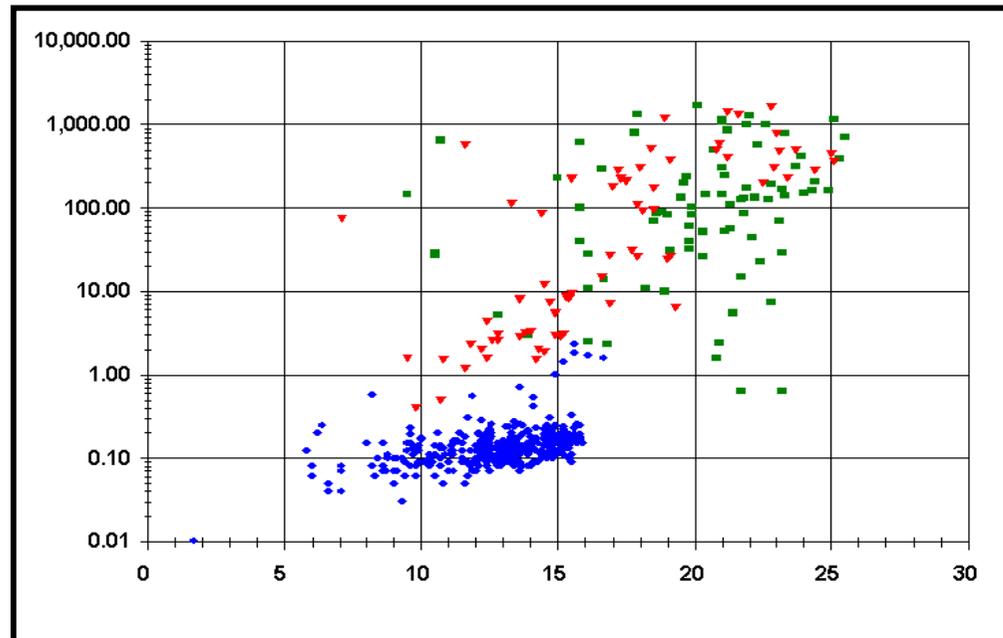


Tight Gas

Challenges



■ - BASF Gruppe



Tight Gas Challenges - Presentation Outline

- E&P Challenges
- Definition Tight Gas
- Reservoir Characteristics
- Tight Gas Strategy
- P6-B4 Case History

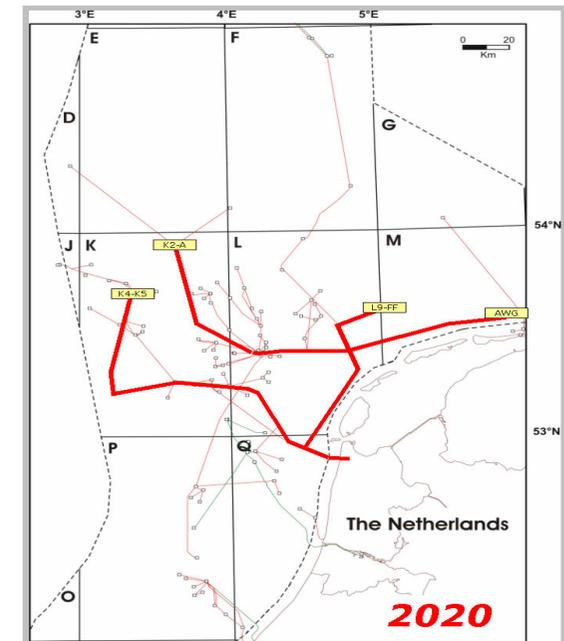
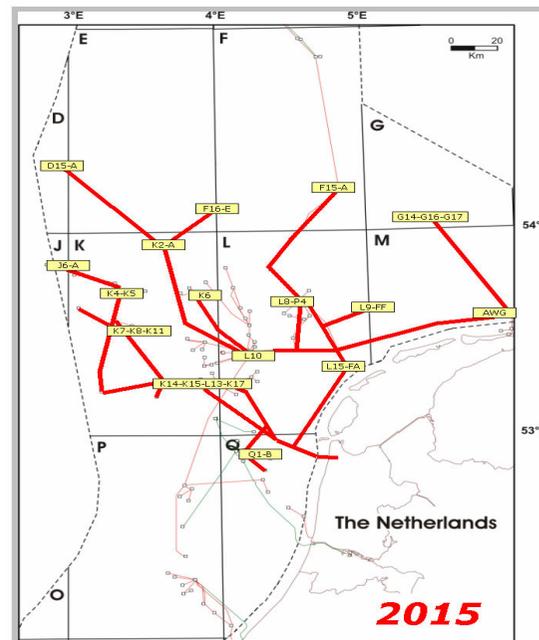
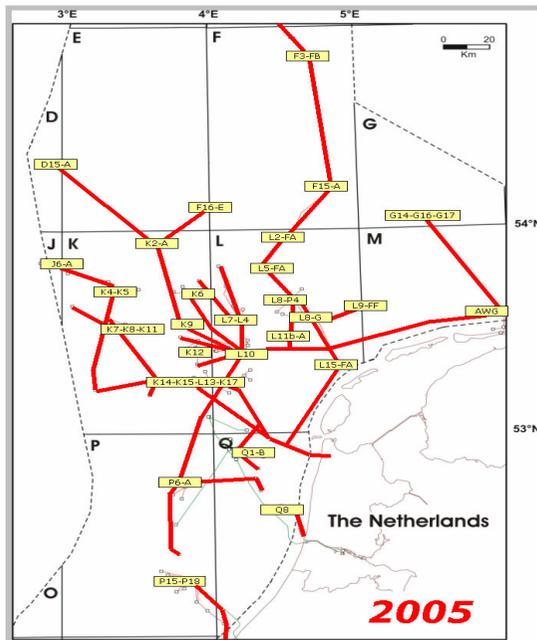
E&P Challenges - Dutch Offshore

- Tight Gas-In-Place (WINZ acreage > 30 bcm)
- Infrastructure lifetime (10 – 15 years)
- Technological breakthroughs
- Gas price at record high (cost as well)
- Subsidy candidate

Wintershall Noordzee B.V. Rijswijk

Infrastructure Dutch Offshore

- In case of no further developments the infrastructure in the Dutch offshore would be largely abandoned in 15 years time



E&P Challenges - Dutch Offshore

- Tight Gas-In-Place (WINZ acreage > 50 bcm)
- Infrastructure lifetime (10 – 15 years)
- Technological breakthroughs
- Gas price at record high (cost as well)
- R&D subsidy candidate

