Lessons Learned from the KCC #503H Woodford Horizontal Well at Keystone South Field, Winkler County, TX*

Andrew Parker¹, David Entzminger¹, John Leone¹, Mark Sonnenfeld¹, and Lyn Canter¹

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¹Whiting Petroleum Corporation (Andrew.Parker@whiting.com)

Abstract

The Devonian Woodford Shale is a prolific, world-class source rock in the Permian Basin. Vast amounts of oil and gas have been generated by the Woodford Shale, effectively sourcing nearly every potential reservoir from Early Ordovician through Late Permian. Like so many other source rocks on the heels of Barnett Shale success, the Woodford underwent intense scrutiny as a viable unconventional target. By the mid-2000's, operators yielded some marginally economic gas production in the deep Delaware Basin, while only a few uneconomic vertical oil producers existed throughout the Permian Basin.

Fueled by momentum from Bakken results, Whiting Petroleum Corporation set out to delineate the resource potential of the Woodford. Integration of the previous experiences of some co-authors, the gathering and analysis of geochemical data, and a revised subsurface characterization of Woodford stratigraphy, warranted a test at Whiting's existing acreage at Keystone South Field.

Whiting acquired over 300 feet of conventional core in the upper and middle Woodford, along with an advanced log suite in the vertical pilot hole. To avoid potential water blockage and clay swelling, a synthetic oil-based mud was utilized during the drilling of the lateral. The 3,137 ft horizontal leg consisted of five hydraulic fracture stages using sliding sleeves and an un-

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cemented liner with swell-packers. Reservoir modeling was performed, primarily to understand potential contribution from a complex fracture network observed in core. Ultimately, the test was uneconomic.

Several key learnings were made from the test at Keystone South Field. Present-day maturity of the Woodford, at this location, has resulted in insufficient oil-in-place and a low viscosity product that cannot produce from a normally pressured reservoir. Synthetic oil-based mud is not necessary, nor did it add value or contribute to any success in this application. Lastly, insufficient lateral length and subsequently low number of stages, as well as poor execution of most hydraulic fracture stages, resulted in an insignificant stimulated rock volume and an uneconomic test.



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Presented at the SWS-AAPG Annual Meeting Midland, TX May 12, 2014

Outline



- History
- Regional Woodford Overview
- Whiting AOI
 - Central Basin Platform
 - Keystone South Field
- KCC #503H
 - Core
 - Well
- Learnings

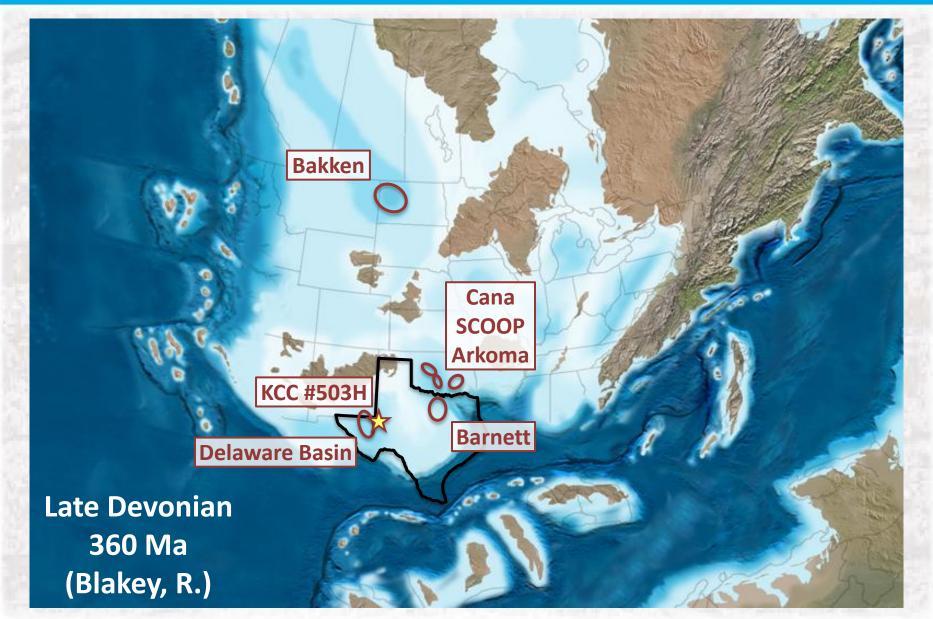
History



- 2003 Onset of horizontal drilling in the Barnett
- 2005 Delaware Basin Woodford/Barnett combo wells
- 2006-2007 Whiting success in the Bakken
- 2007-2008 Oklahoma Woodford plays emerge
- 2008 Whiting Woodford data gathering
- 2nd Qtr. 2009 Drill and core KCC #503 pilot
- 3rd Qtr. 2009 Drill and complete KCC #503H

