Development of Glenrock Area Fields, Converse County, Wyoming*

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Abstract

In 1916, shallow Shannon Formation oil was discovered on an "oil claim" on University of Wyoming Land Grant acreage near Parkerton about 20 miles east of Casper. This discovery would become the huge Big Muddy Field, rivaling the Salt Creek Field in size and activity. Development soon included the Frontier 2nd Wall Creek, and Dakota Formations. Since then, the Glenrock fields have produced more than 140 MMBO. Revenues from Big Muddy State leases allowed University of Wyoming to survive the depression and construct several buildings at a time when their very existence was in doubt. Poor early-day production practices led to substantial waste. Conoco built the Glenrock refinery in 1925 to process crude from Big Muddy Field and other areas.

A deep test to the Madison Formation in 1935 found no significant shows below the Dakota. By 1943, the Big Muddy Field was essentially depleted after having produced about 30 MMBO. Dakota and Muddy Formation production was discovered in the South Glenrock fields around 1950, and water flooding began in the 1960s. Encouraged by a 1973 low-tension pilot test at Big Muddy, Conoco and DOE teamed up for an unsuccessful Frontier surfactant flood in the 1980s.

In 2007, Rancher Energy purchased the Big Muddy, South Glenrock, and South Cole Creek fields for CO₂ tertiary recovery. Nitec LLC estimated that CO₂ flooding could potentially recover in excess of 10,000 b/d each from South Glenrock and Big Muddy fields. Rancher acquired a take-or-pay CO₂ contract and conducted pipeline and facility FEED studies. In 2009 Rancher attempted to join forces with Elk Petroleum, whom they saw as being likely to get a better CO₂ contract.

In 2011, Queensland-based Linc Energy purchased the fields from a reorganized Rancher, which was recovering from a hostile takeover. Best known for its underground coal gasification (UCG) technology, Linc hoped to conduct miscible floods using waste CO₂ from their UCG projects in the Powder River Basin. Linc acquired an interruptible CO₂ contract from Exxon, built a line tap, and planned to truck CO₂ from Jeffrey City to Glenrock. Linc planned CO₂ injection rates of up to 30 MMCFD after completion of the CO₂ injection infrastructure. In 2011, Linc unsuccessfully attempted a Dakota CO₂ cycling (huff-n-puff) project in South Glenrock B using 500 tons of CO₂.

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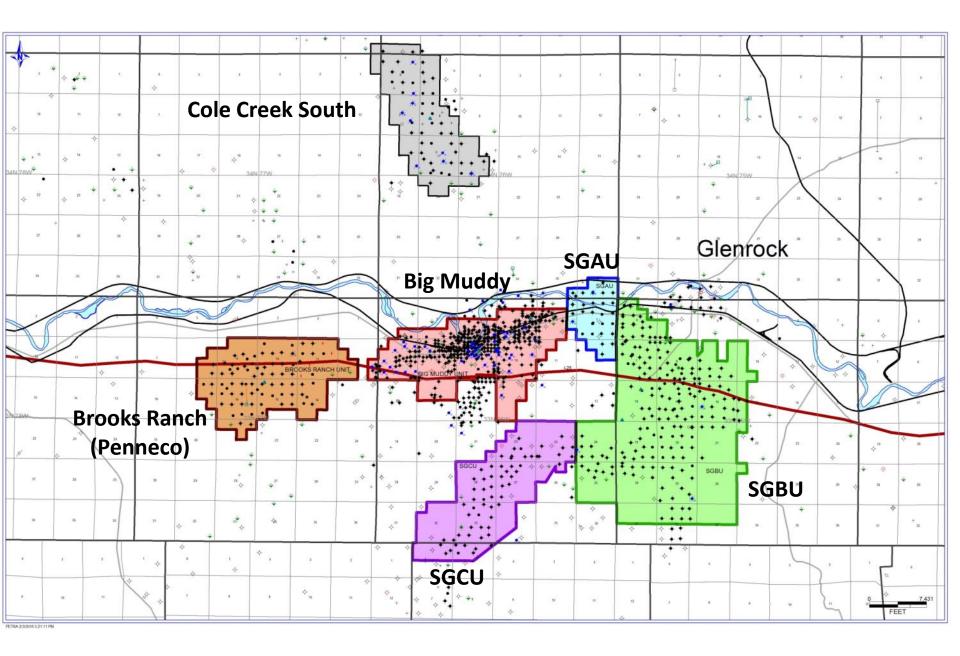
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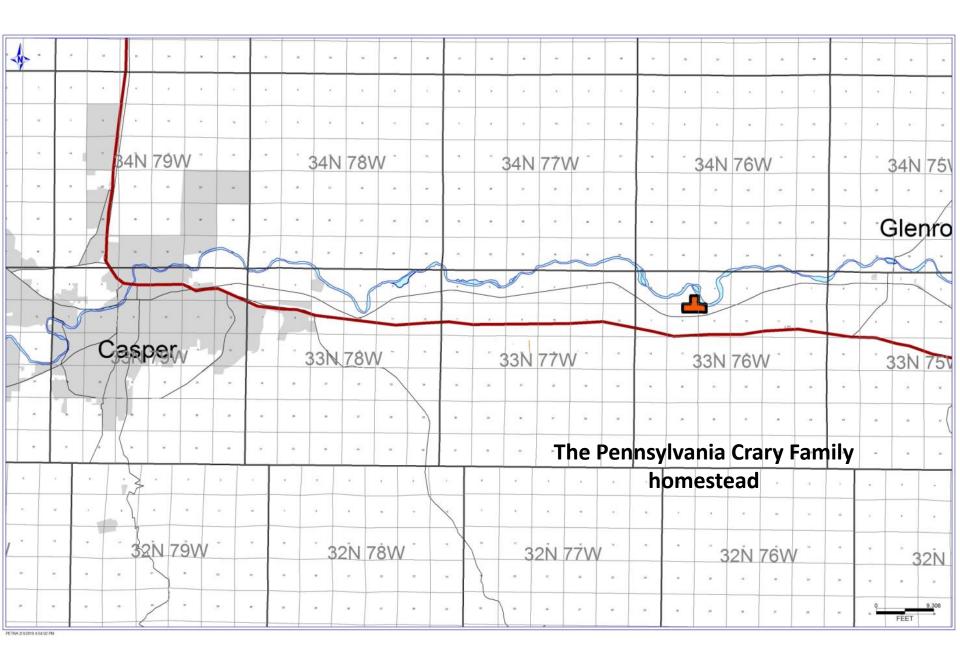
Linc subsequently sold all of the Glenrock properties to Glenrock Energy. In 2016 Glenrock Energy began focusing on re-development and optimizing depleted reservoirs. A large high-resolution 3-D seismic acquisition program has been completed. To date, there is no public information available on the company's re-development plans or results of the 3-D seismic program.

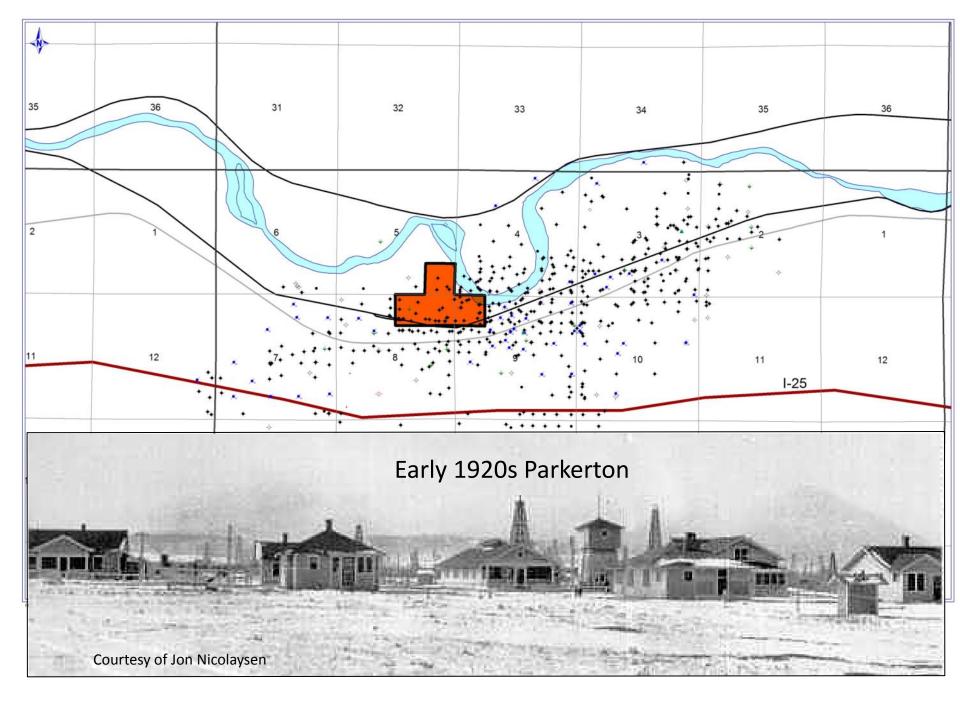
In 2019, Southwestern Production LLC is securing State and Federal approval for the Barron Flats (Shannon) Unit north of Glenrock. The secondary unit will use a miscible natural gas flood in existing vertical Shannon wells originally drilled within the Barron Flats (Deep) Unit.

