

Challenges in implementation of chemical EOR in Norway

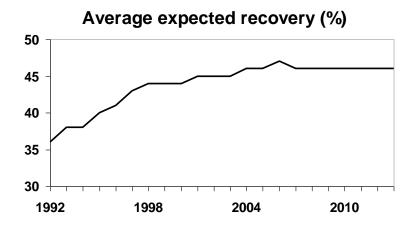
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Overview

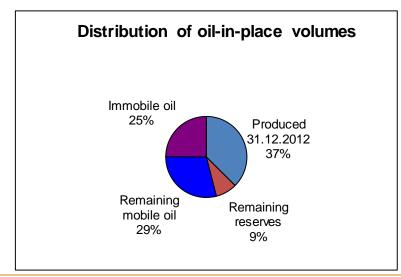
- □ Remaining oil in NCS
- □ EOR technologies
- □ EOR in Norway
- □ Challenges EOR offshore
- □ Conclusion



High recovery factor in Norwegian Continental Shelf



Slow development in the last 10 years.

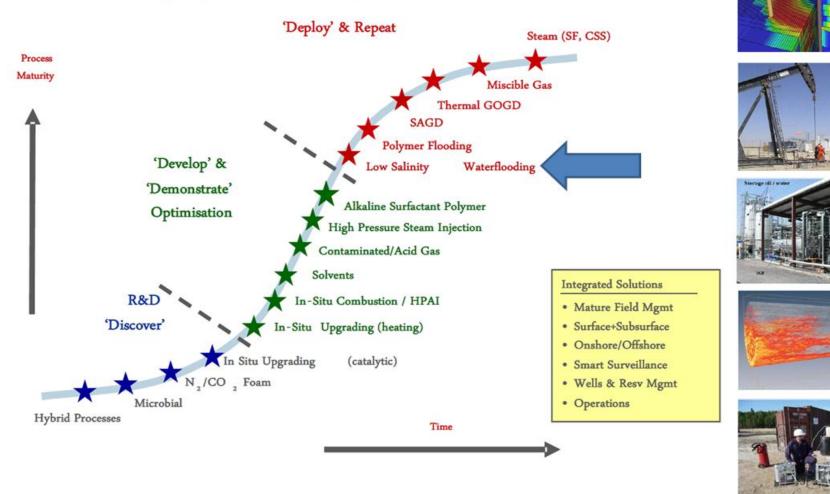


Close to 15 billion barrels of immobile and 17 billion barrels of mobile oil remains in producing fields.



Enhanced Oil Recovery Technologies

The increase of ultimate recovery through injection of steam, chemicals or gas to more effectively displace the oil bringing RFs to the 50-70% range.

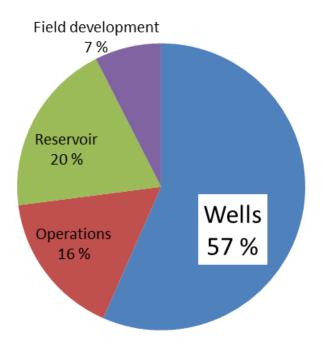


From Shell EOR Academy, May, 2012



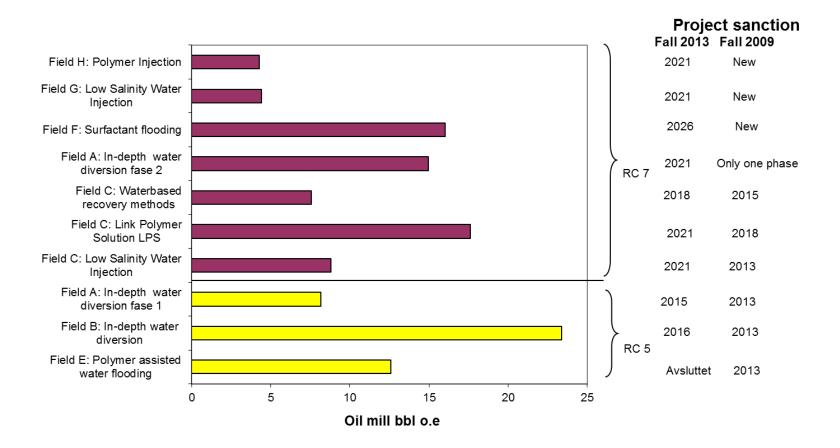
More wells, the main driver to achieve the reserves ambition for oil

Split of reserves ambition 2020





EOR NCS – Status 2013 Limited progress on full field implementation



- In all EOR-projects DG3 has been postponed with 2-3 years since fall 2009.
- One field reported a EOR volume of 2 MSm³ in RNB2010, but the project is now terminated.



