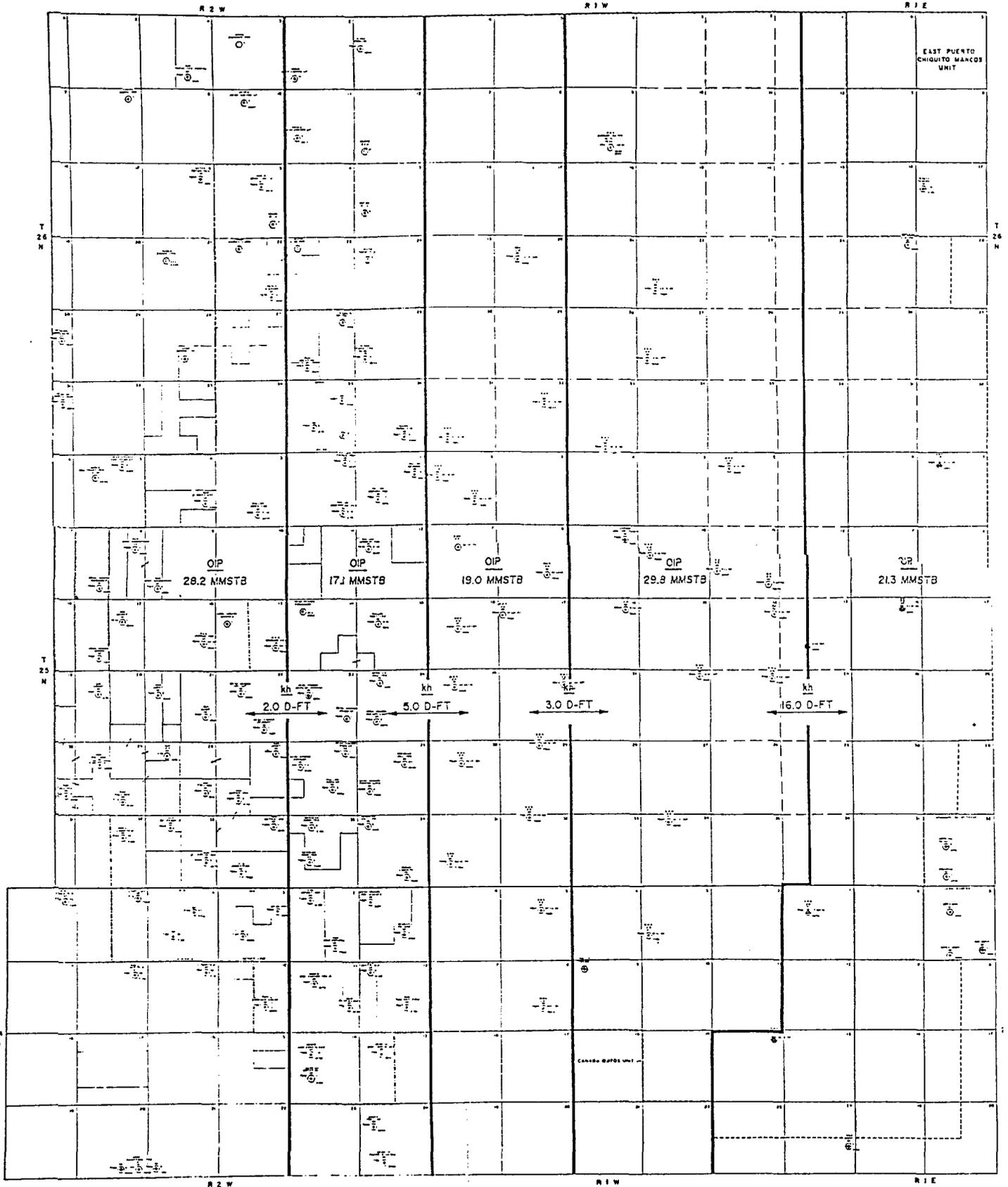


Sun Exploration and Production Company
Exhibits in Case Nos. 7980, 8946, 8950, and 9111
Before the Oil Conservation Commission of the
New Mexico Department of Energy and Minerals

June 13, 1988

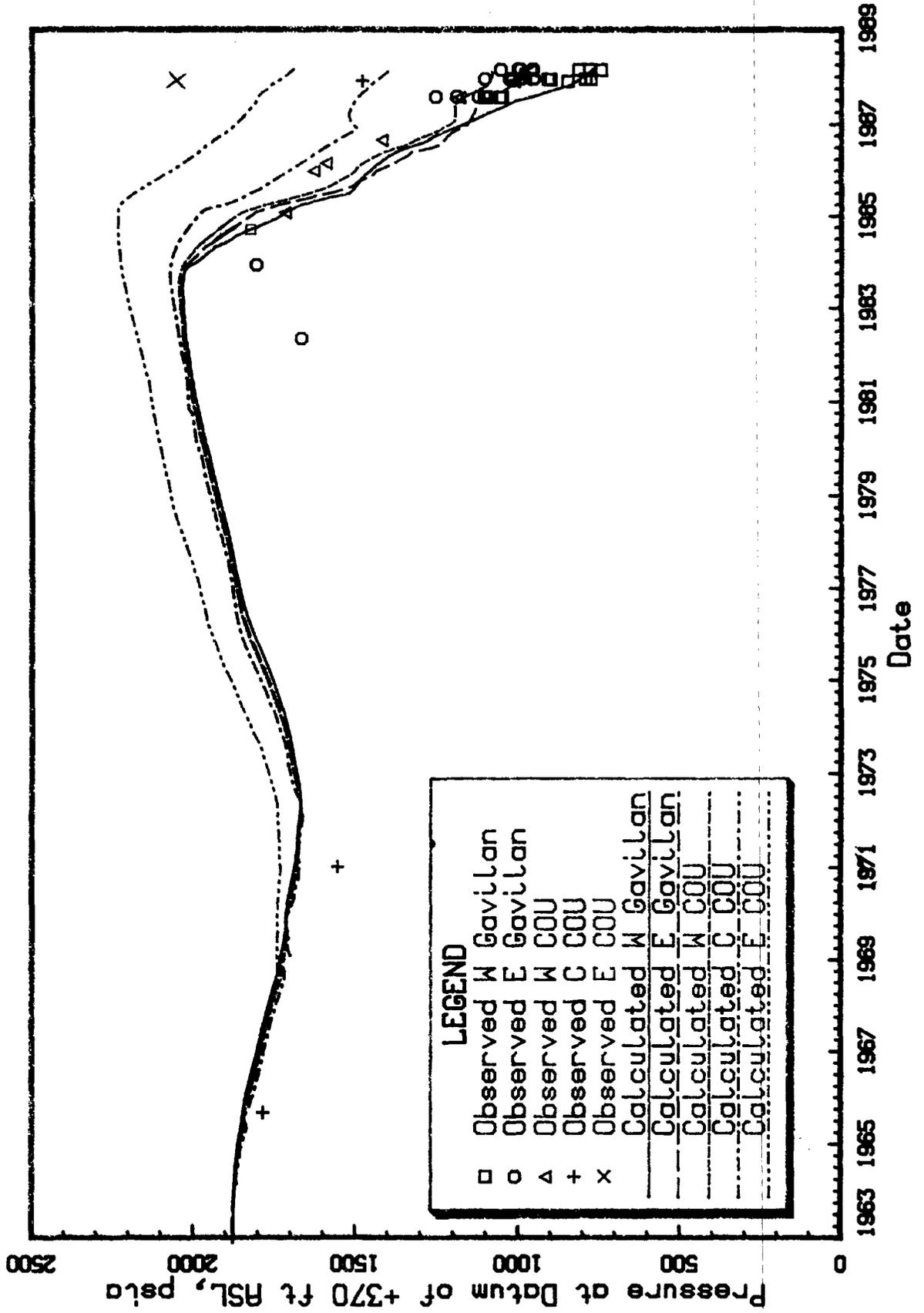
MULTITANK MATERIAL BALANCE
 AREAL DISTRIBUTION OF ORIGINAL OIL IN PLACE
 AND PERMEABILITY- THICKNESS PRODUCT



SUN	Sun Exploration and Production Company Rocky Mountain District
	CANADA GJITOS & SAVILAN AREAS
TYPE: GATUN	
DATE: 12/15/54	BY: J.M. [unclear]
REVISION: 1	BY: [unclear]
REVISION: 2	BY: [unclear]
REVISION: 3	BY: [unclear]
REVISION: 4	BY: [unclear]
REVISION: 5	BY: [unclear]

Material Balance Verification

Comparison of Calculated and Measured Pressures



CONCLUSIONS BASED ON MATERIAL BALANCE CALCULATIONS

There is no flow barrier at the edge of the current pressure maintenance area in the Canada Ojitos Unit

- * Observed pressure drops in the field can be explained by permeability **variations** rather than permeability **barriers**

Effect of Pressure Maintenance and Allowable
On Cumulative Recovery From Gavilan

Effect of Pressure Maintenance

Current Oil and Gas Allowables (800 BOPD, 480 MCFPD for 640 acres)

Pressure Maintenance Starts 8/89

<u>Case</u>	<u>Ultimate Recovery, MSTB</u>
No Pressure Maintenance	5,439
Pressure Maintenance	10,215

Effect of Allowables

Allowables changed from 7/88 to 8/89

Pressure Maintenance starts in 8/89, with current allowables and gas injection credit

<u>Allowables in Case (for 640 acres)</u>	<u>Ultimate Recovery, MSTB</u>
800 BOPD, 188 MCFPD gas	11,063
800 BOPD, 480 MCFPD gas	10,215
1280 BOPD, 2560 MCFPD gas	7,375

CONCLUSION BASED ON FUTURE PERFORMANCE PROJECTIONS

Ultimate recovery from Gavilan will be increased by minimizing oil and gas withdrawals now, conserving reservoir energy for additional recovery with pressure maintenance later.

RECOMMENDATIONS

* Maintain the West Puerto Chiquito - Gavilan Boundary at its current position

* The lowest oil rates and the minimum gas production possible are desirable from a reservoir standpoint because they will conserve reservoir energy and can lead to improved recovery if a pressure maintenance project is installed in Gavilan

* Gavilan Operators should be encouraged to implement a pressure maintenance project to improve recovery from the reservoir

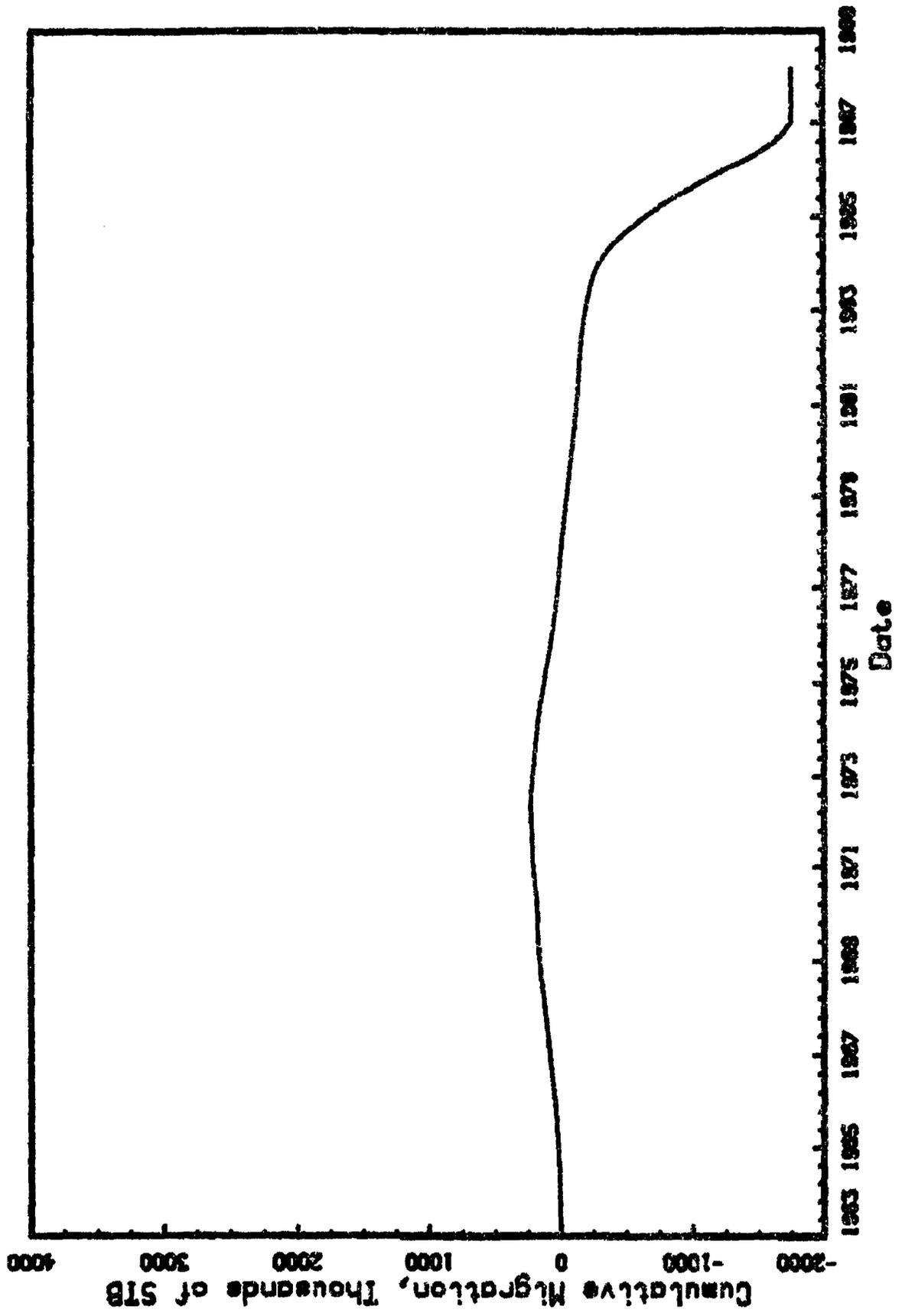
Sun Exploration and Production Company
Rebuttal Exhibits in Case Nos. 7980, 8946, 8950, and 9111
Before the Oil Conservation Commission of the
New Mexico Department of Energy and Minerals

