



String performance analysis using multi-company data reveals new insights

ICoTA-Canada Roundtable

October 2018

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Scope of Presentation

- String performance metrics
- Use of CoilData as a source of performance metrics for
 - a) an individual service company
 - b) a pipe manufacturer
 - c) the industry at large
- Possible industry initiative

String performance metrics

- Record status of strings when 'retired' from service
 - Running feet (meters)
 - Fatigue level
 - Working history
 - Reason for retirement
- Perform statistical analysis to quantify running feet at retirement for each pipe diameter/material combination.
- Calculate a 'Running Feet per Dollar' metric to estimate the relative Return on Investment (ROI) for each pipe configuration.

CoilData as a source of performance metrics

- Commercial website since 2009
- Service companies upload string and job data for analysis and planning
- 5,152 strings total as of October 2018
- 146,557 jobs (depth/pressure/weight data)
- 27 service companies, predominantly North America
- Data is confidential to each subscribing company

Database of Retired Strings

| All Vendors (2987 qualifying strings from 5152 in database) | | | | | | | | | | | | | |
|---|-------|-------|------|------|------|------|-------|-------|-------|-------|------|------|-------|
| | 0.126 | 0.281 | 1.00 | 1.25 | 1.50 | 1.75 | 2.00 | 2.375 | 2.625 | 2.875 | 3.25 | | |
| 70 | | | | | 1 | 1 | | | | 1 | | 3 | 0.1% |
| 80 | | | | 16 | 49 | 22 | 55 | 18 | | 5 | | 165 | 5.5% |
| 90 | | | | 89 | 29 | 56 | 414 | 194 | 13 | 22 | | 817 | 27.4% |
| 100 | | | | 4 | 5 | 23 | 661 | 602 | 103 | 1 | | 1399 | 46.8% |
| 110 | | | | | 2 | 3 | 89 | 189 | 46 | | | 329 | 11.0% |
| 125 | | | | | | | 14 | 137 | 36 | | | 187 | 6.3% |
| 130 | | | | | | 1 | 18 | 48 | 15 | | | 82 | 2.7% |
| 140 | | | | | | | | 5 | | | | 5 | 0.2% |
| | 0 | 0 | 0 | 109 | 86 | 106 | 1251 | 1193 | 213 | 29 | 0 | | |
| | | | | 3.6% | 2.9% | 3.5% | 41.9% | 39.9% | 7.1% | 1.0% | | | |

String Status

Current status : Retired Last reel : 2857M

Date retired : 27 Aug 2018

What were the reasons for taking this workstring out of service?

Primary reason : Pinholed

Secondary reason : High fatigue if applicable

Where is it now : Scrapped

Remarks :

String pinhole around 8,734' it was close to a bias weld. Manufacturer cut the pinhole and is going to do a in house analysis.

If this string failed prematurely (pinholed or parted)

Where did it fail : Pipe body

Failure analysis performed : Yes, externally

Do you want this string included when analyzing past results?

Internal analysis : Include

Some other information that may provide context

Was the decision to retire : Voluntary based on normal company policies

Was this a result of : Normal operating conditions

Was this string profitable : Marginal

Save Retirement Data

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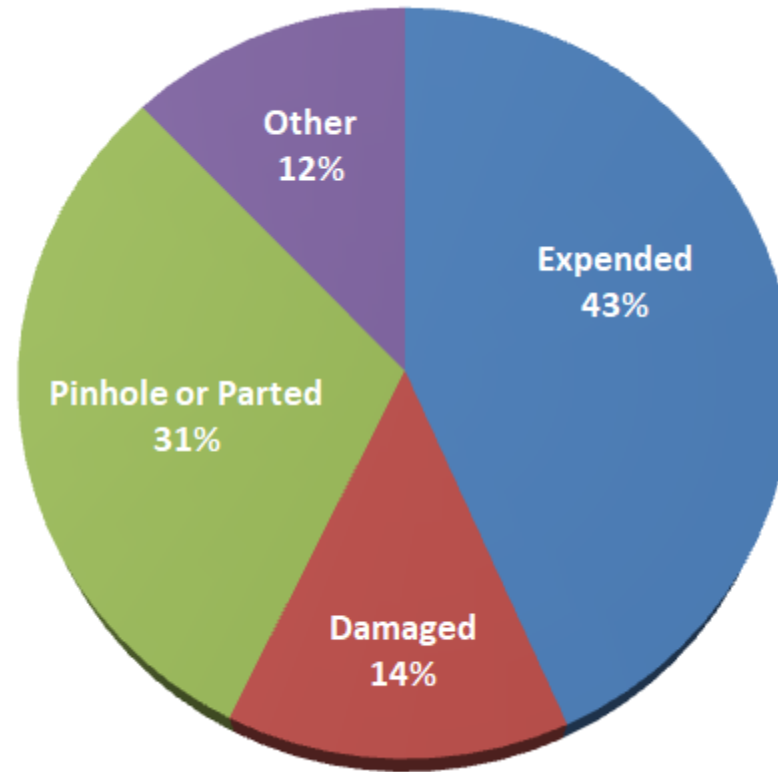
Save Retirement Data