History

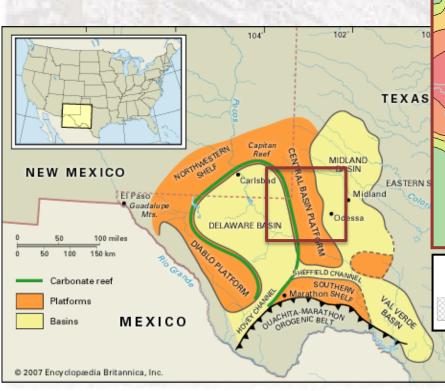


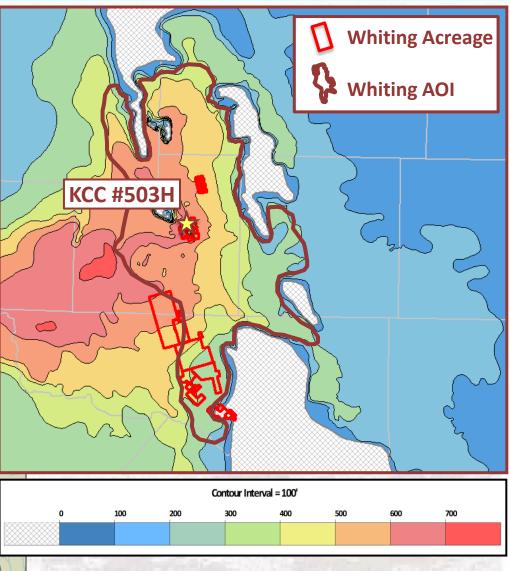


Regional Woodford Overview

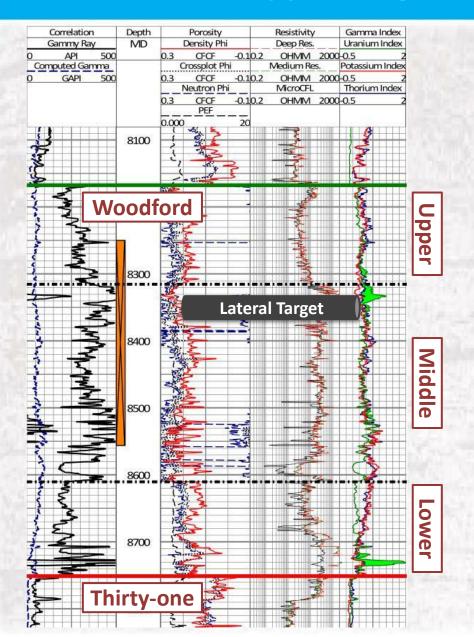


 Whiting area of interest determined by thick section of Woodford (>200') at "peak oil generation" (R_o ~0.6-1.0%)





KCC #503H Type Log



Time (Ma)	Stage	Delaware Basin	Central Basin Platform		
251		Dewey Lake	Dewey Lake		
	Ochoan	Rustler	Rustler		
	Octioan	Salado	Salado		
		Castile			
	Guadalupian	Lamar	Ę Tansill		
		Bell Canyon	Tansill Yates Seven Rivers		
		Cherry Canyon	ਰ Queen Grayburg Upper San Andres		
		Brushy Canyon			
		Cutoff	Lower San Andres Holt		
	Leonardian		Glorieta Upper Clear Fork		
		Bone Spring	Middle Clear Fork Tubb		
			Lower Clear Fork		
			Wichita Albany		
	Wofcampian	Wolfcamp	Wolfcamp		
302	Virgilian	Cisco	Cisco		
	Missourian	Canyon	Canyon		
	Desmoinesian	Strawn	Strawn		
	Atokan	Atoka	Atoka		
	Morrowan	Morrow			
323	Chesterian	Barnett	Barnett		
	Meramecian				
	Osagean Kinderhookian	Mississippian	Mississippian		
363	Famennian	Woodford	Woodford		
	rrasman				
		Woodford (?)	Woodford (?)		
		Thirty-one	Thirty-one		
417					
	Ludlovian	Wristen	Wristen		
	Wenlockian				
	Llandoverian				
443	Ashgillian	Fusselman	Fusselman		
			Sylvan		
	Caradocian		Montoya		
	Liangeilian	aimpson	Simpson		
		1			
	Llanvirnian Arenigian				
	(Ma) 251 302 323 417	(Ma) 251 Ochoan Guadalupian Leonardian Wofcampian Wofcampian Atokan Morrowan Atokan Morrowan Chesterian Meramecian Osagean Kinderhookian Frasnian Givetian Eifelian Emsian Pragian Lochkovian 417 Pridolian Ludlovian Wenlockian Llandoverian 443 Ashgillian	(Ma) 251 Ochoan Dewey Lake Rustler Salado Castile Lamar Bell Canyon Cherry Canyon Cherry Canyon Cherry Canyon Cutoff Leonardian Wofcampian Wofcampian Wofcamp Wofcampian Canyon Desmoinesian Atokan Atokan Atokan Morrowan Atokan Morrowan Strawn Atokan Morrowan Morrow 323 Chesterian Meramecian Osagean Kinderhookian Famennian Givetian Frasnian Givetian Pragian Lochkovian Ludlovian Uudlovian Wenlockian Llandoverian Ashgillian Sylvan Montoya		