June 13, 1988

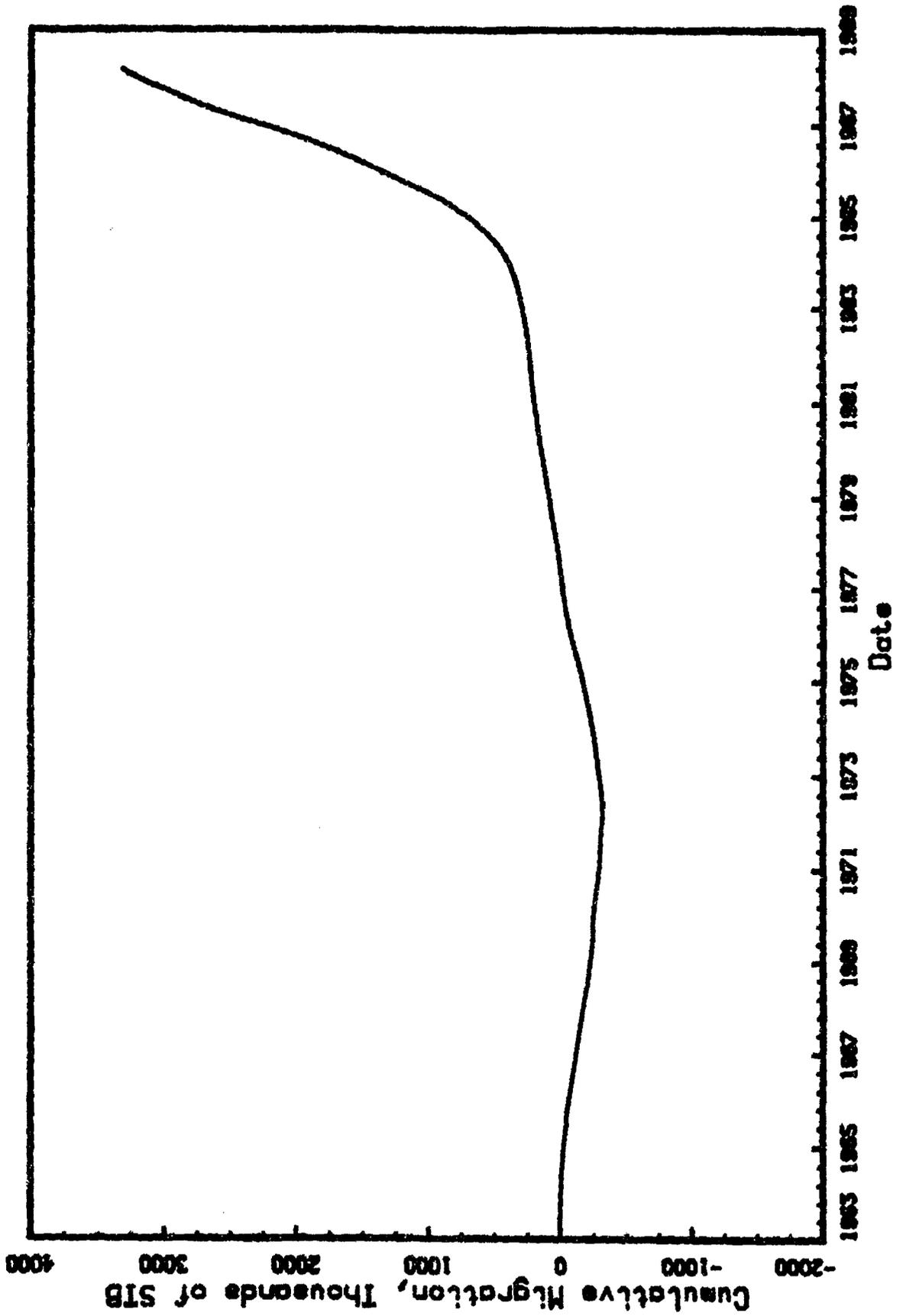
REBUTTAL TESTIMONY

HISTORICAL MIGRATION

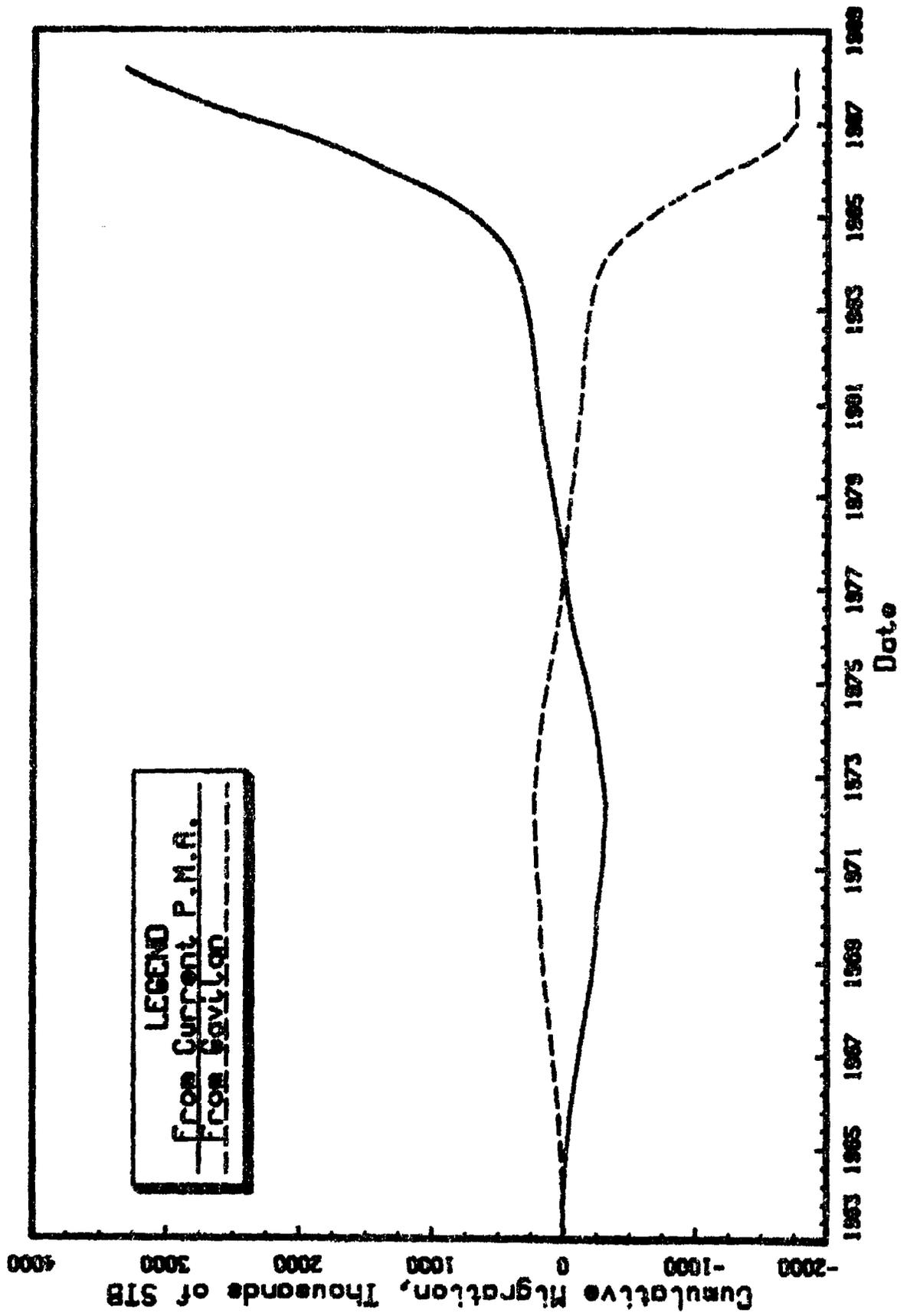
**Historical Migration Into the Proposed
Pressure Maintenance Expansion Area from Gavilan**



**Historical Migration Into the Proposed
Pressure Maintenance Expansion Area from Current P.M.A.**



Historical Migration Into the Proposed Pressure Maintenance Expansion Area



REBUTTAL TESTIMONY

DUAL POROSITY RESERVOIR HYPOTHESIS

CORE DATA

* Average core data from the Mallon Davis Federal #3-15 Well indicate a geometric mean matrix permeability of less than 0.0164 md.

* Corrected for overburden pressure and water saturation, the average matrix permeability is less than 0.0000646 md.

- Jones and Owens correlation used to correct permeability

* Not suprisingly, the cored well is a dry hole. This matrix is not productive.

* Simulator results using observed matrix permeability indicates that only about 0.57% of the oil in place in the matrix would flow to the fractures even if there were no capillary forces retaining the oil in the matrix.

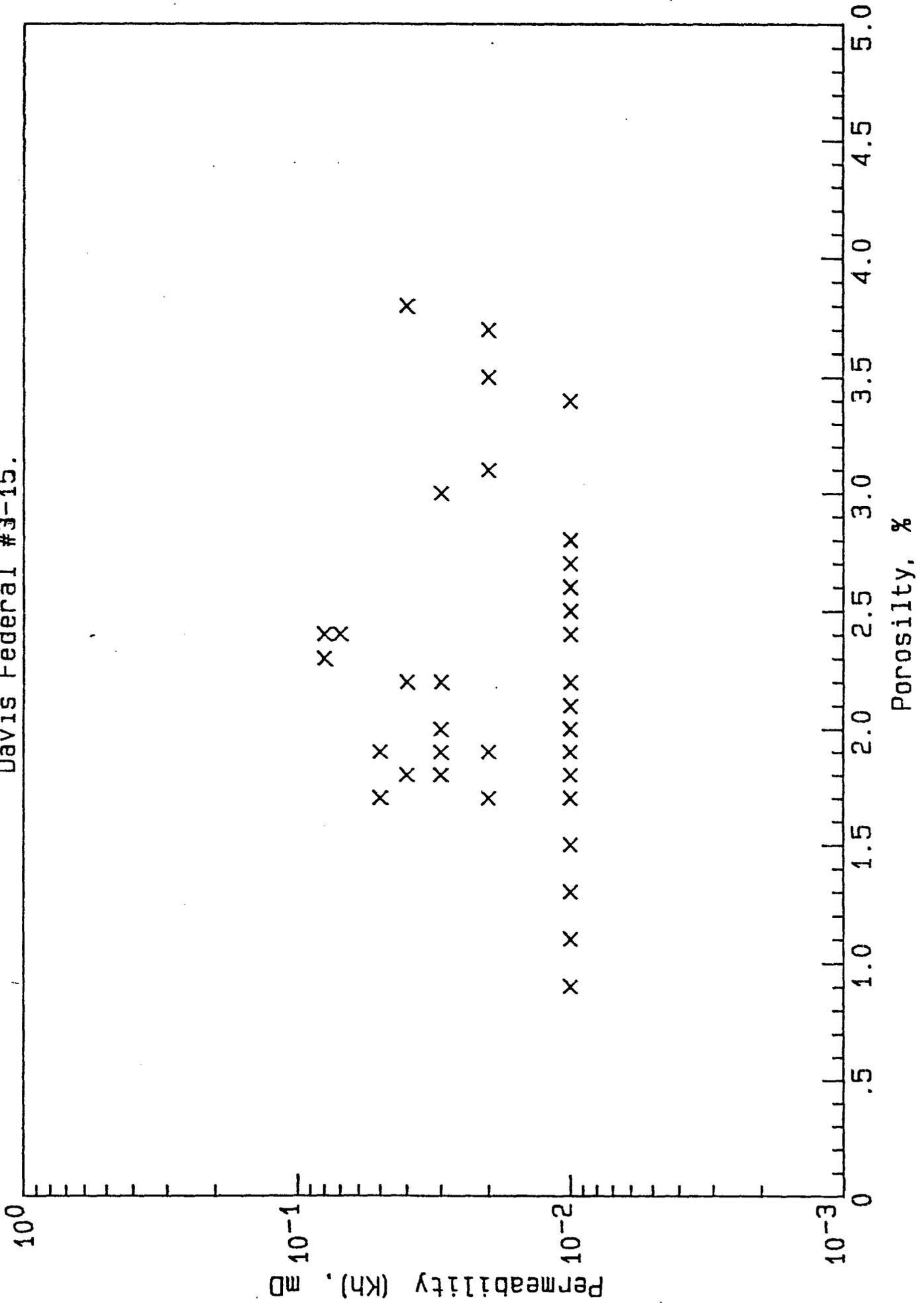
CORE ANALYSIS DATA FOR DAVIS FEDERAL #3-15.
 RIO ARRIBA CO., NM

Depth, ft	Permeability, (md)	Porosity, %
7085.6	0.03	2.00
7086.6	0.01	0.9
7088.5	0.01	2.8
7091.5	0.08	2.4
7095.6	0.01	2.4
7103.6	0.01	1.1
7104.5	0.03	1.9
7105.5	0.08	2.3
7106.5	0.01	2.5
7109.2	0.05	1.7
7112.7	0.03	2.2
7113.5	0.01	1.9
7114.6	0.01	2.6
7120.7	0.03	1.8
7134.4	0.04	2.2
7148.5	0.01	1.7
7198.7	0.01	2.2
7201.8	0.03	1.8
7202.8	0.01	1.7
7207.3	0.01	2.2
7210.5	0.01	1.3
7211.0	0.01	2.0
7215.5	0.01	1.5
7262.9	0.01	2.0
7271.3	0.01	2.2
7274.8	0.01	1.7
7297.6	0.01	2.1
7302.4	0.01	2.8
7313.4	0.01	1.9
7331.4	0.01	2.6
7335.2	0.03	3.0
7337.4	0.02	3.1
7338.7	0.01	2.6
7340.7	0.01	2.7
7341.8	0.04	3.8
7342.8	0.02	3.5
7343.8	0.01	2.8
7350.7	0.01	1.9
7357.6	0.01	1.8
7358.4	0.01	2.5
7365.5	0.01	2.0
7367.4	0.01	1.7
7369.3	0.05	1.7
7376.4	0.01	2.1
7368.7	0.02	1.9
7081.7	0.01	3.4
7082.7	0.07	2.4
7084.7	0.02	3.7
7096.7	0.04	1.8
7098.3	0.05	1.9
7117.3	0.02	1.7

Geometric Mean = 0.0164

Permeability on 31 of 51 samples listed as 0.01 are actually <0.01 md.

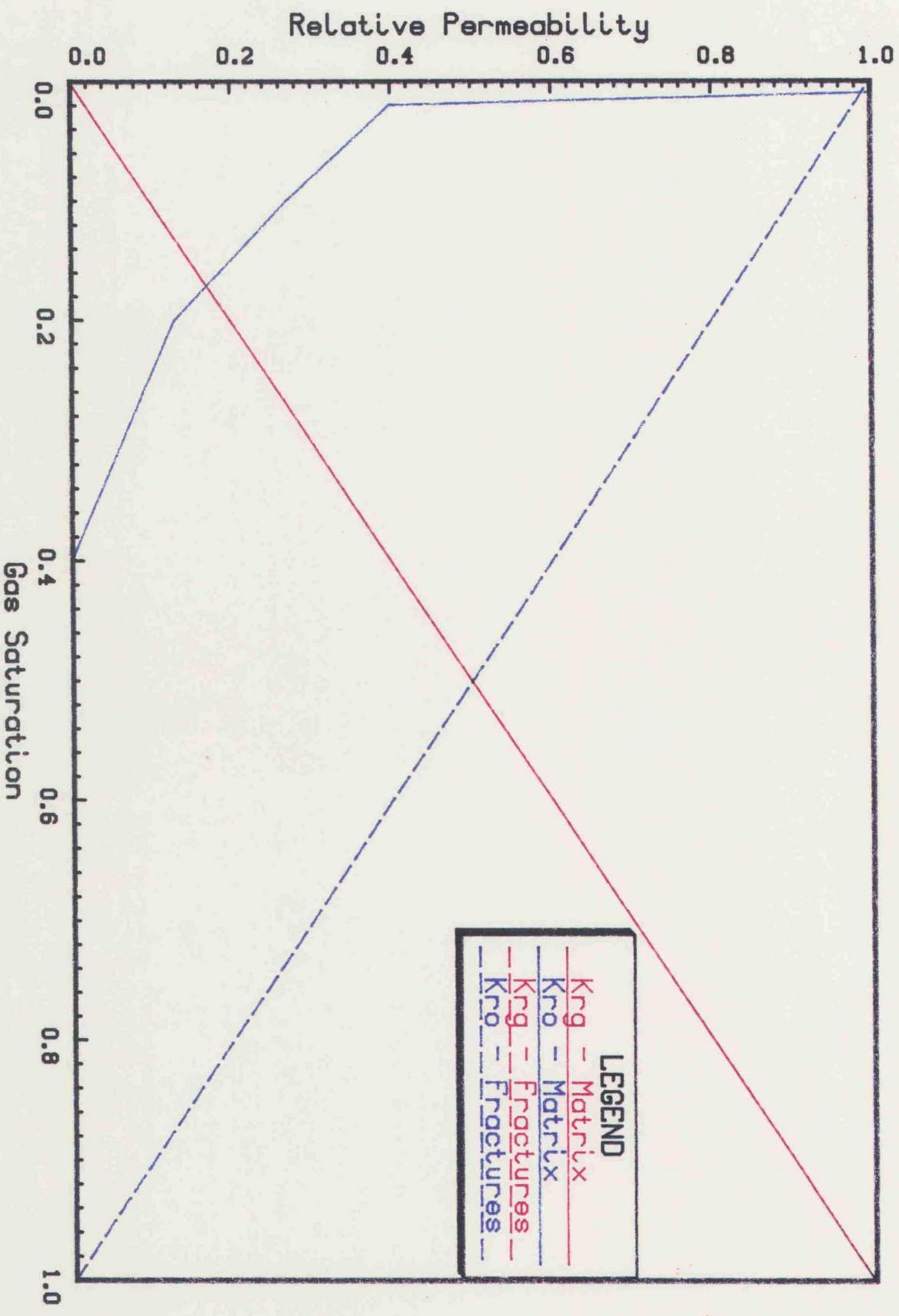
HORIZONTAL PERMEABILITY VS POROSITY
 Davis Federal #3-15.



