

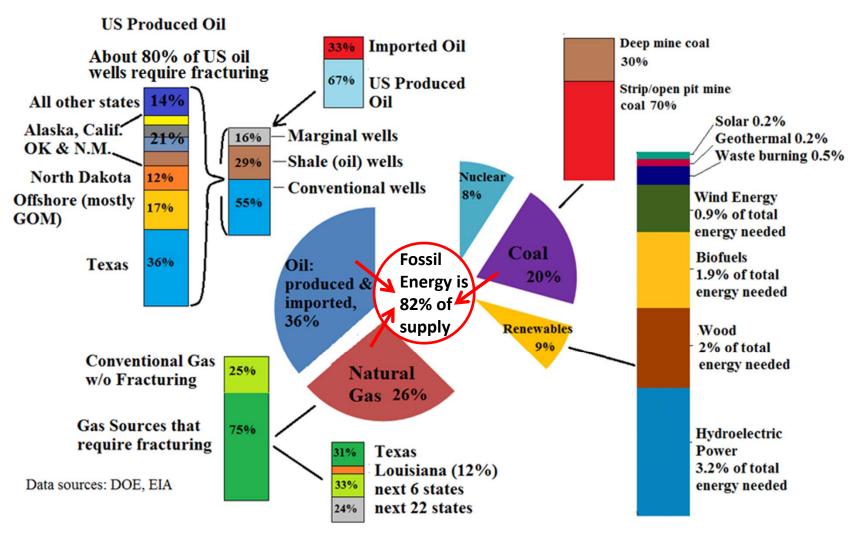


Well Integrity – Basics, Prevention, Monitoring, Red Flags & Repair Options

George E. King, P.E.
Distinguished Engineering Advisor, Apache Corporation

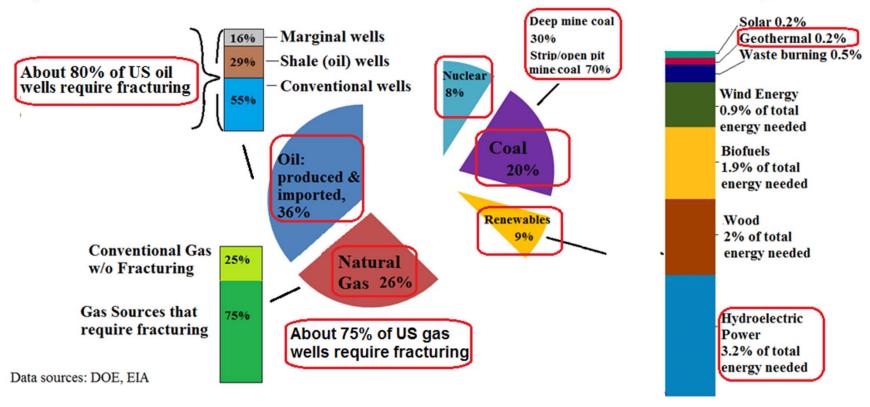
Presented to:
United States Energy Association
DOE Well Integrity Briefing
21 November 2014
Washington DC

Sources of US Total Energy Supply



Energy Sources with Ground Disturbance Impacts or Dependencies

93% of US total energy supply is dependent on ground penetration and/or substantial subsurface stability

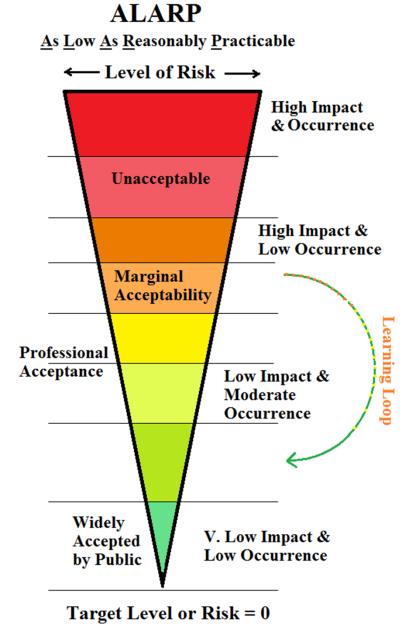


Risk = Frequency of Occurrence vs. Impact

Risk exists in every action.

What is operationally safe?

Occurrence & impact create a threat level that we can understand & accept or reject based on what we believe: hopefully on assessment of facts.