Modified from Dutton et al., 2005

Whiting AOI Woodford Characteristics



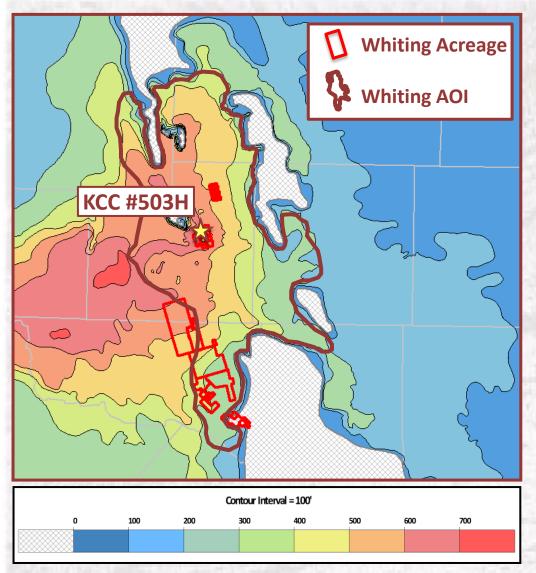
What we knew!

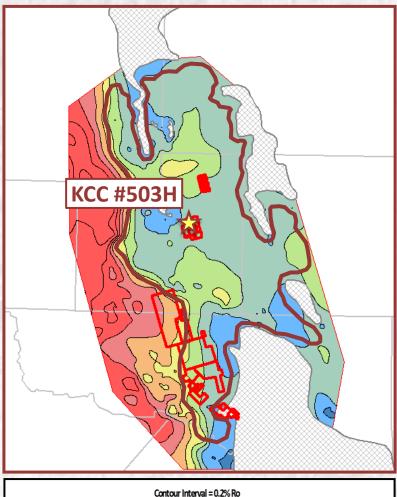
- > 500' thick
- > 5% TOC common up to 12% TOC or higher?
- Oil-prone type II kerogen
- ~0.6-0.8% R_o Onset of oil generation
- 8,000-9,000' vertical depth
- Existing vertical production in the area
 - Kermit Field 3 miles west
 - Bedford Field 20 miles north
 - Monahans Field 18 miles south

Whiting AOI Woodford Characteristics



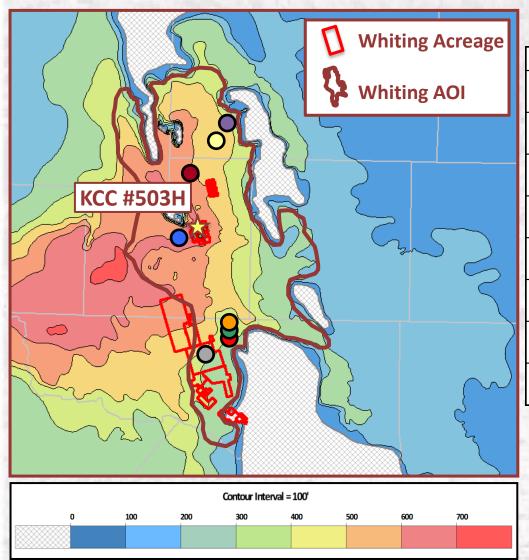
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Area Woodford Producers





	Well Name	EUR Oil	EUR Gas	EUR Wtr
0	University 12-32 #1 (5/08)	0	0	0
0	Ratliff & Bedford #13 (9/95)	27,000	47,000	18,500
	Rube Evans 2 #1H (7/07)	55,000	65,000	0
0	Campbell Estates A #1 (5/01)	6,279	17,288	0
0	H.S.A. 3010 (6/07)	913	2,081	4,881
0	Sealy Smith #10 (3/97)	5,877	104,880	3,076
0	Sealy Smith #59 (12/97)	6,856	125,219	4,041
•	Sealy Smith #83 (6/95)	1,482	35,589	10,796