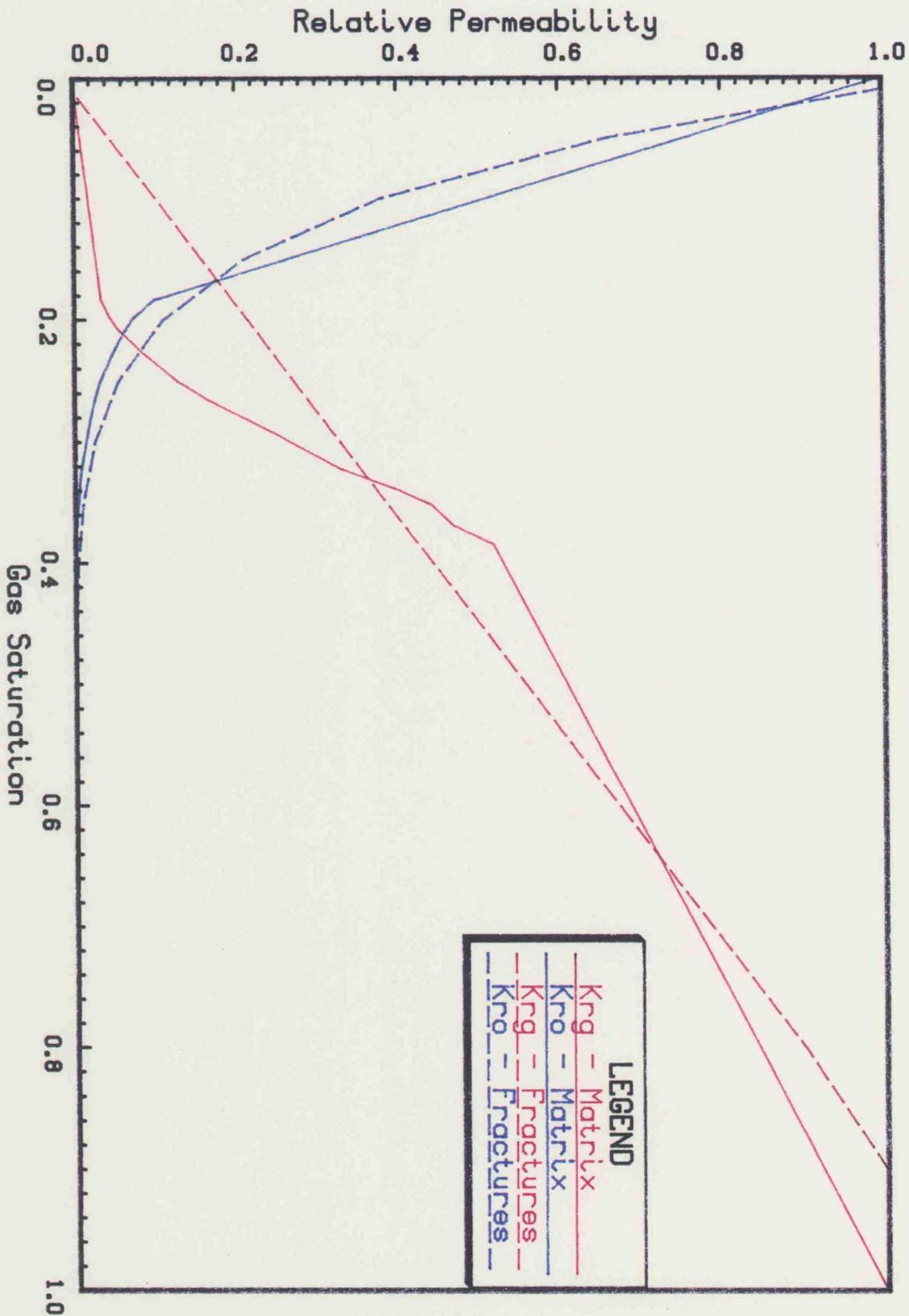
**SIMULTATION OF TWO-PHASE DUAL POROSITY RESERVOIR BEHAVIOR
COMPARISON OF SUN AND MALLON ASSUMPTIONS AND RESULTS**

<u>MODEL PARAMETER</u>	<u>DATA FOR SUN CASE</u>	<u>DATA FOR MALLON CASE</u>
Reservoir Model	Dual Porosity	Dual Porosity
Matrix-Fracture Transer	Unsteady State	Pseudosteady State
Drainage Area, acres	640	640
Initial Pressure, psia	1600	1600
Net Pay, Ft	270	270
Fracture kh	400 md-ft	400 md-ft
Fracture HC Porosity, %	0.439	0.439
Interporosity Flow Coeff.	6.46×10^{-10}	3.00×10^{-9}
(Mallon Value Calculated from $\text{Sigma} = 0.00004 = 1/Lz^2$)		
Matrix Permeability, md	0.0000646	0.00148
Storativity Ratio	0.10	0.10
Capillary Pressure	Zero	Zero
Relative Permeability	See Graphs	See Graphs
(Sun Matrix Rel. Perm. Data from Low Perm. Sand/Silt)		
(Mallon Rel. Perms. from Bergeson Report - ECLIPSE Data)		
Flowing BHP, psia	200	200
Matrix-to-Fracture Transfer at abandonment (10 BOPD), % OOIP in matrix	0.57	6.07

Dual Porosity Simulation Relative Permeability Relationships - Mallon



Dual Porosity Simulation
Relative Permeability Relationships - Sun



REBUTTAL TESTIMONY

DUAL POROSITY RESERVOIR HYPOTHESIS

FIELD OBSERVATIONS

* Eight wells in a six-section area of Gavilan, amid some of the best wells in the field, are nearing depletion (map, production statistics attached).

- Despite the low pressure in the fractures (about 1,000 psia below initial reservoir pressure), matrix oil is not flowing in any significant way into the fracture system. If the matrix is not contributing now, why should we believe that it will ever contribute?

SUN
JANET
83 2
7197 8062

MESA GRANDE
BEARCAT
86 1
7233 7907

29

28

SUN
E.T.
83 1
7170 8081

SUN
JANET
83 1
7253 7956

MESA GRANDE
GAVILAN
83 1-E
7310 8160

SUN
FULL SAIL
84 1
7119 8129

SUN
FULL SAIL
85 2
7263 8110

SUN
NATIVE SON
83 2
7329 8133

32

33

SUN
DR DADDY-O
85 1
7245 8180

SUN
NATIVE SON
84 1
7320 8170

MERIDIAN
HAWK-FED
84 2
7331 816

MOBIL
LINDRITH B
86 34
7132 7100

SUN
NATIVE SON
85 3
7245 8075

SUN
HOMESTEAD
85 2
7222 7950

MERIDIAN
HAWK-FED.
85 3
7285 7957

SUN
LADY LUCK
86 1
7114 7988

MOBIL

4

SUN

3

SUN
WRIGHT WAY
83 1
7329 8185

86 37
7134 7100

83 1
7333 825

86 38
7162 7100

86 2
7187 8005

LINDRITH B

MOTHER LODE

MOBIL
LINDRITH B
87 72
7220 7146

LINDRITH B
87 74
7182 7115

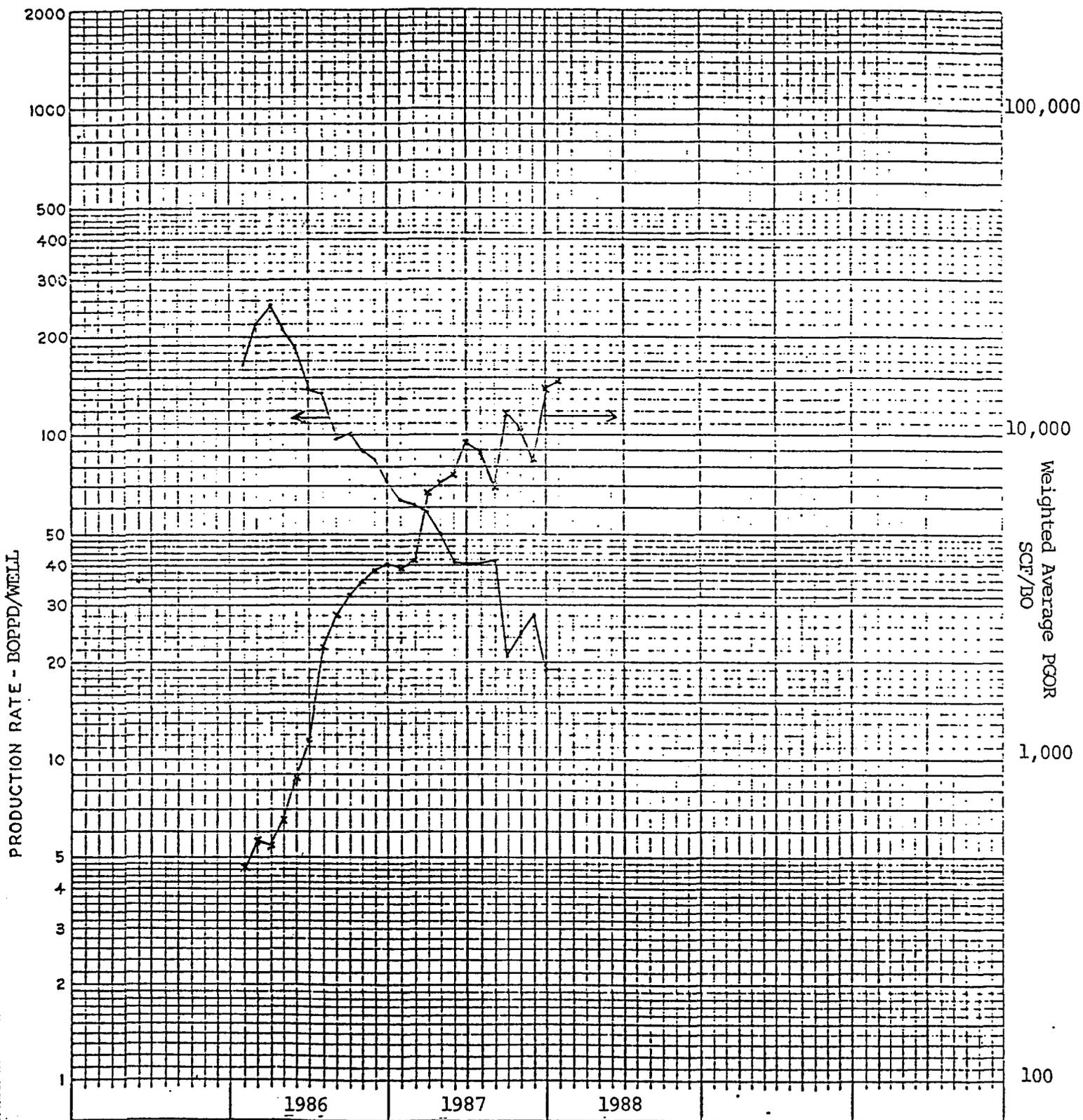
18

10

AMOCO
OSO CANYON 1
85 1
7287 817

SUN
GREENER GRASS

Production Data
From Declining Wells Near
High Capacity Wells In Gavilan



Year	Month	ET #1	Joint #1	Native Son #1	Dr. Daily 0	Active Son 3	Livestock 6-38	Mother Lot 2	Mother Lot 1	Total	50K	Total Prod Days
1987	Jan	785	587	3648	2583	748	248	1377	1700	11792	5948	187
	Feb	572	644	2183	3324	704	491	4968	1800	14920	4463	185
	Mar	445	444	2567	2577	514	577	1588	1800	14920	6850	170
	Apr	448	275	2037	2037	703	440	742	1800	14920	713	161
	May	339	444	1788	2037	605	440	710	1800	14920	713	150
	June	300	500	1303	2037	605	379	358	1800	14920	6850	161
	July	445	444	1905	2037	703	440	710	1800	14920	6850	161
	Aug	169	445	2037	2037	1308	440	358	1800	14920	6850	161
	Sept	154	587	2412	2037	1025	440	2412	1800	14920	6850	161
	Oct	58	445	846	2037	703	440	710	1800	14920	6850	161
	Nov	89	445	1422	2037	812	440	710	1800	14920	6850	161
	Dec	72	445	690	2037	812	440	710	1800	14920	6850	161
Jan	15	445	111	2037	684	310	440	710	1800	14920	6850	161
1988	Jan	7159	7387	5318	3584	5175	8034	4537	5087	24004	4000	200
	Feb	8009	4870	4847	3350	8184	7021	8088	5087	45206	4000	200
	Mar	9578	6702	6710	4720	5720	8597	1192	5087	45206	4000	200
	Apr	7178	7807	4619	5443	711	717	058	5087	45206	4000	200
	May	2169	2037	2554	2433	4282	838	892	5087	45206	4000	200
	June	2072	2037	2082	4187	6048	1612	4442	5087	45206	4000	200
	July	1177	2037	2462	4887	4048	1612	4442	5087	45206	4000	200
	Aug	850	2037	2462	4887	4048	1612	4442	5087	45206	4000	200
	Sept	836	2037	2462	4887	4048	1612	4442	5087	45206	4000	200
	Oct	6098	2037	2462	4887	4048	1612	4442	5087	45206	4000	200
	Nov	4045	2037	2462	4887	4048	1612	4442	5087	45206	4000	200
	Dec	4364	2037	2462	4887	4048	1612	4442	5087	45206	4000	200
Jan	3094	2037	2462	4887	4048	1612	4442	5087	45206	4000	200	

0.1

6.45

Year	Month	ET #1	Jan #1	Nov #1	Dr. Dr. #1	MS 3	Line B 38	Hothen Lode 2	Hothen Lode 1	Total	GOR	Total Prod. Days	Total Oil Prod. Prod. Day
1986	Jan	31	31	31	11	7	10	30	30	20679	469	123	168
	Feb	27	27	27	7	6	11	27	27	23761	567	108	220
	Mar	31	31	31	7	6	11	30	30	31090	542	123	253
	Apr	30	30	30	7	6	11	29	29	25285	656	118	214
	May	31	31	31	7	6	11	31	31	27604	878	148	187
	Jun	30	30	30	7	6	11	30	30	25679	1171	143	140
	July	31	31	31	7	6	11	31	31	24154	1171	143	140
	Aug	29	29	29	7	6	11	29	29	16788	2271	171	136
	Sept	2	2	2	6	6	11	2	2	6983	2811	175	97
	Oct	19	19	19	6	6	11	19	19	17108	3264	70	100
	Nov	18	18	18	6	6	11	18	18	13953	3572	123	109
	Dec	20	20	20	6	6	11	20	20	12101	3779	145	85
										40668	168		72
1986	Jan	1031	1031	1031	32	8	2670	32	32	7706	2927	123	168
	Feb	1031	1031	1031	32	8	2670	32	32	13464	4063	123	168
	Mar	1031	1031	1031	32	8	2670	32	32	16137	6094	123	168
	Apr	1031	1031	1031	32	8	2670	32	32	16588	8245	123	168
	May	1031	1031	1031	32	8	2670	32	32	24244	13021	123	168
	June	1031	1031	1031	32	8	2670	32	32	30058	18927	123	168
	July	1031	1031	1031	32	8	2670	32	32	57194	12324	123	168
	Aug	1031	1031	1031	32	8	2670	32	32	47196	1578	123	168
	Sept	1031	1031	1031	32	8	2670	32	32	22803	5885	123	168
	Oct	1031	1031	1031	32	8	2670	32	32	61201	8160	123	168
	Nov	1031	1031	1031	32	8	2670	32	32	57357	6896	123	168
	Dec	1031	1031	1031	32	8	2670	32	32	49225	4857	123	168

**REBUTTAL TESTIMONY
DUAL POROSITY RESERVOIR HYPOTHESIS
INFERENCES FROM PRESSURE BUILDUP TEST PLOT SHAPES**

- **The shape of the pressure buildup test plot for the mid-1987 test of the Mobil Lindreth B-37 well is similar to the characteristic shapes of buildup test plots from dual porosity reservoirs.**

- **This shape, on the tests from one well, hardly "proves" the dual porosity hypothesis.**
 - **This shape is the exception, rather than the rule, and it is more common in recent tests than in earlier tests.**

 - **Other phenomena--notably phase redistribution in the wellbore (gas rising to the top and liquid falling to the bottom of the wellbore following shut-in)--can cause the same shape.**

 - **Phase redistribution is clearly occurring in the field. Extreme cases result in a pressure "hump," which has virtually no other causes. Pressure humps are present in several test plots (graphs attached).**

 - **The attached SPE paper points out the similarity in test plot shapes for dual-porosity reservoirs and wells with phase redistribution in the wellbore.**

SPE 16763

An Analytical Model for Composite Reservoirs Produced at Either Constant Bottomhole Pressure or Constant Rate

by J.S. Olarewaju and W.J. Lee, Texas A&M U.

SPE Members

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This paper was prepared for presentation at the 62nd Annual Technical Conference and Exhibition of the Society of Petroleum Engineers held in Dallas, TX September 27-30, 1987.

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ABSTRACT

In this paper, we present a model of the complete characteristic transient response from a composite reservoir including the effects of skin, wellbore storage and phase redistribution at the well. We present six flow regimes and the combined effects of wellbore storage and phase redistribution on pressure behavior in composite reservoirs.

Using an automatic history matching approach, we analyzed three buildup tests and a pressure falloff test. This method eliminated the serious uniqueness problem associated with type curve analysis. We demonstrate that incorrect reservoir parameter estimates and incorrect production performance predictions would result from the use of any model that lacks the capabilities of the model we present in this paper. We also demonstrate possible misinterpretations of pressure data that may result from not recognizing the presence of phase redistribution in the buildup test data or not recognizing the composite reservoir behavior.

INTRODUCTION

Numerous analytical models have been presented in recent years to describe the pressure behavior of composite reservoir systems.¹⁻⁸ Composite reservoirs are encountered in a wide variety of reservoir situations. In a composite reservoir there is a circular inner region with fluid and rock properties different from those in the outer region. Reservoirs damaged because of fluid invasion during drilling or completion; stimulated reservoirs; reservoirs being waterflooded or undergoing insitu combustion are examples of the reservoir types that can be described by a composite reservoir model. The inner zone represents the invaded or altered zone while the outer zone

represents the uninvaded zone. The two zones are separated by a sharp radial discontinuity. This idealized interface may be a permeability, mobility, saturation or thermal discontinuity.

During the 1960's there was great interest in the composite reservoir flow problem. Hurst¹ discussed in detail the "sand in series" problem and presented formulas to describe unsteady state pressure behavior of fluid movement through two sands in series in a radial configuration. Loucks and Guerrero² presented a theoretical study of the pressure distribution in an infinite composite reservoir. They found that under certain conditions the permeability in both zones as well as the size of the inner zone can be determined from pressure transient test data. Wattenbarger and Ramey³ presented a finite difference solution for the infinite composite reservoir. Other early investigators include Merrill *et al.*,⁴ Clossmann and Ratliff,⁵ and Bixel and Van Poolen.

Recently Satman⁷ presented an analytical study of interference in a composite reservoir which accounts for wellbore storage and skin at the active well. Brown⁸ presented a graphical approach for calculating mobility of the altered and unaltered zones, and the radius of the altered zone. DaPrat *et al.*⁹ presented an application of a composite reservoir model to interpret falloff tests in an insitu combustion project.

The major contribution of this paper is the presentation of the combined effects of skin, wellbore storage and phase segregation on pressure transient tests in composite reservoir systems. We also present the six flow regimes possible in a finite composite reservoir and show how the characteristic influence of wellbore storage and phase segregation may cause a misinterpretation of pressure transient tests. The rate solution in a composite model with an inner steady state skin is also presented. This solution is useful for

References and illustrations at end of paper.

