



The Design and Application of a Polymer EOR Trial on Barrow Island

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Agenda

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- Barrow Island Introduction
- Reservoir Challenges and Pattern Selection Criteria
- Screening EOR Methods
- In-Depth Flow Diversion (IFD) Process
- Operation
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- Results to Date
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- Summary

Project Scope

What are we doing?

Studying the applicability of Chemical EOR technology and conducting a trial on selected patterns within BWI Windalia reservoir

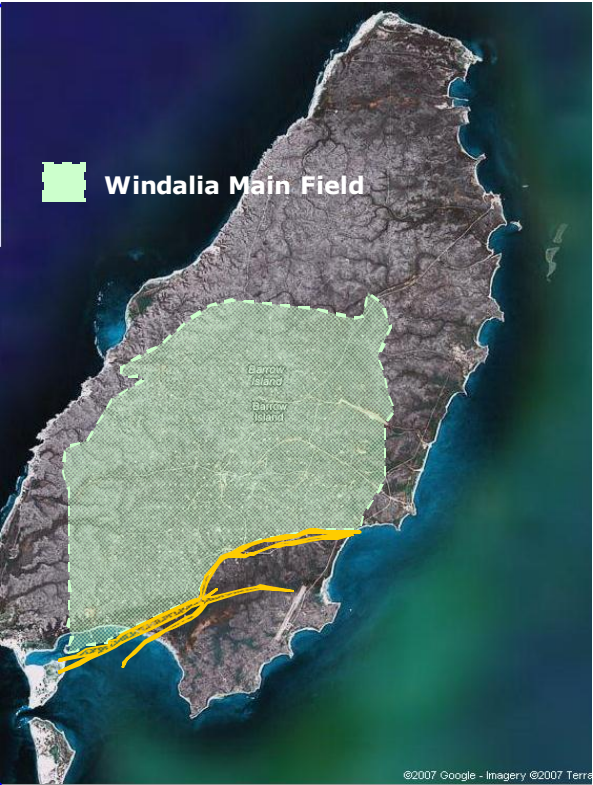
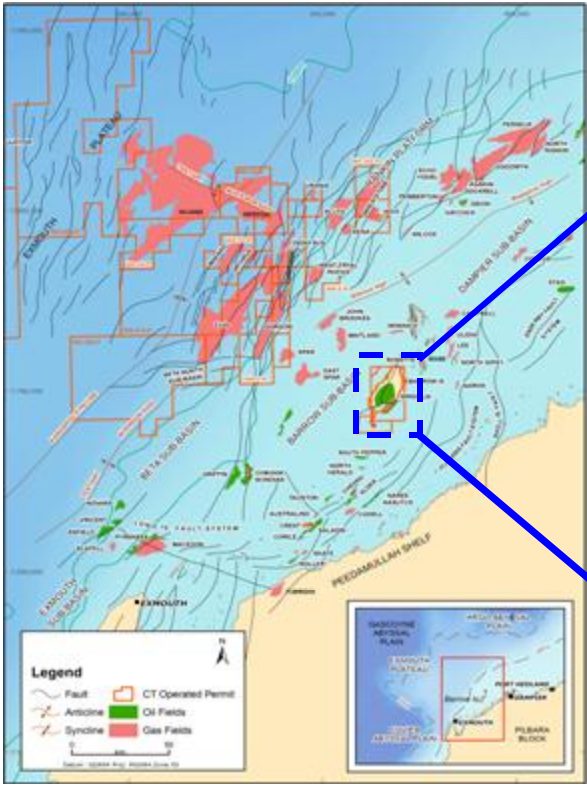
Why are we doing it?

To determine whether incremental oil resources may be commercially recovered using EOR techniques, and future broader application to increase ultimate recovery beyond current estimates



Barrow Island Introduction

- Located 56 km off NW Coast of WA
- Class "A" Nature Reserve
- L1H Permit currently 2nd (L1H R2) renewal phase expires 2030
- Chevron (4/7) operates BWI on behalf of Santos (2/7) and ExxonMobil (1/7)





Barrow Island Introduction

- Australia's biggest onshore oilfield with over 1 billion STB
- Primary producing reservoir - Windalia sandstone
- Currently under secondary recovery - 147 waterflood patterns
- 43 years production history - 469 producers , 231 injectors
- High porosity, low permeability - average 23% and 5 mD
- Light and sweet oil - 36° API and 0.65 cP
- Average depth ~600 meters
- Temperature 65°C