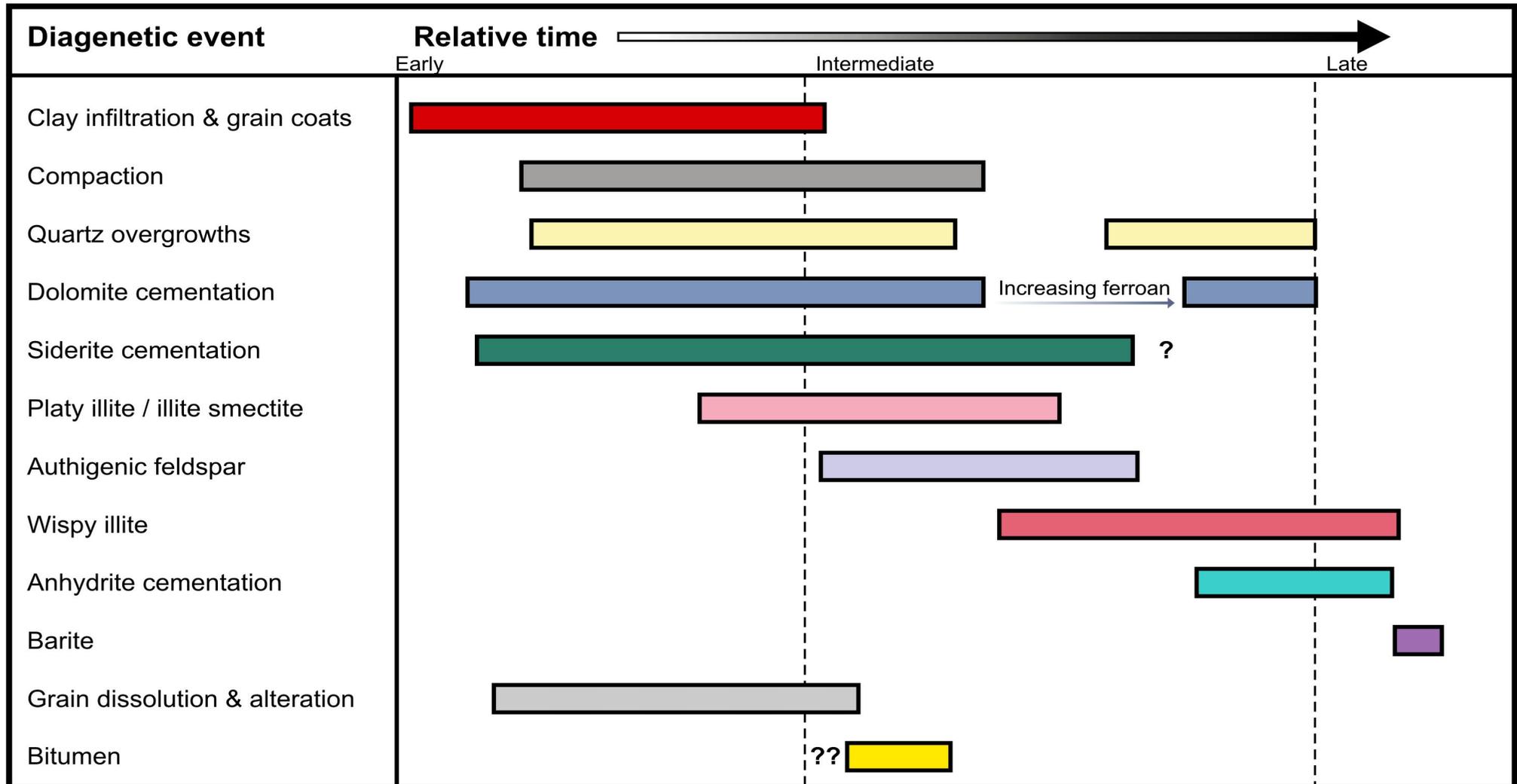
Definition “Tight Gas”

- “Gas discoveries that cannot be made commercial using conventional methods due to low productivity”
 - Permeability (K): < 1.0 mD (traditional 0.1 mD)
 - Permeability-thickness (Kh): < 50 mD.m ?

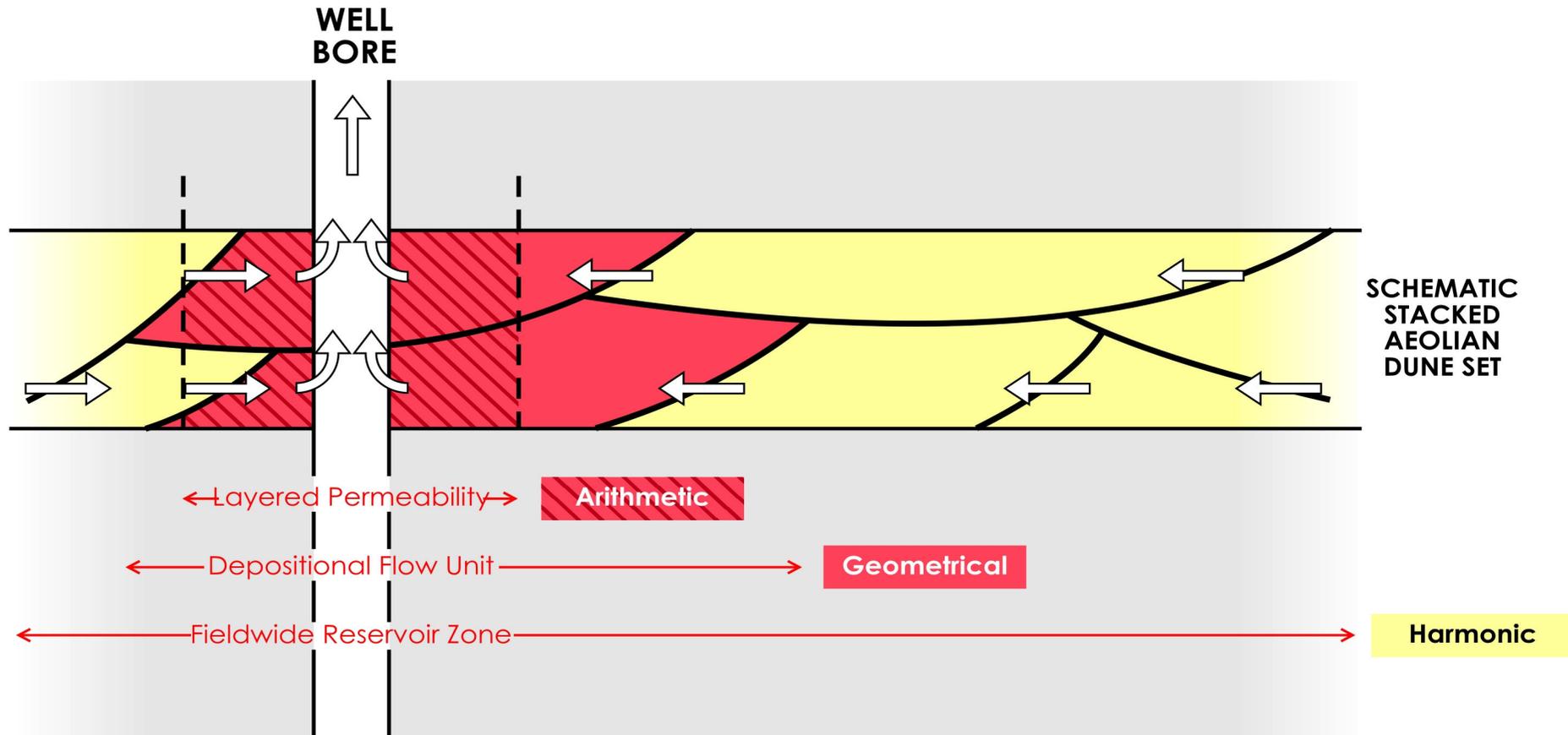
- Tight gas occurs in both Clastic and Carbonate reservoirs (Chalk, Bunter, Zechstein, Rotliegend)
 - Low Permeability (K_r)
 - Facies
 - Diagenesis (compaction, illite)
 - High water saturation
 - Large transition zone
 - Excessive mud (filtrate) invasion
 - $K_{rg} \ll K_r$
 - Large Sw_{irr} (low recovery)
 - Small permeability-thickness (Kh)
 - Reservoir thickness
 - Lateral continuity ($K_{test} < K_{core}$)

