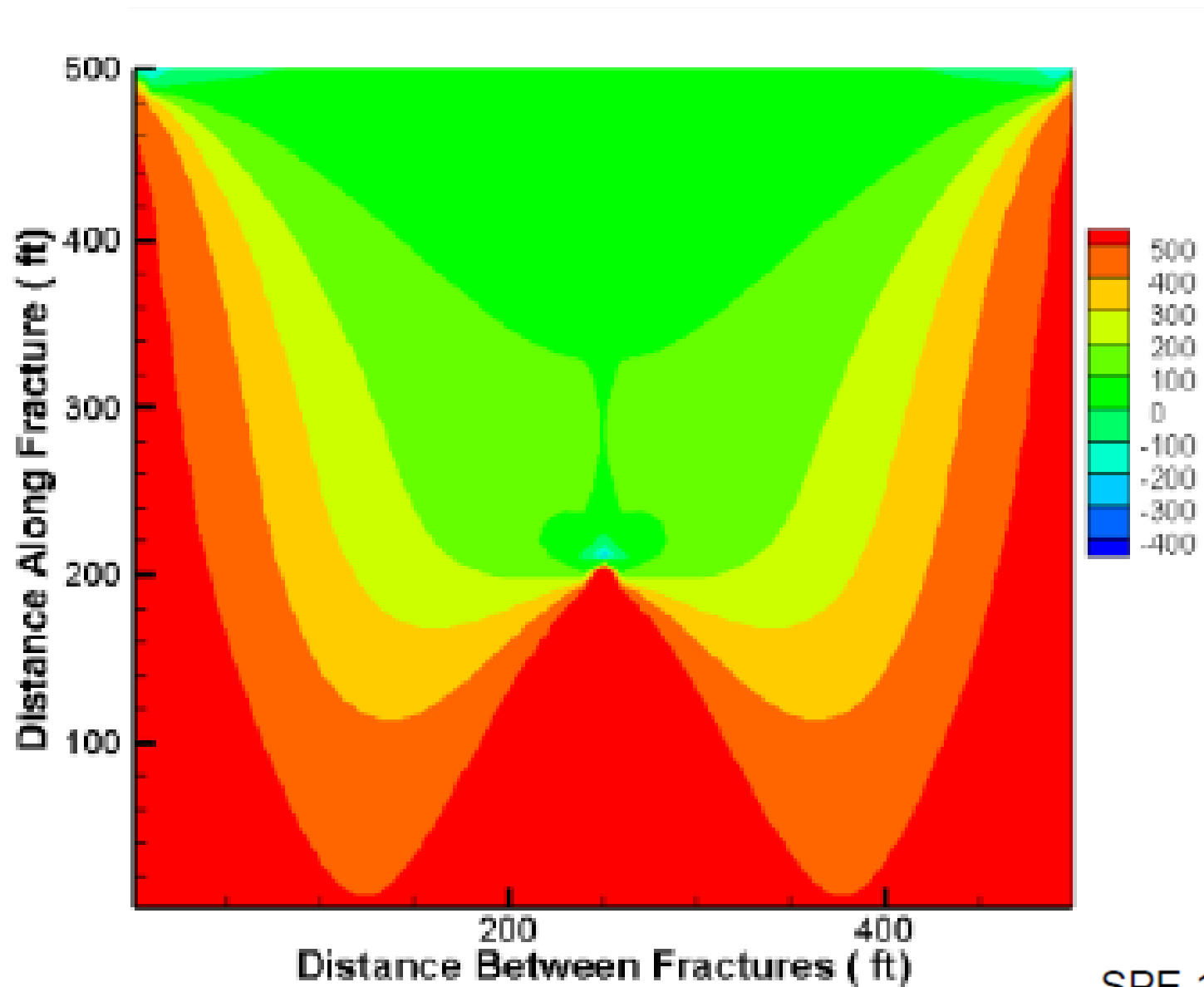
Fig. 16—Fracture placement in MZF design

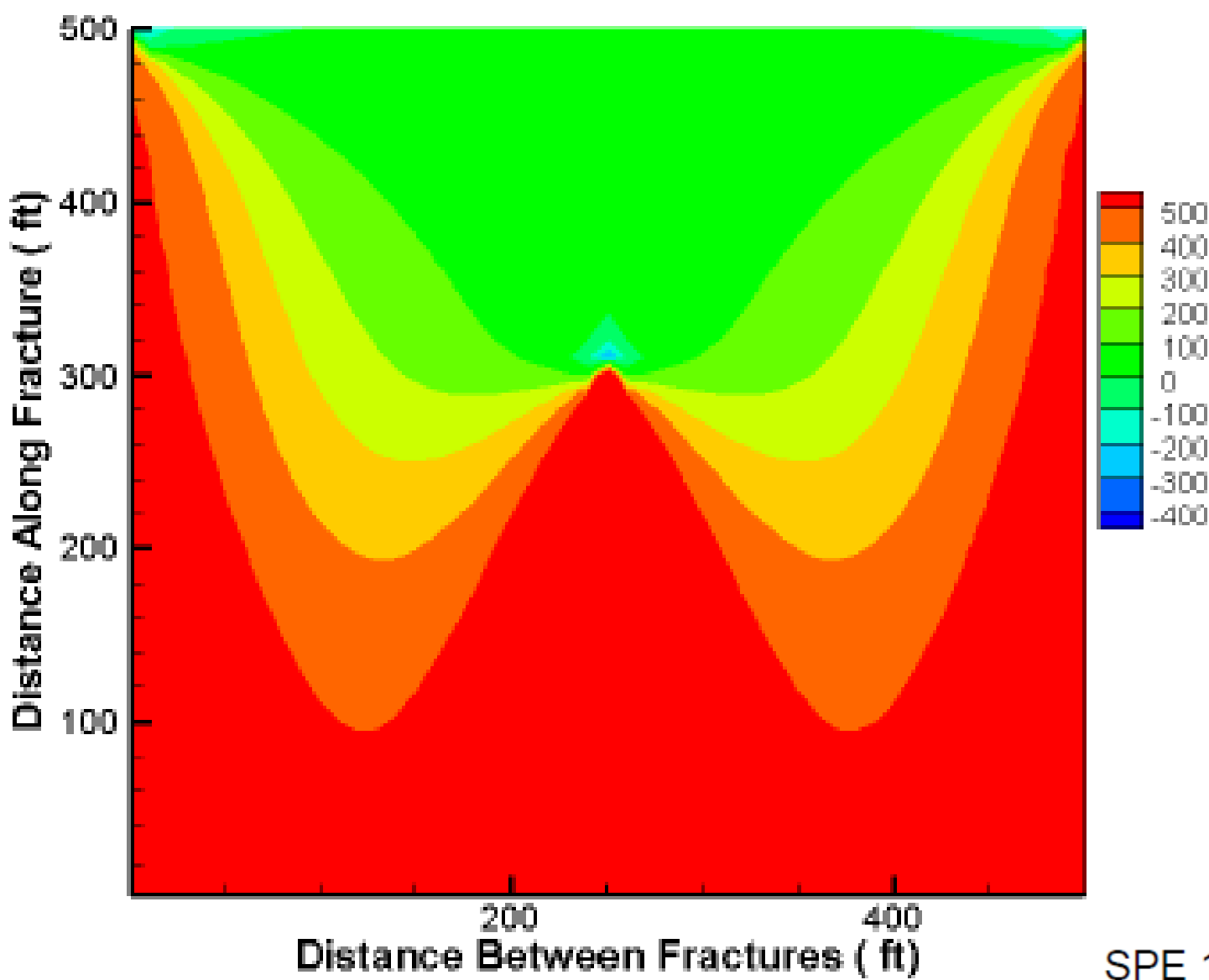
Poroelastic & Mechanical Stress Effects



Comparison of stress reorientation resulting from (a) mechanical effects and (b) poroelastic effects (direction of maximum horizontal stress).