Reservoir Challenges

- Large waterflood patterns (10 MMbbl at 20 acre well spacing)
- Injection above the formation fracture gradient
- Permeability contrast – 5 mD average, with higher 20-150 mD streaks exhibiting water cycling
- Complex mineralogy - high in glauconite with layered facies and carbonate cemented streaks
- Formation water salinity (30,000 ppm of TDS) and hardness (1,000 ppm of Ca+Mg)

Pattern Selection Criteria

- Water cycling
 - Considerable volumes of unswept oil remaining
- Continuity of pattern injection
 - Uninterrupted injection for baseline (historical VRR > 1)
- Ring fenced waterflood infrastructure for volume control



Screening EOR Methods

- Miscible injection (hydrocarbon, nitrogen or CO₂) not feasible due to reservoir depth (shallowness)
- Thermal methods (combustion, steam flooding) not applicable because of low viscosity crude
- Only feasible approach - chemical flooding
- Low reservoir permeability pushing the envelope (applied and proven for >10 md)



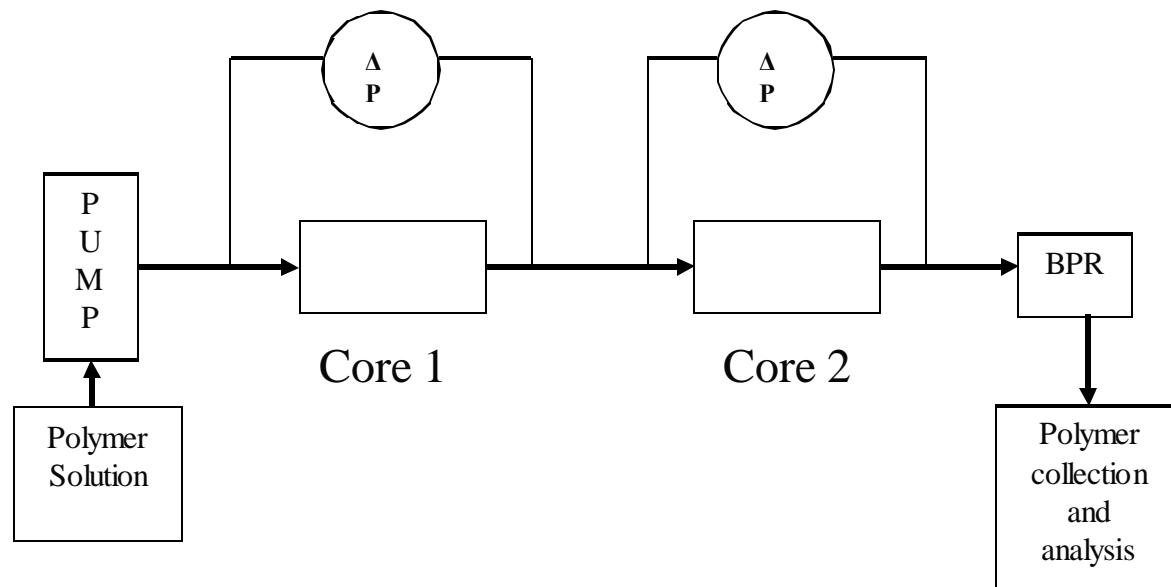
Screening EOR Methods

	Oil Properties		Reservoir Characteristics	
	Viscosity	Composition	Avg Perm	Depth (ft)
Windalia Reservoir Properties	0.65 cp	No organic acids	4-5 mD	~2000 ft
Gas Injection Methods/Miscible				
Hydrocarbon	<3	High % of C2-C7	N.C.	>4000
Nitrogen (& Flue Gas)	<0.4	High % of C1-C7	N.C.	>6000
CO₂	<10	High % of C5-C12	N.C.	>2500
Chemical Flooding				
Micellar/-Polymer; Alkaline/-Polymer (ASP); and Alkaline Flooding	<35	Light Intermediate. <i>Some organic acids for Alkaline floods (surfactant required)</i>	>10mD	<9000
Polymer	<150	Not Critical	>10mD (as low as 3 mD in some cases)	<9000
Thermal				
Combustion	<5000	Some asphaltic components	>50	<11,500
Steam flooding	<200,000	Not Critical	>200	<4500