Wintershall Noordzee B.V. Rijswijk

Typical Rotliegend Diagenesis

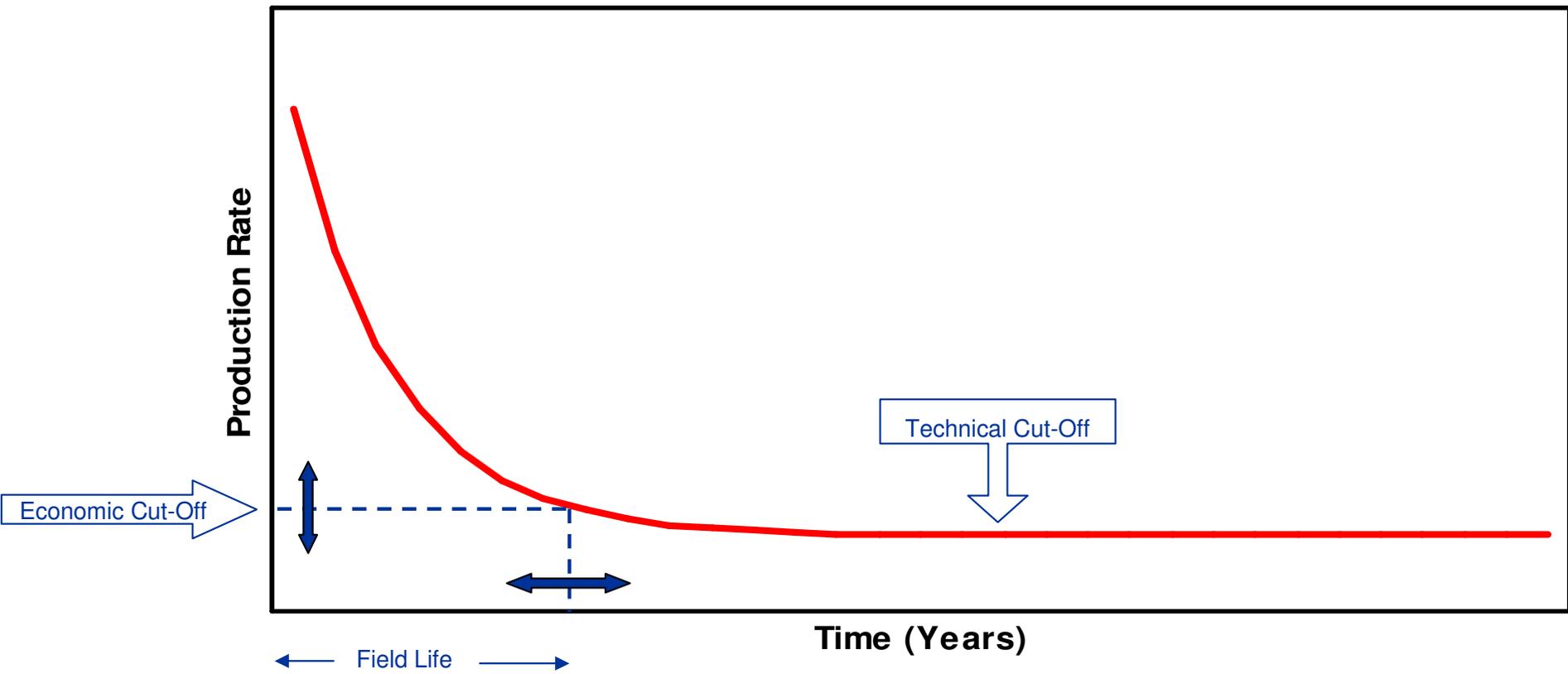


- Tight gas occurs in most Clastic and Carbonate reservoirs (Chalk, Bunter, Zechstein, Rotliegend)
 - Low Permeability (K_r)
 - Facies
 - Diagenesis (compaction, illite)
 - High water saturation
 - Large transition zone
 - Excessive mud (filtrate) invasion
 - $K_{rg} \ll K_r$
 - Large Sw_{irr}
 - Small permeability-thickness (Kh)
 - Reservoir thickness
 - Lateral continuity ($K_{test} < K_{core}$)



Permeability Averaging

Typical Tight Gas Production Profile



■ Increase Net Present Value (NPV)

- Boosting productivity
- Reducing Capital Investment (?)
- Reducing Operational Cost (RCO)

● Remote Controlled Operations

- Pilot Control Room in Rijswijk



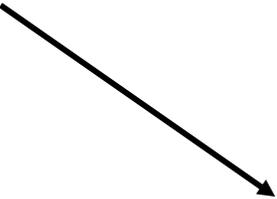
Tight Gas Strategy

- Boosting Productivity

- Chasing high K conduits
(natural fractures, leached zones, aeolian layers)
 - Large number of wells
 - Horizontal / slanted wells (geosteering, geochemical analysis)
 - Multi-lateral wells (borehole accessibility)
 - Hydraulic frac (multiple)

- Avoid borehole damage
 - Underbalanced drilling
 - Acid wash (Carbonates)
 - Hydraulic frac