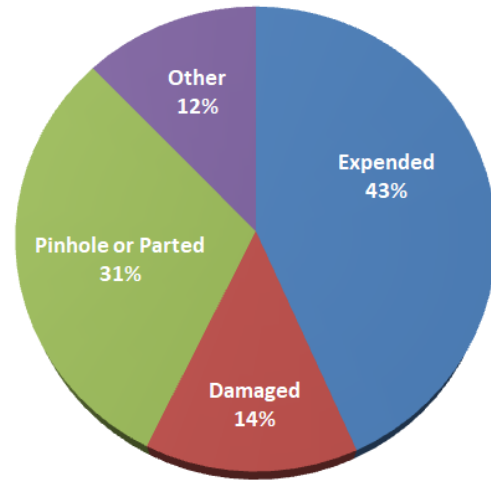
Reason String Retired

Interpreted data

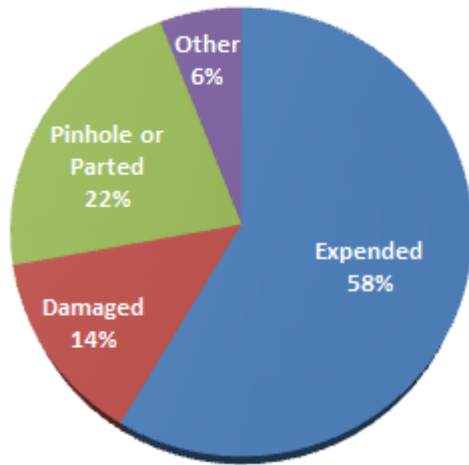
| | |
|------------------------------|-------|
| High fatigue | 33.1% |
| Pinholed | 15.7% |
| Parted at surface | 13.7% |
| High footage | 7.7% |
| Damage - General | 7.2% |
| Other | 6.2% |
| Lost downhole | 4.3% |
| Butt weld | 2.9% |
| Sold | 1.3% |
| Oversize diameter | 1.2% |
| Hung off | 1.1% |
| Parted downhole | 1.0% |
| Damage - Wellbore | 0.9% |
| Damage - Abrasive | 0.9% |
| Damage | 0.8% |
| Damage - Corrosion | 0.7% |
| Uncertain history | 0.6% |
| Damage - Wellhead | 0.4% |
| High job count | 0.2% |
| Overpulled | 0.1% |
| Expended (no failure) | 43.3% |
| Damage related | 13.9% |
| Fatigue failures | 30.5% |
| Other or Unknown | 12.2% |

Reason for String Retirement (all strings)

