

“History Matching” of shut-in pressure data

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Exhibit No. _____
Worldwide Court Reporters, Inc.

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TREX 008640.0001

History Matching

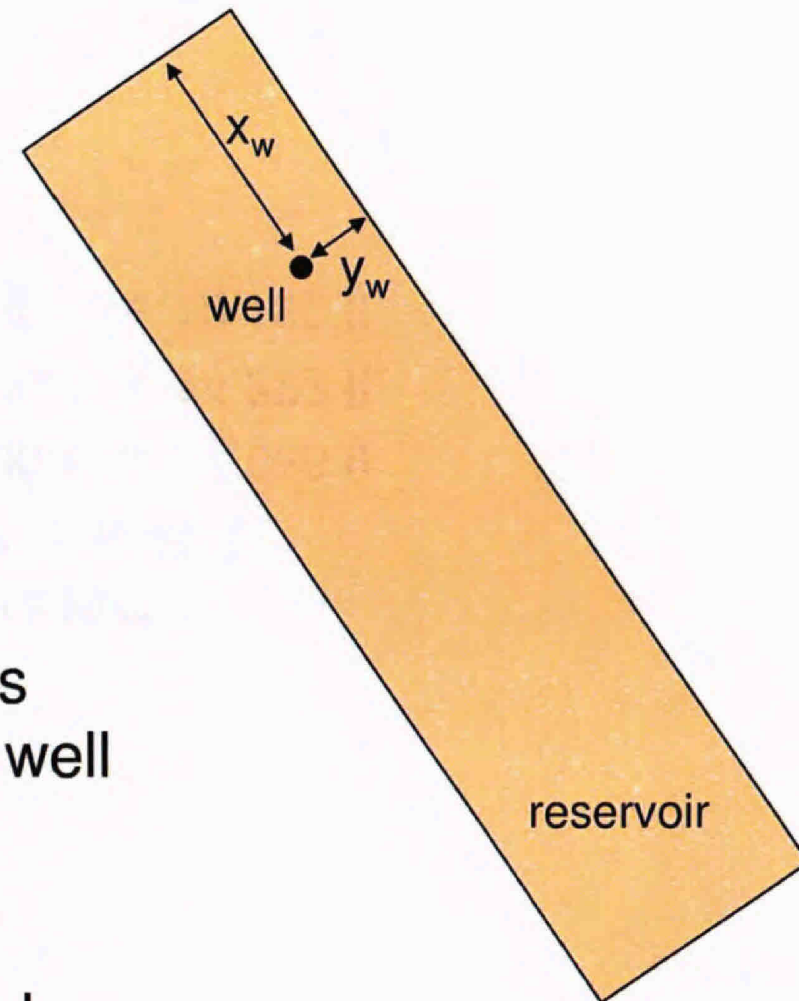
- Combining an optimization program with a reservoir simulator to determine the reservoir geometry and properties so that the simulated pressures match observed pressures.
- Also known as:
 - Automated calibration
 - Parameter estimation
 - Inverse method

Assumed “Known”

- Volume of original oil in place: 110 million stb
- Formation volume factor: 2.35 rb/stb
- Porosity: 21%
- Reservoir thickness: 90 ft
- **Reservoir Area: 85.3 million square feet**
- Reservoir is rectangular of varying dimensions:
 - 2,000 ft x 42,665 ft
 - 3,000 ft x 28,444 ft
 - 4,000 ft x 21,333 ft
 - 5,000 ft x 17,066 ft
 - 6,000 ft x 14,222 ft
 - 7,000 ft x 12,190 ft
- Various flow rates:
 - 40,000 stb/day
 - 50,000 stb/day
 - 60,000 stb/day
- No aquifer support, well has integrity (no casing leak)

Estimated or “Fitted” Parameters




- Location (x_w, y_w) of well in rectangular reservoir
- Permeability (k)
- Rock compressibility (c_r)
- Final shut-in pressure (\bar{p})



The sum of squares of residuals (SSR) gives a measure of how well the model simulated pressures match the observed pressures.