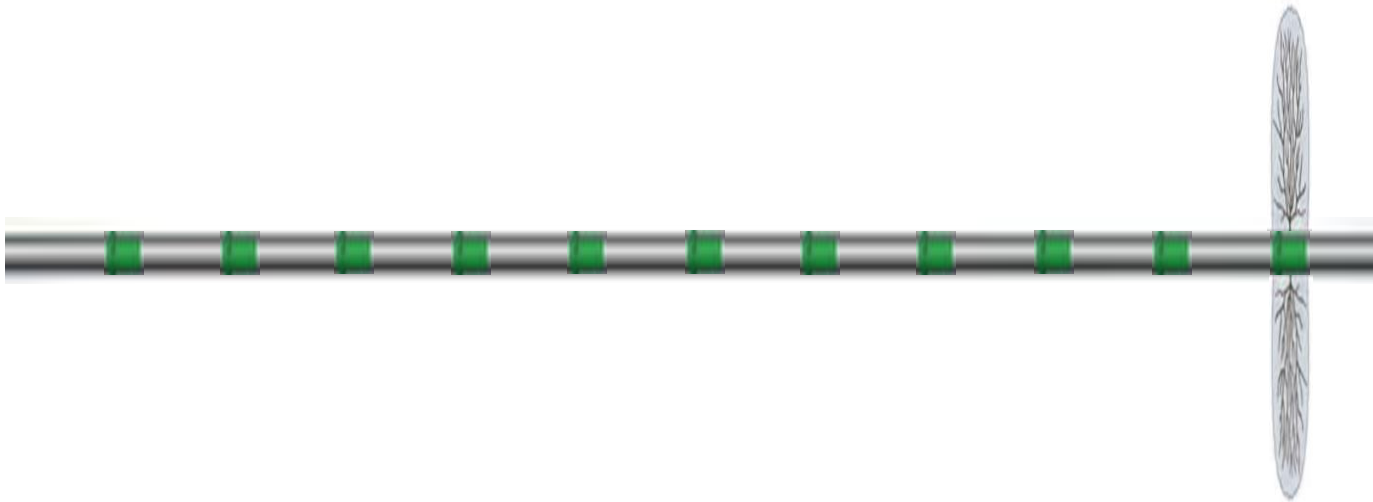
FRACTURE INTERFERENCE

Initial Completion



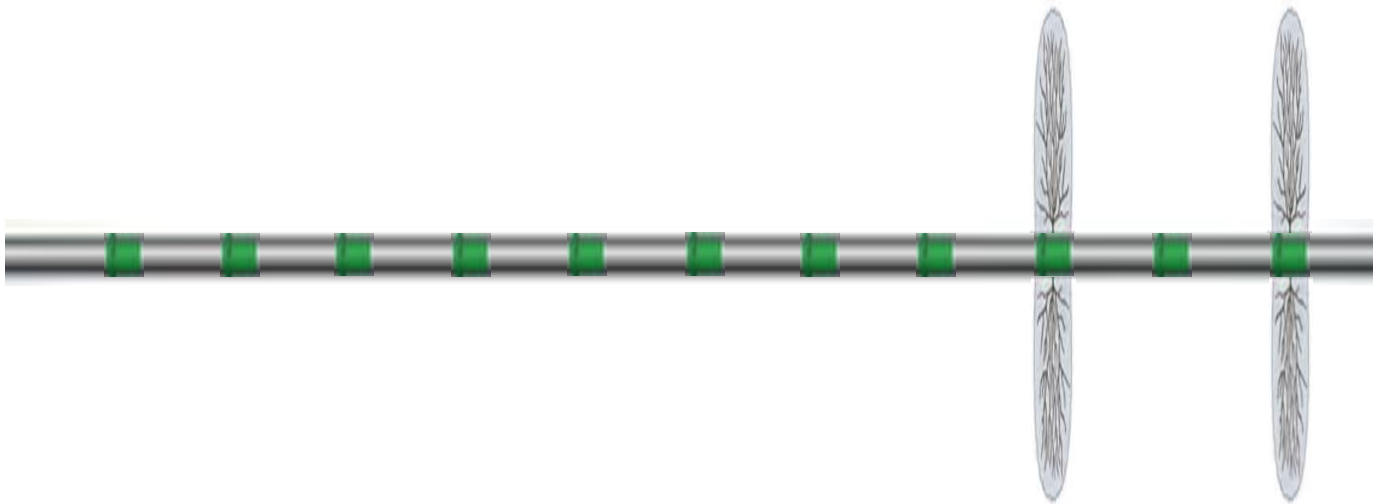
FRACTURE INTERFERENCE

Initial Completion



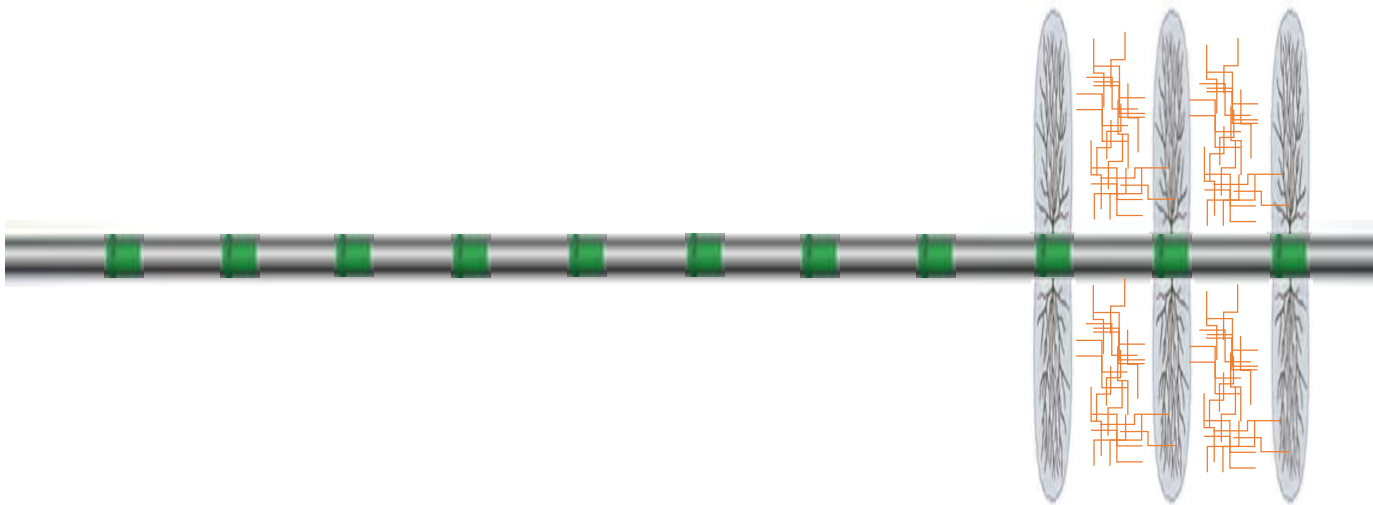
FRACTURE INTERFERENCE

Initial Completion



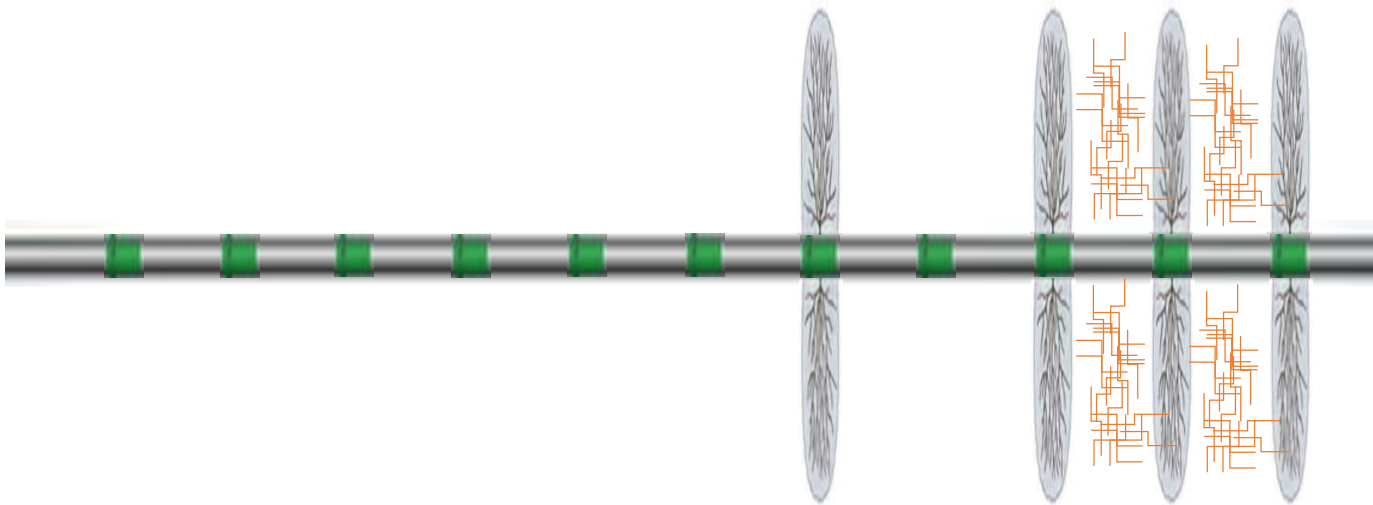
FRACTURE INTERFERENCE

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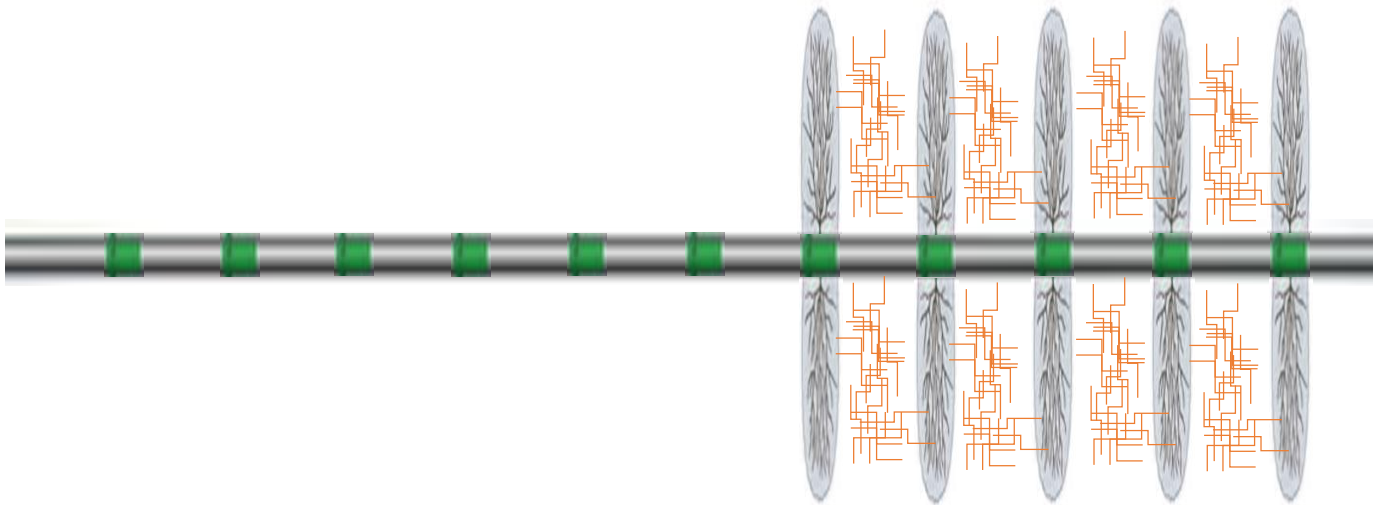
FRACTURE INTERFERENCE