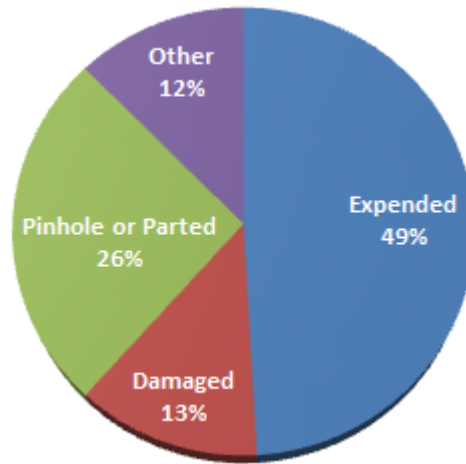




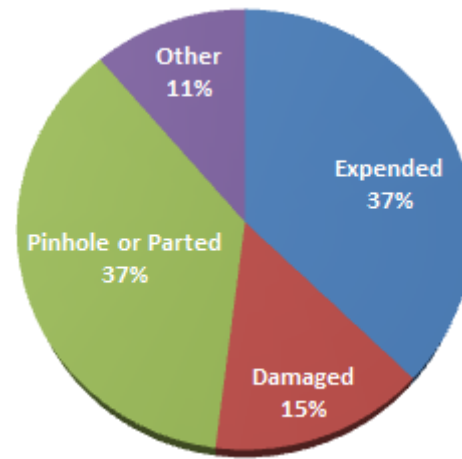
All



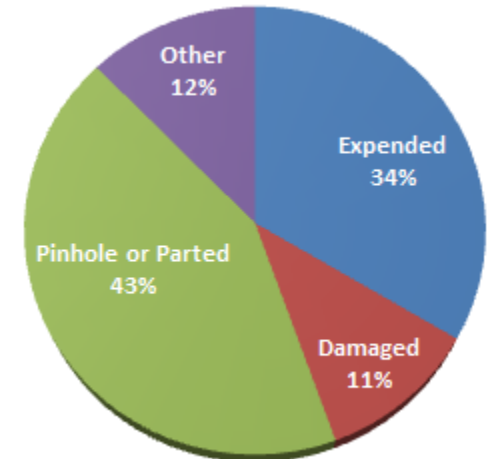
1.75"



2.00"