Basics of Well Integrity

- NORSOK Definition:
 - "Application of technical, operational and organizational solutions to reduce risk of uncontrolled release of formation fluids throughout the life cycle of a well".
- Maximum challenge in stimulation?
- Maximum challenge in production?
- Plug & Abandonment Life?

Status of the Well Integrity Issue

- How many wells leak?
- Where, why and what?
- How much do they pollute?
- What is special about leaking wells?
- What are the pathways? route of spills?
 - 15.2 million US residential water wells (integrity?)
 - 1 million Class V injection wells (?)
 - Old wells in Northeast (no location & no records)

Review of Well Studies: >650,000 wells

(Sources of data in SPE 166142)

Area	# Wells	Type Wells	Barrier Failure Freq. Range (w/contain)	Well Integ Freq. w/ leak path	Leaks to GW by sampling
ОН	64,830	D&C shoe test fail (74)* Take worst case - Prod. 39	0.035% in (34,000 wells 1983-2007), 0.1% old wells worst	~0.06% (total)	
TX	253,090	D&C Failures, shoe test fail* (10) **Prod (56) fail assumed	0.02%	0.02% old era wells, 0.004% new era wells	0.005% to 0.01% producers 0.03% - 0.07% injector
Texas	16,000	Horizontal Multi-frac wells	0	0	
Mn Cedar Creek	671	Vertical	5.5%	Unk	
Alberta	316,000	All well types used in the study.	(4.6%) – unk if active leaks or single barrier fail.	(4.6%) – unk if active leaks or single barrier fail.	

SPE 166142, Barrier vs. Well Failure, King

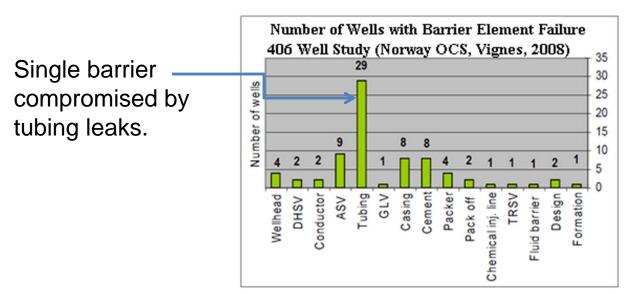
Sustained Casing Pressure

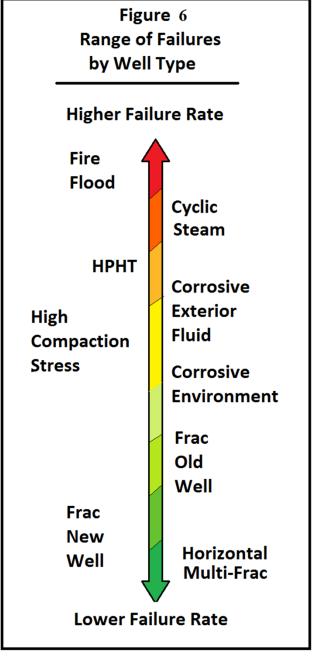
Area	Number	Type of Wells	Barrier Failure Freq. Range (w/	Integrity Failure (leak
	of Wells		containment)	path – in or out)
US Gulf of	11,498	Platform based	30% overall with first annulus	0.01% to 0.05% of
Mexico	(3542 active	wells	SCP of 50% of cases. 90% of	wells leaked -
			strings w/ SCP have less than	0.00005% to 0.0003%
			1000 psi. 10% are more serious	of prod oil spilled
			form of SCP (Wojtanowicz, 2012)	1980 thru 2009.
US Gulf of	4,099	Shoe Test failures	12% to 18% require cement	0 (all repaired before
Mexico		during drilling*	repair to continue drilling	resuming drilling)
Norway	406	offshore	18%	0
GOM	2,120	Sand Control	0.5 to 1%	0% subterranean
/Trinidad				~0.0001% via surface
				erosion potential
Matagorda	17	Compaction	80% to 100% - the high number is	Wells routinely shut-in
Island 623		failures; casing	due to high pressure and	and repaired prior to
		shear & sand fail	formation compaction.	restart.
Sumatera	175	without	43%	1 to 4%
		maintenance		

Well Study Review >650,000 wells

Failure Factors Recognized:

- Type of Well
- Maintenance Culture
- Era of Construction
- Geographical Location
- Age of Well
- Specifics of Design & Construction
- Usage Change