Initial Completion



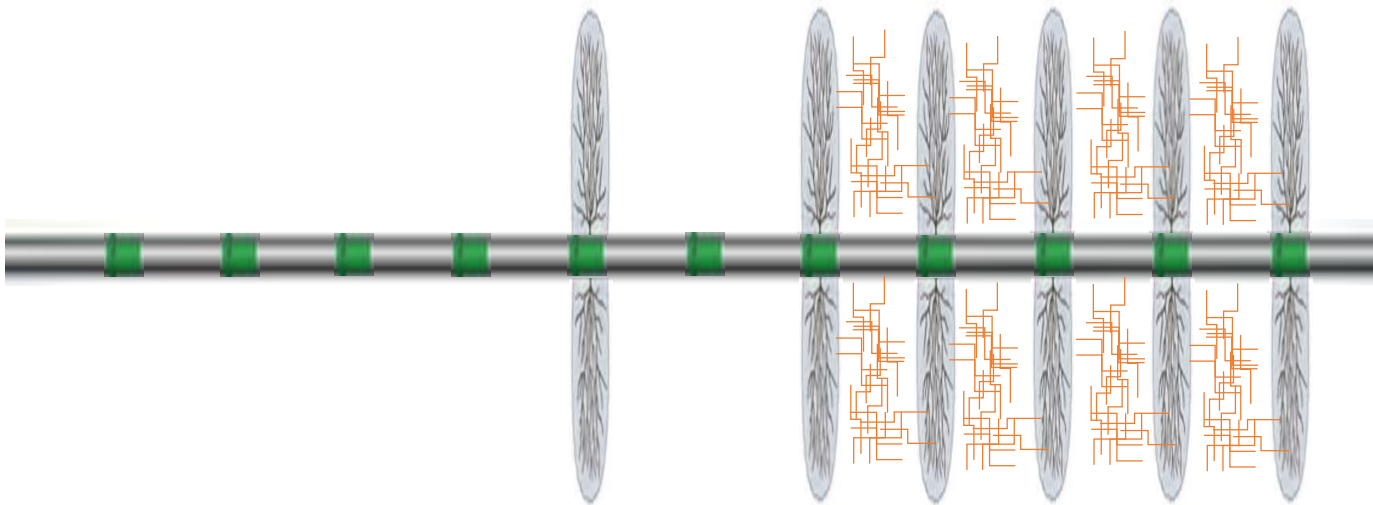
FRACTURE INTERFERENCE

Initial Completion



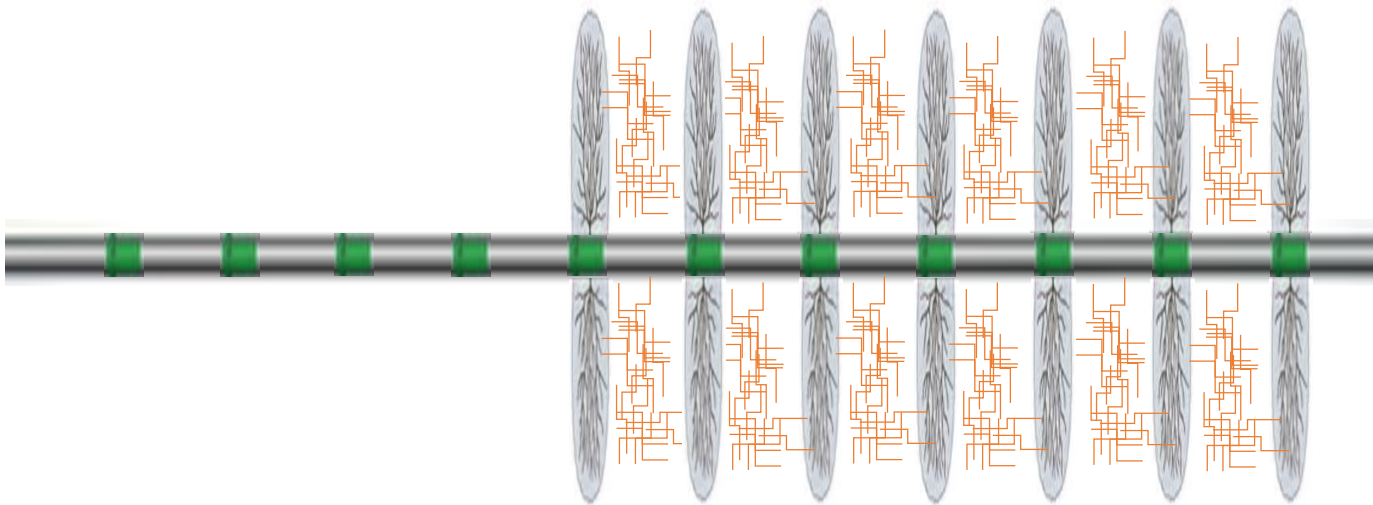
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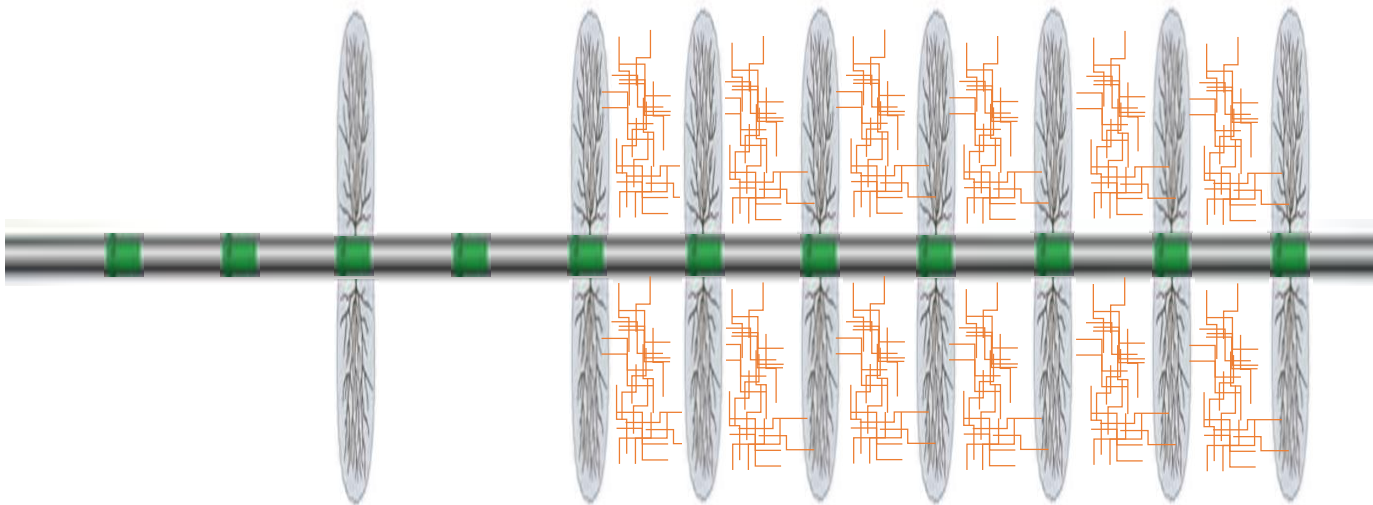
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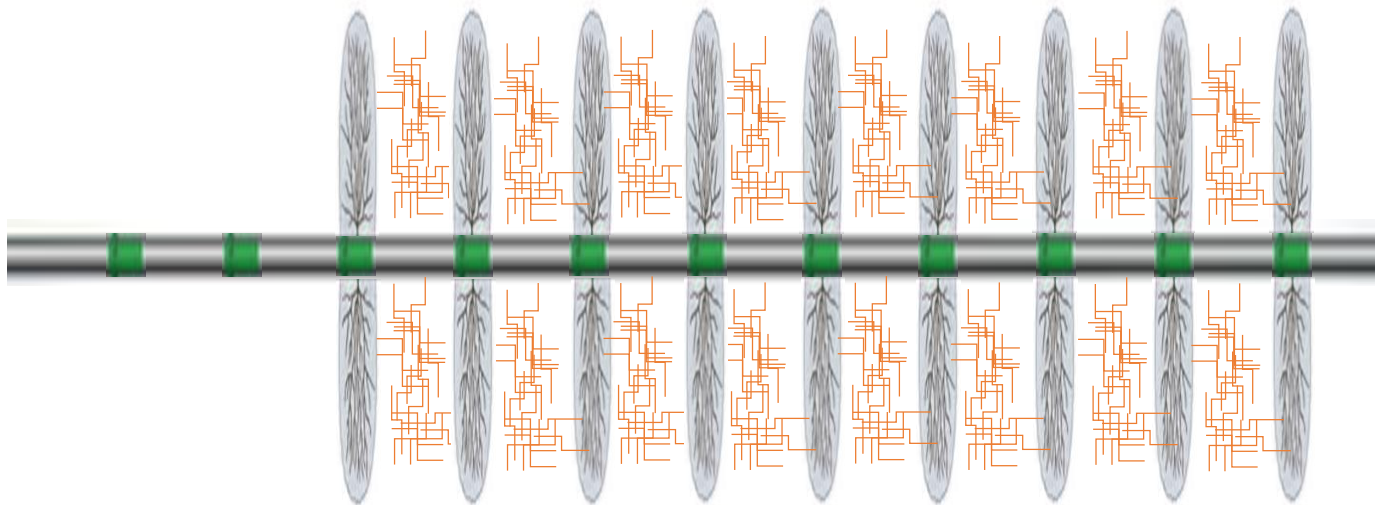
