

Coalbed Methane: Smaller Operations and Economic Analysis Can Improve Potential Profit

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Coalbed-methane (CBM) exploration is a high density, high intensity endeavor which must have extensive cost containment to insure economic success. Conventional oil and gas drilling and production mentality must be revamped to simplify and, in some cases, be down-engineered to achieve optimized results. Streamlined activities must begin with sizing ingress and drilling footprint and the use of efficient drilling methods.

Only basic logs are run and cementing procedures are designed that provide adequate results and may be accomplished by smaller, low-cost independent service companies. Stimulation programs are designed to achieve maximum recovery and lowest cost. Small, independent service companies can be trained and equipped to provide excellent fracs at much lower costs than the big three.

Project sizing is important. A critical mass must be achieved for both operational and economic purposes. The endeavor must be large enough to support self-operated service equipment such as pulling units and produced water disposal. Timely data capture is essential to evaluate costs, results and to quickly identify well problems and put wells back to maximum production on a timely manner.

Economic analysis is ultimately important to ascertain what type of well to drill (horizontal or vertical) in order to optimize financial goals.