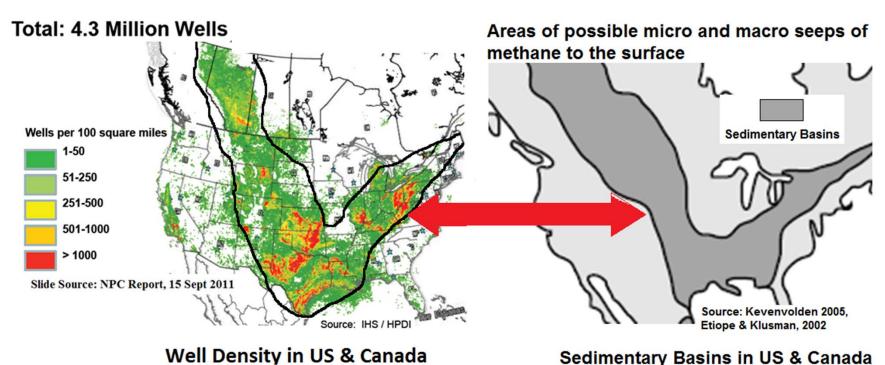




Background Context – Methane Seepage from Soils

Oil & Gas Seeps are indicators of oil & gas beneath the surface

Many natural seep flows diminished as wells were drilled & produced.

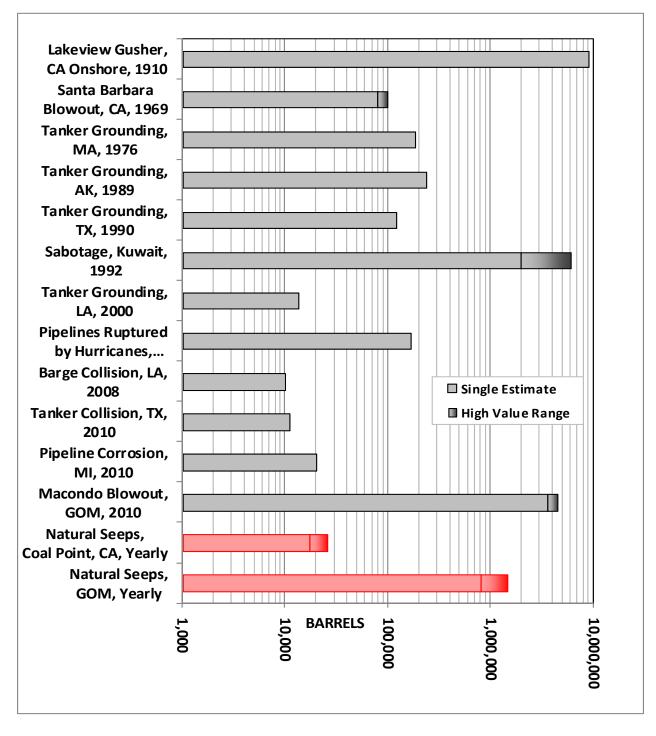


SPE 166142, Barrier vs. Well Failure, King

Other Context Comparing Spills and Seeps

History –

- Drake's 1859 well hit flowing oil at 69.5 ft.
- Hart's 1821 Shale gas well found flowing gas at 28 ft.
- Water, Oil & Gas commonly cohabitate shallow formations in oil producing areas.



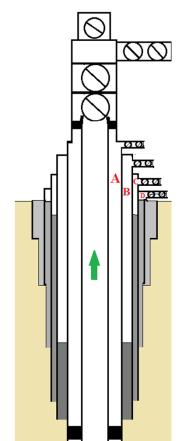
Prevention of Well Integrity Problems

- Initial planning and creating effective barriers goal of first well construction effort - lowest cost opportunity for problem prevention.
- Adding/modifying barriers later is expensive.
- Fracturing and acidizing What is required in well construction?
 - A place for temporary barriers.
 - Barriers that stand up to cyclic pressure.