Keystone S. Woodford Characteristics

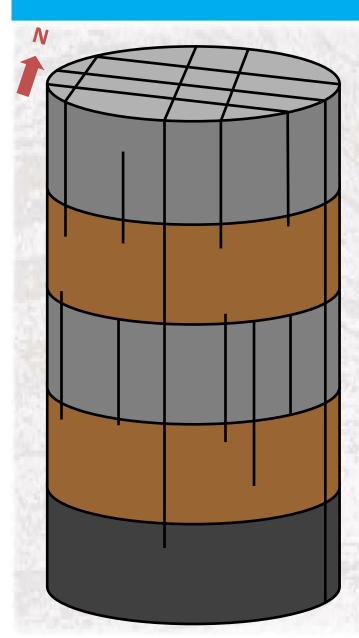


Early observations from core

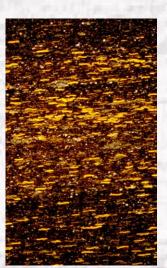
- Complex oil-stained fracture network
- Excellent TOC up to over 14%!
- Excellent source rock characteristics from RockEval
- Average 0.7% R_o low-level conversion

Fracture Network

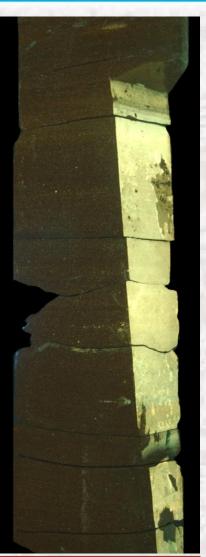




- E-W drilling induced fracture throughout core
- NW-SE through going fractures
- Bed-limited fractures with multiple orientations
- TOC/tasmanites mudstone
 - Quartzitic or dolomitic silt
 - Clay-rich mudstone





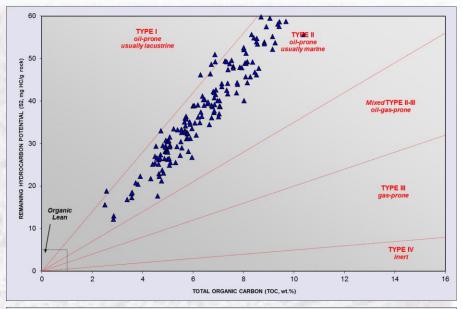


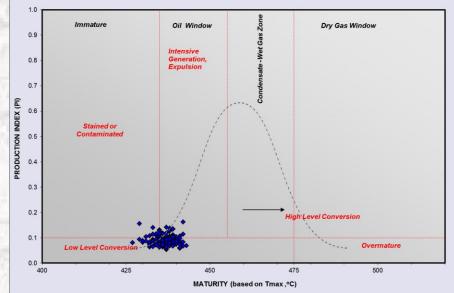
Left: 100x photomicrograph of tasmanites-rich mudstone; Middle: close-up view of partially cemented bed-limited fracture sets; Right: UV close-up showing partially cemented, oil-stained through going fracture in tasmanites and organic-rich interbeds.

Pyrolysis Data



Leco	RE			Tmax			ca/ca	S1/TOC	D.
TOC	S1	S2	S3	(°C)	Ξ	I OI	S2/S3	*100	PI
14.07	6.45	74.34	0.69	432	528	5	107.7	46	0.08
13.46	6.41	89.47	3.12	439	665	23	28.7	48	0.07
13.42	6.56	94.08	3.68	433	701	27	25.6	49	0.07
13.08	6.09	82.82	5.47	438	633	42	15.1	47	0.07
12.40	5.83	81.31	3.39	439	656	27	24.0	47	0.07
12.12	5.15	84.12	2.03	441	694	17	41.4	43	0.06
11.25	5.56	65.20	5.87	434	580	52	11.1	49	0.08
10.74	5.48	67.28	1.27	437	627	12	53.0	51	0.08
10.55	5.66	64.86	1.14	434	615	11	56.9	54	0.08
10.39	5.06	55.63	2.86	436	535	27	19.5	49	0.08
10.09	4.70	60.97	7.28	437	604	72	8.4	47	0.07
9.87	4.81	61.01	2.68	438	618	27	22.8	49	0.07
9.76	5.11	60.54	0.70	436	621	7	86.5	52	0.08
9.69	4.43	58.69	0.79	436	606	8	74.3	46	0.07
9.61	5.05	61.24	0.79	433	637	8	77.5	53	0.08
9.49	3.79	67.40	0.88	437	710	9	76.6	40	0.05
9.43	4.52	58.64	1.04	434	622	11	56.4	48	0.07
9.42	4.32	57.58	3.55	439	611	38	16.2	46	0.07
9.36	4.73	58.07	2.73	436	620	29	21.3	50	0.08
9.26	4.13	53.73	2.88	433	580	31	18.7	45	0.07
9.16	5.06	55.14	0.75	441	602	8	73.5	55	0.08
9.15	4.72	52.14	4.17	433	570	46	12.5	52	0.08
9.05	5.27	59.50	0.72	438	658	8	82.6	58	0.08