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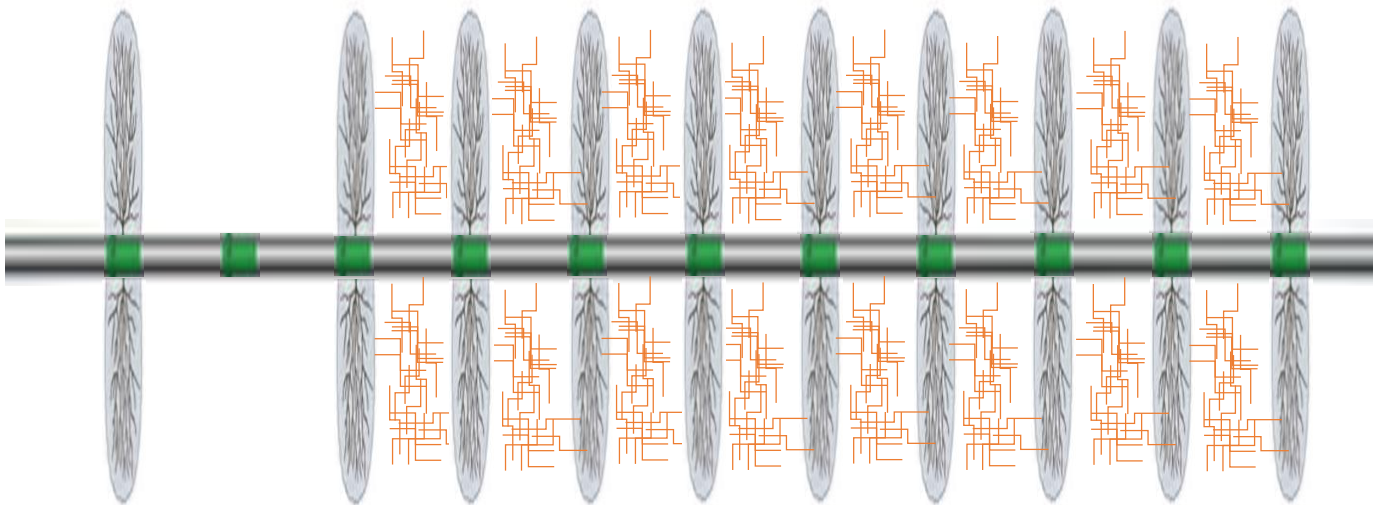
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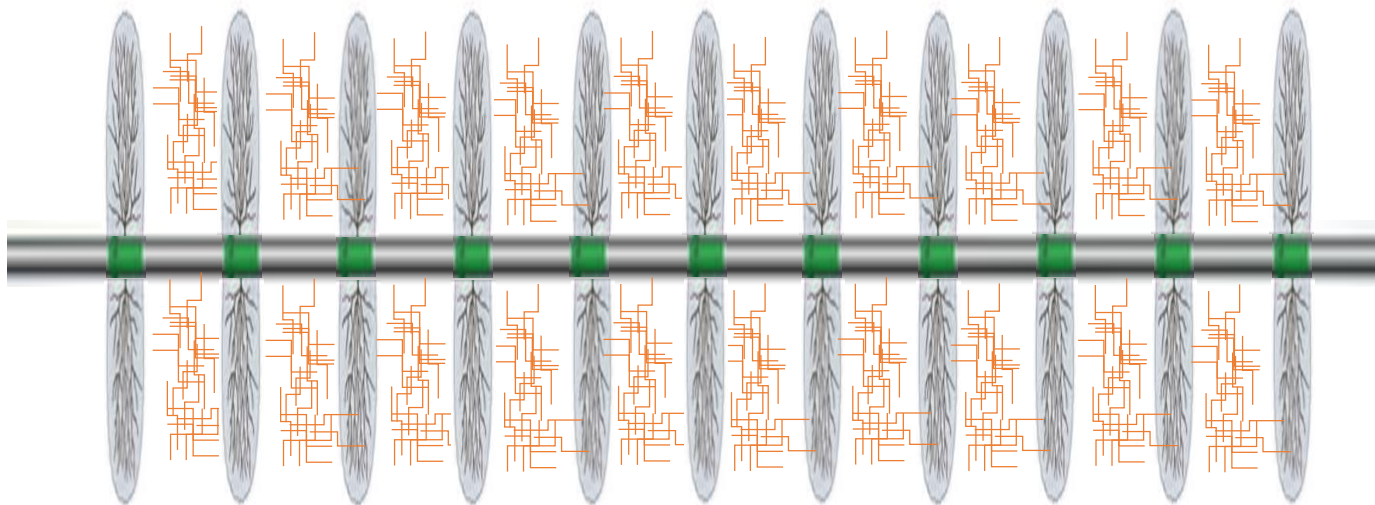
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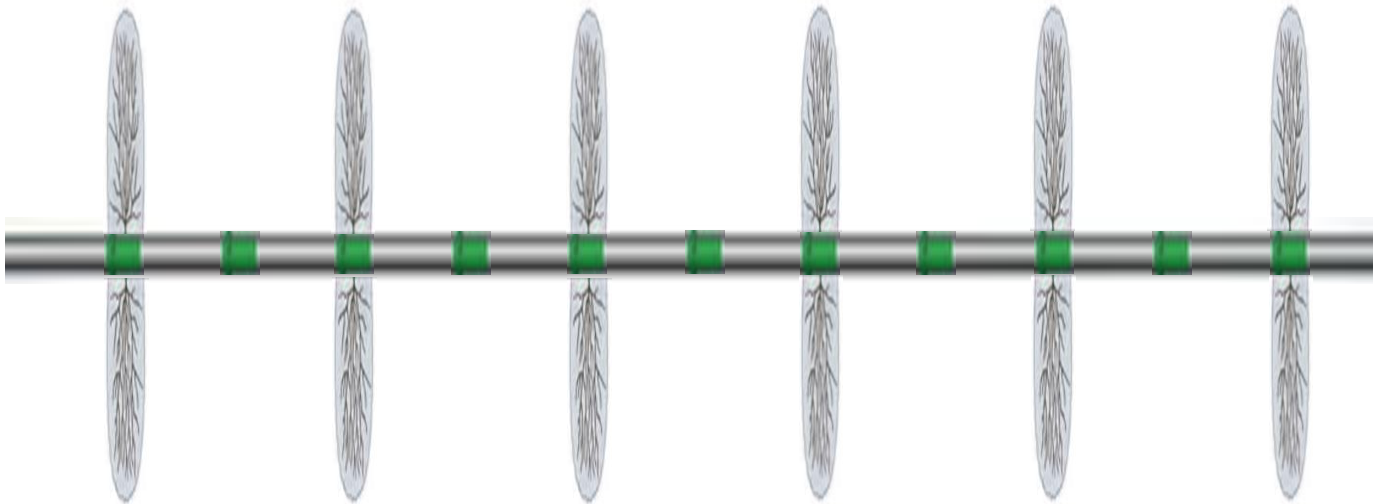
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Initial Completion