Challenges in offshore EOR

- Placement and number of wells
- Installation limitations
- Stakeholder alignment
- HSE requirements
- Remaining oil distribution
- Simulation technology

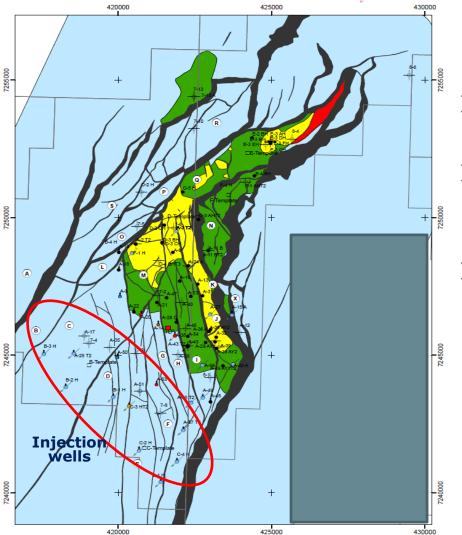








Placement and number of wells



- Injection wells far into the aquifer
- Long distance between injection and production wells
- Number of injection and production wells are limited



Installation limitations

- Modifications challenging
- Expensive retrofitting



Clair Ridge, operator BP, LSWI

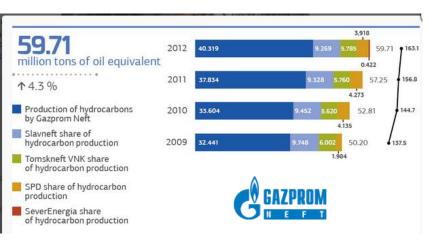
Incremental cost of LSWI: 120 MUSD For: 25000 Sm³ 700 m² footprint 1000 tonns

On field A in Norway a 15000 Sm³ LS plant costs 300 MUSD



Stakeholder alignment

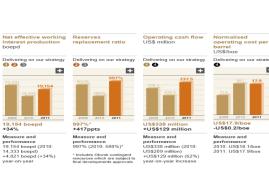
- > KPI's are about short term oil production (`oil on deck!')
- Partners have different drivers



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Patient's best for the Barrels per Hour for Platform 1 47 best per 19	Patient - Ind Salar Shows online status of the well	Shows Nagatha Levels for the KPI 19.96
		- Indexed

How we measure our progress

We measure our progress through five KPIs that are closely aligned with delivering our strategy.





- Production growth
- Organic reserves growth
 Pursue materially accretive acquisitions
- Operational efficiency and financial discipline
 Corporate responsibility

Total Recordable Injury Rate and Lost Time Injury Frequency



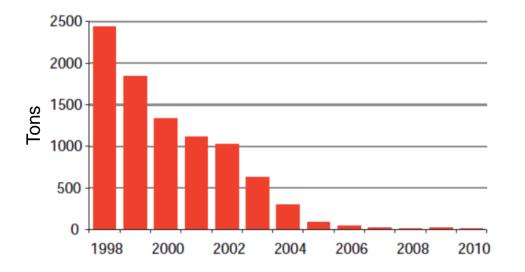




HSE requirements challenging

Norwegian authorities require no discharge of any environmentally harmful liquid into the sea

Discharge of chemical additives reduced by 99% on the NCS over the past 10 years



- Silicate is not harmful
- Bright Water is expected to remain in the reservoir
- Polymers are non toxic and non bioaccumulating but they have low biodegradability
- Injection of **Polymers** and **LPS** will need reinjection with high regularity

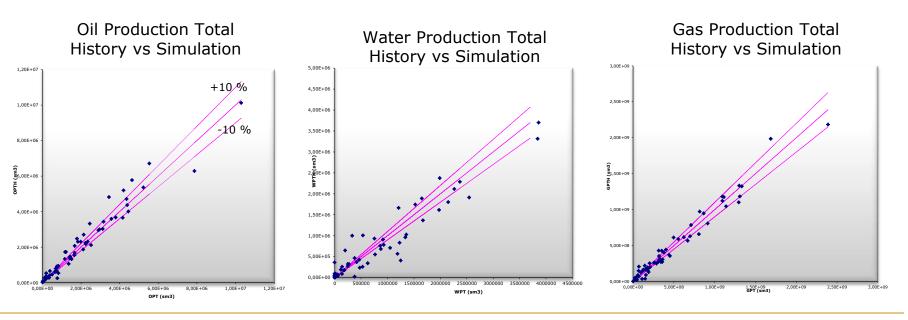


Remaining oil distribution

It is difficult to know where the remaining oil is.