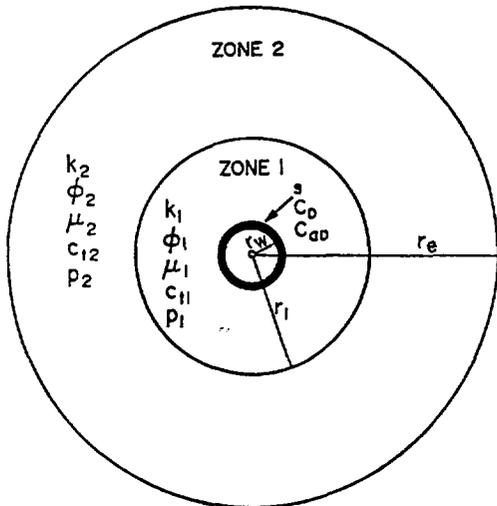


Fig. 1—Schematic diagram of composite reservoir system.

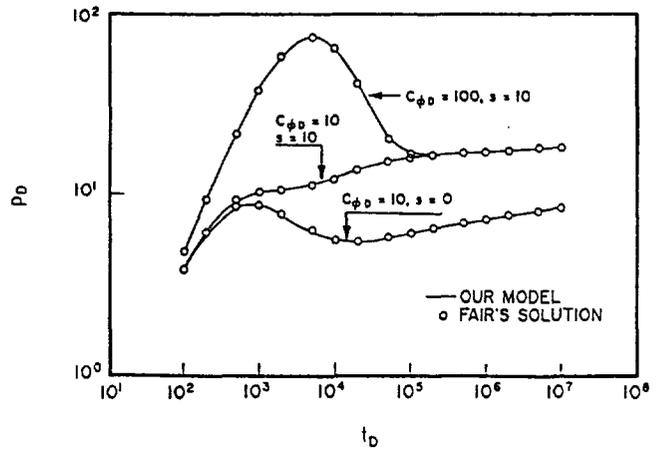


Fig. 2—Comparison of solutions developed in this study with Fair's solution. $\eta_1/\eta_2 = 1.0$, $r_1/r_w = 1$, $C_D = 1,000$, $C_{AD} = 20$.

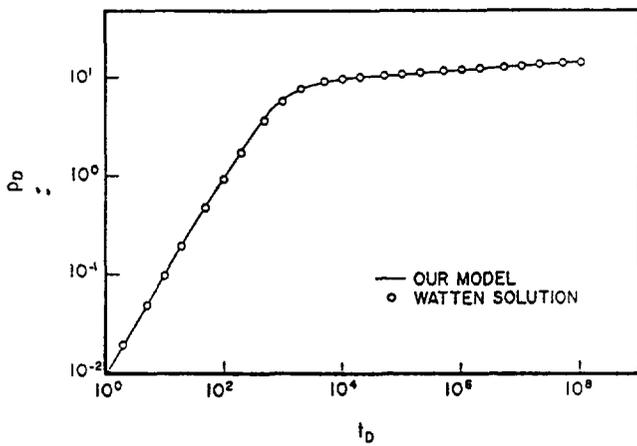


Fig. 3—Comparison of solution developed in this study with Wattenbarger and Ramey's solution, $s = 5$, $C_D = 1,000$.

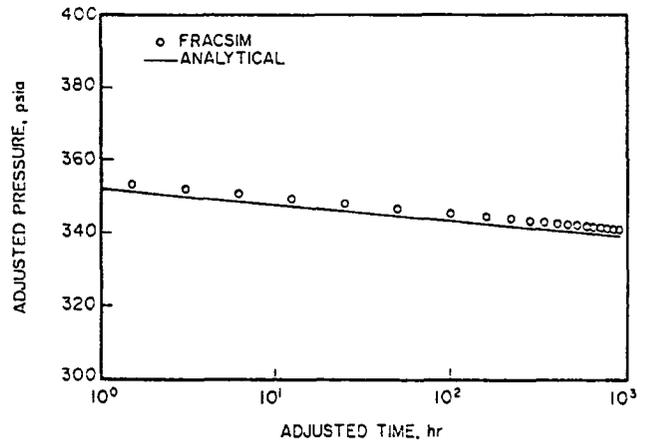


Fig. 4—Comparison with simulator solution for fractured gas well, pressure drawdown test, $k_1 = 0.029$, $k_2 = 0.0029$, $r_1/r_w = 100$.

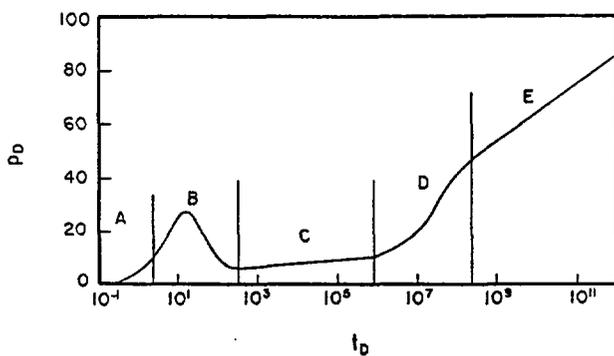


Fig. 5—Flow regimes in an infinite composite reservoir, $\eta_1/\eta_2 = 10$, $r_1/r_w = 500$, $s = 0$, $C_D = 100$, $C_{AD} = 50$, $\alpha = 10$.

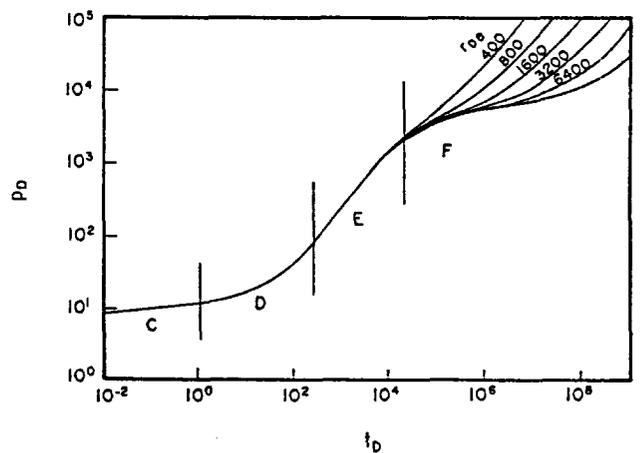


Fig. 6—Pressure flow regimes in a finite composite reservoir, $\eta_1/\eta_2 = 1,000$, $r_1/r_w = 100$, $C_D = 0$, $s = 5$, $C_{AD} = 0$.

CONCLUSIONS

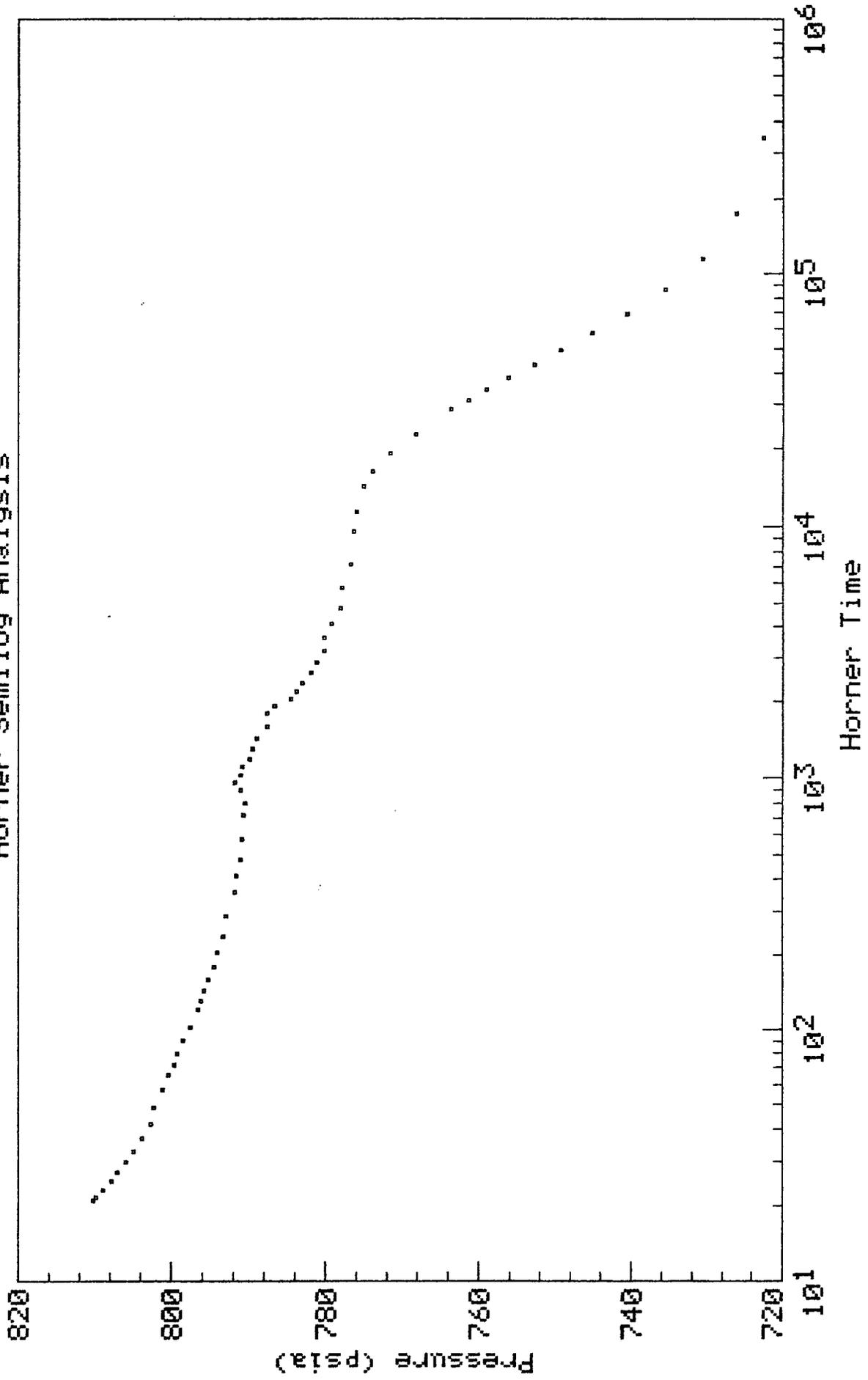
1. We have demonstrated in this paper the danger of misinterpretation that may result from applying an incomplete model to buildup test data where pressure distortion caused by phase redistribution is not large enough to show the classical hump. The analysis of such buildup data with techniques that do not account for phase redistribution can lead to incorrect reservoir property estimates and incorrect predictions of production.
2. We have applied an automatic history matching technique and our new composite model to analysis of buildup and falloff tests. This technique is superior to available type curve and semilog analysis methods because of the reduction of the uniqueness problem, ability to estimate many important reservoir parameters and a correct representation of the skin zone.
3. When the diffusivity of the inner zone of a composite system is less than that of the outer zone, as in a damaged system, the pressure humps caused by phase redistribution are both larger and last longer than when the diffusivity of the inner zone is greater. The presence of wellbore storage and phase redistribution will usually mask the first semilog straight line, thereby, in such damaged systems, rendering conventional semilog analysis useless in evaluating the properties of the inner zone. Such test data can be analyzed with the model presented in this paper.
4. When the distortion caused by phase redistribution is not severe enough to cause a hump, the characteristic shape of the pressure behavior could be misinterpreted as that from a dual porosity reservoir. The composite reservoir behavior could also be misinterpreted as an effect caused by the reservoir drainage boundary. When such a characteristic shape is displayed in a transient test, more information should be sought about the reservoir geology, reservoir fluid phase behavior and fluid properties before a model is chosen.
5. The transition flow regime of a composite model lasts about 2-1/2 log cycles if the diffusivity of the inner zone is greater than that of the outer zone. When the diffusivity of the inner zone is smaller, the transition flow regime lasts approximately 1 log cycle.

NOMENCLATURE

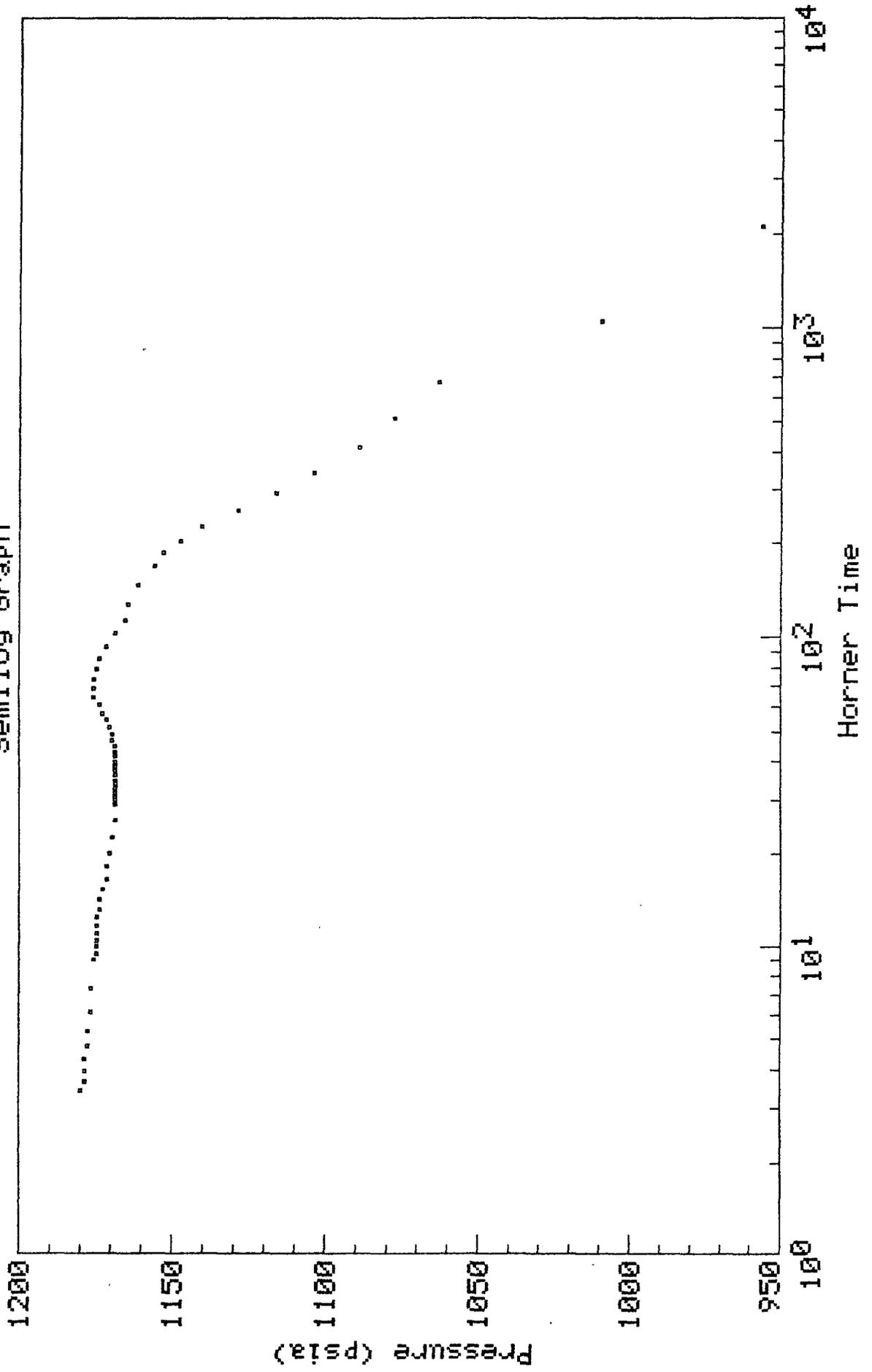
Symbol	Meaning
B	Formation volume factor, Rb/Mscf for gas and RB/STB for oil
C_{aD}	$\frac{1}{C_D} + \frac{C_{\phi D}}{C_D}$, dimensionless apparent wellbore storage coefficient
c_t	Total compressibility, psia^{-1}

C_D	$\frac{0.894 C_s}{c_t h r_w^2}$, dimensionless wellbore storage coefficient
C_s	Wellbore storage coefficient, bbl/psi
C_ϕ	Phase redistribution pressure parameter, psi
$C_{\phi D}$	$\frac{kh C_\phi}{141.2 q \mu B}$, dimensionless phase redistribution parameter
h	Net pay thickness, ft
I_0	Modified Bessel function of the first kind, zero order
k	Permeability, md
K_0	Modified Bessel's function of the second kind, zero order
L_f	Fracture half length, ft
p	Pressure, psia
p_a	$\frac{\bar{p}}{\rho} \int \frac{\rho}{\mu} dp$, adjusted pressure, psia
P_D, P_{Dw}	$\frac{k_2 h (p_i - p_{wf})}{141.2 q \mu B}$, dimensionless pressure
p_i	Initial reservoir pressure, psia
p_ϕ	Phase redistribution pressure, psi
$P_{\phi D}$	$\frac{k h p_\phi}{141.2 q \mu B}$, dimensionless phase redistribution pressure
P_{gef}	Flowing pressure at point of gas entry, psi
P_{whf}	Flowing wellhead pressure, psi
P_{wf}	Flowing wellbore pressure, psia
q	Flow rate, Mscf/D for gas, and b/d for oil
r_D	Dimensionless radius, r/r_w
r_e	Drainage radius, ft
r_w	Wellbore radius, ft
s	Laplace transform parameter (in the Appendices); in text, skin factor, dimensionless
S	Skin factor, dimensionless (in the Appendices)
t	Time, hr
t_a	$t(p) \times \bar{\mu} \bar{c}_t$, adjusted time, hr

