

Well Monitoring Program Exposes Significant Chemical Program Oversight Failure and Introduces New Level of Accountability

Fast-growing independent operator with significant resources in the Oklahoma STACK Play realizes immediate \$160,000 in savings

The Situation

The company experienced above-normal failure rates compared to their historical data and peer group, and minimal well testing prevented a better understanding of the applied treatment. To better understand what was happening, the company selected OLA to implement a well monitoring program. The chemical treatment programs most often prescribed are inhibitors that prevent downhole deposition and tubular damage with scale, paraffin, asphaltene, salt, and corrosion. Bacteria control protects against harmful bacteria-induced corrosion and reservoir souring, and permeability modifiers that minimize water production.

The Solution

The company hired OLA as a partner to implement routine testing services, with an expert level of sample data interpretation and recommendations for the field treatment program. After two rounds of collected chemistry samples, the findings revealed no chemicals in the samples to measure; a real problem, as the chemical company charged an estimated \$160,000 per month. Accurate data is crucial to identify potential issues before they do damage, and this customer was already experiencing above-average failures.

OLA is currently handling product performance testing as part of a formal RFP process, the results of which will aid in selecting the next chemical provider for this company. The second step will be to implement a comprehensive well monitoring program that will help refine product selection, chemical treatment rates, and the recommendation of new treatments.

Testimony

We knew we had an ongoing problem and had to discover what was happening. After hiring OLA, we had the data to make immediate changes and put us back on a healthy path of production.

Production Engineer,
Oklahoma STACK Operator

The Outcome

The data results provided by OLA resulted in an immediate refund of \$160,000 for billed-services-not-rendered, with the possibility of several additional months of charges for which they can seek compensation.

The long-term benefit is a reduction in the overall failure rate of their well program, bringing them more in line with their peer group ratio. Conservatively, at an average cost of \$48,000 for a workover rental (excluding loss of production or downtime) with 50 wells impacted annually, the company will save an estimated \$2.4M per year.

An Eye on ESG

In this case, OLA helped contribute to reduced fuel, chemical, and human resource usage for the company, and continues to work towards more ethical and sustainable production across the industry.