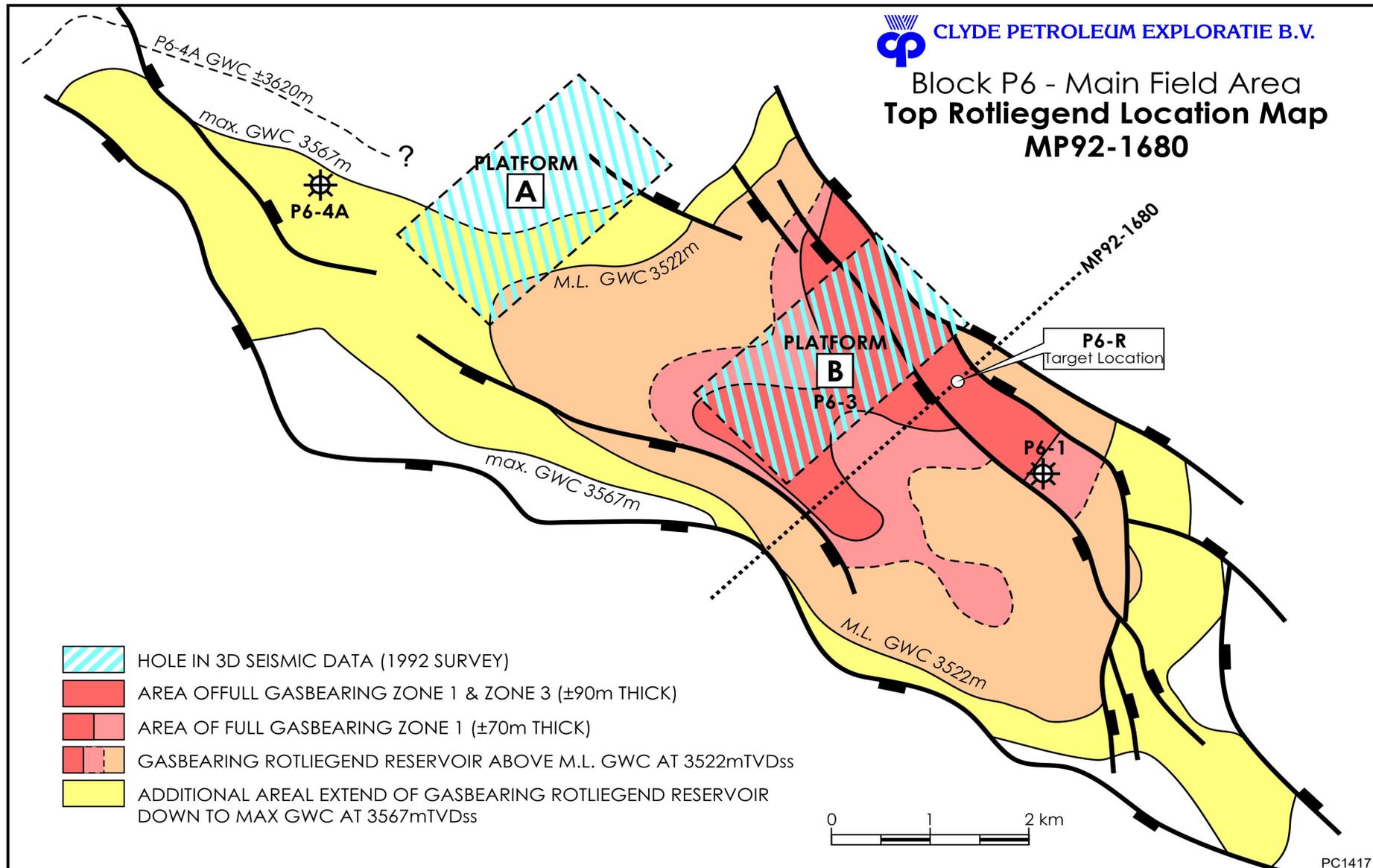
- Reduce minimum FWHP
 - Wellhead compression (multiphase)
 - Use as fuel gas (< 100,000 m³/d)