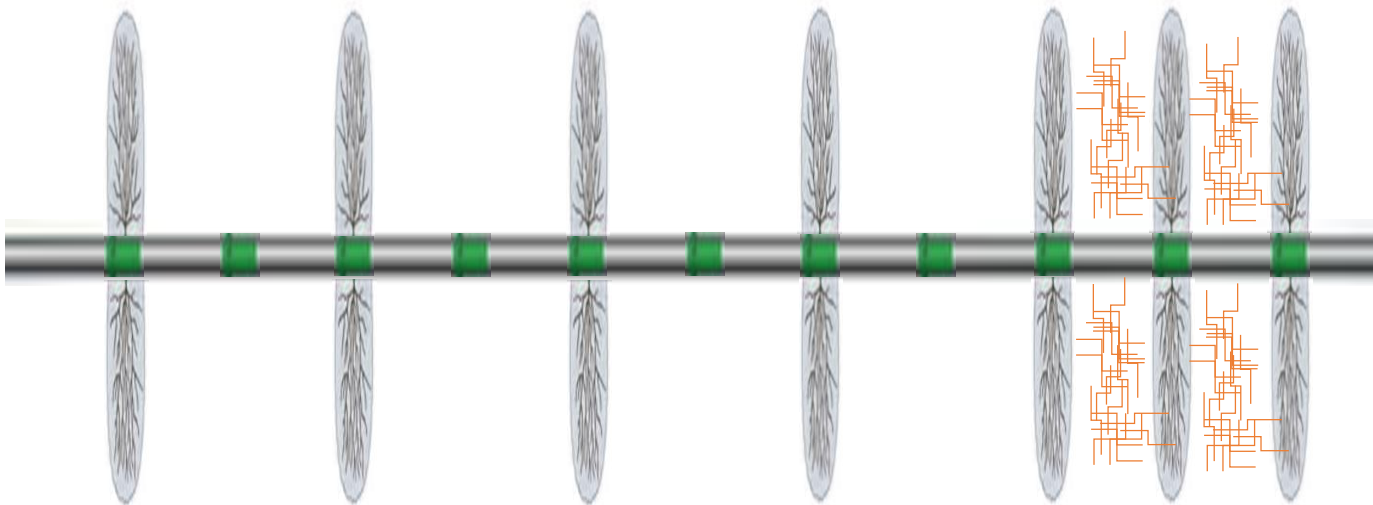
FRACTURE INTERFERENCE

Refrac / Recompletion



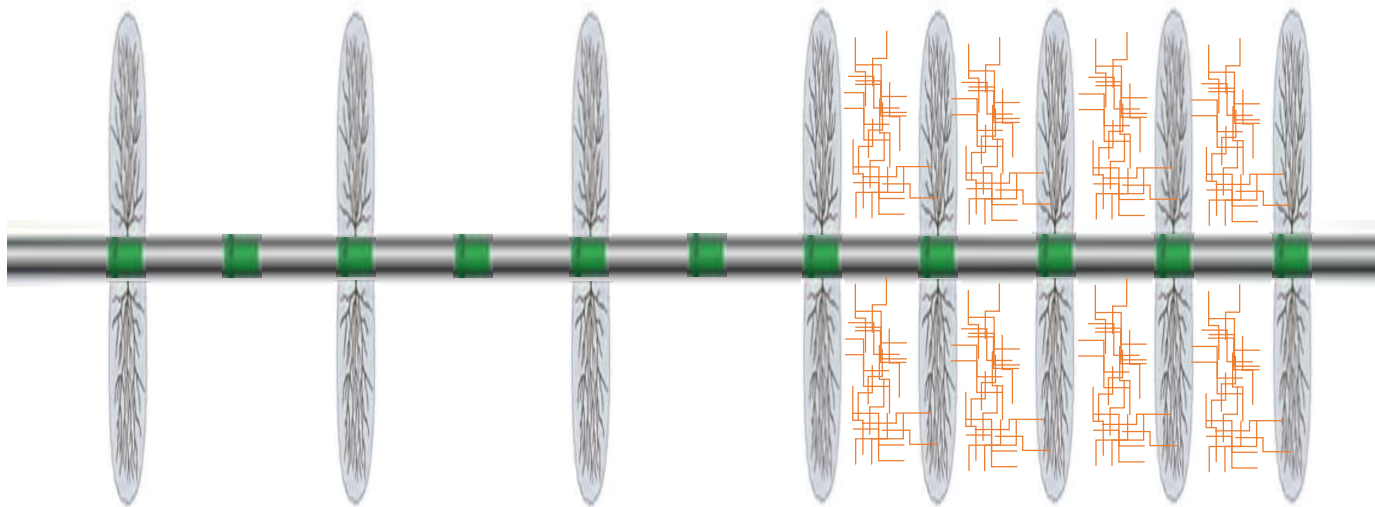
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Refrac / Recompletion



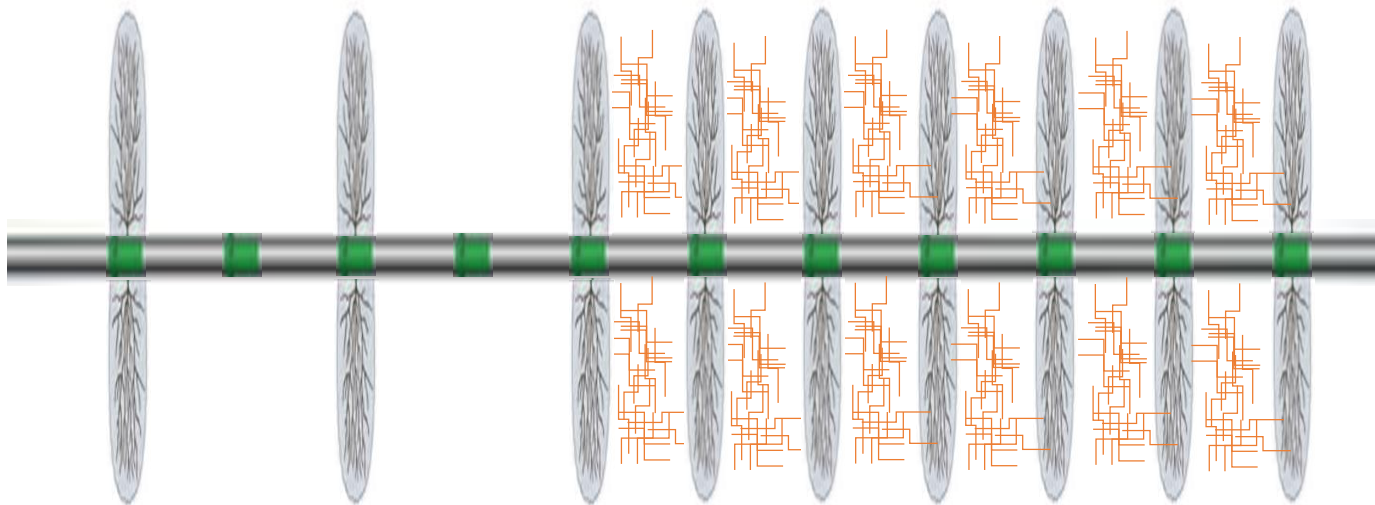
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Refrac / Recompletion