Mobil Lindrith B-37 - November 1987 Buildup Test
Horner Semilog Analysis



Sun High Adventure #1 - June 1987 Buildup Test
Semilog Graph



**REBUTTAL TESTIMONY
DUAL POROSITY RESERVOIR HYPOTHESIS
CONCLUSIONS**

- **Available core data indicates the matrix permeability is extremely low.**

- **Reservoir simulation using available core data indicates that the matrix will not contribute significantly to pool reserves.**

- **Actual field performance indicates no support from the matrix in declining wells.**

- **The buildup curve shape on the Mobil Lindreth B-37 well does not prove dual porosity behavior. Phase redistribution in the wellbore is a more likely explanation.**

Sun Exploration and Production Company
Exhibits in Case Nos. 7980, 8946, 8950, and 9111
Before the Oil Conservation Commission of the
New Mexico Department of Energy and Minerals

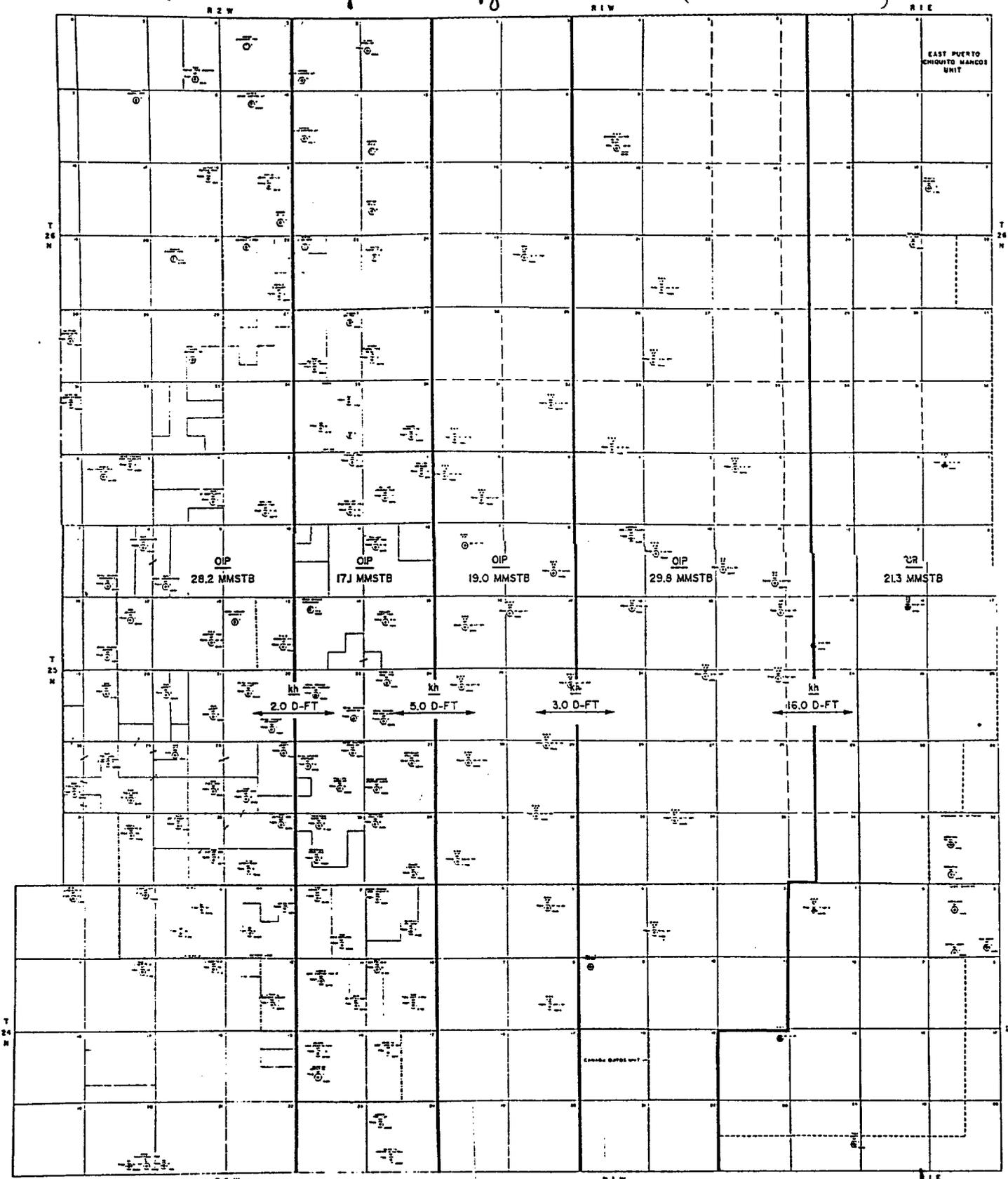
June 13, 1988

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. _____	Exhibit No. <u>1</u>
Submitted by <u>SUN</u>	
Hearing Date <u>6/13/88</u>	

MULTITANK MATERIAL BALANCE
AREAL DISTRIBUTION OF ORIGINAL OIL IN PLACE
AND PERMEABILITY- THICKNESS PRODUCT

Doneg

2 3 4 5



EAST PUERTO
CHIQUEITO MANCO
UNIT

OIP
28.2 MMSTB

OIP
17.1 MMSTB

OIP
19.0 MMSTB

OIP
29.9 MMSTB

CR
21.3 MMSTB

2.0 D-FT

5.0 D-FT

3.0 D-FT

16.0 D-FT

Page

6

5

2 4

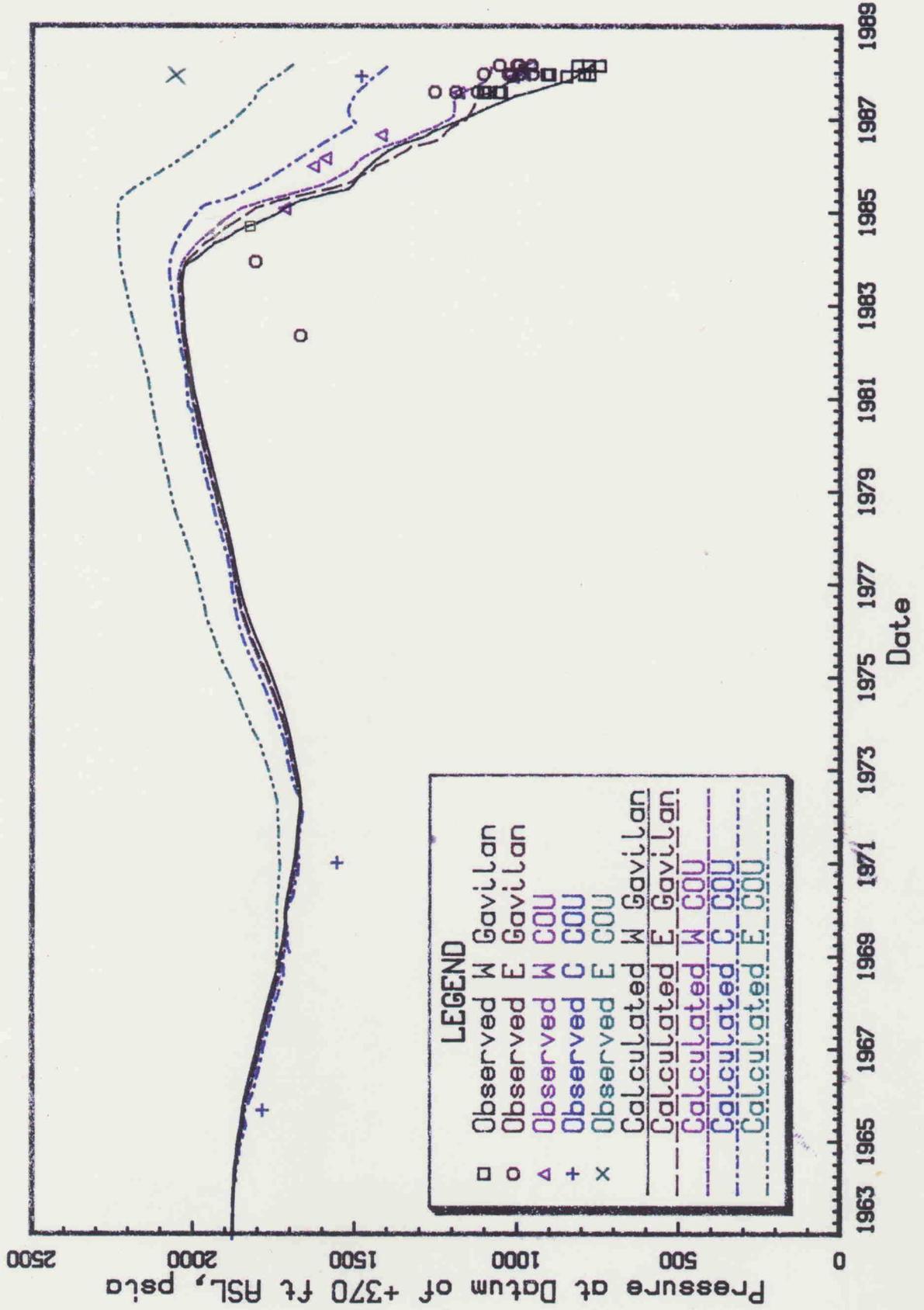
3

2

SUN	Sun Exploration and Production Company Rocky Mountain District
CANADA OILS & SERVICES AREAS	
DATE:	
DRAWN BY:	
CHECKED BY:	
APPROVED BY:	
SCALE:	
SHEET NO. 13,000	

Material Balance Verification

Comparison of Calculated and Measured Pressures



CONCLUSIONS BASED ON MATERIAL BALANCE CALCULATIONS

There is no flow barrier at the edge of the current pressure maintenance area in the Canada Ojitos Unit

- * Observed pressure drops in the field can be explained by permeability variations rather than permeability barriers

Effect of Pressure Maintenance and Allowable
On Cumulative Recovery From Gavilan

Effect of Pressure Maintenance

Current Oil and Gas Allowables (800 BOPD, 480 MCFPD for 640 acres)

Pressure Maintenance Starts 8/89

<u>Case</u>	<u>Ultimate Recovery, MSTB</u>
No Pressure Maintenance	5,439
Pressure Maintenance	10,215

Effect of Allowables

Allowables changed from 7/88 to 8/89

Pressure Maintenance starts in 8/89, with current allowables and gas injection credit

<u>Allowables in Case (for 640 acres)</u>	<u>Ultimate Recovery, MSTB</u>
800 BOPD, 188 MCFPD gas	11,063
800 BOPD, 480 MCFPD gas	10,215
1280 BOPD, 2560 MCFPD gas	7,375

CONCLUSION BASED ON FUTURE PERFORMANCE PROJECTIONS

Ultimate recovery from Gavilan will be increased by minimizing oil and gas withdrawals now, conserving reservoir energy for additional recovery with pressure maintenance later.

RECOMMENDATIONS

* Maintain the West Puerto Chiquito - Gavilan Boundary at its current position

* The lowest oil rates and the minimum gas production possible are desirable from a reservoir standpoint because they will conserve reservoir energy and can lead to improved recovery if a pressure maintenance project is installed in Gavilan

* Gavilan Operators should be encouraged to implement a pressure maintenance project to improve recovery from the reservoir

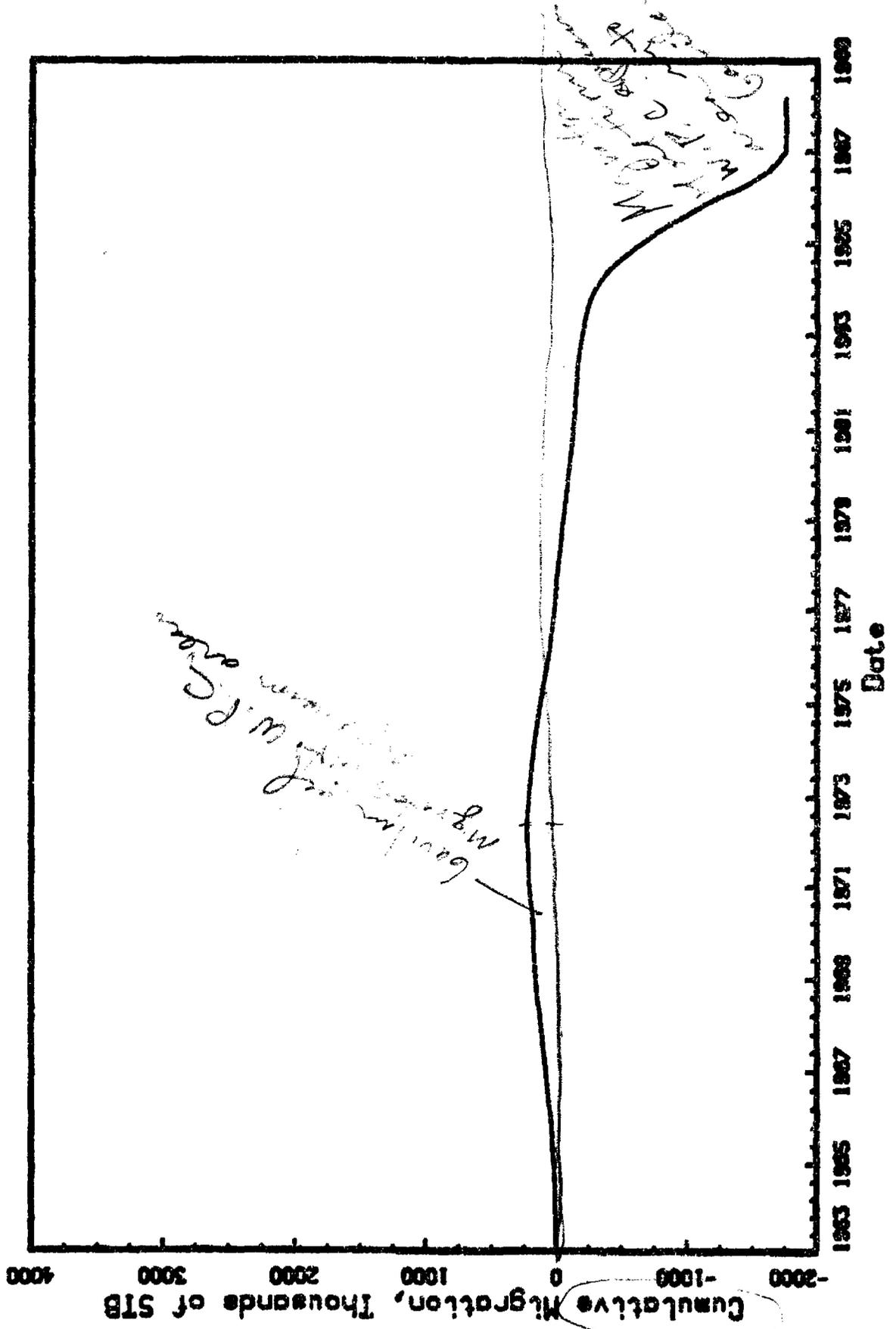
Sun Exploration and Production Company
Rebuttal Exhibits in Case Nos. 7980, 8946, 8950, and 9111
Before the Oil Conservation Commission of the
New Mexico Department of Energy and Minerals