Well Barrier Failure vs. Well Integrity Failure

- □ Barriers are containment elements Can individually isolate design loads. If one barrier fails, the next barrier accepts the load.
- ☐ Multiple, nested barriers = redundant barrier system. No Leak Path
- ☐ Well integrity failure = if all barriers fail in series = leak path <u>Is</u> formed

Barrier	Number	Press	Durability
Casing + Cmnt	2 to 7	Very High	Very High
Hanger + Seal	2 to 4	High	High –replace easy.
Pipe body	1 to 3	High	Very High w/ corros. maintenance
Packer, Plug	1 to 2	Mod.	Mod.
Safety Valve	1	Mod. to High	Mod.
Valves, Spools	4 to 20+,	Mod. to	Mod- easy repair
in Prod. Tree	tandem?	High	

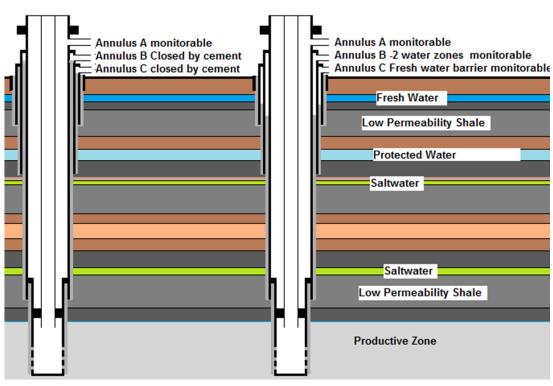


SPE 166142, Barrier vs. Well Failure, King

Cement Every Annulus to Surface? May <u>NOT</u> be the best plan.

Full Annulus Cementing?

- Most full cement columns require a two-stage cement job – requires perforating or DV tool – may decrease well integrity.
- Careful positioning of cement top in inner annulus allows monitoring of pressure build-up or monitoring type of fluid flow if leaks are seen.
- Repair options increase when open annulus exists including downsqueezes & inner pipe removal.

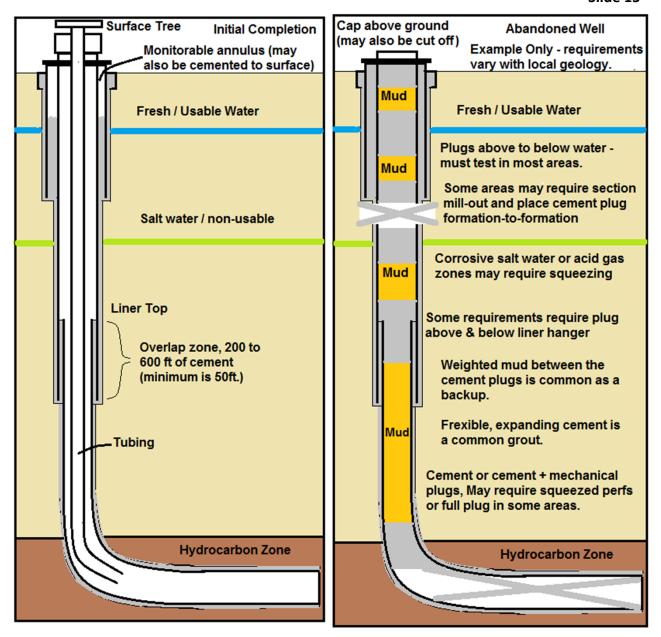


Note: local conditions can dictate fewer casing strings.

- Placing end of casing in strong, low permeability formations increases isolation success.
- Placing salt water and fresh water zones behind different casing strings nearly eliminates potential for salt water intrusions behind the pipe.

ExampleCompletion & P&A

The Completion Enables Successful P&A



How Much Cement is Needed for Isolation? Every inch of cement is NOT required to be perfect.

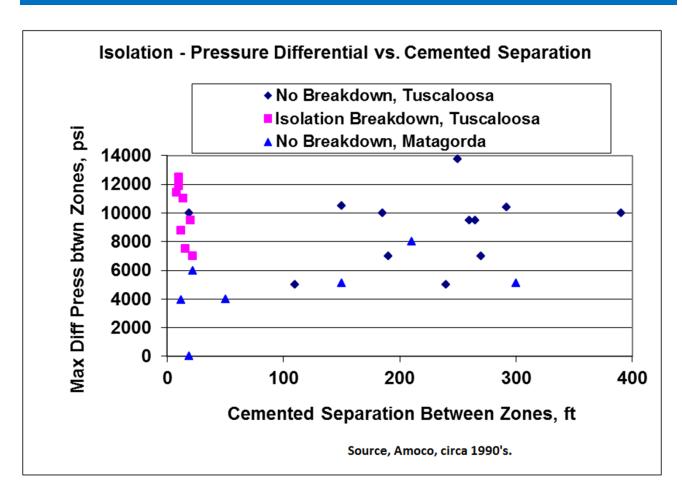
Quality of cement is more important than the volume.