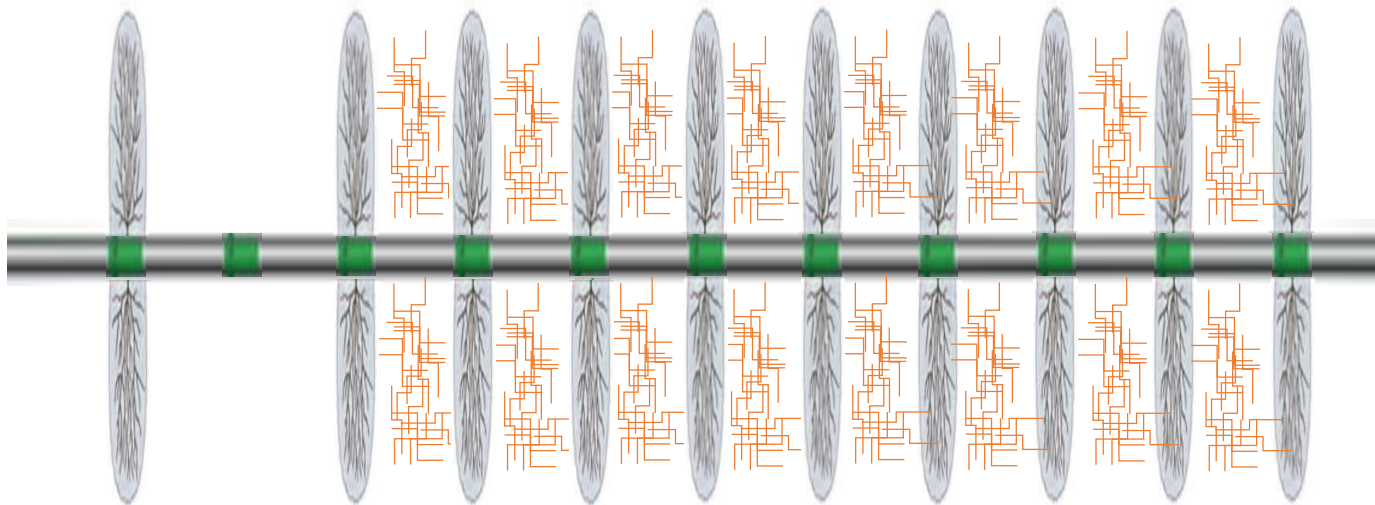
FRACTURE INTERFERENCE

Refrac / Recompletion



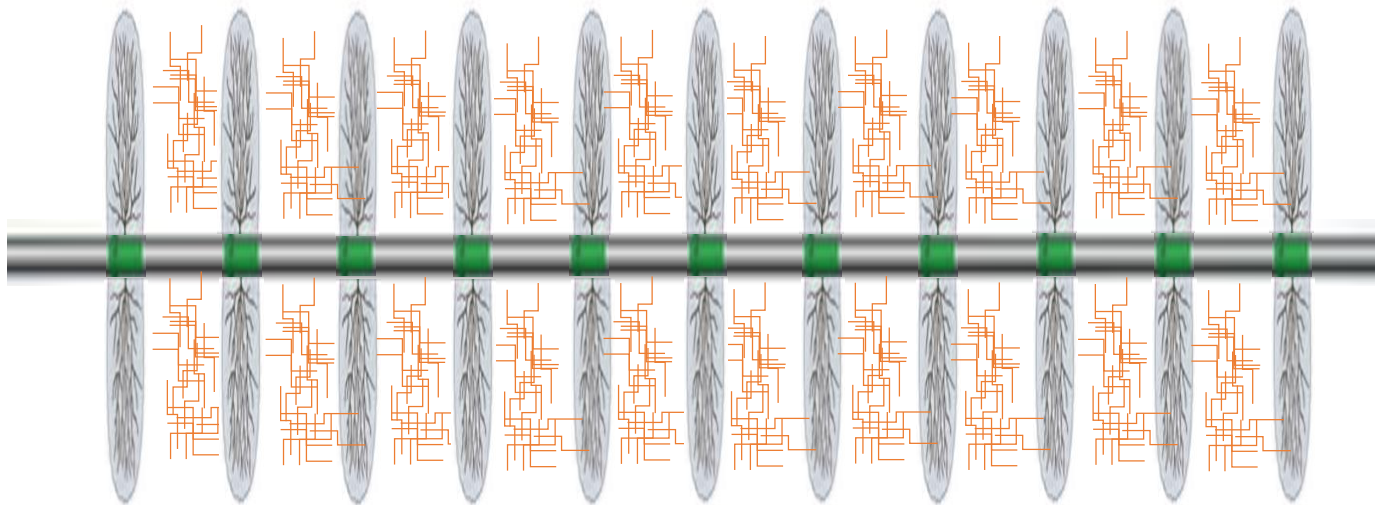
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Refrac / Recompletion

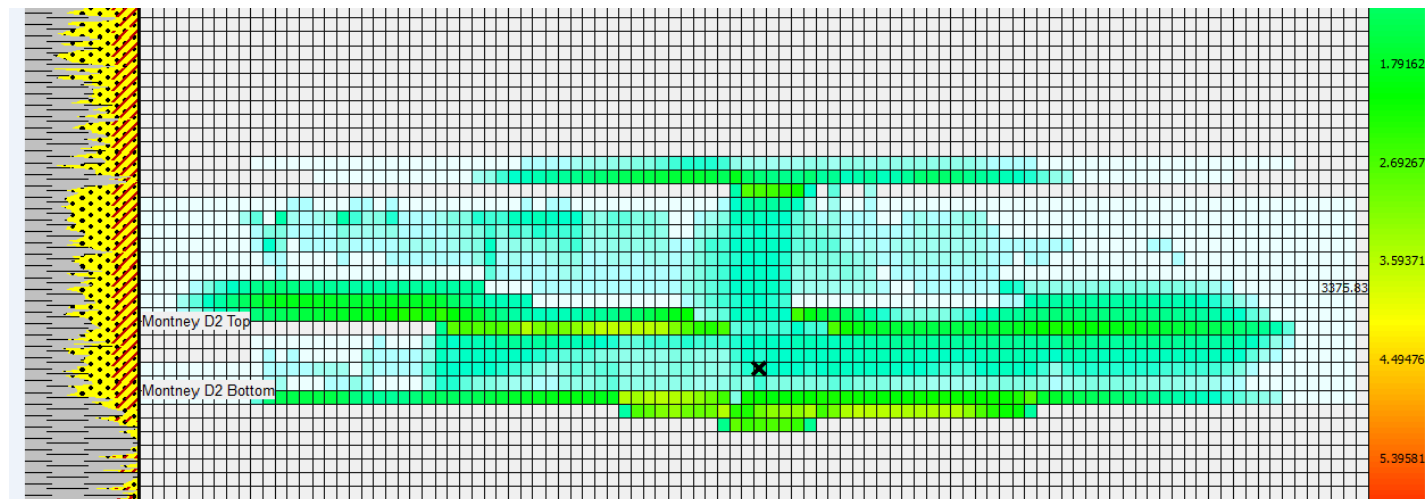
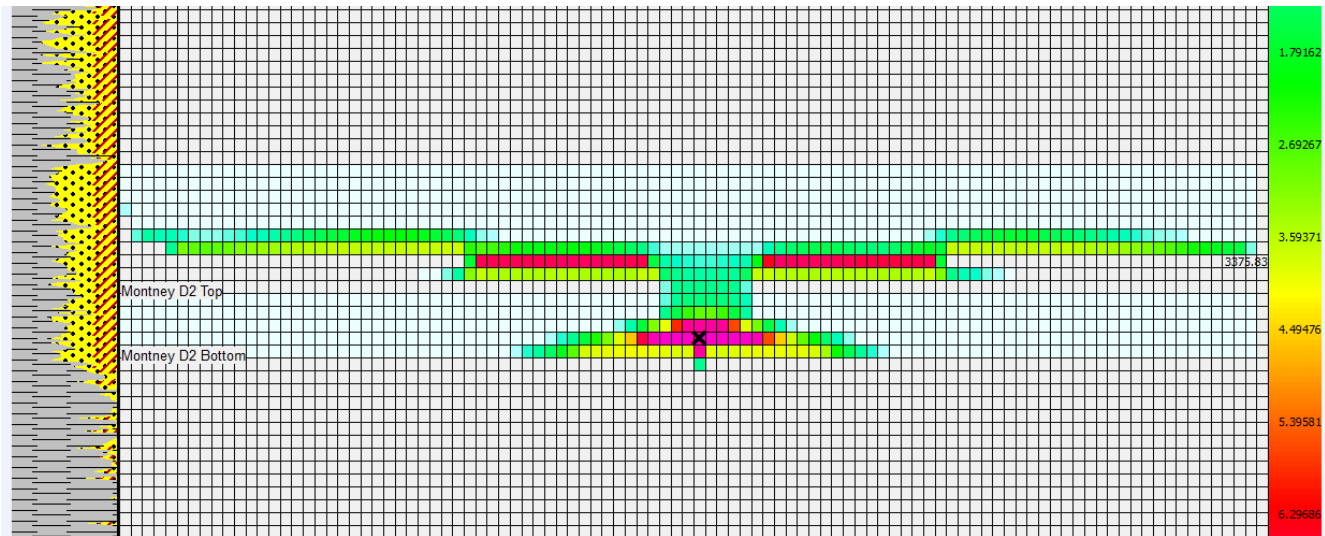