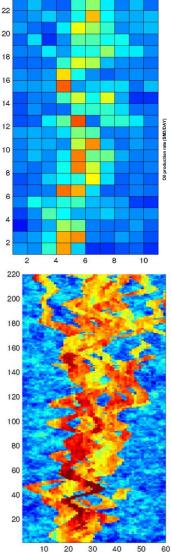
- Data acquisition challenging (Commingled wells, Subsea templates etc.)
 - Expensive, fewer data points
 - More uncertain basis

➢ History matching of mature fields has proven to be a challenge

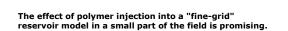




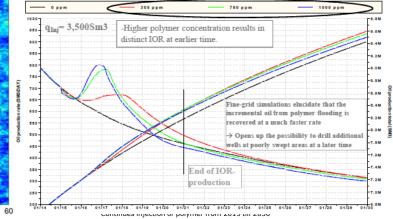
Resolution of simulation grids



..., but the effect almost disappears when is simulated in a full field model used in the business case. 300 000 700 000 1000 000 0 ppm 1000 q_{Inj}= 3,500Sm3 Lack of a distinct 'IOR-bump' \rightarrow Corresponds to observations on fullfield model 850 800 700 8.6M 8.4M 600 8.2M 550 Polymer 8. O M 500 7 8 M 450 Water 350 300 250 200+ 01/19 01/20 01/21 01/22 01/23 01/24 01/25 01/26 01/27 01/28 01/29 01/36 8M



Continues injection of polymer from 2015 till 2030

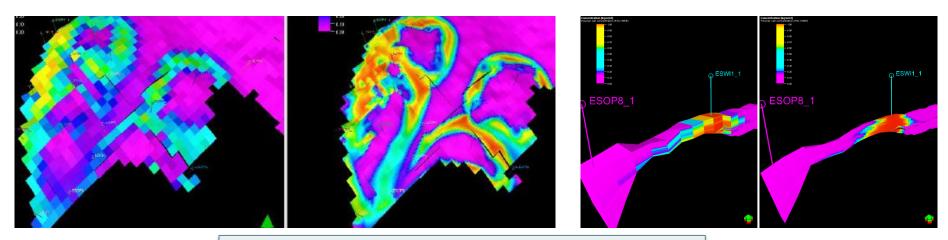


- To demonstrate a business opportunity through reservoir simulation a high resolution model is required.
- Need a detailed simulation grid to take best account of:
 - Incremental rate bump
 - Water front arrival time
 - Well level effects



Challenges of full field simulation with current simulators

- Run times of > 1 week for desired resolution
- Parallel or Multiple Realization runs or LGRs won't help!
- Sector model or coarse model FFM?
- Risk of decision delay or decision based on "simplified problem study"

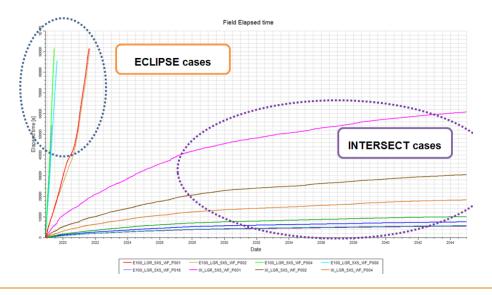


Polymer concentration in coarse grid vs. fine grid



Are we ready to deploy the next generation of simulation tools?

- Eclipse came 30 years ago and is still a tool of choice for conventional models!
- Eclipse solution algorithms are not designed to exploit today's increased computing capacity.
- most of the development potential and increased speed potential are already realized.
- Next generation simulation tools, enabling simulations with much greater resolution in significantly less time.
- With new simulators an increased number of sensitivities could be investigated with improved quality => quantified uncertainty in business case





Conclusion

Implementation of EOR is challenging for mature fields offshore.

What about Green fields?

Some of the EOR has been designed for late life time of the field

- Polymer gel particles and Na-silicate for flow diversion
- Bright Water
- LPS

Early evaluation of some EOR methods in green fields is important to capture the full potential.

- Low salinity water injection
- Surfactants (PASF)
- Polymers

Probably, it is time to consider not all of EOR methods as tertiary (at least in offshore fields).

• BP – Mad Dog in GoM and Clair Ridge UK, LoSal from day 1

