

Material Balance OOIP

$$N = \frac{N_p B_o + (G_p - N_p R_s) B_g + (W_p - W_i - W_e) B_w - G_i B_g}{(B_o - B_{oi}) + (R_{si} - R_s) B_g + m B_{oi} \left(\frac{B_g - B_{gi}}{B_{gi}} \right) + \left(\frac{B_{oi}}{1 - S_w} \right) (1 + m) (S_w C_w + C_f) (P_{ri} - P_r)}$$

This formula considers all factors that could impact the calculation of OOIP. In this study, it is assumed that there is no water influx (W_e), water injection (W_i), or gas injection (G_i). Therefore, those terms are zero and the formula reduces to

$$N = \frac{N_p B_o + (G_p - N_p R_s) B_g + W_p B_w}{(B_o - B_{oi}) + (R_{si} - R_s) B_g + m B_{oi} \left(\frac{B_g - B_{gi}}{B_{gi}} \right) + \left(\frac{B_{oi}}{1 - S_w} \right) (1 + m) (S_w C_w + C_f) (P_{ri} - P_r)}$$

Above the bubble point, the solution gas/oil ratio (R_s) does not change with pressure. Therefore, $R_{si} - R_s = 0$. There is no gas cap above the bubble point, so the ratio of gas cap pore volume to oil zone pore volume (m) is also zero. Finally, there is no free gas, so the term $(G_p - N_p R_s) = 0$. Therefore, above the bubble point, the resultant equation is

$$N = \frac{N_p B_o - W_p B_w}{(B_o - B_{oi}) + \left(\frac{B_{oi}}{1 - S_w} \right) (S_w C_w + C_f) (P_{ri} - P_r)}$$

Below the bubble point, the effects of the expansion of rock and water becomes negligible and is, therefore, usually excluded. The formula utilized follows.

$$N = \frac{N_p B_o + (G_p - N_p R_s) B_g + W_p B_w}{(B_o - B_{oi}) + (R_{si} - R_s) B_g + m \left(\frac{B_g - B_{gi}}{B_{gi}} \right)}$$

Terms

Definitions of the individual terms are listed in Attachment 1. The combined terms are defined below.

$N_p B_o$ = cumulative oil produced, RB

$(G_p - N_p R_s) B_g$ = cumulative free gas produced, RB

$W_p B_w$ = cumulative water produced, RB

$(B_o - B_{oi})$ = oil expansion, RB/STB

$(R_{si} - R_s) B_g$ = free gas expansion, RB/STB

$m B_{oi} (B_g - B_{gi}) / B_{gi}$ = gas cap expansion, RB/STB

$\left(\frac{B_{oi}}{1 - S_w} \right) (1 + m) (S_w C_w + C_f) (P_{ri} - P_r)$ =
rock and water expansion, RB/STB

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 11724 Exhibit No. 19

Submitted by: Hanley Petroleum Inc.
and Yates Petroleum Corporation

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