Development of Glenrock Area Fields, Converse Co., WY









BIG MUDDY AREA EARLY DEVELOPMENT

1916: Shannon oil discovered, 600 FT, 26 BOPD,

1917: Frontier oil discovered, 3100 FT, 128 BOPD,

1919: Peak Shannon-Frontier production at 3.6 MMBOPY,

1922: Dakota-Lakota oil discovered,

1923: Conoco builds the Glenrock Refinery,

1935: Deep test to Madison (6597 TD) found no shows below Dakota,

1943: Comingled Shannon and Frontier were pressure depleted,

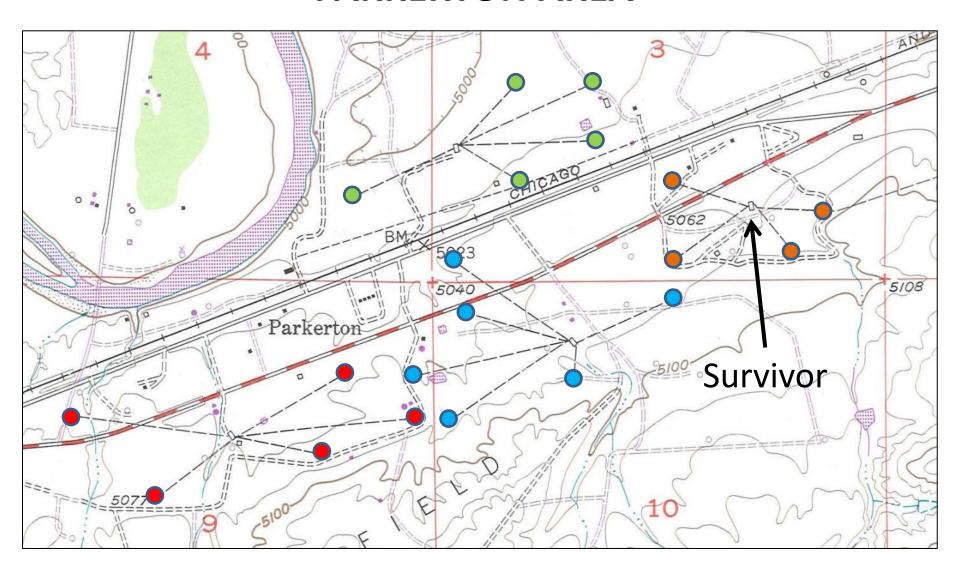
development focused on Dakota,

1949: Cum production from all zones was 29.3 MMBO,

1953: Active water flood program began.