P6-B4 Case History

Wintershall Noordzee B.V. Rijswijk

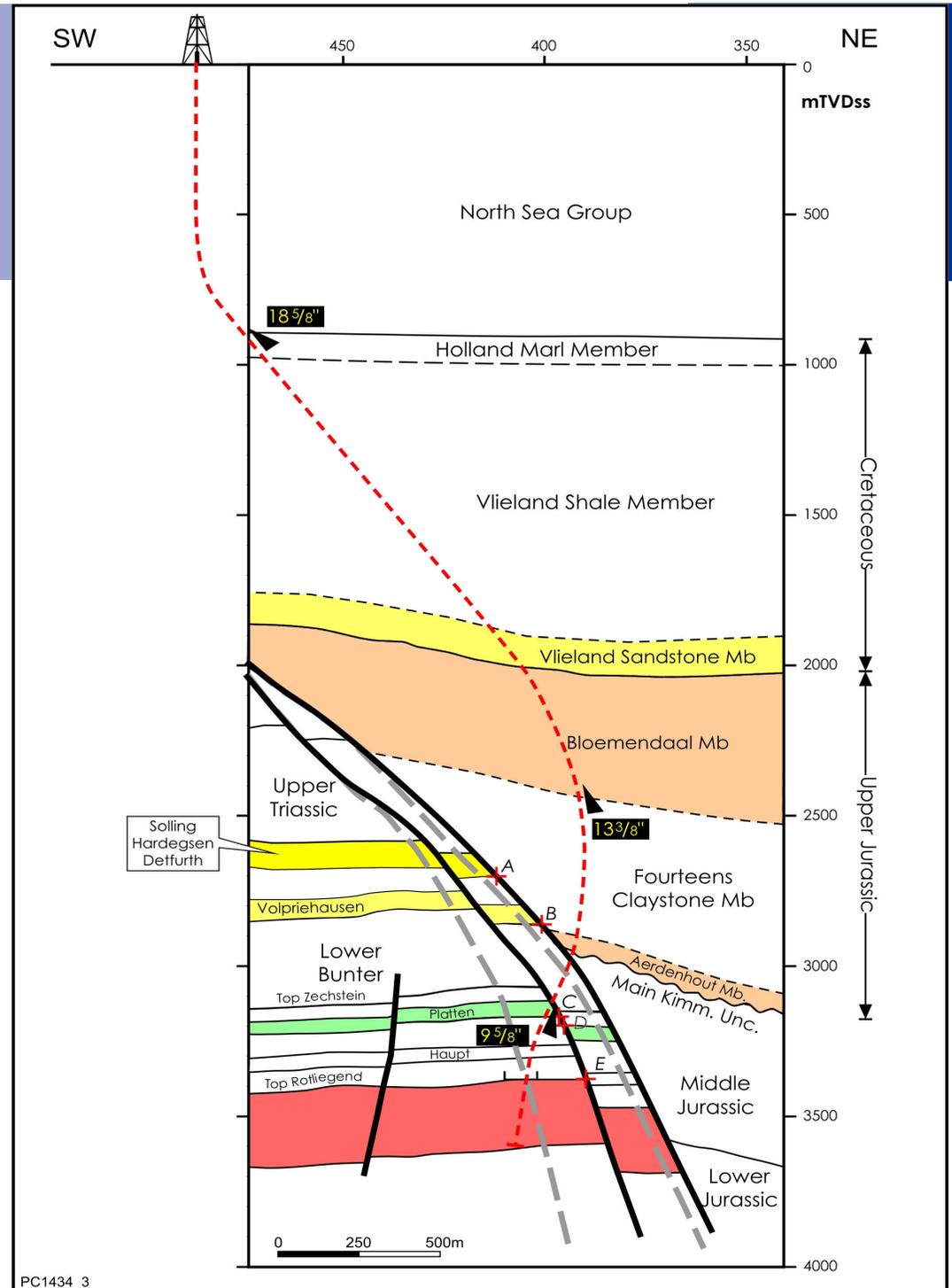
P6-B4 Case History



Wintershall Noordzee B.V. Rijswijk

P6-B4 Case History

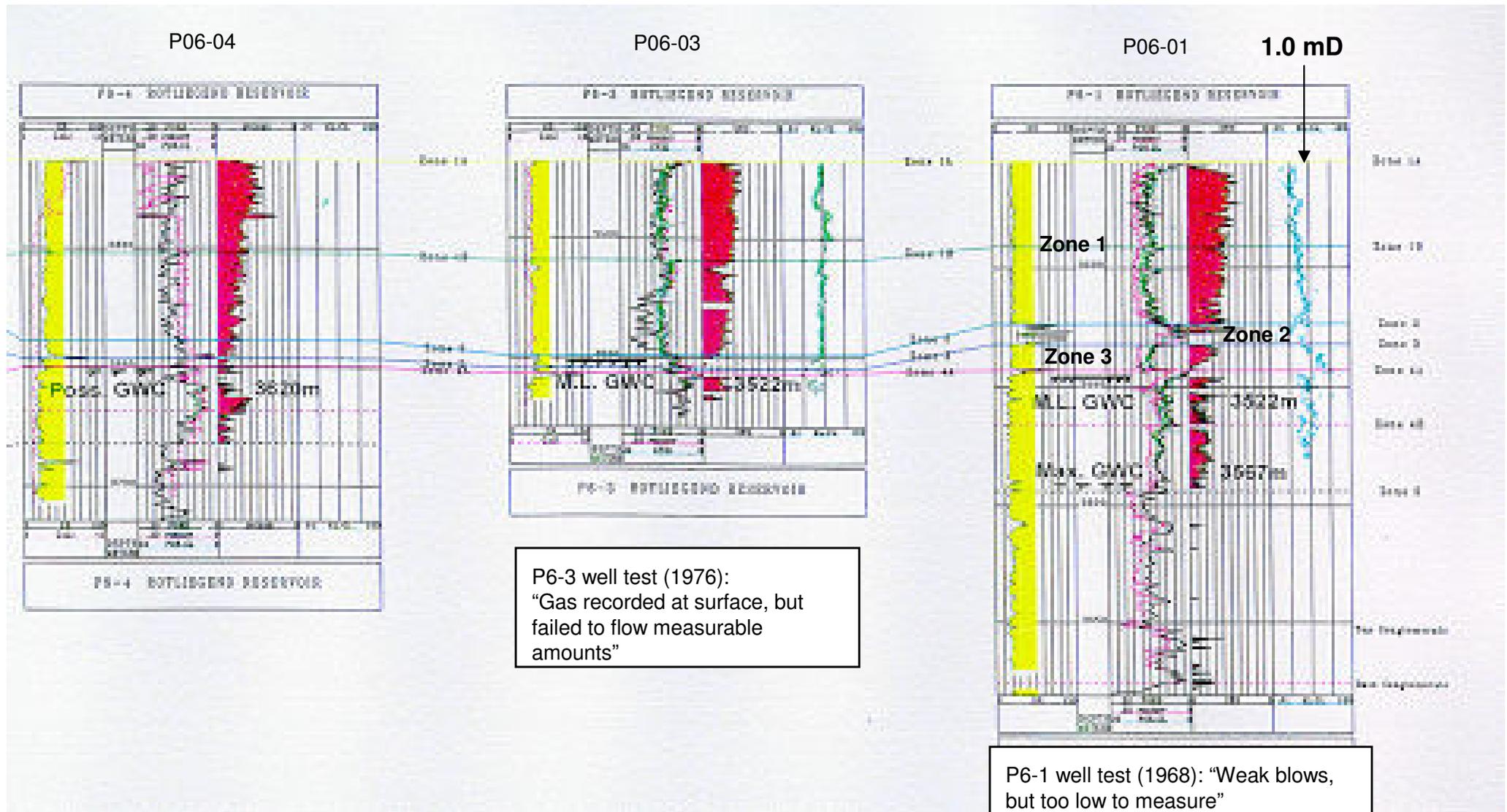
- Geological cross-section along the P6-B4 well trajectory
 - Complex well path due to depleted Bunter
 - Higher deviation at 9 5/8" shoe for sidetrack horizontal well
 - Less than 10° deviation over reservoir section to optimise hydraulic frac intersection