Reference: SPE 12069 (1983) & SPE 35385 (1996) (Taber, J.J., Martin, F.D., Seright, R.S.) and SPE Textbook Vol.6 (Henry Doherty series) EOR, 1998

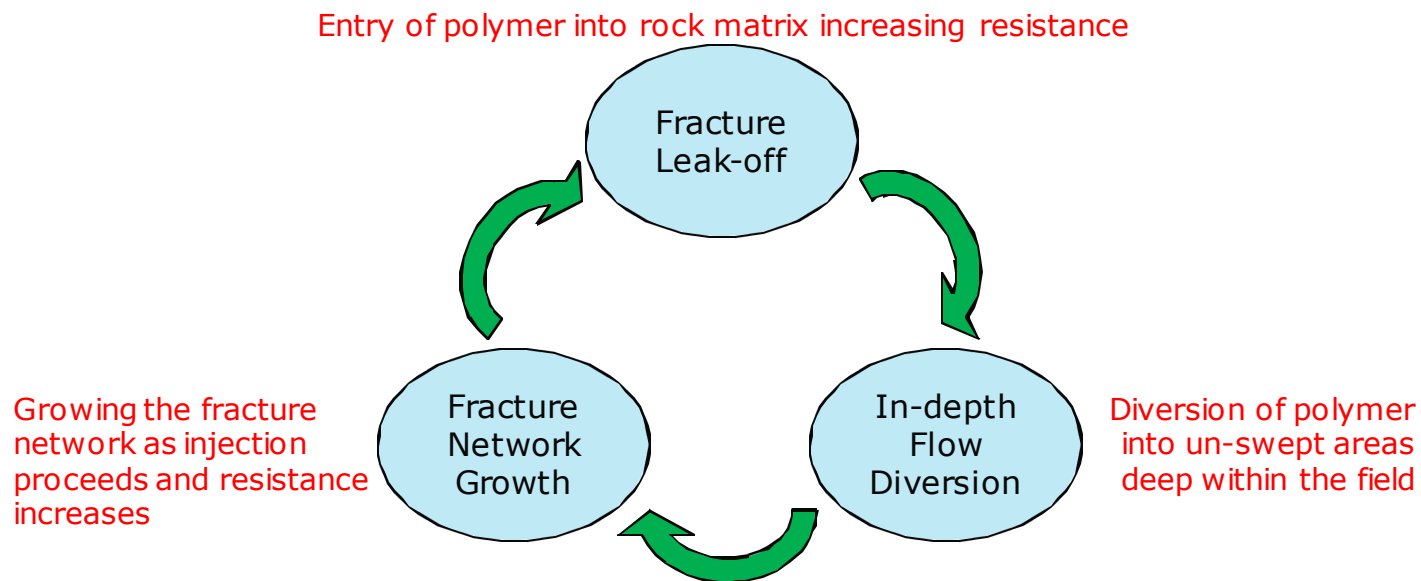
Polymer Selection – Corefloods

- Low permeability of Windalia is a critical issue due to the possible impact of the polymer on well injectivity
- Engaged specialist EOR vendor (+40 years experience)
- Coreflood experiments conducted with multiple polymers at different concentrations to test for blockage and propagation of polymer through core stages
- Low molecular weight polymer selected at conservative concentration to mitigate against blockage issues