June 13, 1988

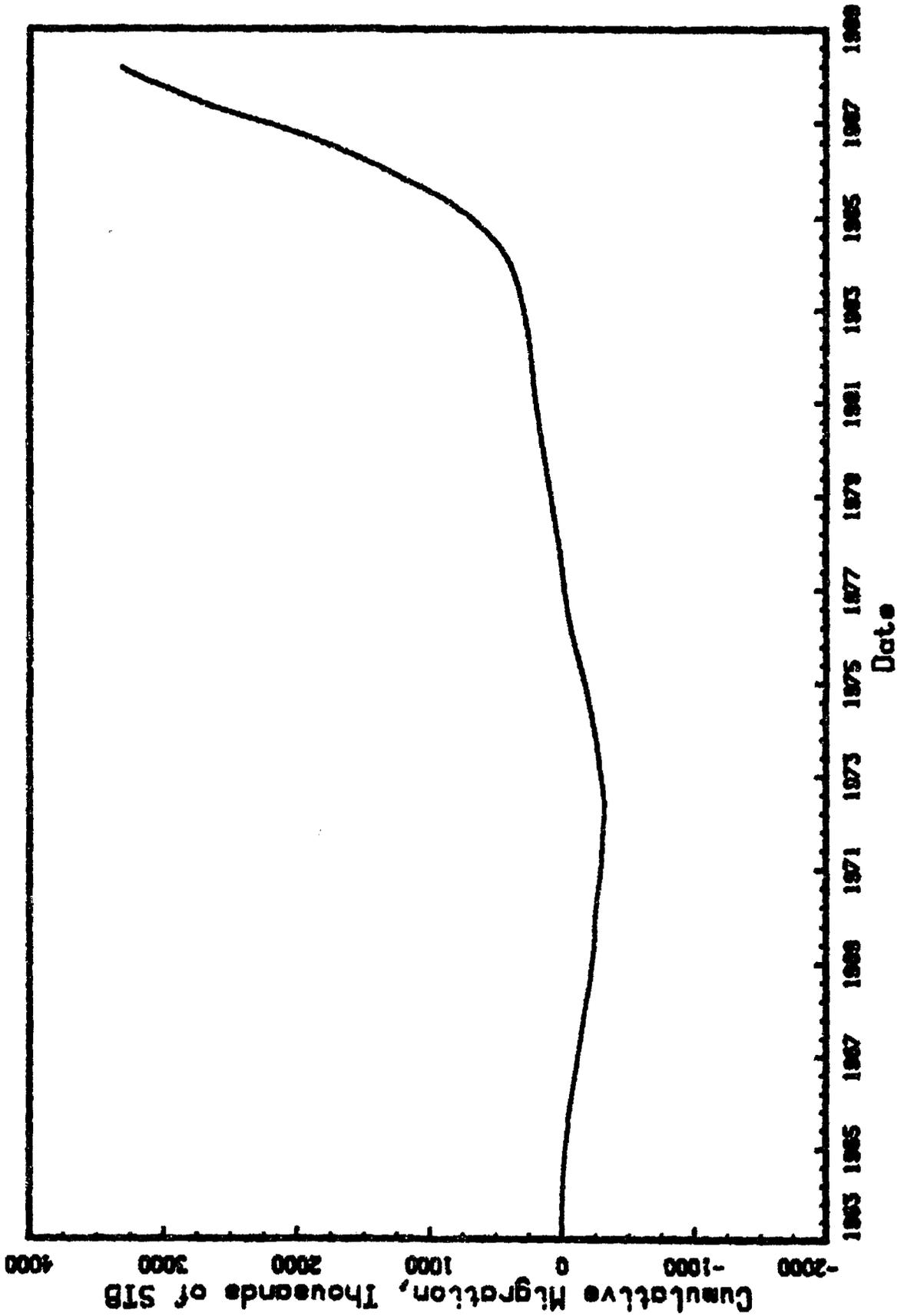
REBUTTAL TESTIMONY

HISTORICAL MIGRATION

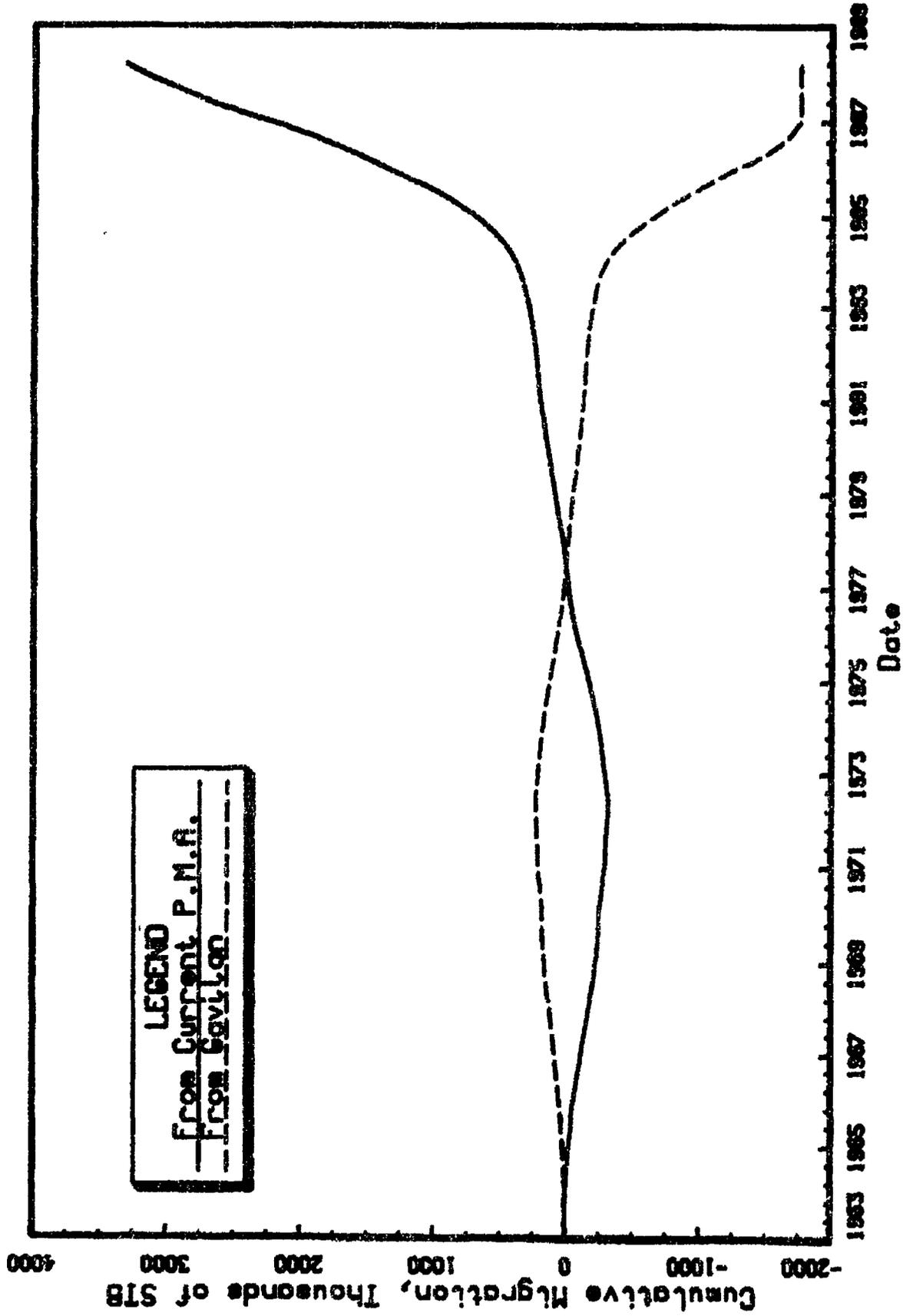
**Historical Migration Into the Proposed
Pressure Maintenance Expansion Area from Gavilan**



Historical Migration Into the Proposed
Pressure Maintenance Expansion Area from Current P.M.A.



Historical Migration Into the
Proposed Pressure Maintenance Expansion Area



REBUTTAL TESTIMONY

DUAL POROSITY RESERVOIR HYPOTHESIS

CORE DATA

* Average core data from the Mallon Davis Federal #3-15 Well indicate a geometric mean matrix permeability of less than 0.0164 md.

* Corrected for overburden pressure and water saturation, the average matrix permeability is less than 0.0000646 md.

- Jones and Owens correlation used to correct permeability

* Not suprisingly, the cored well is a dry hole. This matrix is not productive.

* Simulator results using observed matrix permeability indicates that only about 0.57% of the oil in place in the matrix would flow to the fractures even if there were no capillary forces retaining the oil in the matrix.

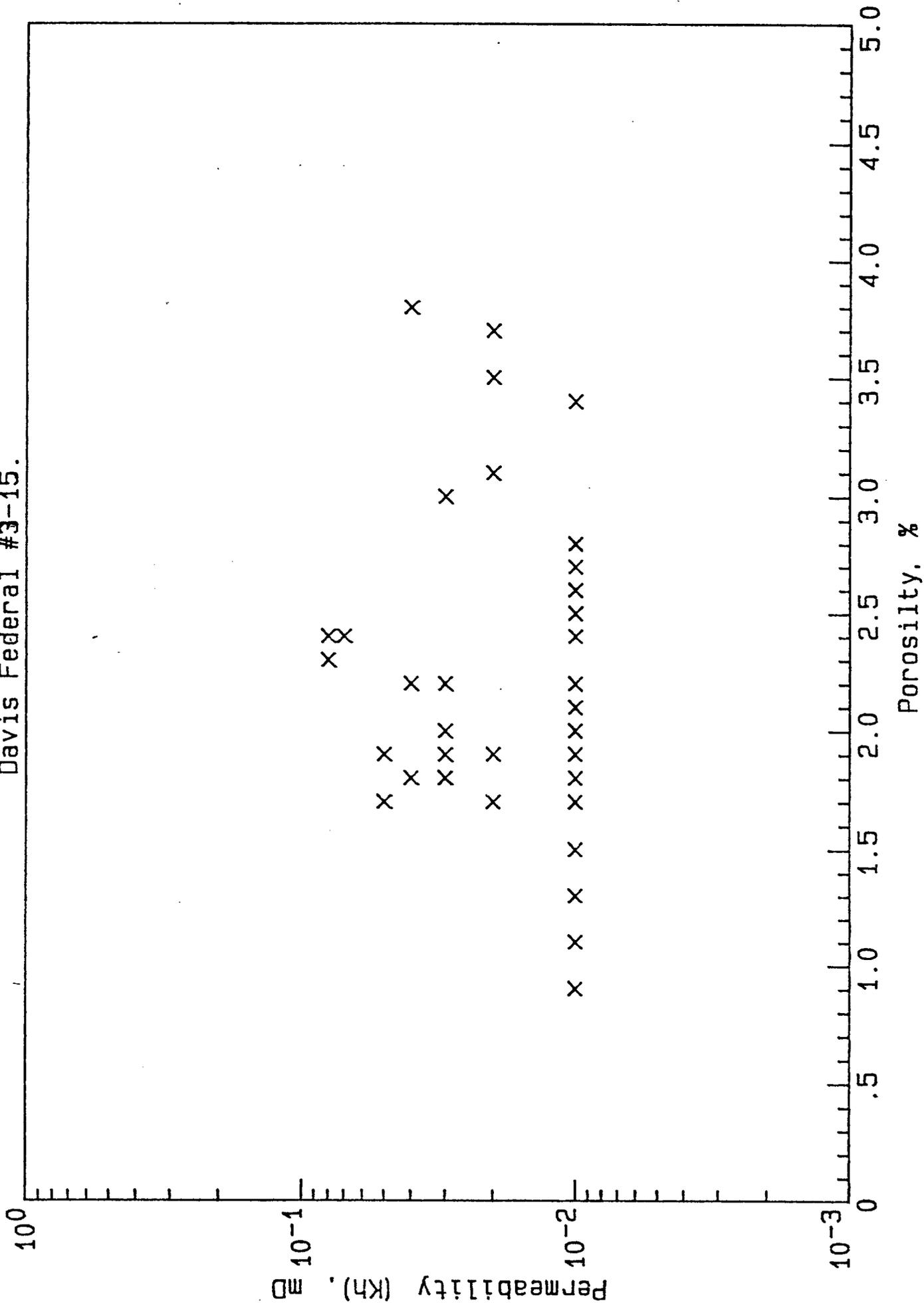
CORE ANALYSIS DATA FOR DAVIS FEDERAL #3-15.
 RIO ARRIBA CO., NM

Depth, ft	Permeability, (md)	Porosity, %
7085.6	0.03	2.00
7086.6	0.01	0.9
7088.5	0.01	2.8
7091.5	0.08	2.4
7095.6	0.01	2.4
7103.6	0.01	1.1
7104.5	0.03	1.9
7105.5	0.08	2.3
7106.5	0.01	2.5
7109.2	0.05	1.7
7112.7	0.03	2.2
7113.5	0.01	1.9
7114.6	0.01	2.6
7120.7	0.03	1.8
7134.4	0.04	2.2
7148.5	0.01	1.7
7198.7	0.01	2.2
7201.8	0.03	1.8
7202.8	0.01	1.7
7207.3	0.01	2.2
7210.5	0.01	1.3
7211.0	0.01	2.0
7215.5	0.01	1.5
7262.9	0.01	2.0
7271.3	0.01	2.2
7274.8	0.01	1.7
7297.6	0.01	2.1
7302.4	0.01	2.8
7313.4	0.01	1.9
7331.4	0.01	2.6
7335.2	0.03	3.0
7337.4	0.02	3.1
7338.7	0.01	2.6
7340.7	0.01	2.7
7341.8	0.04	3.8
7342.8	0.02	3.5
7343.8	0.01	2.8
7350.7	0.01	1.9
7357.6	0.01	1.8
7358.4	0.01	2.5
7365.5	0.01	2.0
7367.4	0.01	1.7
7369.3	0.05	1.7
7376.4	0.01	2.1
7368.7	0.02	1.9
7081.7	0.01	3.4
7082.7	0.07	2.4
7084.7	0.02	3.7
7096.7	0.04	1.8
7098.3	0.05	1.9
7117.3	0.02	1.7

Geometric Mean = 0.0164

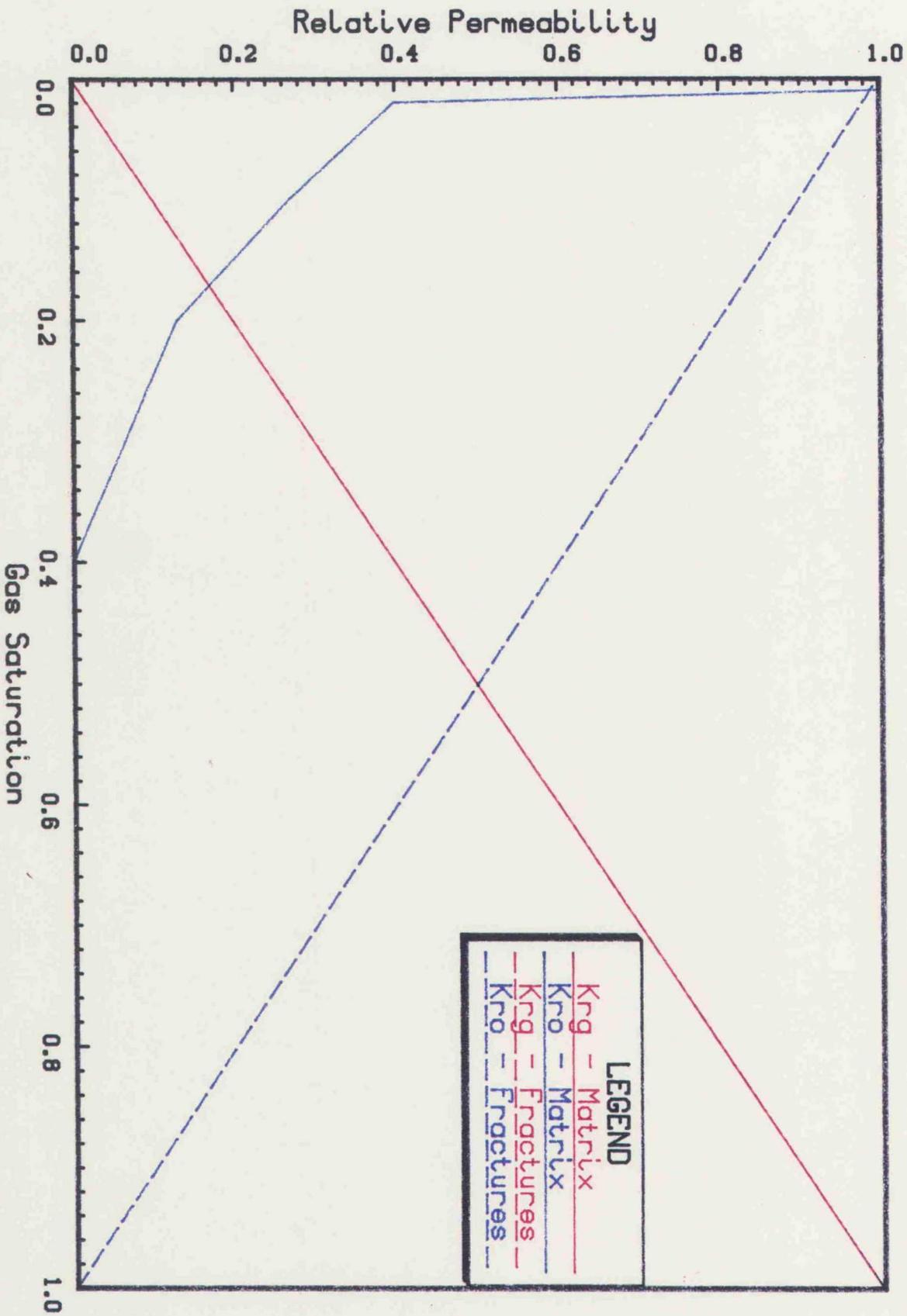
Permeability on 31 of 51 samples listed as 0.01 are actually <0.01 md.

HORIZONTAL PERMEABILITY VS POROSITY
 Davis Federal #3-15.