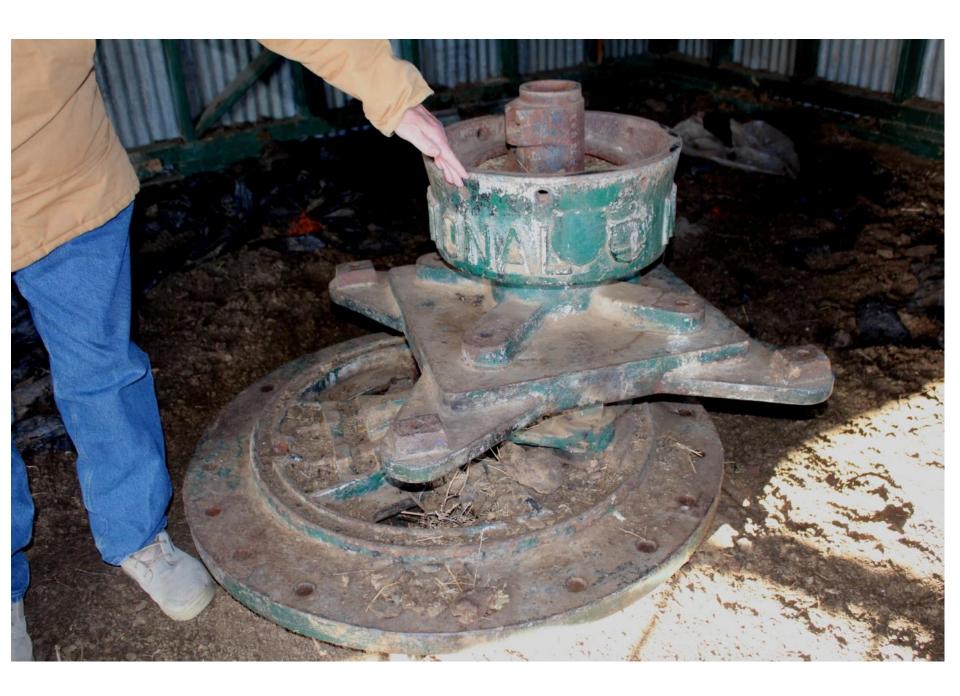


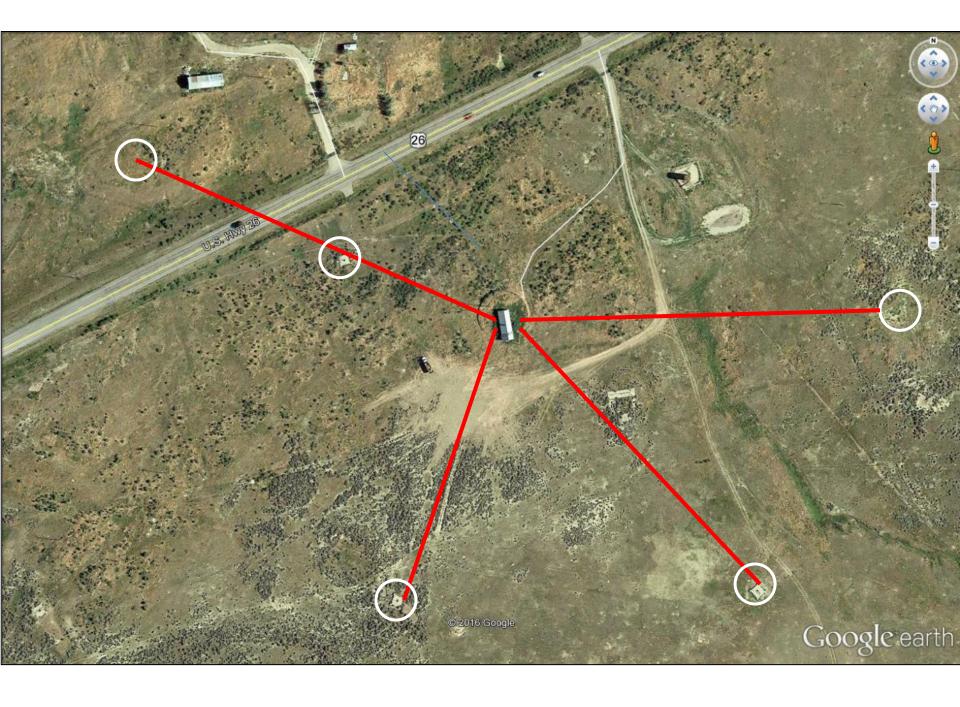
CENTRAL POWER UNIT ARRAYS PARKERTON AREA





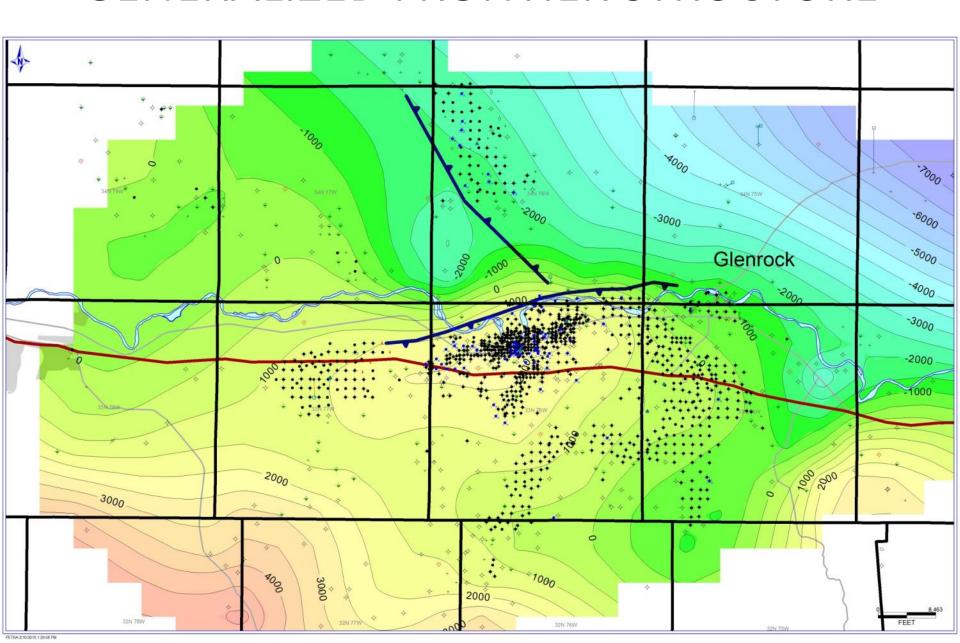








GENERALIZED FRONTIER STRUCTURE

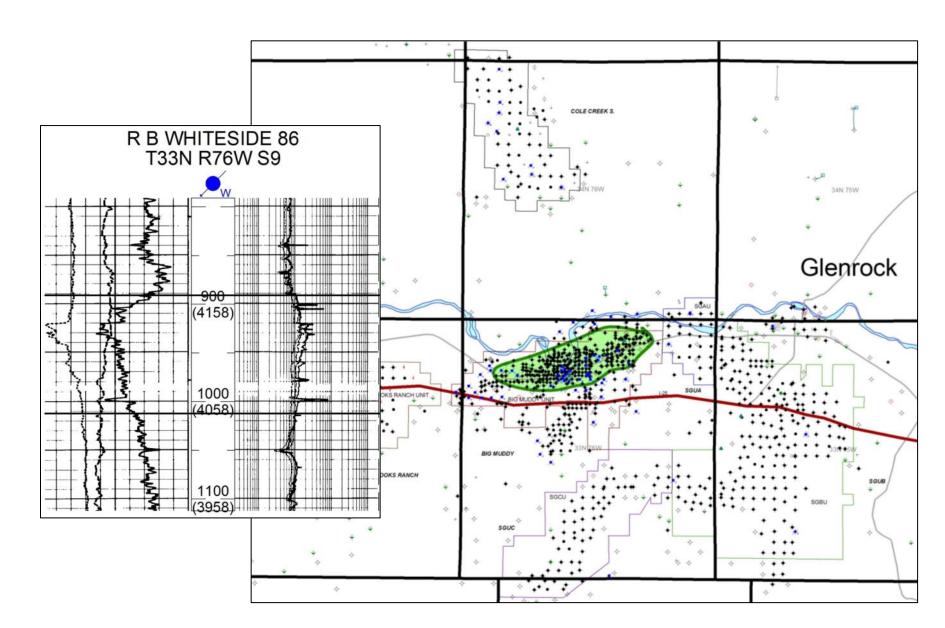


PRODUCING ZONES

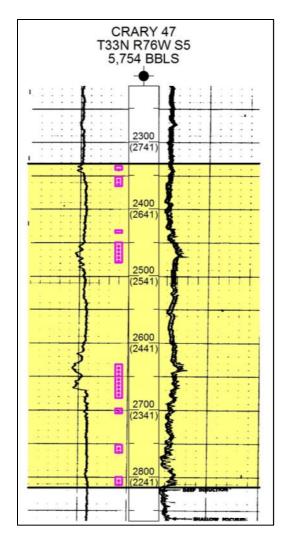
- Shannon
- Niobrara
- Frontier
- Upper Muddy
- Lower muddy
- Dakota