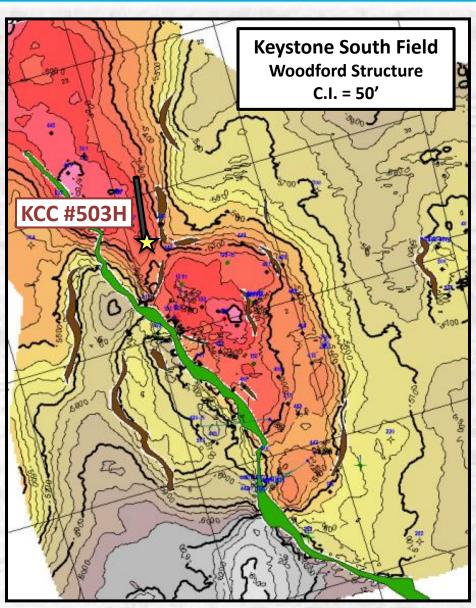




KCC #503 Lateral Design

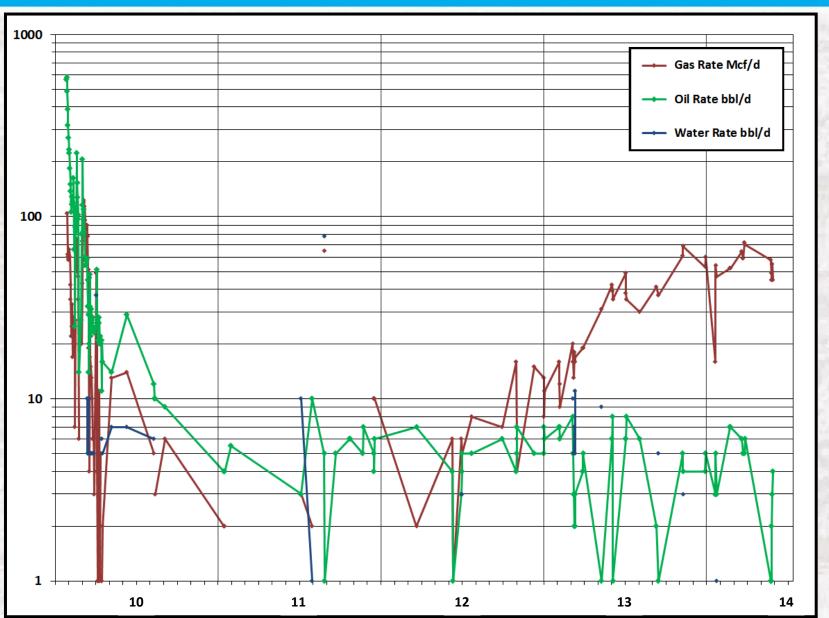


- Maximize fracture storage potential
 - Parallel to N-S fault trend
 - Perpendicular to Sh_{max}
- Test away from structural crest to prove larger play potential
- Target upper-middle Woodford
 - High TOC
 - Lower clay
 - Abundant fractures
 - Apparent clay-rich frac barrier in lower-middle Woodford to prevent growth into "wet" Devonian
- Drilled with oil-based mud to ensure hole quality and reduce clay-swelling
- Un-cemented sliding sleeves with swell-packers
 - 3,137' lateral length
 - 5 stages
 - 1,500 bbls/stage w/ diesel



Results





Results



- Seamless drilling of the lateral resulting in excellent hole quality
- Poor frac execution
 - 2 out of 5 stages screened out
 - Cautiously pumped stage 5 to avoid additional screen out
- Cumulative production = 7,800 BO & 28,000 MCF
 - Currently producing ~7 BOPD

Learnings



What we know now!

- R_o ~0.7% is too immature
- Normally pressured reservoir
- Fracture network alone is not enough storage
- 41 API product viscosity too high
- Unsure of the necessity of oil-based drilling mud
- Insufficient stimulated rock volume
- Unnecessary sliding-sleeve completion