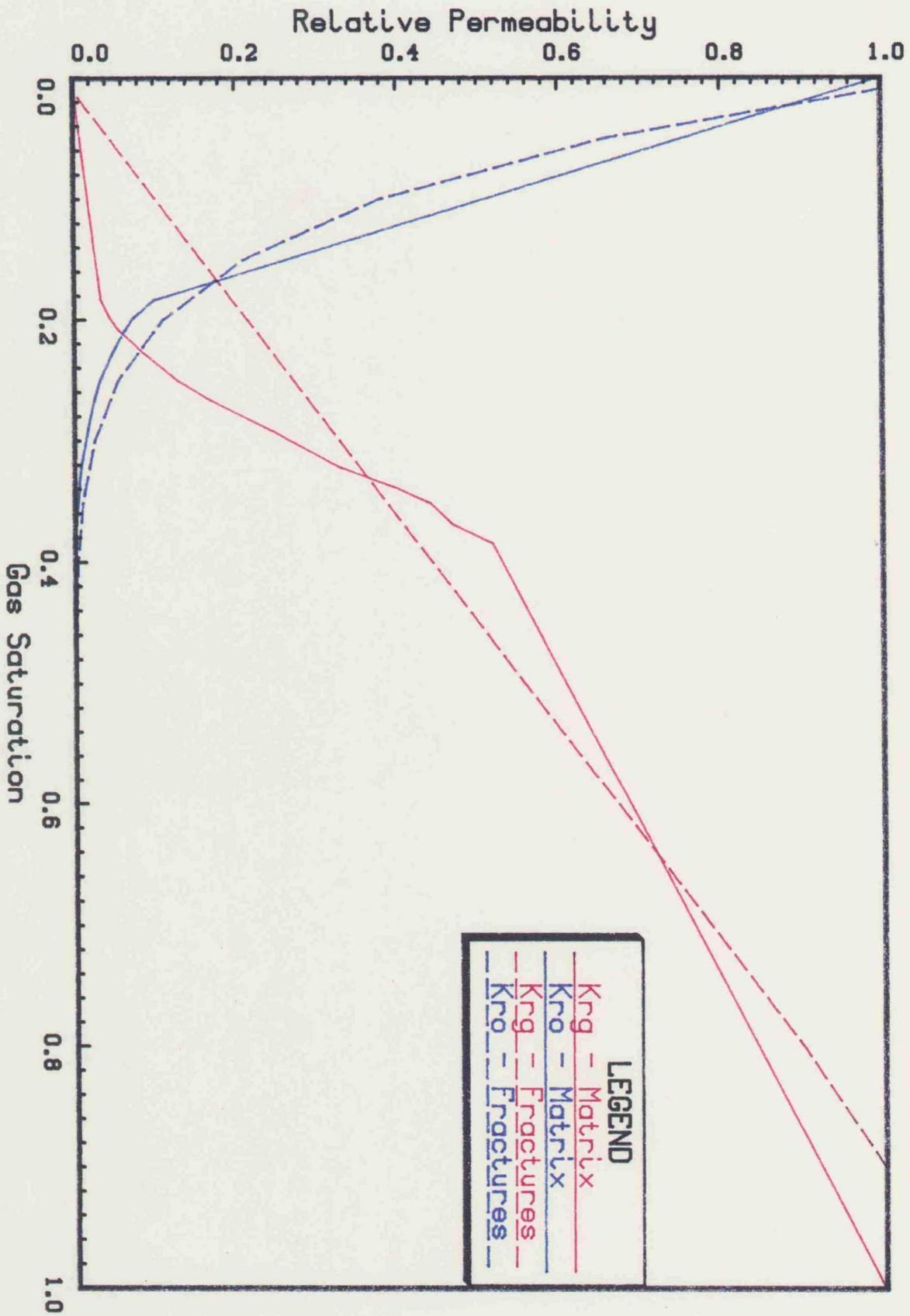
**SIMULATION OF TWO-PHASE DUAL POROSITY RESERVOIR BEHAVIOR
COMPARISON OF SUN AND MALLON ASSUMPTIONS AND RESULTS**

<u>MODEL PARAMETER</u>	<u>DATA FOR SUN CASE</u>	<u>DATA FOR MALLON CASE</u>
Reservoir Model	Dual Porosity	Dual Porosity
Matrix-Fracture Transfer	Unsteady State	Pseudosteady State
Drainage Area, acres	640	640
Initial Pressure, psia	1600	1600
Net Pay, Ft	270	270
Fracture kh	400 md-ft	400 md-ft
Fracture HC Porosity, %	0.439	0.439
Interporosity Flow Coeff.	6.46×10^{-10}	3.00×10^{-9}
(Mallon Value Calculated from $\Sigma = 0.00004 = 1/Lz^2$)		
Matrix Permeability, md	0.0000646	0.00148
Storativity Ratio	0.10	0.10
Capillary Pressure	Zero	Zero
Relative Permeability	See Graphs	See Graphs
(Sun Matrix Rel. Perm. Data from Low Perm. Sand/Silt)		
(Mallon Rel. Perms. from Bergeson Report - ECLIPSE Data)		
Flowing BHP, psia	200	200
Matrix-to-Fracture Transfer at abandonment (10 BOPD), % OOIP in matrix	0.57	6.07



Dual Porosity Simulation
Relative Permeability Relationships - Mallon

Dual Porosity Simulation
Relative Permeability Relationships - Sun



REBUTTAL TESTIMONY

DUAL POROSITY RESERVOIR HYPOTHESIS

FIELD OBSERVATIONS

* Eight wells in a six-section area of Gavilan, amid some of the best wells in the field, are nearing depletion (map, production statistics attached).

- Despite the low pressure in the fractures (about 1,000 psia below initial reservoir pressure), matrix oil is not flowing in any significant way into the fracture system. If the matrix is not contributing now, why should we believe that it will ever contribute?

SUN
JANET
83
7197 2
8062

MESA GRANDE
BEARCAT
86
7233 1
7907

29

28

SUN
E.T.
83
7170 1
8081

SUN
JANET
83
7253 1
7956

MESA GRANDE
PAVILAN
83
7310 1-E
8160

SUN
FULL SAIL
85
7263 2
8110

SUN
NATIVE SON
83
7329 2
8133

SUN
WILL SAIL
84
7132 1
8129

32

33

SUN
DR DADDY-O
85
7245 1
8180

SUN
NATIVE SON
84
7320 1
8170

MERIDIAN
HAWK-FED
84
7331 2
8116

MOBIL
LINDRITH B
86
7132 34
7100

SUN
NATIVE SON
85
7245 3
8075

SUN
HOMESTEAD
85
7222 2
7950

MERIDIAN
HAWK-FED.
85
7285 3
7957

SUN
LADY LUCK
86
7114 1
7958

MOBIL

4

SUN

3

SUN
WRIGHT WAY
83
7329 1
8185

86
7134 37
7100

83
7333 1
825

86
7162 38
7100

86
7187 2
8005

LINDRITH B

MOTHER LODE

10

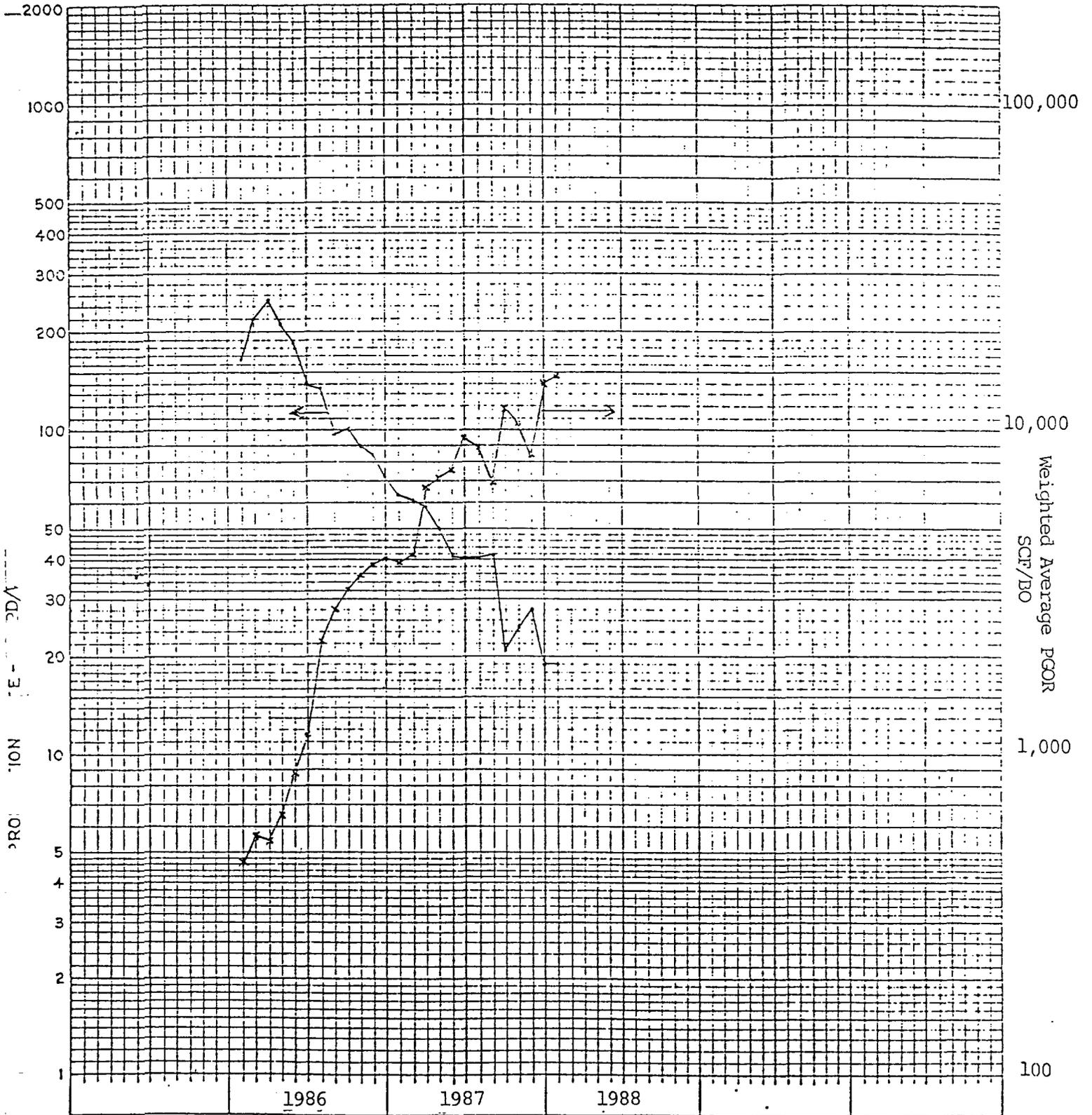
MOBIL
LINDRITH B
87
7220 72
7146

LINDRITH B
87
7182 74
7115

18

AMOCO
OSO CANYON 1
85
7287 1
817

Production Data
From Declining Wells Near
High Capacity Wells In Gavilan



Year	Month	ET #1	Janet #1	Native Sun #1	Dr. Daily 0	Active Sun 5	Link-in 0-58	Mother Code 2	Mother Code 1	Total	GOK	Total Prod Days
1987	Jan	285	567	3568	2545	774	3198	1377	1740	11792	5918	187
1987	Feb	572	614	2783	1354	794	491	2948	1840	11926	3183	193
1987	Mar	435	884	2567	2574	654	577	1389	1340	7854	6850	170
1987	Apr	449	723	1778	2137	723	470	722	1015	8115	7159	161
1987	May	539	344	1383	2567	685	410	710	912	7420	2560	180
1987	June	300	300	1938	2181	648	319	357	1552	4557	2872	164
1987	July	405	423	2664	2064	1328	405	2215	225	7971	8987	239
1987	Aug	169	378	2710	1018	845	471	2215	794	9121	6969	167
1987	Sept	154	387	2208	823	912	471	2215	224	4394	1810	217
1987	Oct	98	415	844	709	812	230	1417	1048	6694	15399	248
1987	Nov	69	182	1622	319	811	228	1523	934	5112	5422	182
1987	Dec	72	690	690	684	810	51	172	643	3102	1428	192
1987	Jan	13	711	711	135	757	1	776	737	3643	14887	150
1987	Feb	2139	2381	8133	3354	3175	3034	4067	3587	16000	49434	160
1987	Mar	849	1879	4784	3350	4711	7021	1638	4512	49434	49434	160
1987	Apr	278	6742	6710	4932	10785	2394	1192	2987	67360	67360	160
1987	May	278	7967	1194	3743	771	717	2590	2987	81048	81048	160
1987	June	2199	2584	2554	2104	7327	386	7327	2987	56000	56000	160
1987	July	212	4042	4042	1412	4042	1412	4042	4042	62523	62523	160
1987	Aug	1197	10479	5848	1899	6891	1412	4042	4042	62523	62523	160
1987	Sept	5123	8580	8498	1412	1412	1412	1412	1412	62523	62523	160
1987	Oct	8736	1412	1412	1412	1412	1412	1412	1412	62523	62523	160
1987	Nov	6098	8233	8233	1412	1412	1412	1412	1412	62523	62523	160
1987	Dec	4042	4042	4042	1412	1412	1412	1412	1412	62523	62523	160
1987	Jan	3434	3434	3434	1412	1412	1412	1412	1412	62523	62523	160
1988	Jan	3092	7550	7550	6562	4818	1	2015	08171	58688	58688	160

REBUTTAL TESTIMONY
DUAL POROSITY RESERVOIR HYPOTHESIS
INFERENCES FROM PRESSURE BUILDUP TEST PLOT SHAPES

- **The shape of the pressure buildup test plot for the mid-1987 test of the Mobil Lindreth B-37 well is similar to the characteristic shapes of buildup test plots from dual porosity reservoirs.**

- **This shape, on the tests from one well, hardly "proves" the dual porosity hypothesis.**
 - **This shape is the exception, rather than the rule, and it is more common in recent tests than in earlier tests.**

 - **Other phenomena--notably phase redistribution in the wellbore (gas rising to the top and liquid falling to the bottom of the wellbore following shut-in)--can cause the same shape.**

 - **Phase redistribution is clearly occurring in the field. Extreme cases result in a pressure "hump," which has virtually no other causes. Pressure humps are present in several test plots (graphs attached).**

 - **The attached SPE paper points out the similarity in test plot shapes for dual-porosity reservoirs and wells with phase redistribution in the wellbore.**

SPE 16763

An Analytical Model for Composite Reservoirs Produced at Either Constant Bottomhole Pressure or Constant Rate

by J.S. Olarewaju and W.J. Lee, Texas A&M U.

SPE Members

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This paper was prepared for presentation at the 62nd Annual Technical Conference and Exhibition of the Society of Petroleum Engineers held in Dallas, TX September 27-30, 1987.

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ABSTRACT

In this paper, we present a model of the complete characteristic transient response from a composite reservoir including the effects of skin, wellbore storage and phase redistribution at the well. We present six flow regimes and the combined effects of wellbore storage and phase redistribution on pressure behavior in composite reservoirs.

Using an automatic history matching approach, we analyzed three buildup tests and a pressure falloff test. This method eliminated the serious uniqueness problem associated with type curve analysis. We demonstrate that incorrect reservoir parameter estimates and incorrect production performance predictions would result from the use of any model that lacks the capabilities of the model we present in this paper. We also demonstrate possible misinterpretations of pressure data that may result from not recognizing the presence of phase redistribution in the buildup test data or not recognizing the composite reservoir behavior.

INTRODUCTION

Numerous analytical models have been presented in recent years to describe the pressure behavior of composite reservoir systems.¹⁻⁸ Composite reservoirs are encountered in a wide variety of reservoir situations. In a composite reservoir there is a circular inner region with fluid and rock properties different from those in the outer region. Reservoirs damaged because of fluid invasion during drilling or completion; stimulated reservoirs; reservoirs being waterflooded or undergoing insitu combustion are examples of the reservoir types that can be described by a composite reservoir model. The inner zone represents the invaded or altered zone while the outer zone

represents the uninvaded zone. The two zones are separated by a sharp radial discontinuity. This idealized interface may be a permeability, mobility, saturation or thermal discontinuity.

During the 1960's there was great interest in the composite reservoir flow problem. Hurst¹ discussed in detail the "sand in series" problem and presented formulas to describe unsteady state pressure behavior of fluid movement through two sands in series in a radial configuration. Loucks and Guerrero² presented a theoretical study of the pressure distribution in an infinite composite reservoir. They found that under certain conditions the permeability in both zones as well as the size of the inner zone can be determined from pressure transient test data. Wattenbarger and Ramey³ presented a finite difference solution for the infinite composite reservoir. Other early investigators include Merrill *et al.*,⁴ Clossmann and Ratliff,⁵ and Bixel and Van Poolen.

Recently Satman⁷ presented an analytical study of interference in a composite reservoir which accounts for wellbore storage and skin at the active well. Brown⁸ presented a graphical approach for calculating mobility of the altered and unaltered zones and the radius of the altered zone. DaPrat *et al.*⁹ presented an application of a composite reservoir model to interpret falloff tests in an insitu combustion project.

The major contribution of this paper is the presentation of the combined effects of skin, wellbore storage and phase segregation on pressure transient tests in composite reservoir systems. We also present the six flow regimes possible in a finite composite reservoir and show how the characteristic influence of wellbore storage and phase segregation may cause a misinterpretation of pressure transient tests. The rate solution in a composite model with an inner steady state skin is also presented. This solution is useful for

References and illustrations at end of paper.

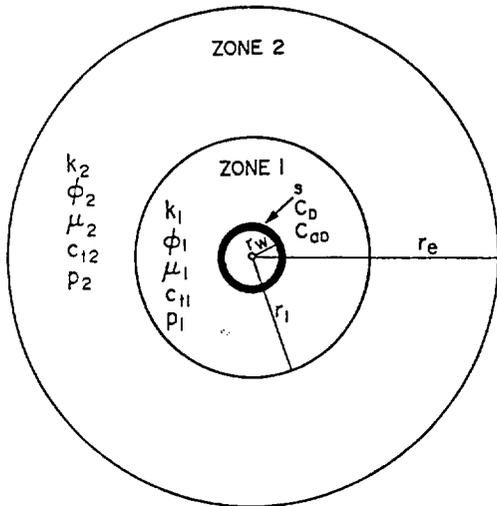


Fig. 1—Schematic diagram of composite reservoir system.