Isolation can only be measured with a pressure test.

Bond logs are not always best tool

- □ ~10% channels missed.
- Instances of false negatives.

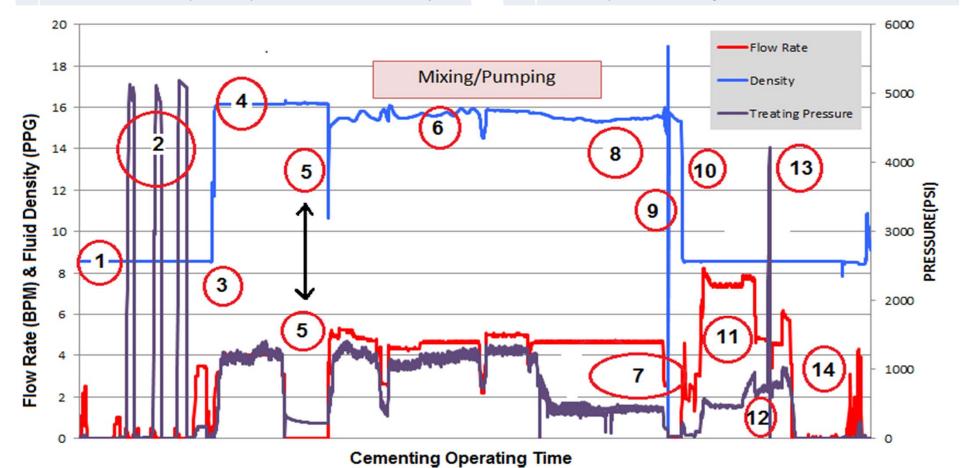
Over 10,000 psi can be held with less than 50 ft of cement, but 200 to 300 ft is routinely used.



The Best "Tool" for Evaluating Cement Quality is the Pump Chart

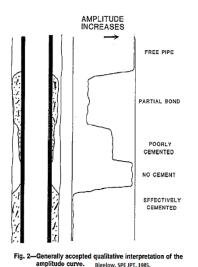
1	Filling surface equipment w/ fresh water
2	Pressure test – two leaks in surface connection & a successful test
3	Pump spacer to separate mud from cement
4	Constant density spacer between mud in the well and cement
5	Shut down to drop bottom plug & switch to on-the-fly cement
6	Pumping cement – within density guidelines, but barely.
7	Cement free-fall – heavy cement pushes mud faster than vol. inj.

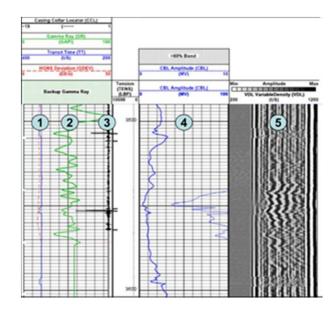
8	Cement density variance – was a special tail-in slurry used?
9	Shut-down to flush surface lines and drop the solid top plug.
10	Bottom plug lands, diaphragm ruptures & cement into annulus.
11	Free-fall make up – more flow in than out - pressures equalizing
12	Cement lift pressure too low – check return volumes and timing.
13	Top plug "bumps" (lands in the shoe track) – placement complete.
14	Hold back pressure on casing if float valve fails. (not in this case).



Cement Evaluation Tool – Value & Limits

Amplitude

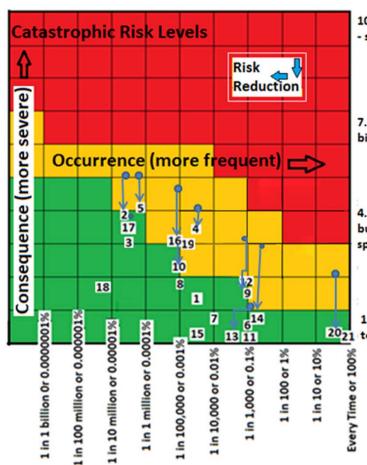




- 1. Transit Time
- 2. Gamma Ray Log
- 3. Collar Locator
- 4. Amplitude
- 5. Variable Density Log

Issues:

- Cement must develop strength before CBL is useful (>72 hours)
- CBL will not predict or confirm pressure isolation.
- Properly run CBL 90% reliable in finding channels of >10% total annular space
- Many wells show effective isolation, even when CBL shows only 30% to 75% of bond as "good".
- CBL utility is determining cement presence & info on bonding across zone of investigation.
- "Fast" formation may act like free pipe when bonding is good.
- Cement sheaths less than ½ " to ¾" may look unbonded even when seal is good.
- Gas bubbles decrease signal. Void spaces increase amplitude.
- Pipe thickness changes cause amplitude shift
- Tool eccentering & microannuli reduce amplitude



10 - Highest level point source pollution - similar to acid mine drainage (AMD)

Limited toxic pollution, slow or no biodedredation, less toxic than AMD

4. Spill or leak of 500 gal of non-toxic but persistant chjemical - similar to spreading salt on icy roads. What are documented occurrences and impacts from fracturing?

1. Small spill of < 5gal or 20 liters of non toxic, biodegradeable food grade chemical

Conclusions from actual tests, trials & case studies is the only risk from deep well (>2000 ft) hydraulic fracturing is:

- Low risk in transport & produced water storage
- Very low risk in well construction.
- Virtually no risk in fracturing.

Table 2	Table 2 – Fracturing Risk Events			
Event	Event Description	Event	Event Description	
1	Spill transport of fresh or low salt water	10	Frac ruptures surface casing	
2	Spill 15 gal biocide	11	Cooling pulls tbg string out of packer.	
3	Spill 50 lb. dry additives	12	Frac opens mud channel, well < 2000 ft.	
4	Spill 150 gal from truck wreck	13	Frac opens mud channel, well > 2000 ft.	
5	Spill 2500 gal from refueler wreck	14	Frac intersects another well in pay zone.	
6	Spill frac tank of water, no additives	15	Frac intersects properly abandoned wellbore.	
7	Spill frac tank of water with food grade polymer only	16	Frac intersects improperly abandoned wellbore.	
8	Spill 10 gal. diesel during refueling	17	Frac to surface or groundwater through the rock, well > 2000 ft. deep.	
9	Spill 100 bbls of produced water	18	Frac produces earthquake that can be felt at surface.	
		19	Frac intersects a natural seep.	
		20	Frac produces emissions in excess of limits.	
		21	Normal frac operations – no problems	

Source: SPE 152596 – download from www.www.onepetro.org

Monitoring Well Integrity

- The Era of construction is the first indicator of the stability of well integrity. => couplings & cement
- Is a base line set and a trend line maintained?
- Simple, regular monitoring can be inexpensive.
- Are the working limits of the asset known and strictly observed?
- Monitoring is more effective when a company has a "culture of proper maintenance".
- Are wells P&A'd when practical value is gone? (does shut-in have a required end point?)

Well Failures & Improvements in Development Eras

Time Era	Operation Norms	Era Potential For Pollution
1830 to 1916	Cable Tool drilling, no cement, wells vented	High
1916 to 1970	Cementing isolation steadily improving.	Moderate
1930's	Rotary drilling replace cable tool, BOPs	Moderate & Lower
1952 →	Fracs reduce # wells. Better pipe & cement	Lower from Frac aspects
1960 →	Gas tight couplings and joint make up	Moderate
1970 ->	Cement improving, Horizontal Wells introduced	Lower
1988 >	Multi-frac, horizontal wells, pad drilling	Lower
\rightarrow	reducing environmental land footprint 90%	
2005	Well integrity assessment, premium couplings,	Lower after 2008 to 2010
→	adding barriers & cementing full strings.	(STRONGER Reg Review)
2008	Chemical toxicity & endocrine disruptors	Lowest yet, most states
→	sharply reduced. Real time well integrity needs	caught up with design and
	studied - early warning & avoidance.	inspection requirements.

When evaluating well integrity, <u>ALWAYS</u> look at era of construction.

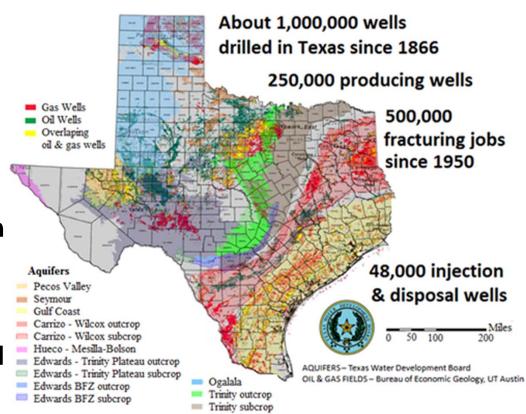
What are Groundwater Pollutants Today & where do oil & Gas Wells Fit in this Picture?