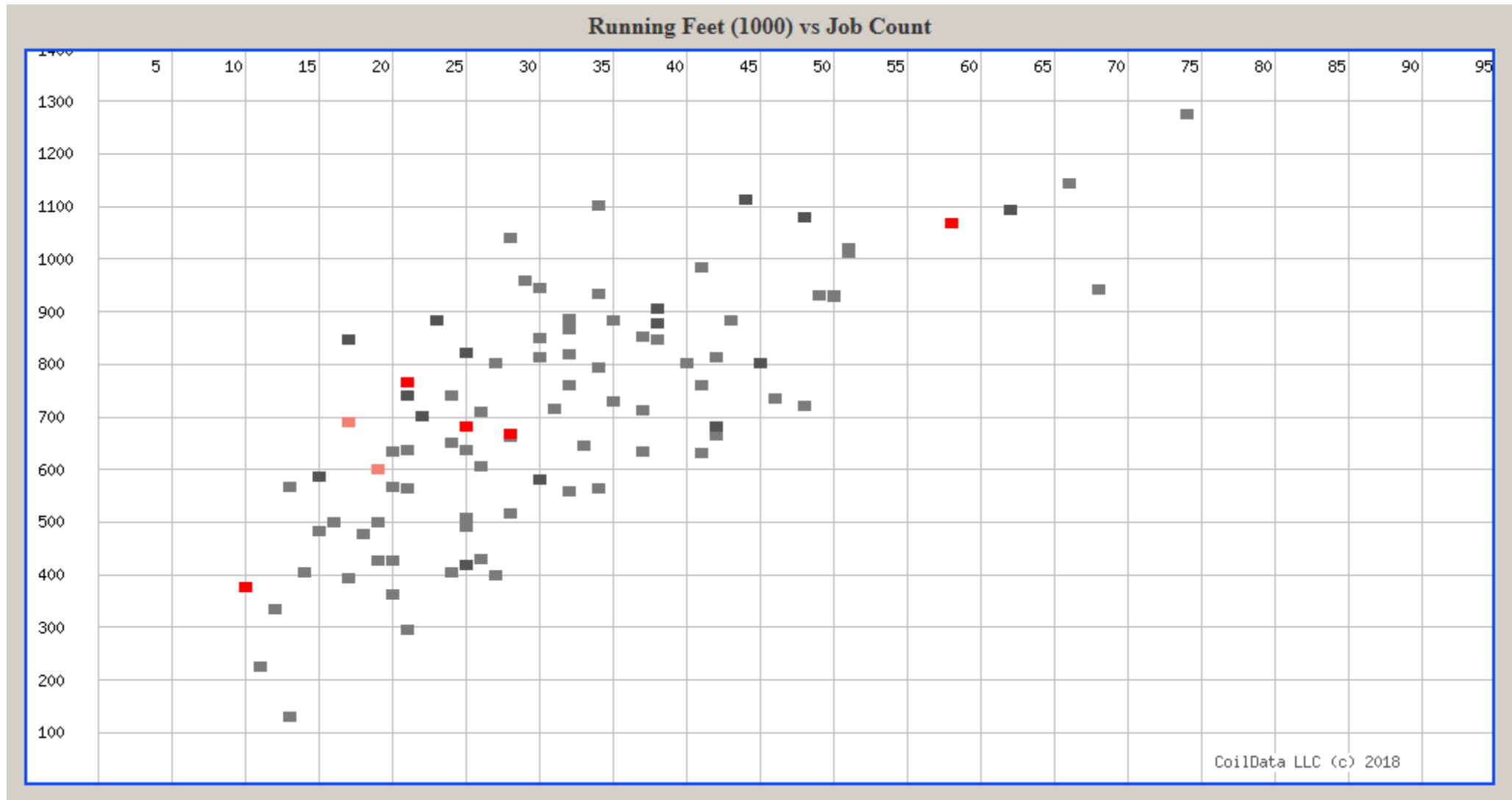


2.375"



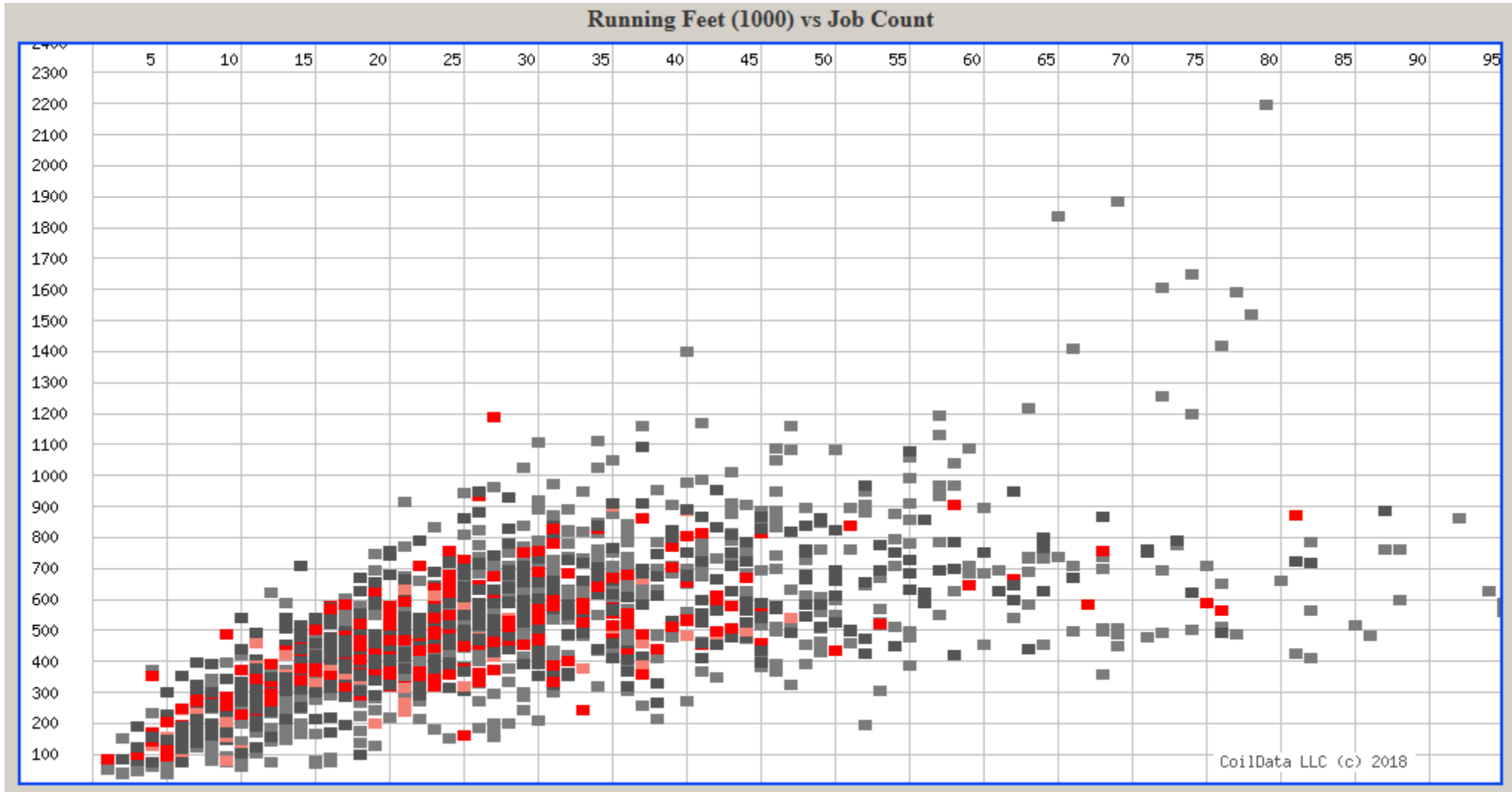
2.625"