FRACTURE INTERFERENCE

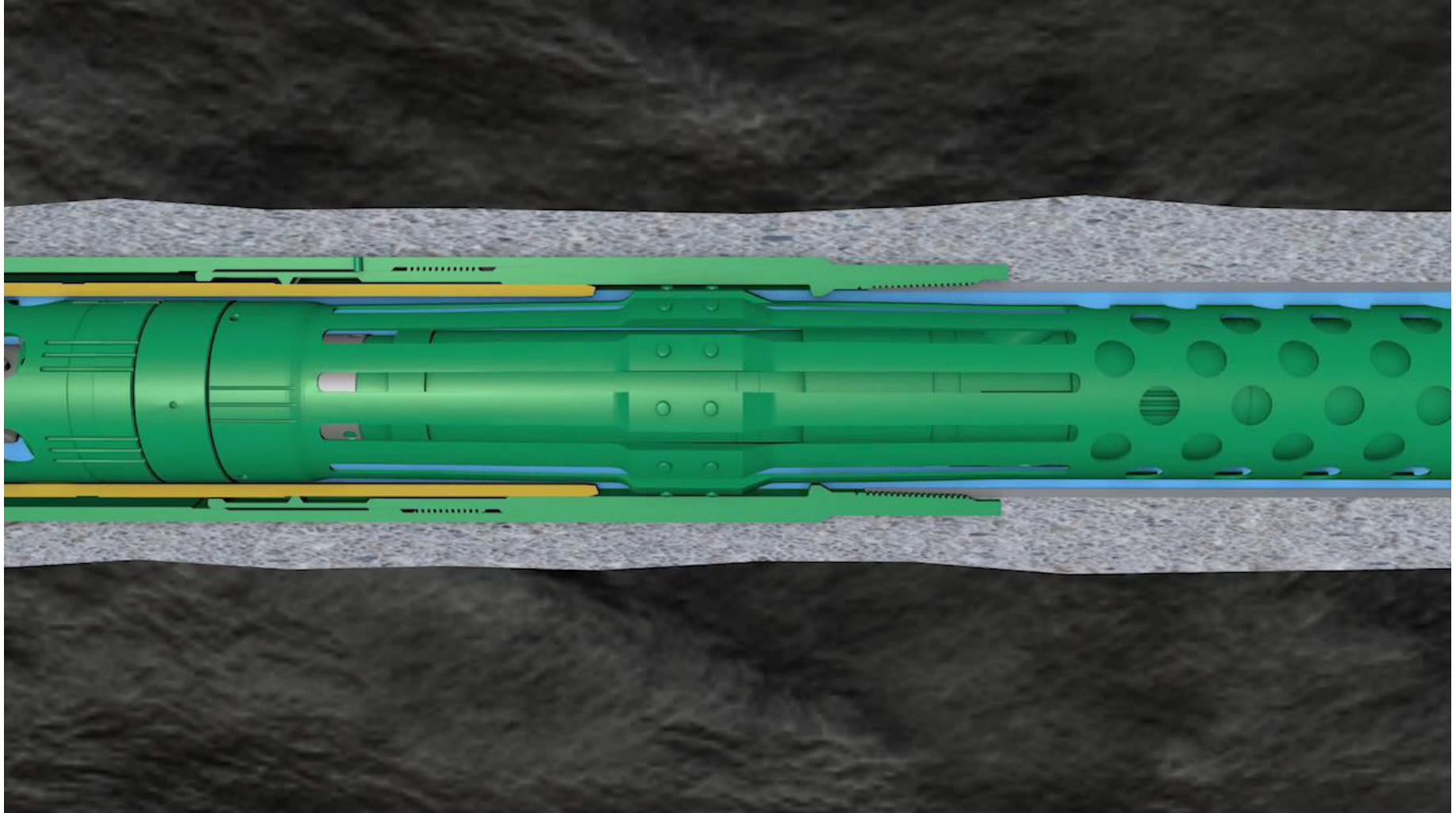
Refrac / Recompletion



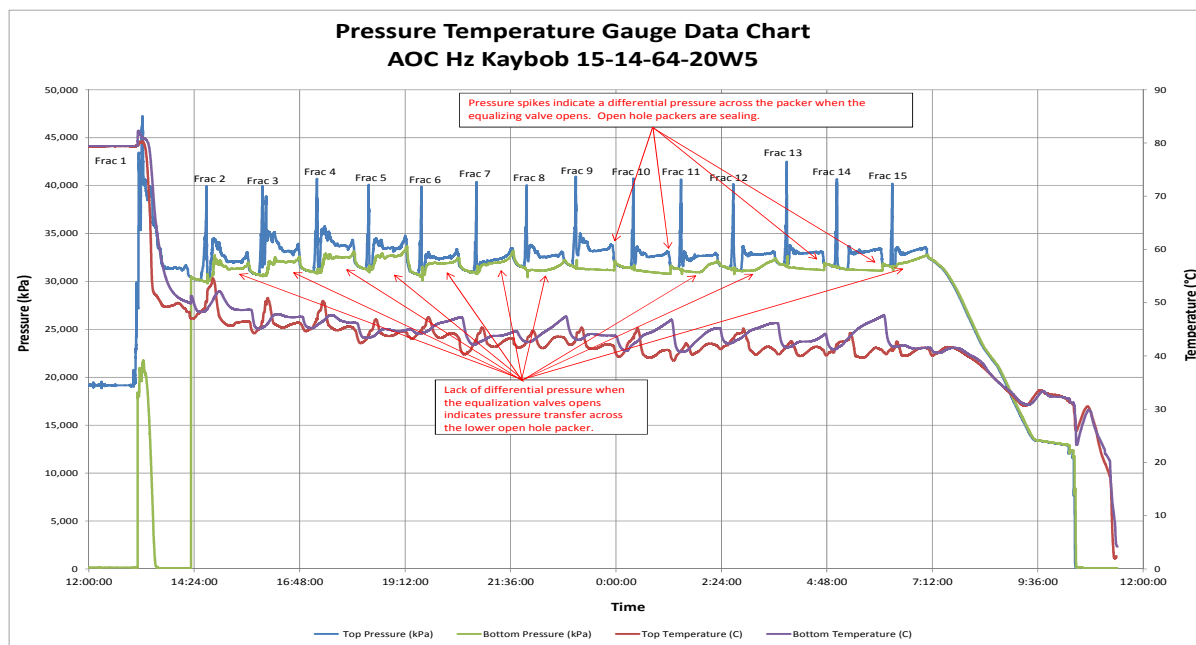
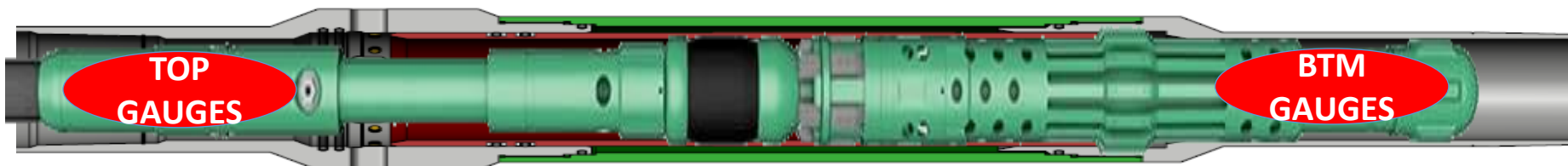
OUT OF SEQUENCE FRACS WILL HAVE DIFFERENT GEOMETRY & PROP DISTRIBUTIONS