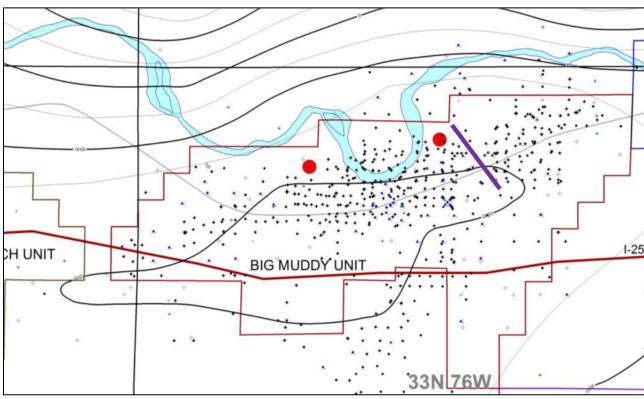


SHANNON

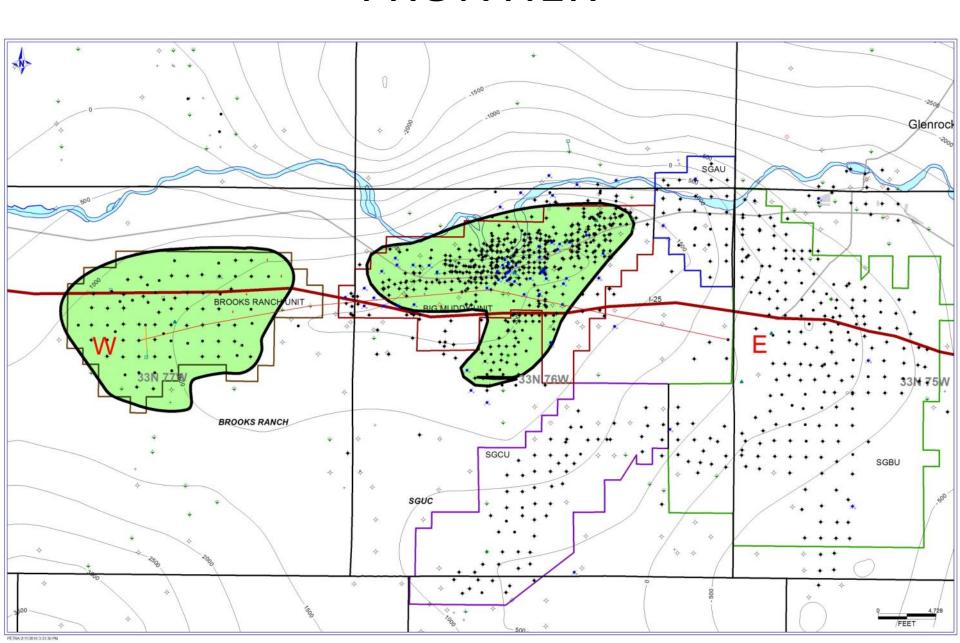


NIOBRARA

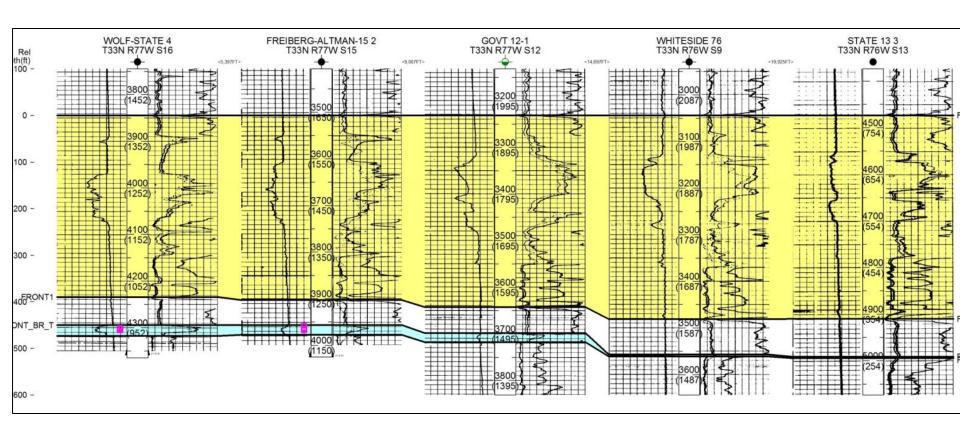




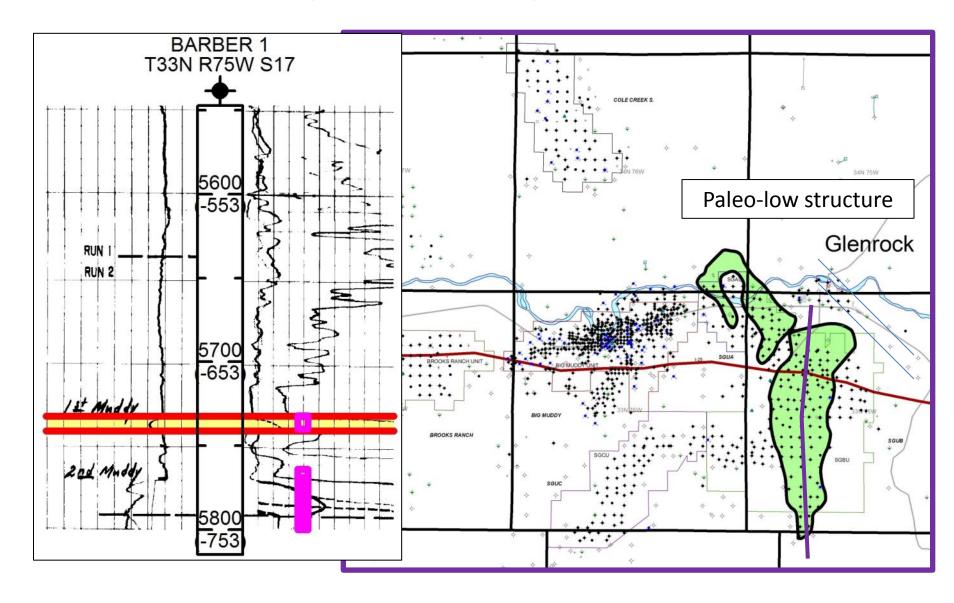
FRONTIER



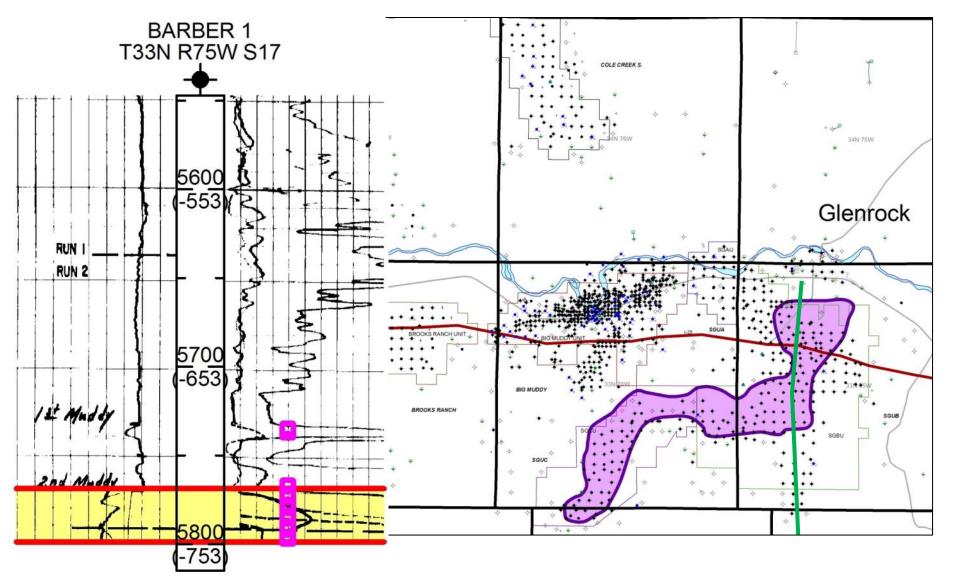
FRONTIER



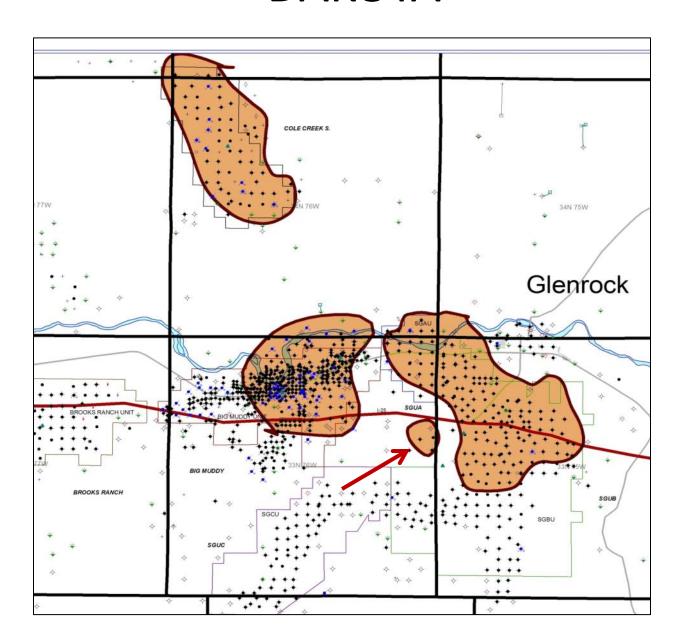
UPPER MUDDY



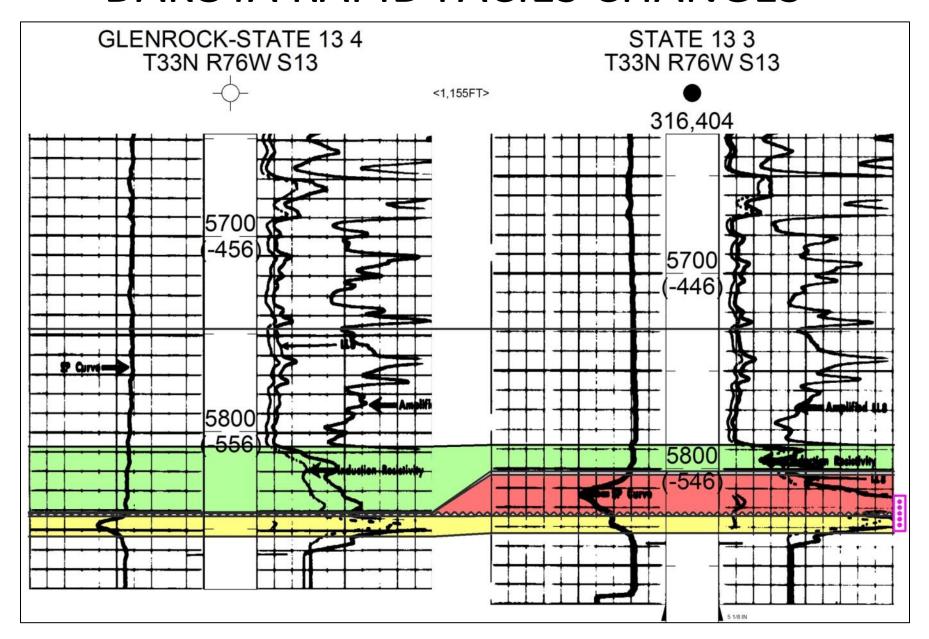