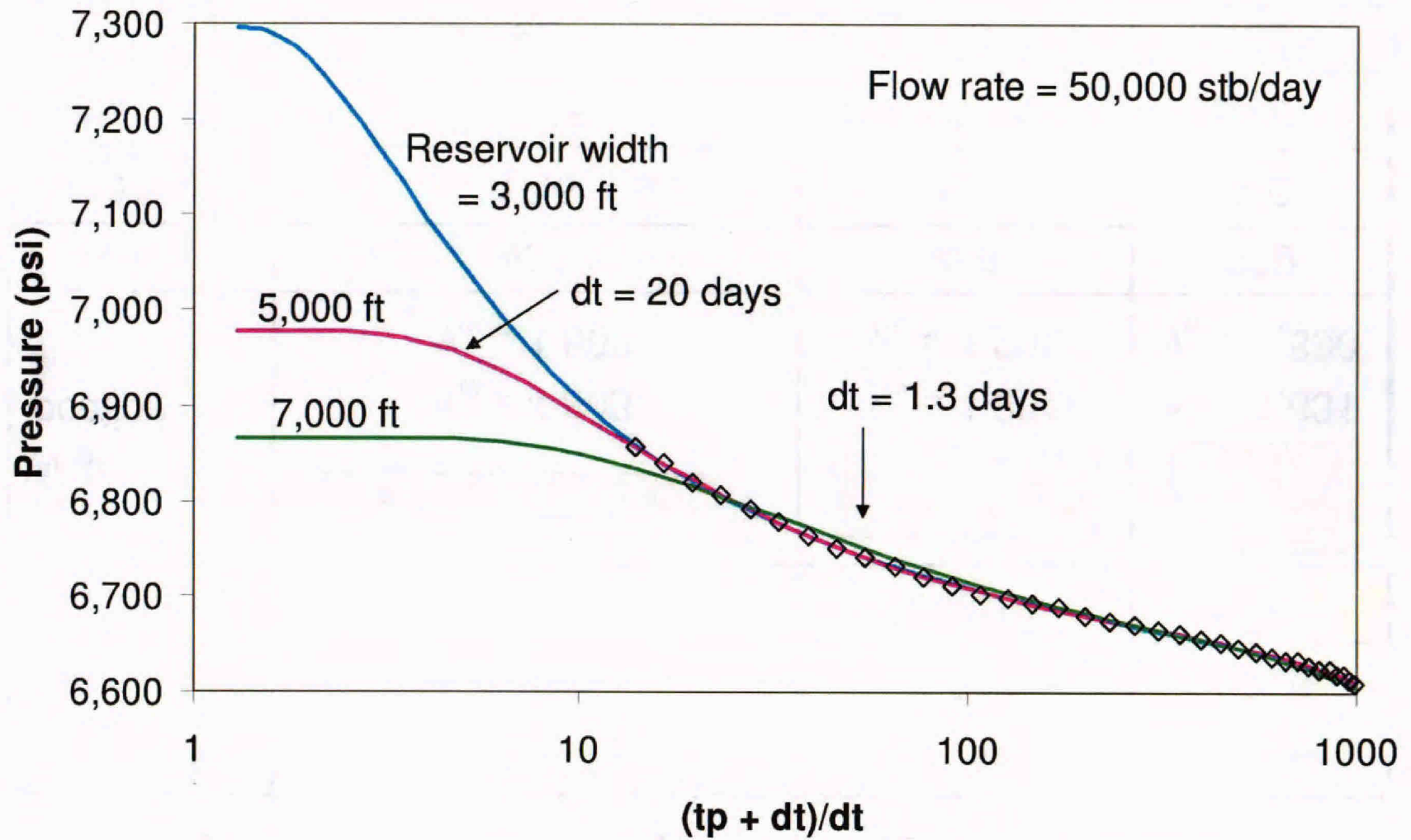
Residual = simulated - observed

Selected Results. Flow rate = 50,000 stb/day

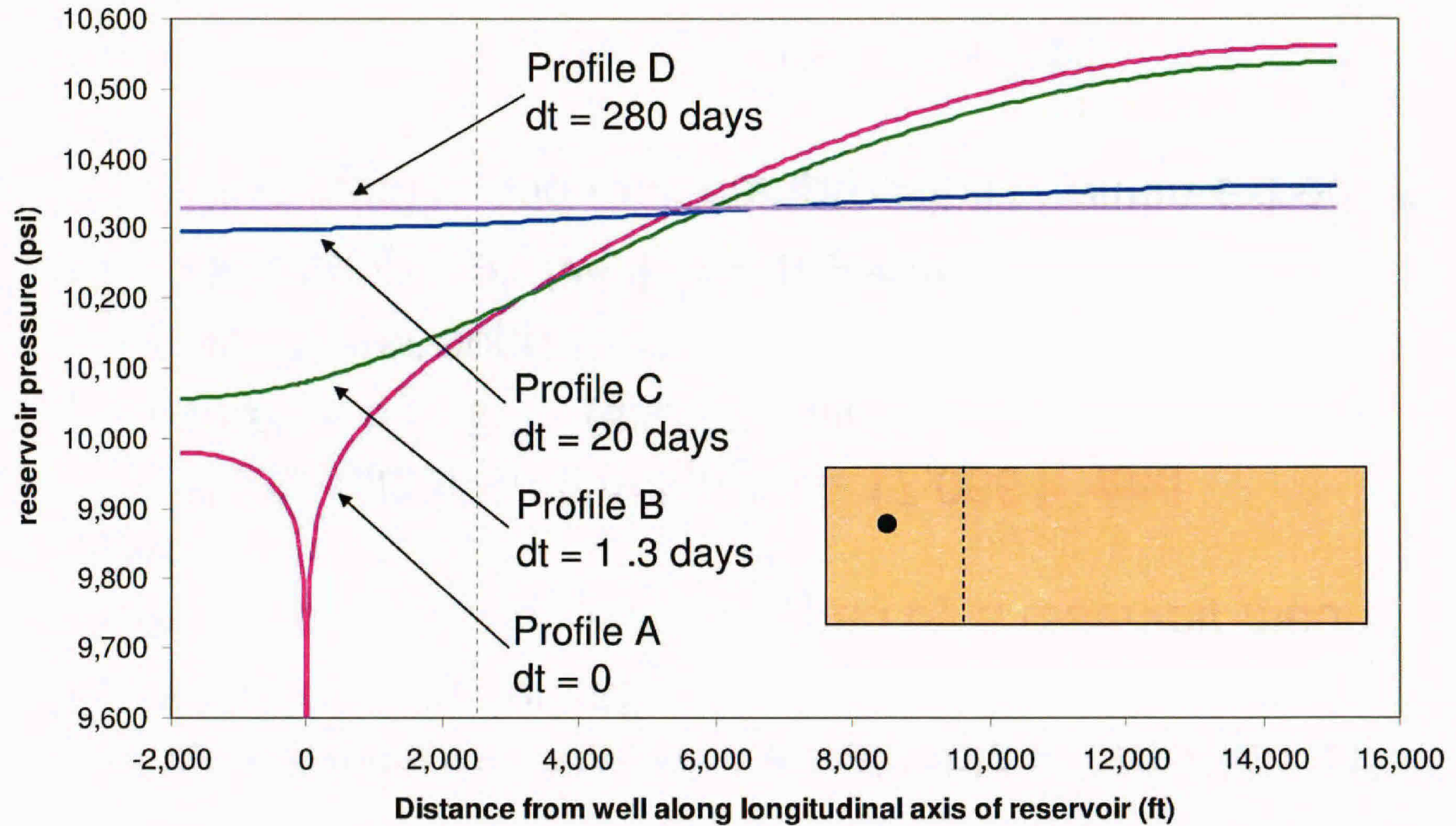
Length (ft)	28,444	17,066	12,190
Width (ft)	3,000	5,000	7,000
Aspect ratio	~ 9:1	~ 3:1	~ 2:1
Well location (ft)	 $x_w = 4,803$ $y_w = 1,500$	 $x_w = 1,901$ $y_w = 1,902$	 $x_w = 1,631$ $y_w = 1,890$
k (md)	491	459	339
c_r (10^{-6} psi $^{-1}$)	15.5	9.4	7.6
\bar{p} (psi)	7,296	6,979	6,867
SSR (psi 2)	92	58	1,682

For a different flow rate, the same match can be obtained by proportionally scaling k and c_r .

Horner Plot



Reservoir Pressure during shut-in



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Conclusions

- Shut-in pressure data provide valuable information for reservoir characterization.
- Shut-in data can be well matched by a reservoir model with:
 - Rectangular area of length = 17,066 ft and width = 5,000 ft (aspect ratio ~ 3:1).
 - No aquifer support
 - No casing leak (well has integrity)
 - Permeability and rock compressibility within expected range
- Projected final shut-in pressure ~ 7,000 psi