2.375" one medium-sized company

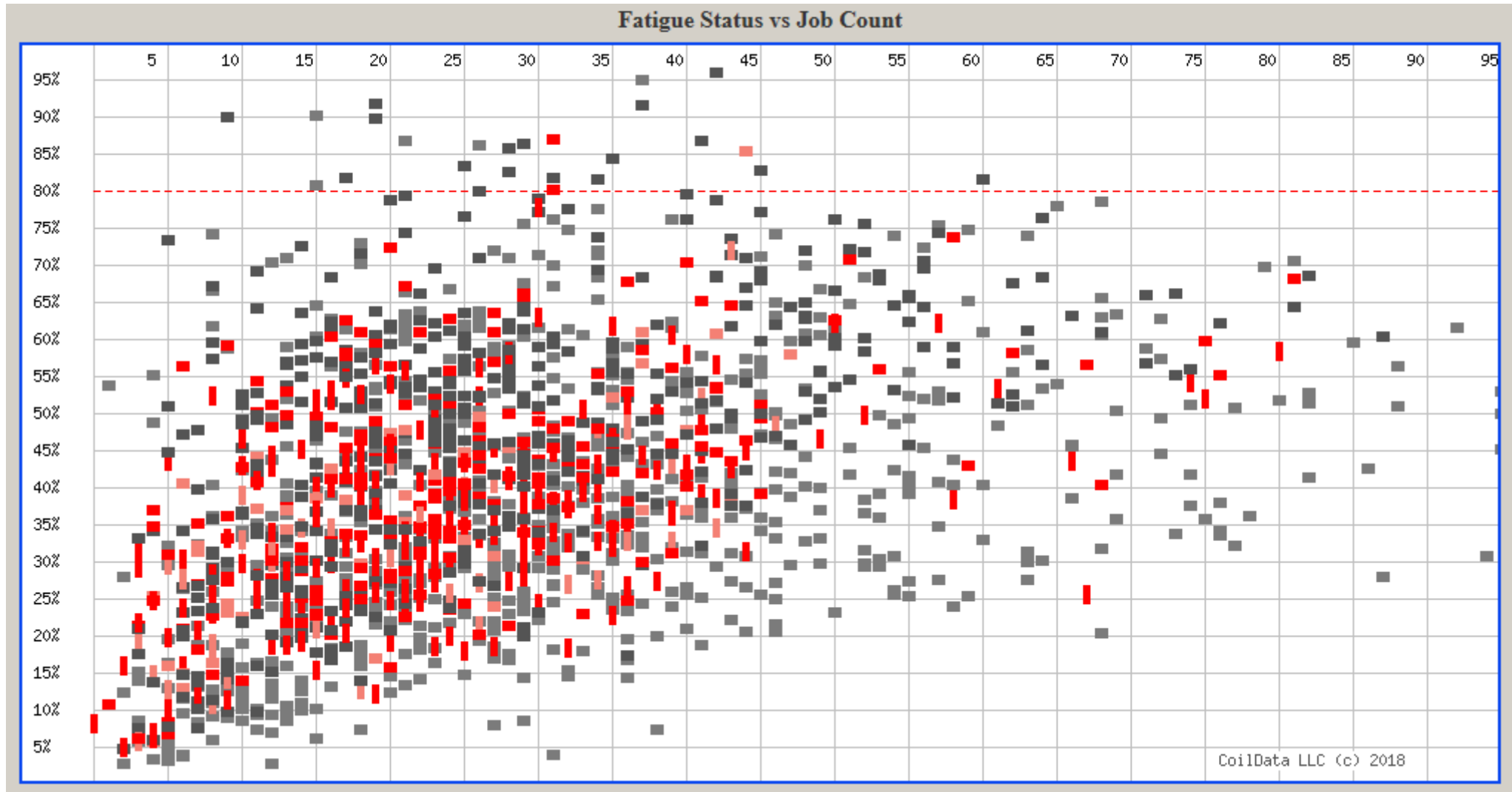


pinholed or parted