LOWER MUDDY



DAKOTA



DAKOTA RAPID FACIES CHANGES



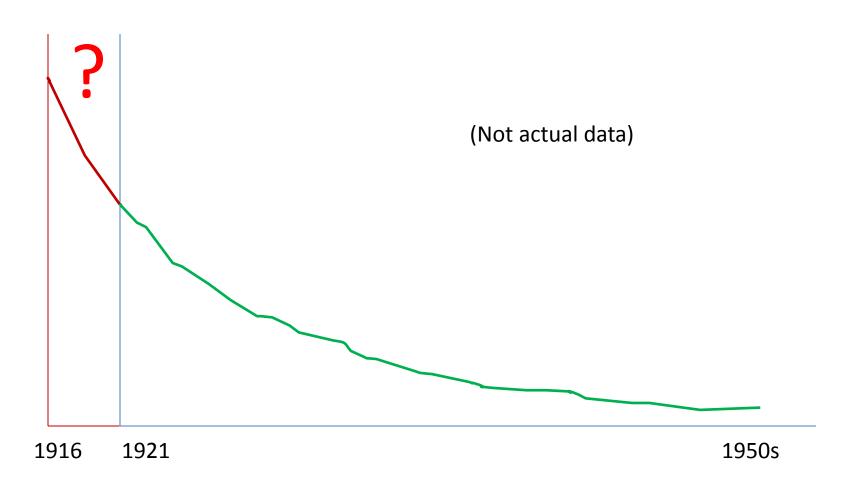
EOR IN THE GLENROCK FIELDS



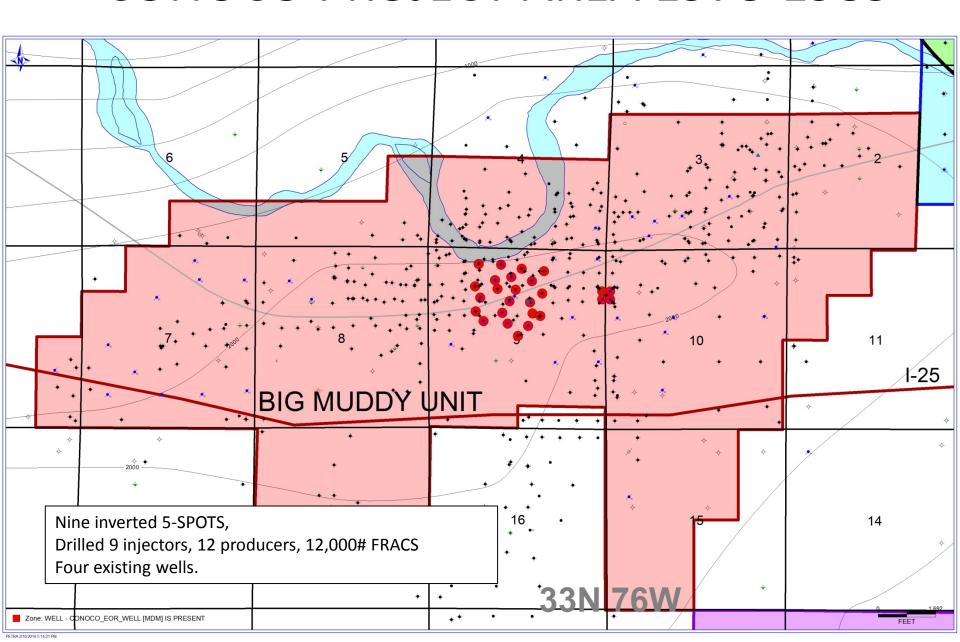
- Poor reporting,
- Comingled production,
- Poor early development (lease basis),
- Poorly engineered water flood,
- No data prior to 1921,
- Catastrophic fire destroyed most records.