Wintershall Noordzee B.V. Rijswijk

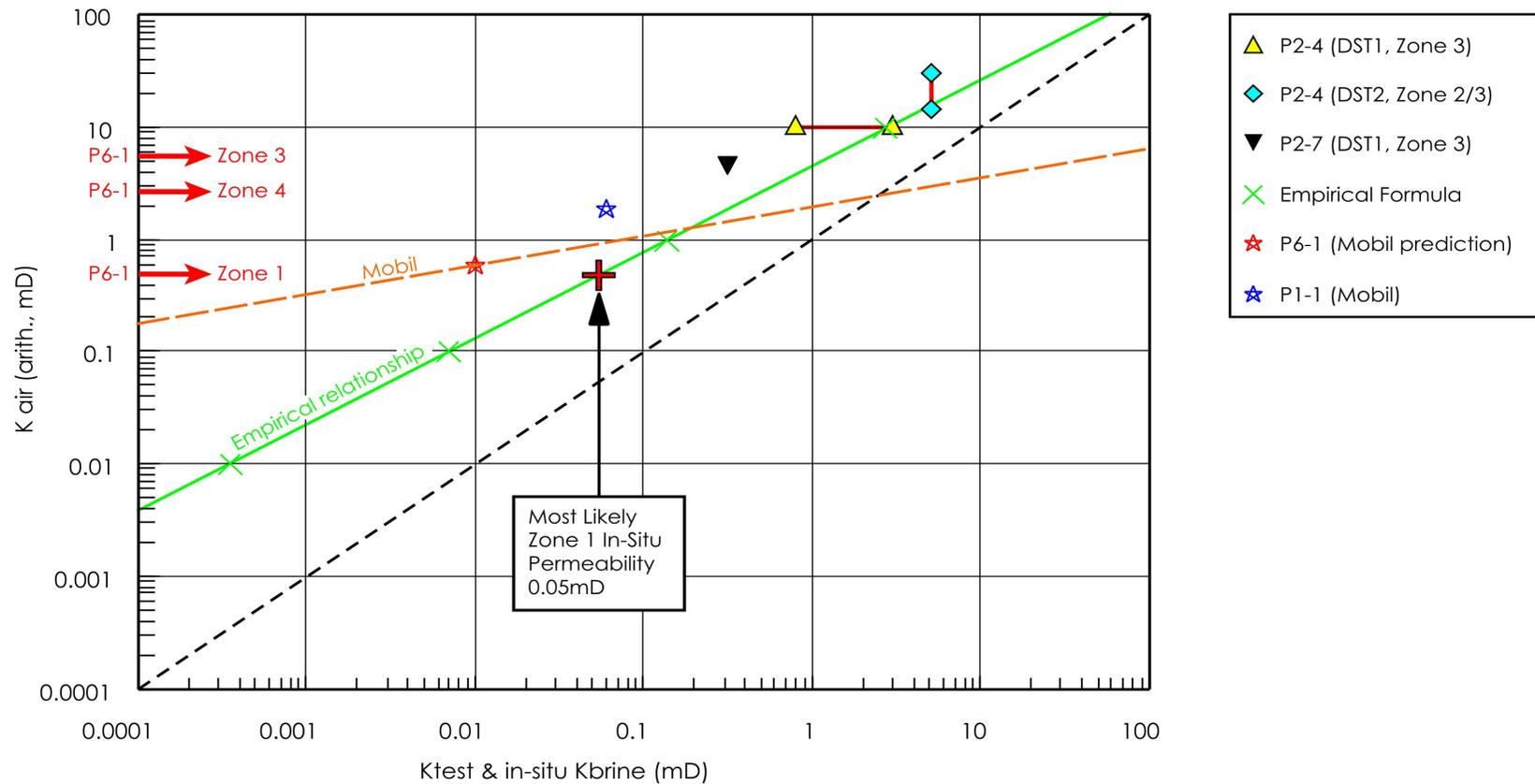
P6-B4 Case History

- Correlation Panel



Wintershall Noordzee B.V. Rijswijk

P6-B4 Case History

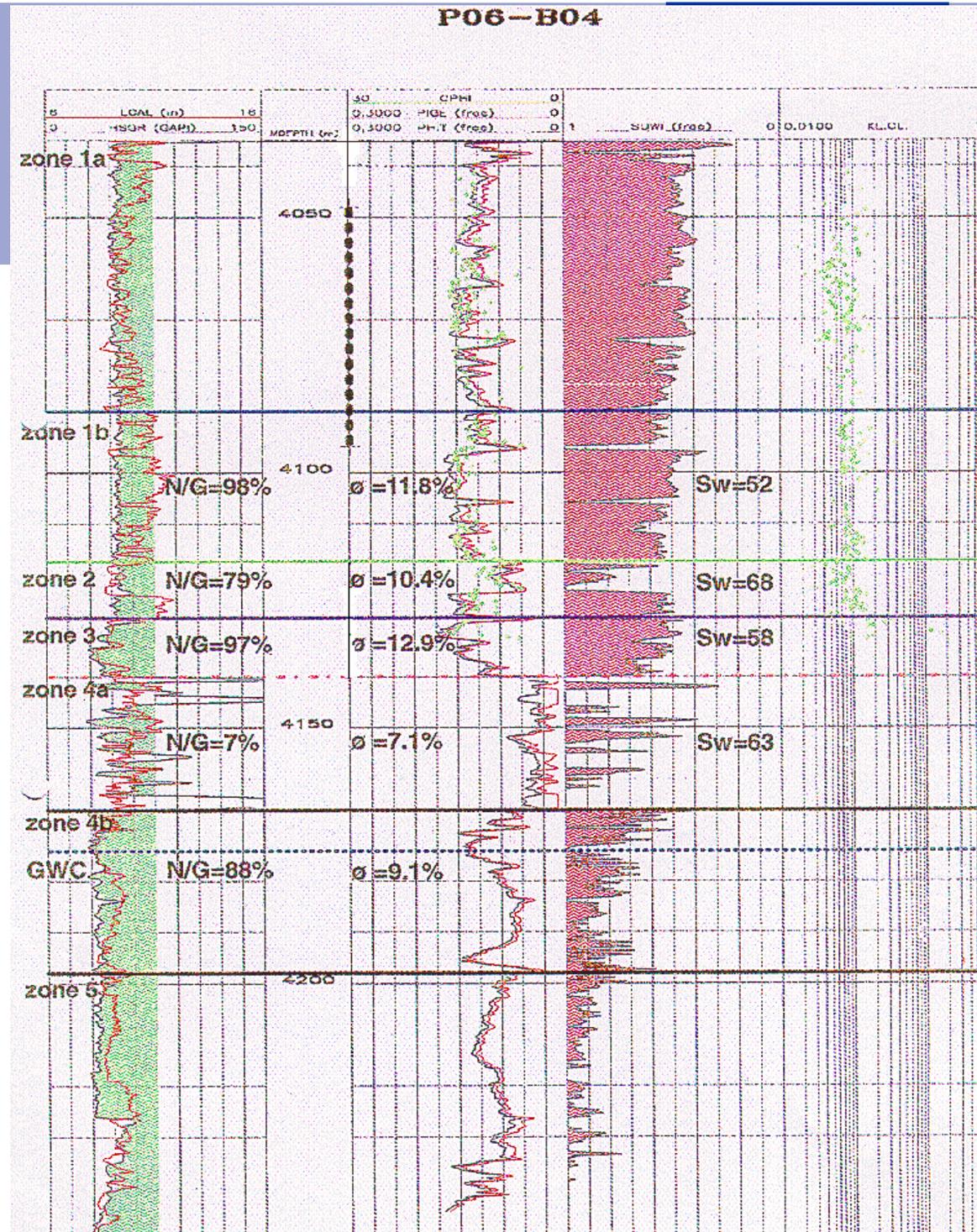


Rotliegend In-Situ Permeability Correction

Wintershall Noordzee B.V. Rijswijk

P6-B4 Case History

- P6-B4 Rotliegend log evaluation
 - Target zone 3 not similar to P6-1
 - Well came in deeper, which restricted perforation interval to Zone 1
 - Pre-frac well test gave no flow to surface
 - Frac justified by “now or never”