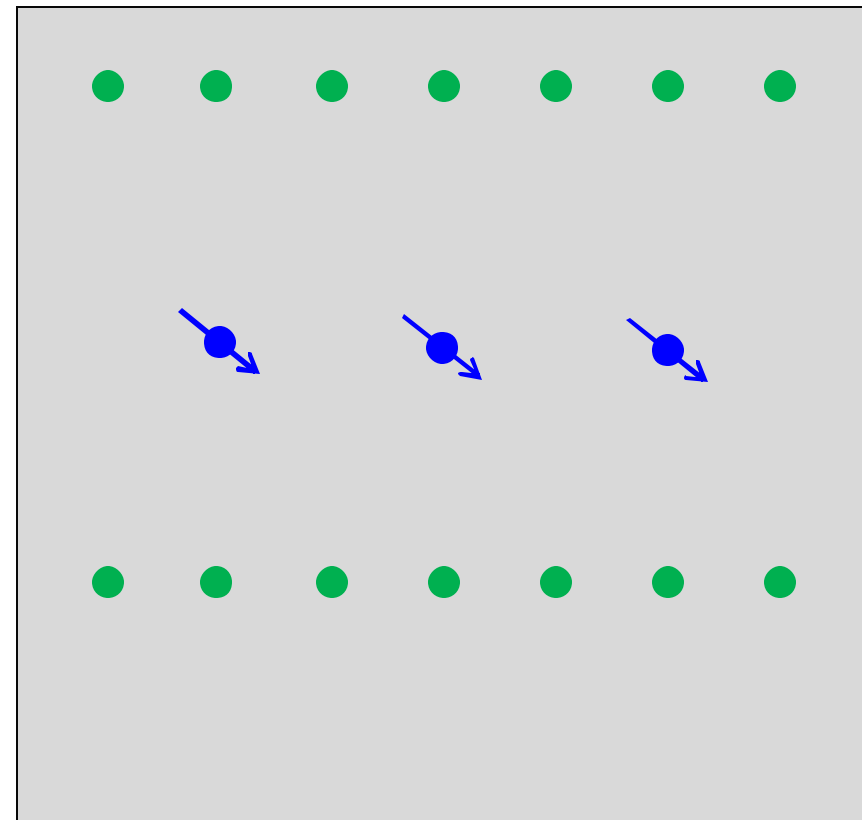
In-Depth Flow Diversion (IFD) Process

- Polymer adsorbs to rock grains coating fracture walls increasing resistance to flow
- Higher resistance causes pressure to increase, initiating fracture growth
- New un-swept oil zones are accessed by growing fracture network
- Post polymer injection, injected water continues to be diverted to un-swept zones



Operation

- Equipment installed and operations commenced mid May 2009
- Low molecular weight polymer (500 ppm) is injected into pilot pattern injectors (3) for 2–3 years
- 14 offset producers are being monitored
- A back-up pattern has also been identified (contingency)



● Producer
●↓ Injector



Surveillance and Monitoring

Well Testing

- Detect & quantify incremental oil uplift in the range of 2 to 50 bopd
- 14 producers tested every month

Sampling and Lab Analysis

- Measure polymer concentration at each injector (**avg 412 ppm**) and detect breakthrough at the producers (**none to date**)
- 17 wells sampled every week

Pressure Monitoring

- Measure increase in resistance to flow and fracture growth behaviour at injectors
- Pressure Fall Off surveys acquired prior to start-up and on annual basis
- Pressure Build Up surveys acquired to update simulation model

Results to Date

- The pilot is operating incident and injury free (IIF)
- All project metrics achieved (except reliability)

<u>PTD Scorecard</u>			
	Target	Actual	
Days Away from Work	0	0	●
Total Recordable Incidents	0	0	●
Recordable Spills (bbl/MMbbl)	< 1.07	0	●
Surveillance & Monitoring*	> 90%	96.0%	●
Water Injection Rate (bwipd)	1890 - 2554	2174	●
EOR Installation Uptime	> 95%	77.5%	●
Producers Uptime	95.2%	95.6%	●
Injectors Uptime	95.2%	100%	●
Production Uplift (bopd)	0	0	●
OPEX (\$MM)	1.460	1.330	●

* Surveillance compliance calculated as the sum of all monthly activities

- Unit reliability poor (23% down time) mainly due to foreign sourced equipment and spares availability
- Reliability lookback conducted Dec-09. Identified major issues and actions required to improve uptime during 2010



Achievements

Current

- Polymer can be injected into Windalia reservoir
- Well head injection pressure has increased as a result of increased resistance to flow
- No early polymer breakthrough detected at pilot producers (14)
- Surveillance and monitoring compliance

Future

- Achieve high installation reliability during 2010
- Quantify fracture growth at injectors (PFO analysis)
- Detect and quantify reduction in water-oil ratio and subsequent increase in oil production



Summary

- Chemical EOR technology being trialed on Barrow Island (Windalia reservoir)
- Low reservoir permeability, induced injection fractures and water cycling are key parameters in EOR method selected
- Coreflood experiments used to select polymer type and concentration to mitigate negative risks to reservoir
- In-depth flow diversion (IFD) is the proposed methodology
- Low molecular weight polymer (500 ppm) injected continuously for 2-3 years
- Surveillance and monitoring compliant and remains a focus area
- An exponential decline baseline chosen to quantify oil uplift
- Building on current safety performance and maintaining IIF operations continue to be key focus items