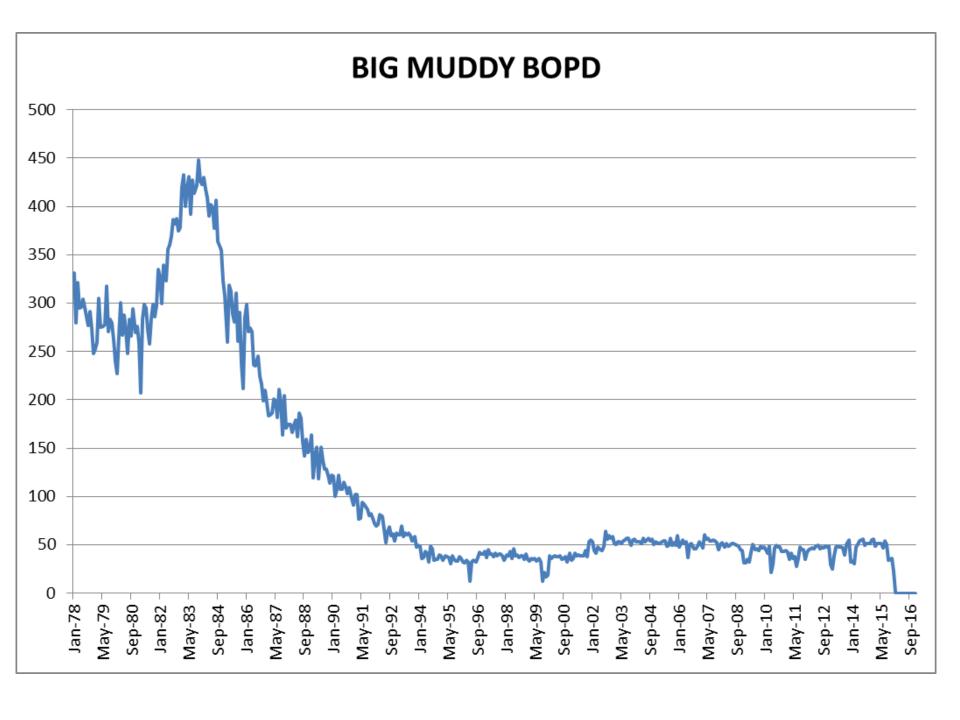
1921 1950s

EOR IN THE GLENROCK FIELDS



CONOCO PROJECT AREA 1978-1985



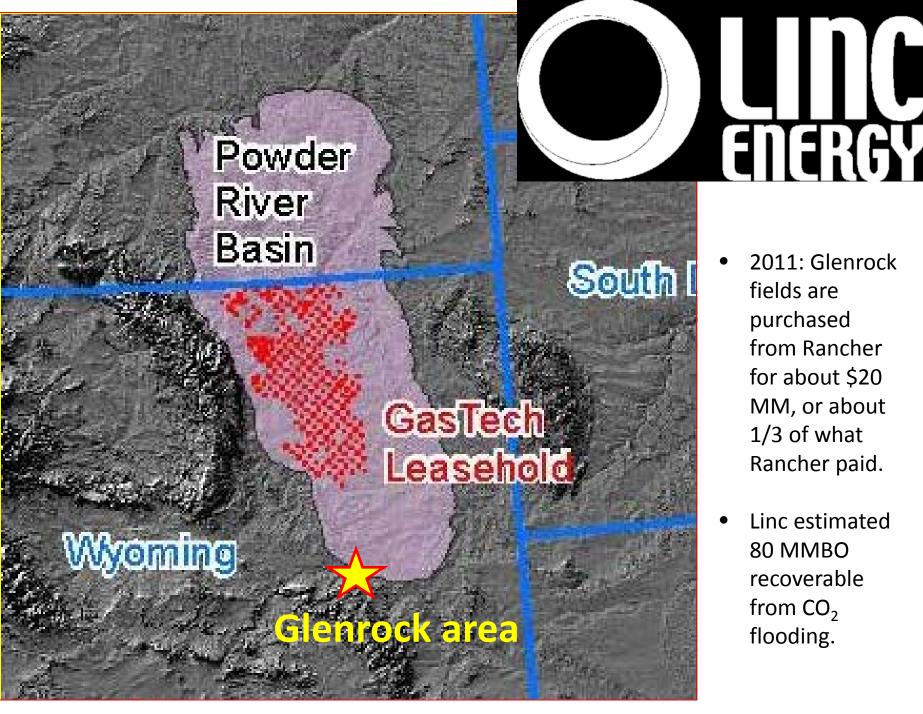




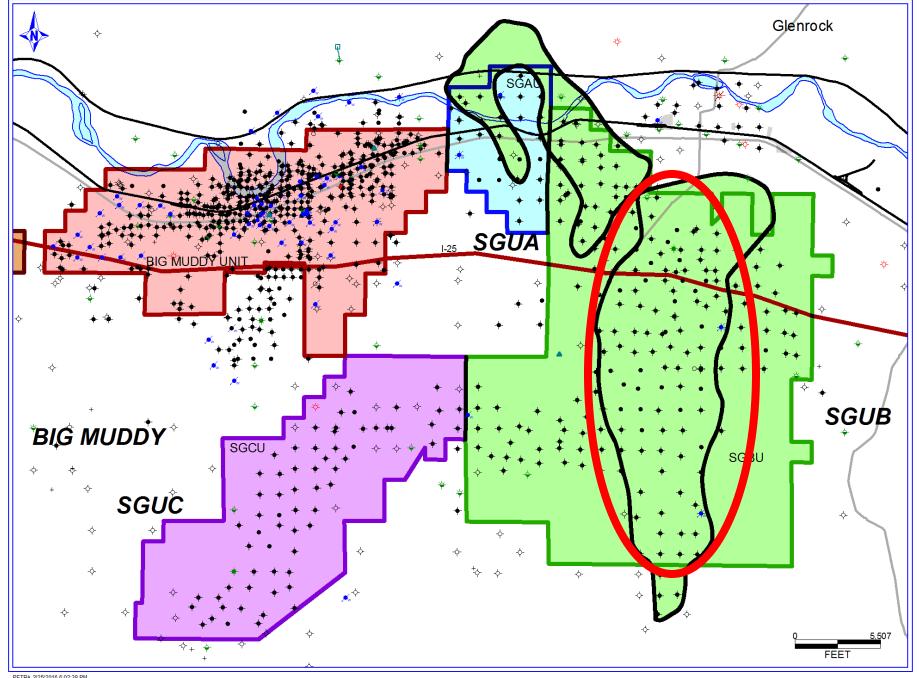
- Peak oil rate did not match predictive models,
- Chemical went far out of the pattern and into other formations,
- Conoco investment: \$30 MM,
- DOE investment: \$9.5 MM.

RANCHER CO₂

- 2006: Rancher Energy Corp. acquires the Big Muddy field. South Glenrock and Cole Creek fields are later acquired,
- 2007: Rancher enters into an onerous "take-or-pay" contract with Anadarko, allowing 25-40 MMCFD CO₂ delivered at Salt Creek,
- 2008: Rancher signs a CO₂ agreement with Exxon allowing 70 MMCFD for 10 years with a second ten year option,
- An investor group headed by Jon Nicolaysen conducts a hostile takeover of Rancher,
- Nicolaysen leads the company through bankruptcy and settles all debts.



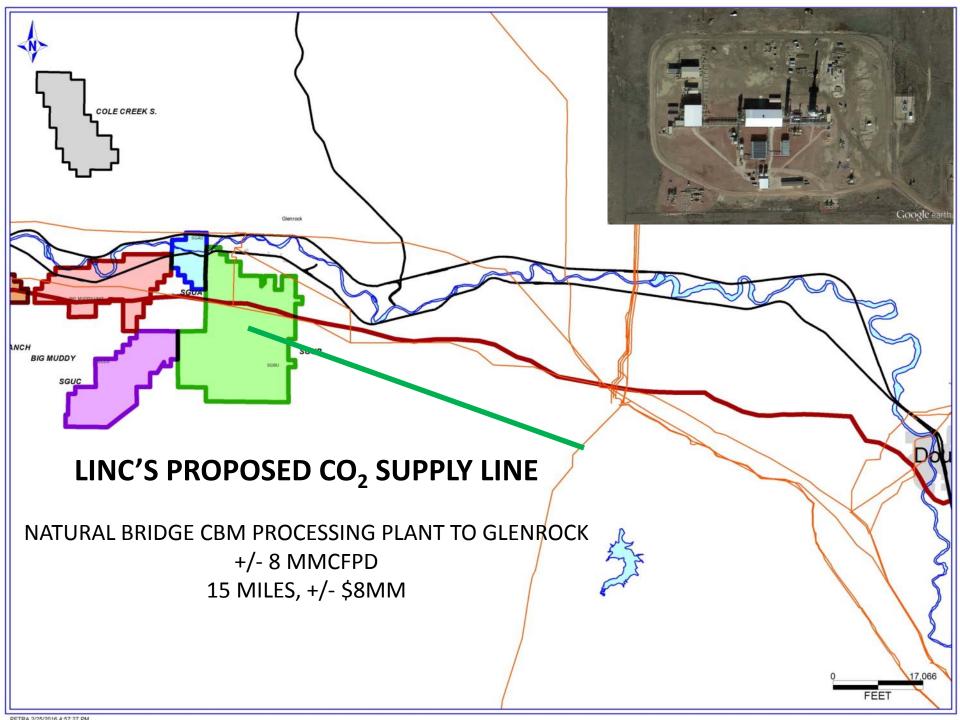
- 2011: Glenrock fields are purchased from Rancher for about \$20 MM, or about 1/3 of what Rancher paid.
- Linc estimated 80 MMBO recoverable from CO₂ flooding.