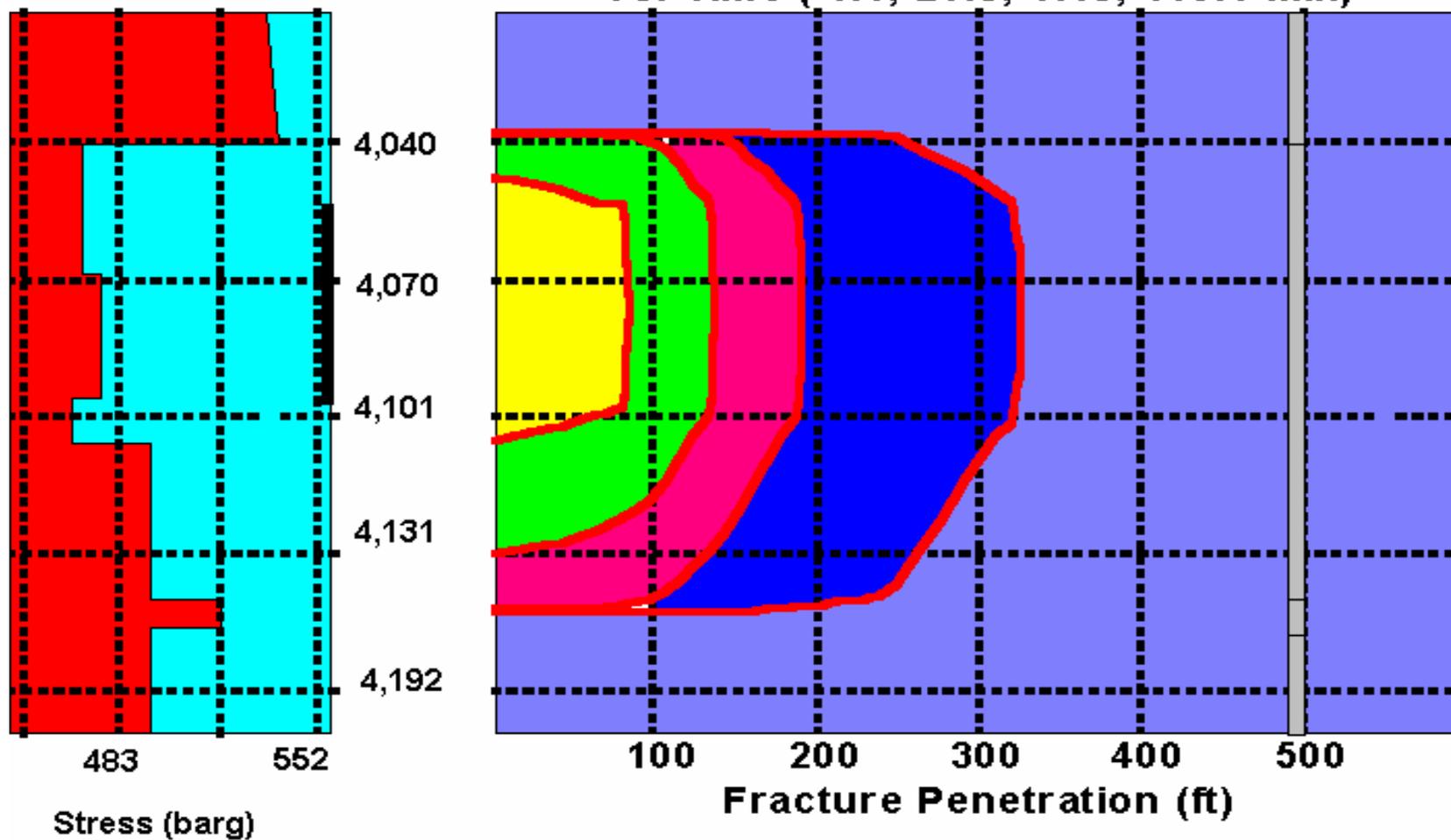


P6-B4 Case History

Average Core Porosity and Permeability (Lab Condition)								
	P6-4A		P6-3		P6-B4		P6-1	
Reservoir Zone	∅ %	Kair (mD)	∅ %	Kair (mD)	∅ %	Kair (mD)	∅ %	Kair (mD)
1	14.1	0.44	13.9	1.3	12.9	0.15	14.4	0.49
2			10.8	0.95	10.3	0.13	5.2	0.35
3			10.2	1.6	13.2	0.68	14.5	5.3
4			6.1	1.1			9.8	2.7