Used Texas as a Study Case.

Over a million penetrations through the 29 major & minor aquifers in Texas.

Texas is #2 in total
Groundwater withdrawals with
~ 80% going to Agriculture &
Municipalities.

If the water was really polluted by O&G wells, we'd see it quickly in Municipal & Ag.

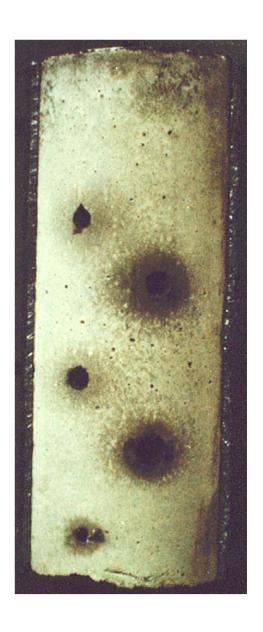


Red Flags – Looking Into the Future

- There are very few well integrity failures that do not show signs of their approach.
- Major issues
 - Corrosion possibly creates more damage than all other failures combined.
- To predict future problems look at the past.
 - What era of technology was the well built in?
 - What level of maintenance has the asset received?
 - Who is responsible?

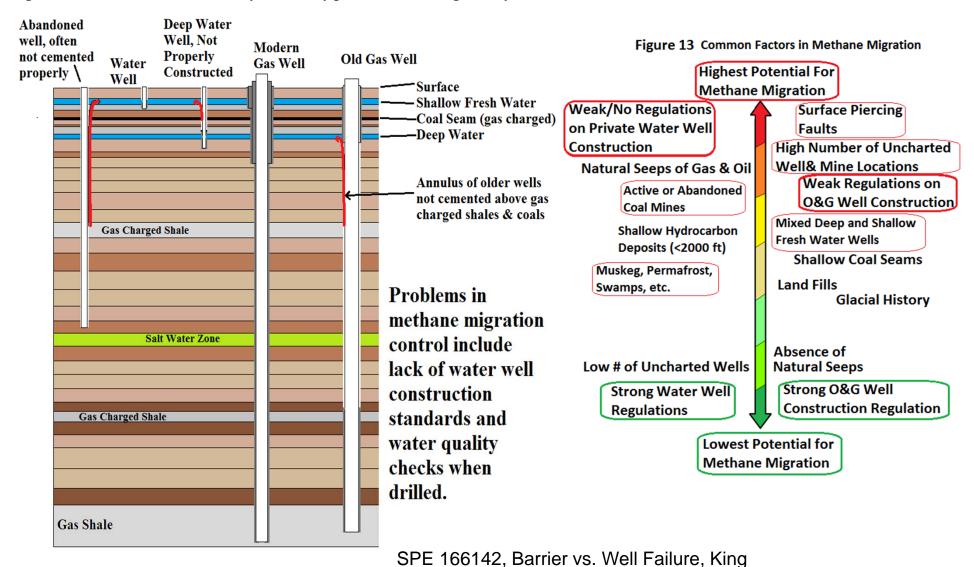
Repairs

- Sequence of Outcomes:
 - Safety impact
 - Contamination impact
 - Containment issues
 - Remediation potential
 - Retribution and punishment
- Repair methods success
 - Convention squeeze (cement & sealer)
 - Pipe removal
 - Better initial design/application



Gas migration >>200+ yrs. Old - highly regional - many causes - 1000's of seeps.

Figure 12 Residential water wells may have many points of methane gas entry



Conclusions

- 1. Risk of GW pollution from producing well is low.
- 2. Barrier failure rates and well failure rates vary widely.
- 3. Barriers may fail without creating a pollution pathway.
- 4. Failure of wells of a specific time era are artifacts of that era; not reflective of wells completed today.
- 5. The nation's 15 million residential water wells may be conduits for methane migration.

Society of Petroleum Engineers

Well Integrity Symposium

- 3 potential training courses (June 1)
 - General integrity overview
 - Integrity inspection points
 - Well integrity for stimulations in new & old Wells
- 2 day symposium (June 2 & 3)