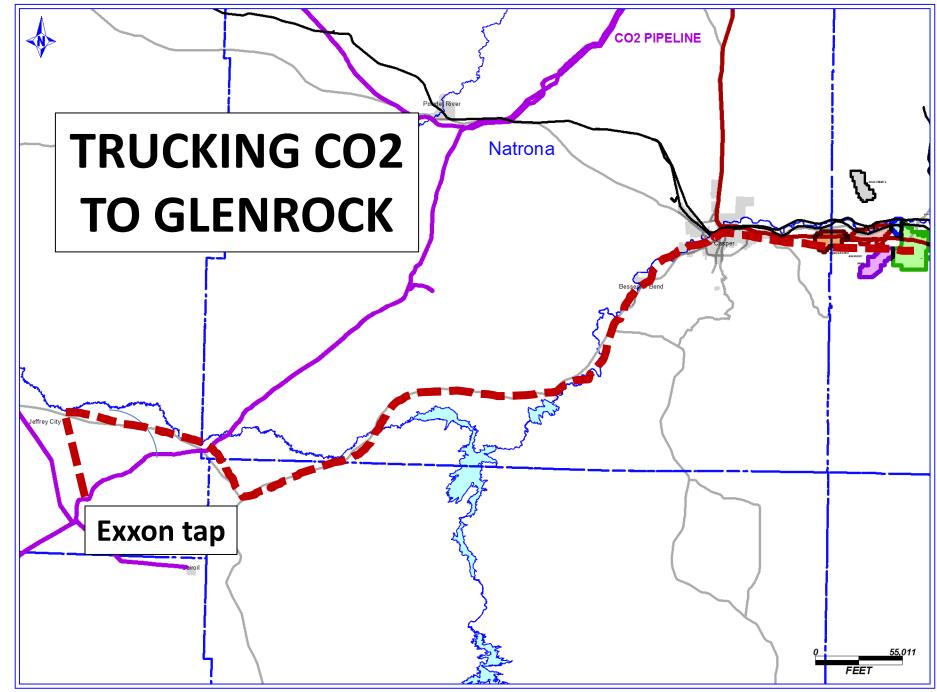


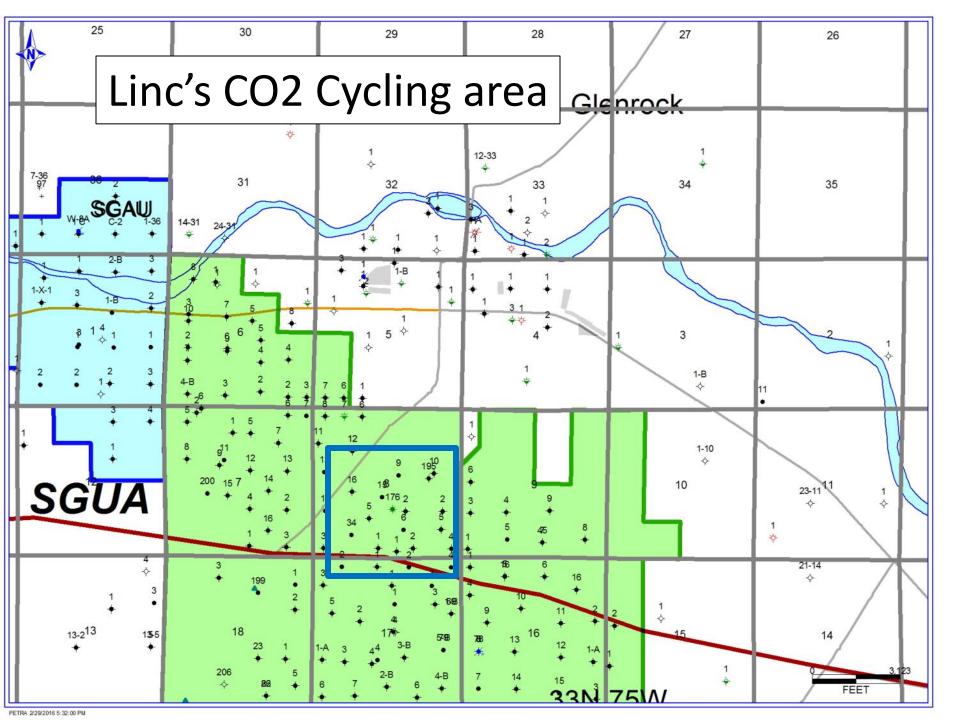
CO2 INJECTION 28 **INJECTORS** 31

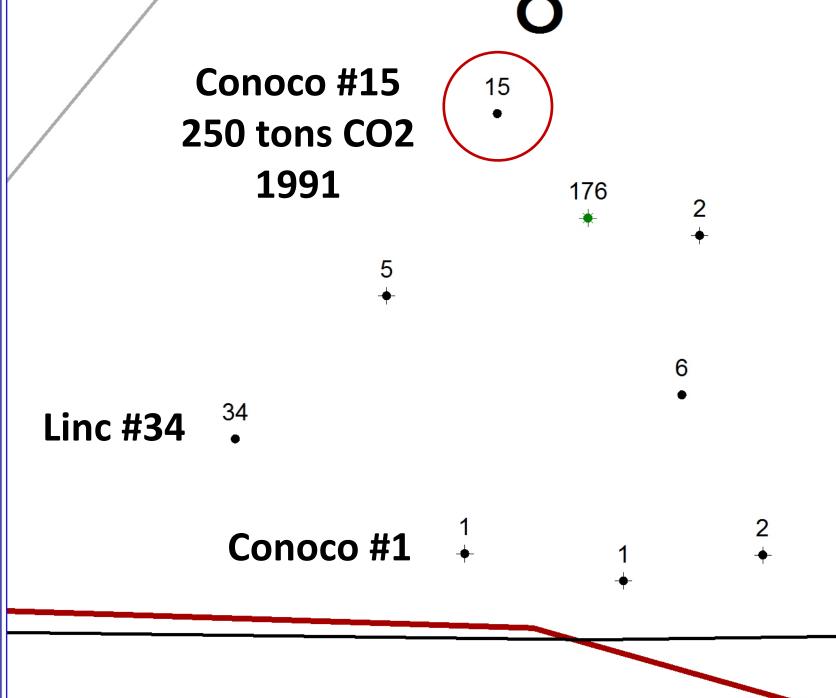
UPPER MUDDY DEVELOPMENT

- Thin sandstone of uniform quality would yield fast response.
- Comingled and probably underdeveloped

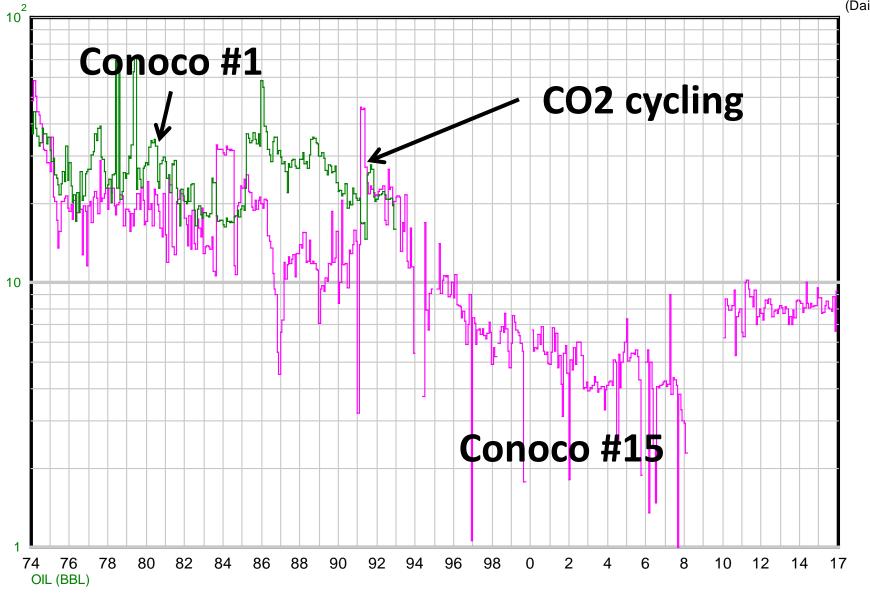




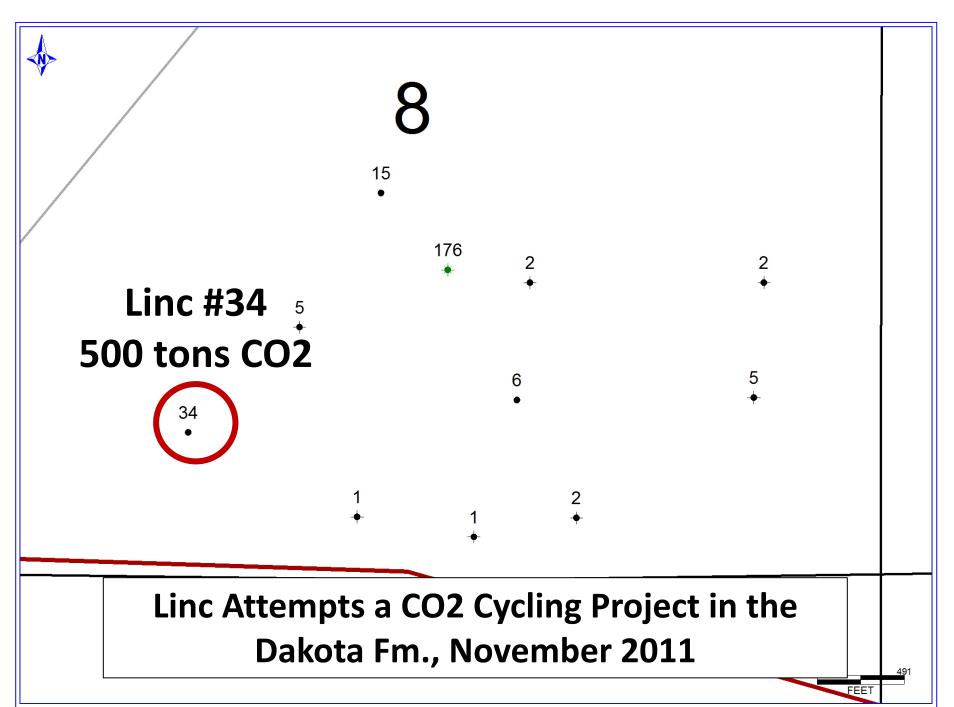








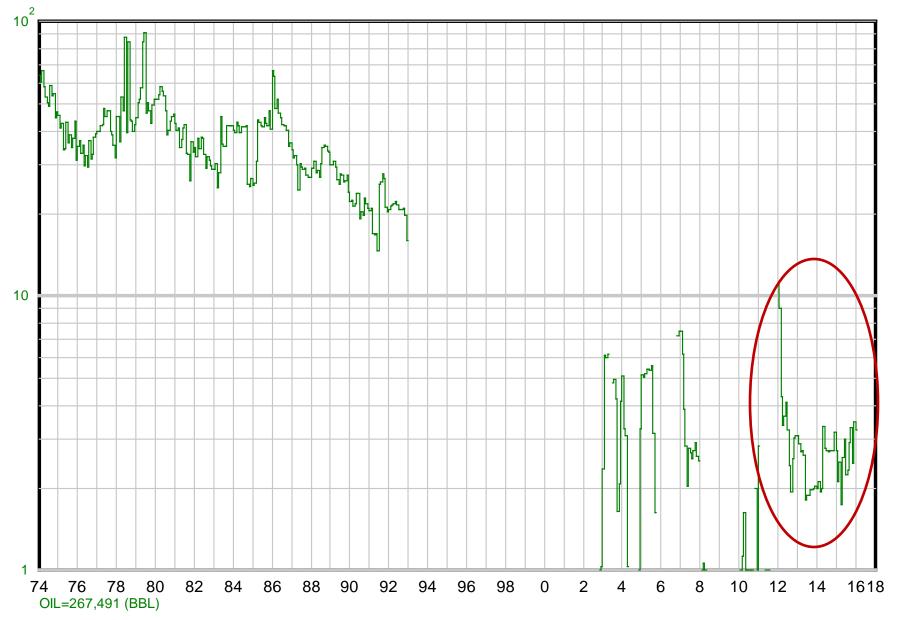
An incremental 12 MBO were reportedly produced