Thank You

**See you next year with
“EOR Part II – The
Results”**

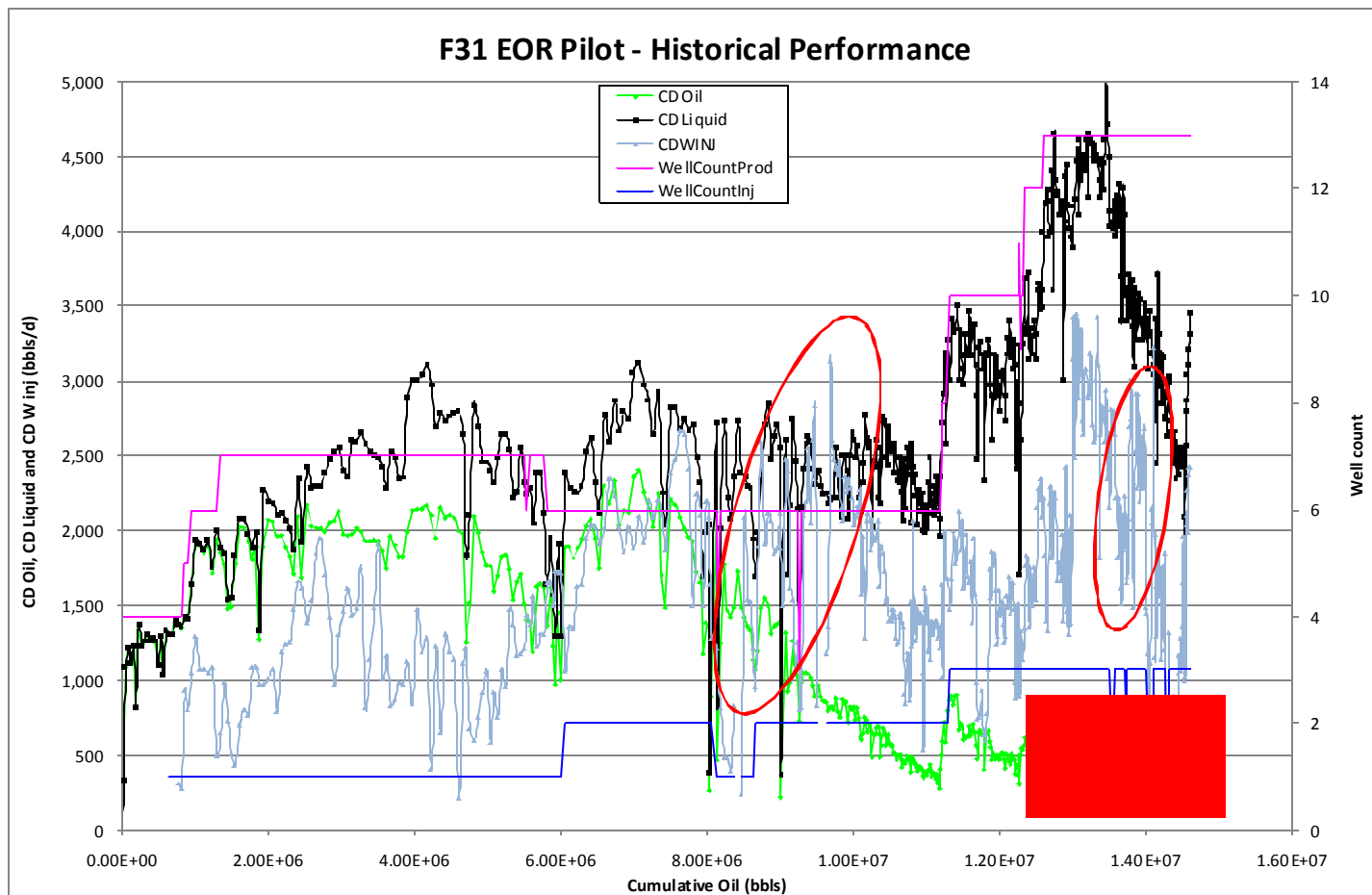
Questions



Back Up Slides

Historical Performance

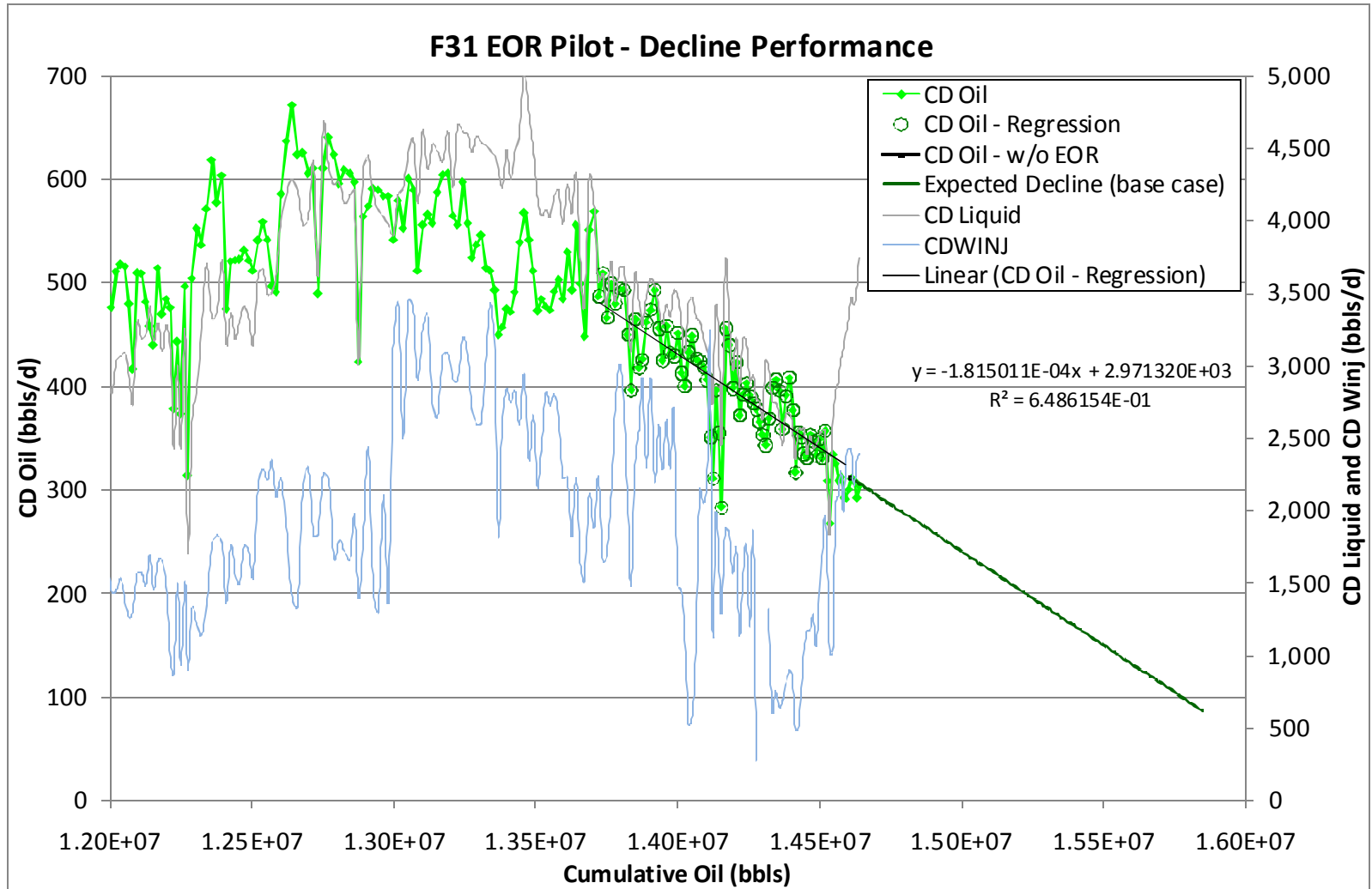
- The F31 pattern was identified because it exhibits severe water cycling and had relatively uninterrupted injection (VRR > 1)
- A period where 13 offset wells were online was chosen





Baseline Production

- Exponential decline fitted during 2003-09 corresponds to an average decline rate of 6.6% p.a. Decline extrapolated from 31-Oct-09





Expected Oil Production Uplift

- First response expected mid 2010, peak incremental in Q4- 2011, and total incremental oil of 116 Mstb by 2021