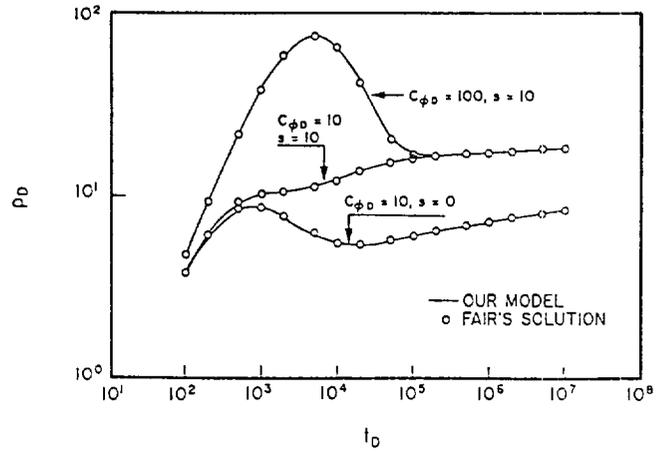


Fig. 2—Comparison of solutions developed in this study with Fair's solution. $\eta_1/\eta_2 = 1.0$, $r_1/r_w = 1$, $C_D = 1,000$, $C_{1D} = 20$.

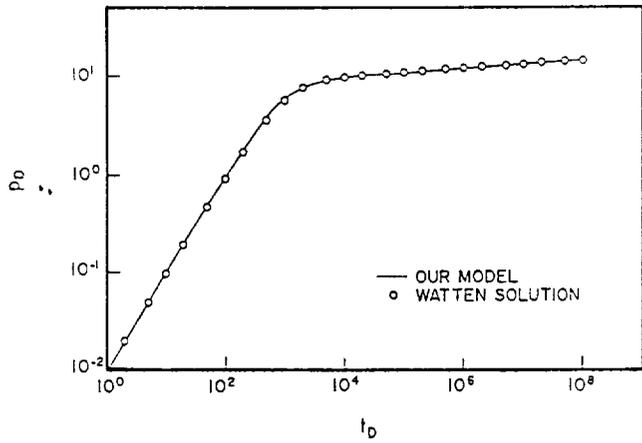


Fig. 3—Comparison of solution developed in this study with Wattenbarger and Ramey's solution, $s = 5$, $C_D = 1,000$.

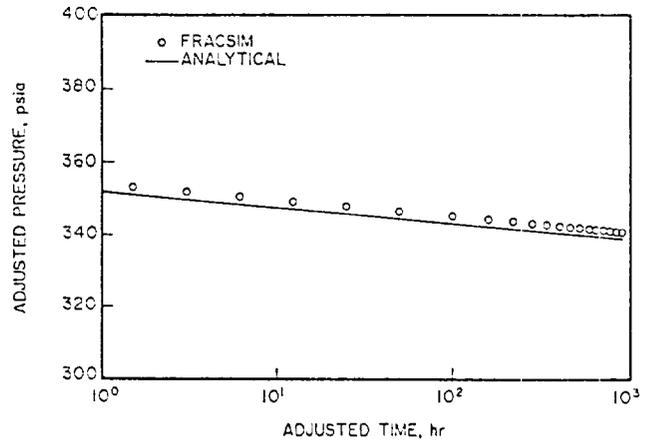


Fig. 4—Comparison with simulator solution for fractured gas well, pressure drawdown test, $k_1 = 0.029$, $k_2 = 0.0029$, $r_1/r_w = 100$.

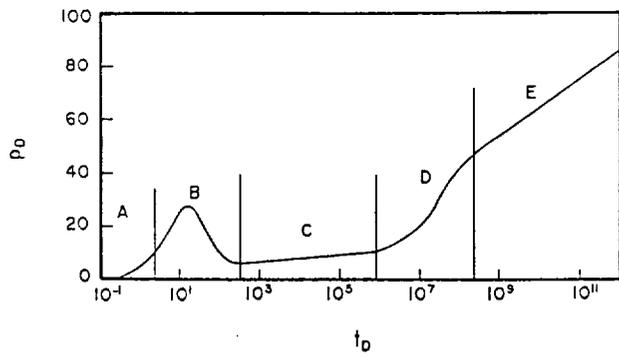


Fig. 5—Flow regimes in an infinite composite reservoir, $\eta_1/\eta_2 = 10$, $r_1/r_w = 500$, $s = 0$, $C_D = 100$, $C_{1D} = 50$, $s = 10$.

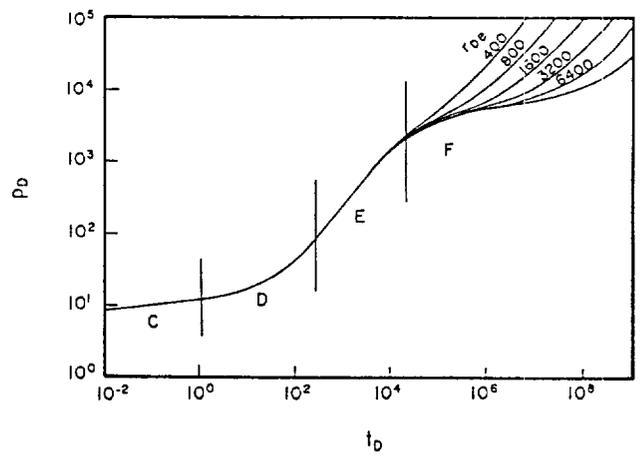


Fig. 6—Pressure flow regimes in a finite composite reservoir, $\eta_1/\eta_2 = 1,000$, $r_1/r_w = 100$, $C_D = 0$, $s = 5$, $C_{1D} = 0$.

CONCLUSIONS

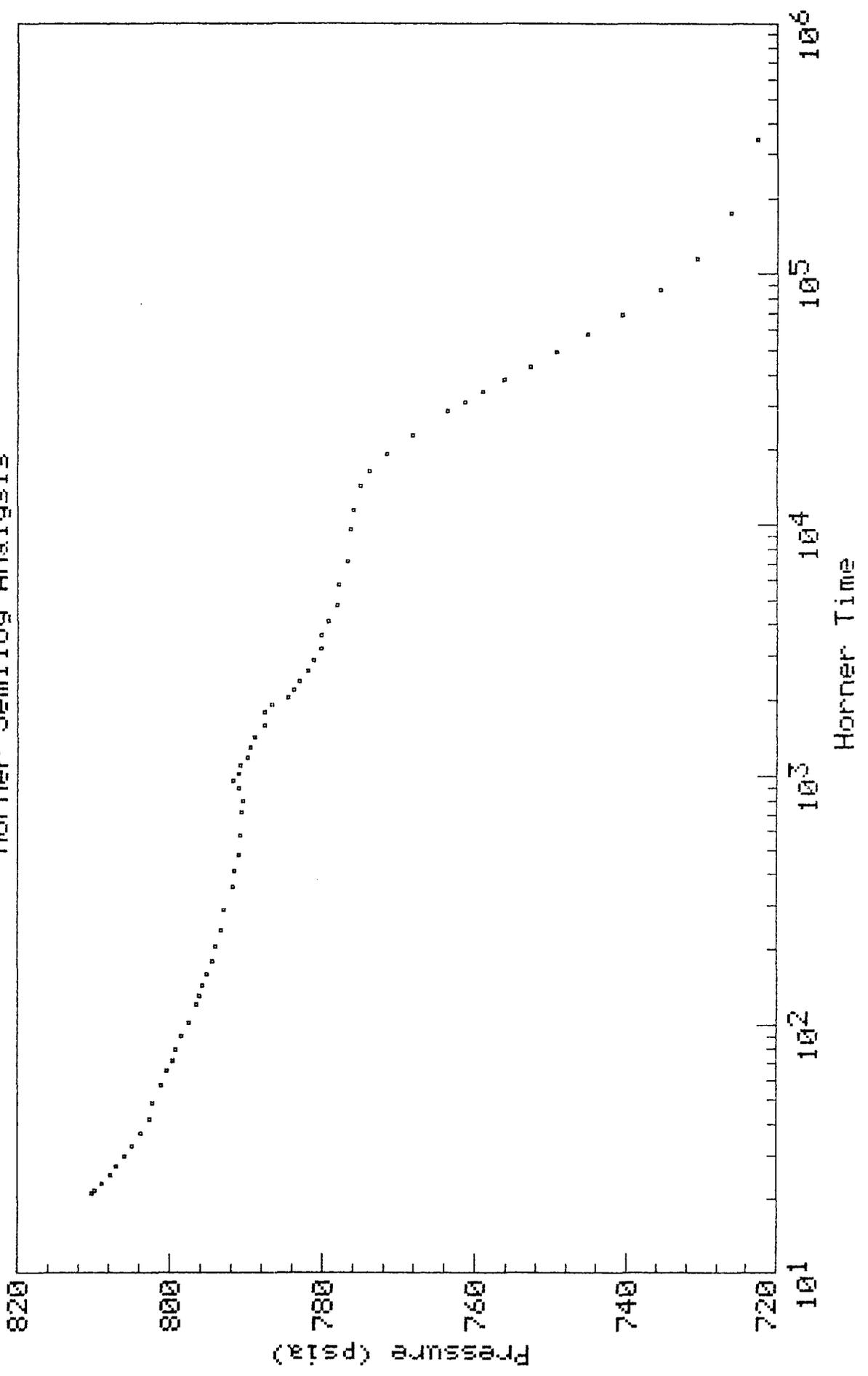
1. We have demonstrated in this paper the danger of misinterpretation that may result from applying an incomplete model to buildup test data where pressure distortion caused by phase redistribution is not large enough to show the classical hump. The analysis of such buildup data with techniques that do not account for phase redistribution can lead to incorrect reservoir property estimates and incorrect predictions of production.
2. We have applied an automatic history matching technique and our new composite model to analysis of buildup and falloff tests. This technique is superior to available type curve and semilog analysis methods because of the reduction of the uniqueness problem, ability to estimate many important reservoir parameters and a correct representation of the skin zone.
3. When the diffusivity of the inner zone of a composite system is less than that of the outer zone, as in a damaged system, the pressure humps caused by phase redistribution are both larger and last longer than when the diffusivity of the inner zone is greater. The presence of wellbore storage and phase redistribution will usually mask the first semilog straight line, thereby, in such damaged systems, rendering conventional semilog analysis useless in evaluating the properties of the inner zone. Such test data can be analyzed with the model presented in this paper.
4. When the distortion caused by phase redistribution is not severe enough to cause a hump, the characteristic shape of the pressure behavior could be misinterpreted as that from a dual porosity reservoir. The composite reservoir behavior could also be misinterpreted as an effect caused by the reservoir drainage boundary. When such a characteristic shape is displayed in a transient test, more information should be sought about the reservoir geology, reservoir fluid phase behavior and fluid properties before a model is chosen.
5. The transition flow regime of a composite model lasts about 2-1/2 log cycles if the diffusivity of the inner zone is greater than that of the outer zone. When the diffusivity of the inner zone is smaller, the transition flow regime lasts approximately 1 log cycle.

NOMENCLATURE

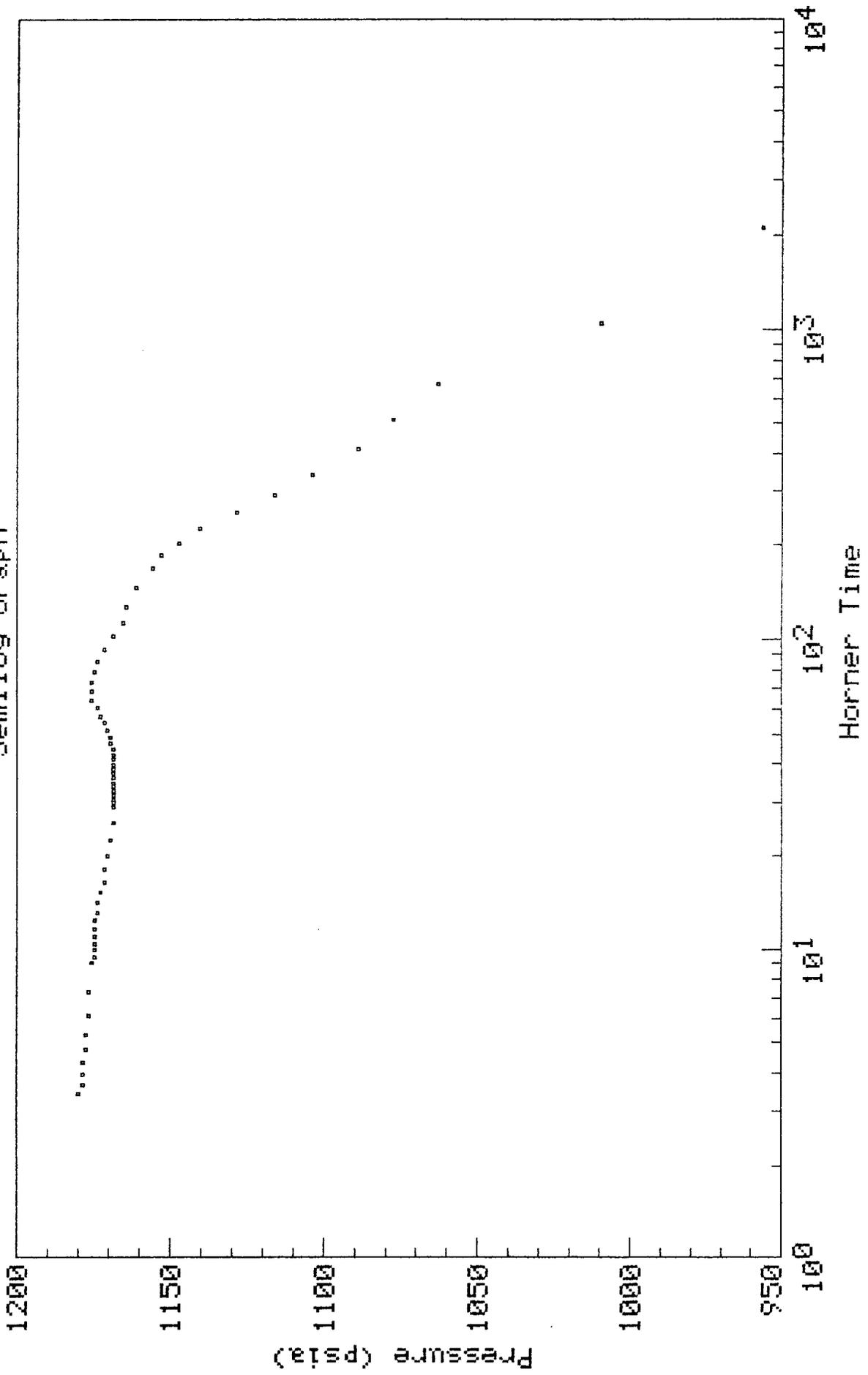
Symbol	Meaning
B	Formation volume factor, Rb/Mscf for gas and RB/STB for oil
C_{aD}	$\frac{1}{C_D} + \frac{C_{\phi D}}{\alpha_D}$, dimensionless apparent wellbore storage coefficient
c_t	Total compressibility, psia ⁻¹

C_D	$\frac{0.894 C_s}{c_t h r_w^2}$, dimensionless wellbore storage coefficient
C_s	Wellbore storage coefficient, bbl/psi
C_ϕ	Phase redistribution pressure parameter, psi
$C_{\phi D}$	$\frac{kh C_\phi}{141.2 q \mu B}$, dimensionless phase redistribution parameter
h	Net pay thickness, ft
I_0	Modified Bessel function of the first kind, zero order
k	Permeability, md
K_0	Modified Bessel's function of the second kind, zero order
L_f	Fracture half length, ft
P	Pressure, psia
p_a	$\frac{p}{\rho} \int \frac{\rho}{\mu} dp$, adjusted pressure, psia
P_D, P_{Dw}	$\frac{k_2 h (p_i - p_{wf})}{141.2 q \mu B}$, dimensionless pressure
p_i	Initial reservoir pressure, psia
p_ϕ	Phase redistribution pressure, psi
$P_{\phi D}$	$\frac{k h p_\phi}{141.2 q \mu B}$, dimensionless phase redistribution pressure
P_{gef}	Flowing pressure at point of gas entry, psi
P_{whf}	Flowing wellhead pressure, psi
P_{wf}	Flowing wellbore pressure, psia
q	Flow rate, Mscf/D for gas, and b/d for oil
r_D	Dimensionless radius, r/r _w
r_e	Drainage radius, ft
r_w	Wellbore radius, ft
s	Laplace transform parameter (in the Appendices); in text, skin factor, dimensionless
S	Skin factor, dimensionless (in the Appendices)
t	Time, hr
t_a	$t(p) \times \bar{\mu} \bar{c}_t$, adjusted time, hr

Mobil Lindrith B-37 - November 1987 Buildup Test
Horner Semilog Analysis



Sun High Adventure #1 - June 1987 Buildup Test
Semilog Graph



**REBUTTAL TESTIMONY
DUAL POROSITY RESERVOIR HYPOTHESIS
CONCLUSIONS**

- Available core data indicates the matrix permeability is extremely low.
- Reservoir simulation using available core data indicates that the matrix will not contribute significantly to pool reserves.
- Actual field performance indicates no support from the matrix in declining wells.
- The buildup curve shape on the Mobil Lindreth B-37 well does not prove dual porosity behavior. Phase redistribution in the wellbore is a more likely explanation.