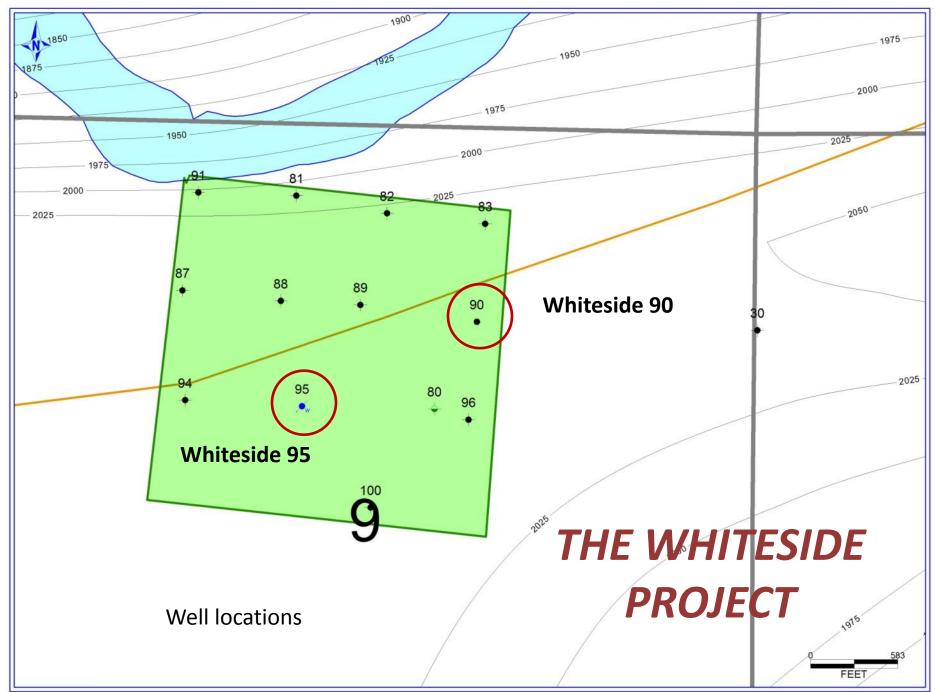


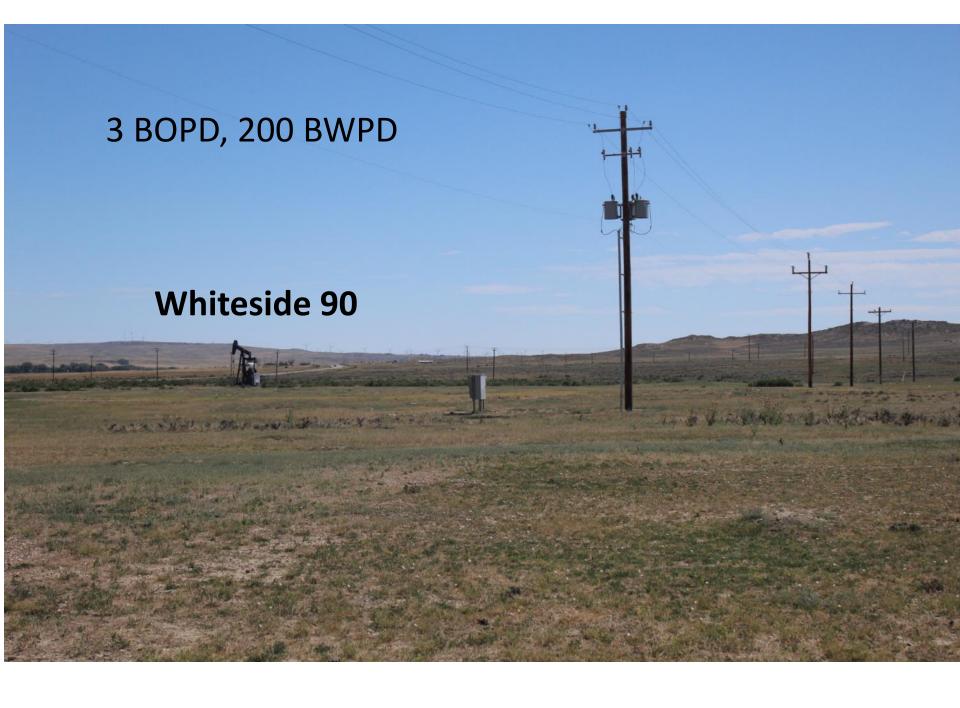
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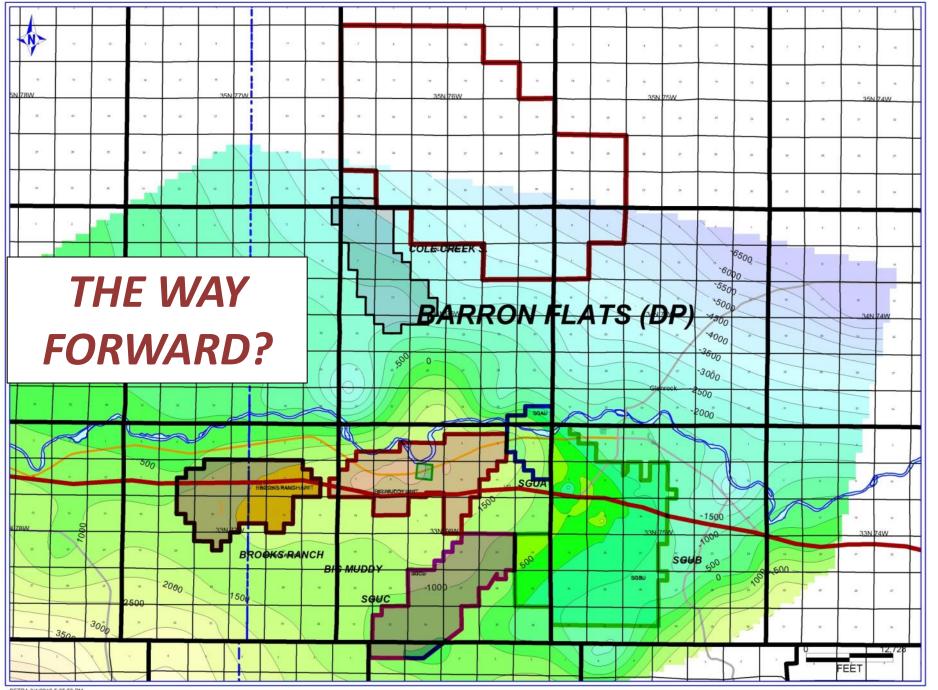


- 500 tons liquid CO2
- Soak period 21 days,
- 10 BOPD, immediately goes to 3-4 BOPD,









THANKS FOR YOUR HELP

Jim Nations Darren Rodgers Mike Hawks Mike Borah Steve Morzenti John Wold Margie Nauda Sandy Blackburn Mick Lehner

Jon Nicolaysen Walt Merschat John Scherlin Elk Petroleum Brian Deurloo Frank Ingham Steve Delger Dale Valentine John Bettridge

QUESTIONS?

CONTINENTAL OIL CO.

WYOMING



DISTRICT

BIG MUD

FIELD

Courtesy of Jon Nicolaysen