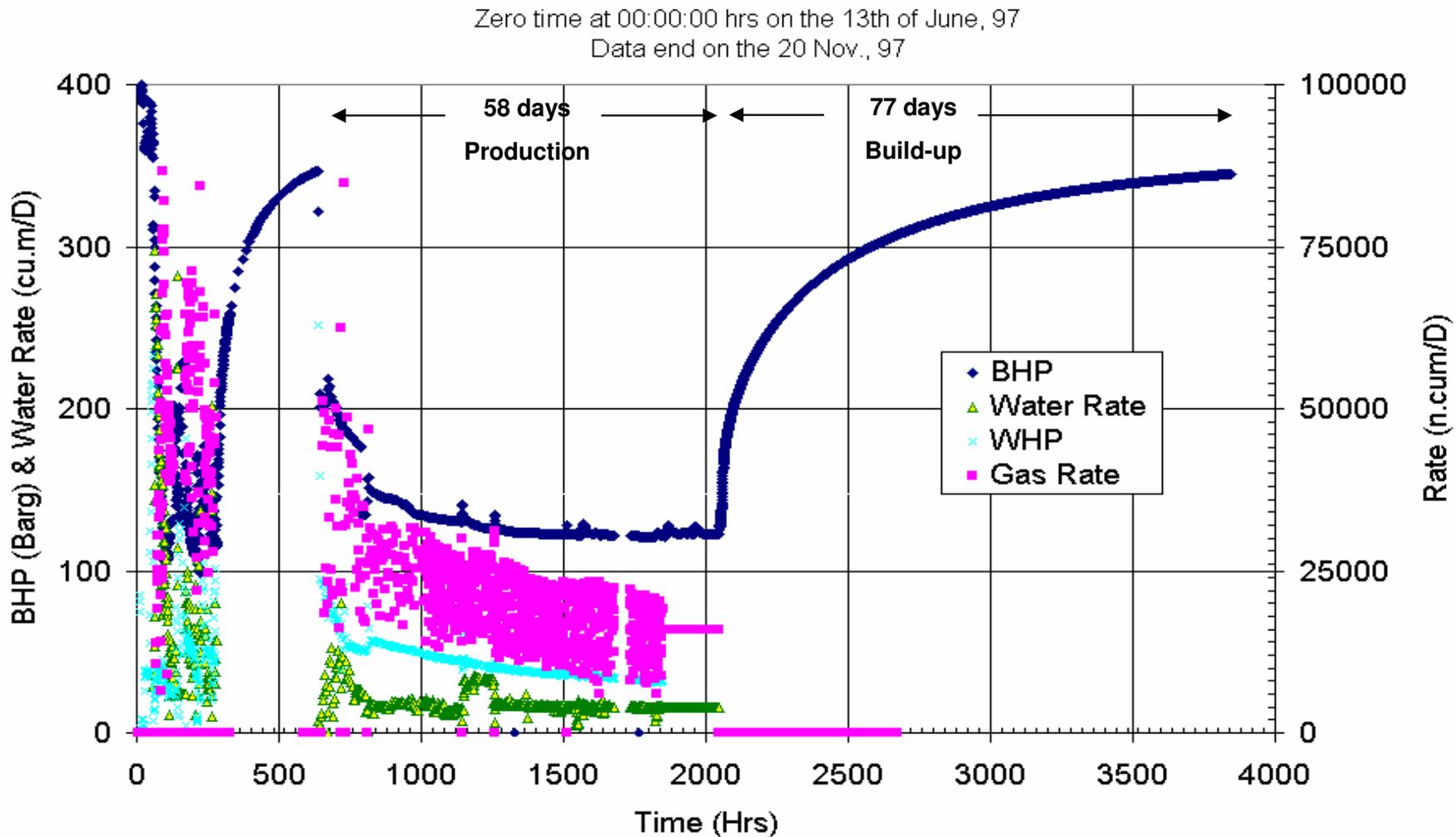
Clyde P6-Rot (Design-1)

Vs. Time (4.4, 20.8, 47.5, 119.1 min)



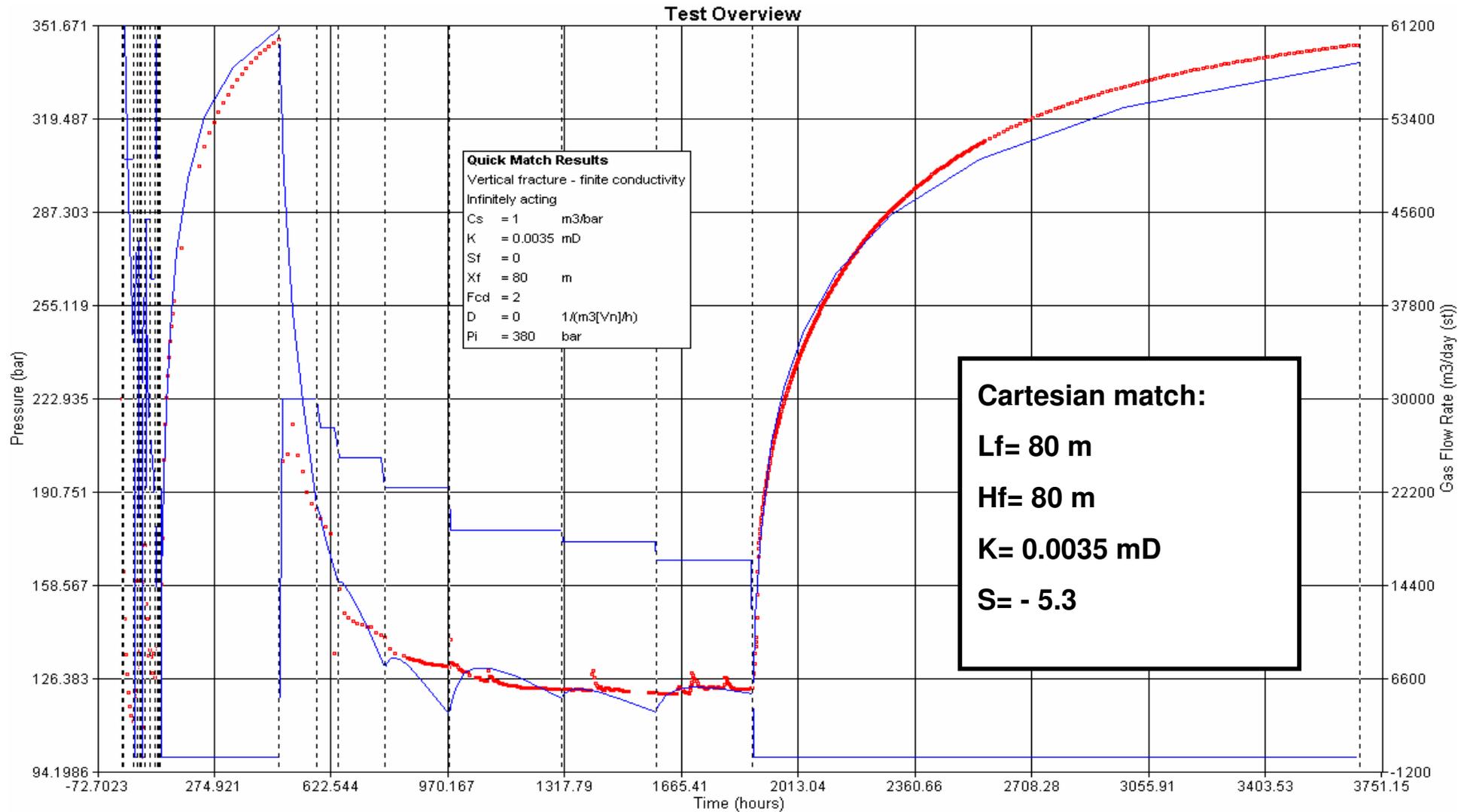
Wintershall Noordzee B.V. Rijswijk

P6-B4 Case History



Wintershall Noordzee B.V. Rijswijk

P6-B4 Case History



Wintershall Noordzee B.V. Rijswijk

Some Tight Gas Considerations

- Sometimes tight means really tight
- Wispy illites don't like frac jobs
- A good understanding of permeability data will hardly reduce the risk in tight gas development
- A long duration well test looks further into the reservoir than any core or log measurement
- For a tight gas development decision you need more data than from one discovery well
- Focus for tight gas development should be on horizontal wells with multiple fracs