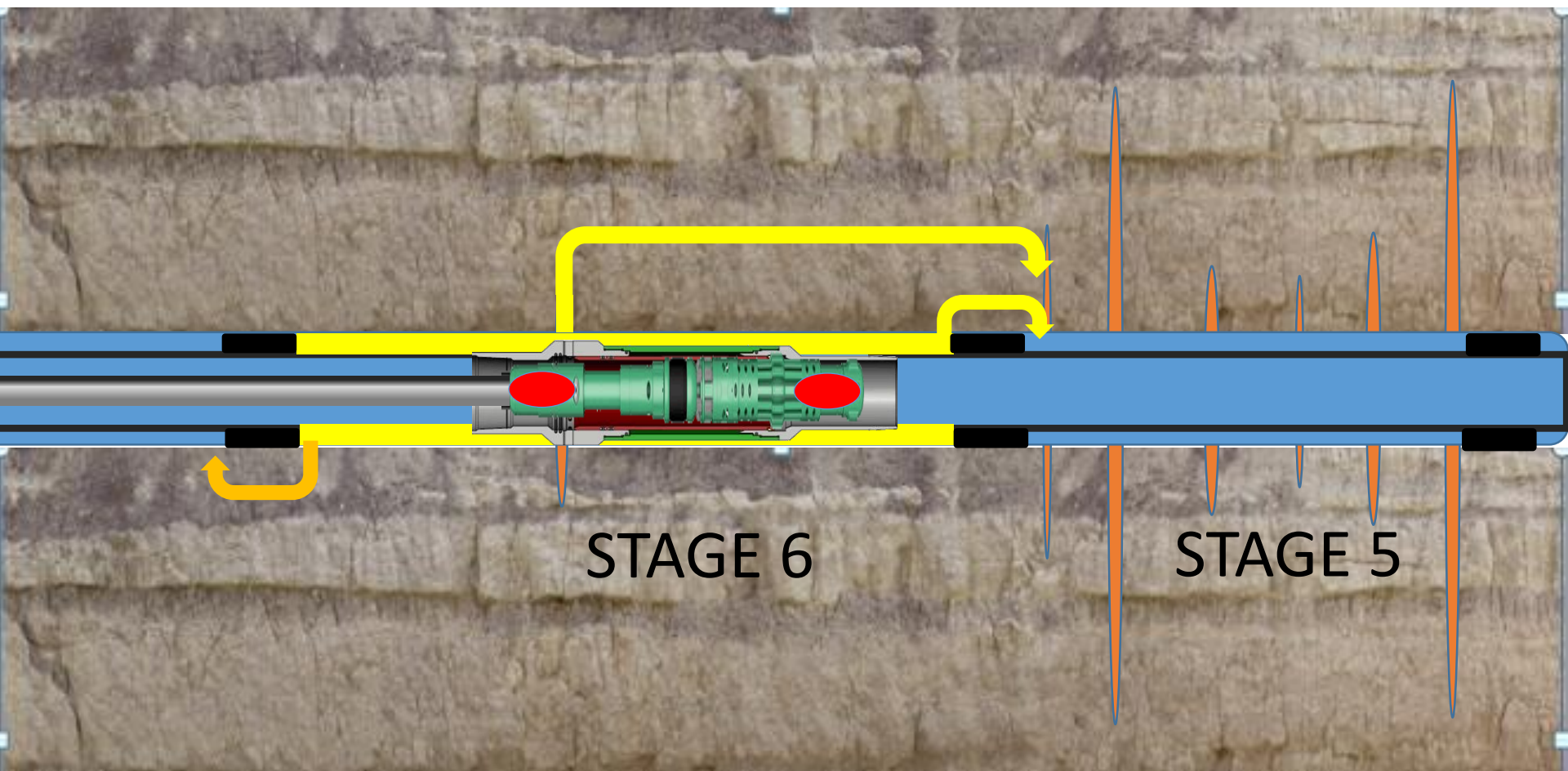
Open / Close Simplicity



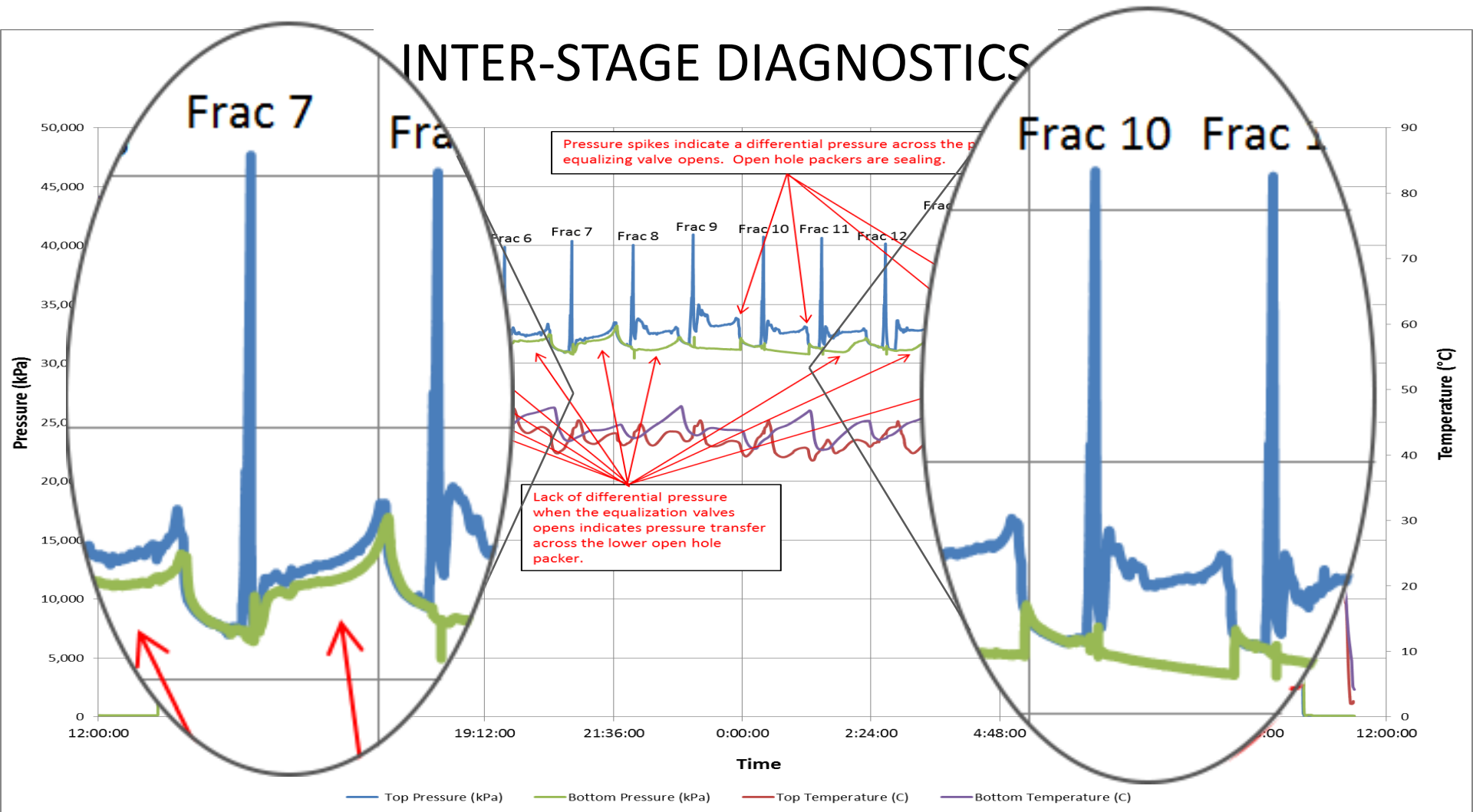
CTU Deployment Offers Downhole Information



BH GAUGE DATA – WHAT DOES IT MEAN?



INTER-STAGE DIAGNOSTICS



Communication

No Communication

In Conclusion

- Initial Completion Designs Play A Significant Role In The Potential For Refrac Optimization & The Potential For Refrac Success
- Production Analysis (RTA) Can Help To Identify The Source (SRV, K_{eff} , FCD) Of Production Rate and EUR Improvements Realized Through Refrac Operations
- Discreet Fracture Placement & Frac Sequencing Is Now Operationally Viable, And May Provide Otherwise Unattainable Fracture Enhancements