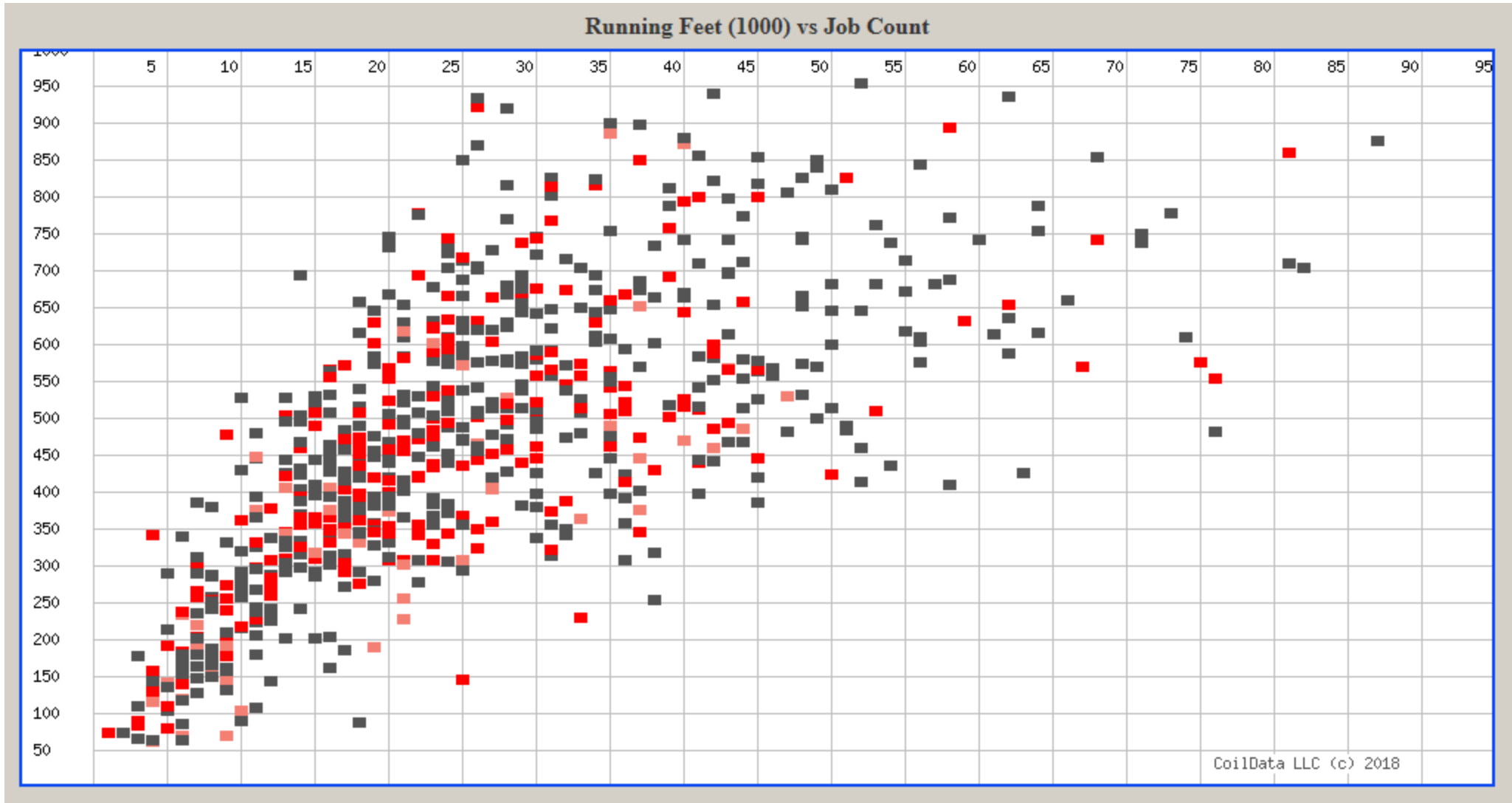
2.375" all grades, multiple companies



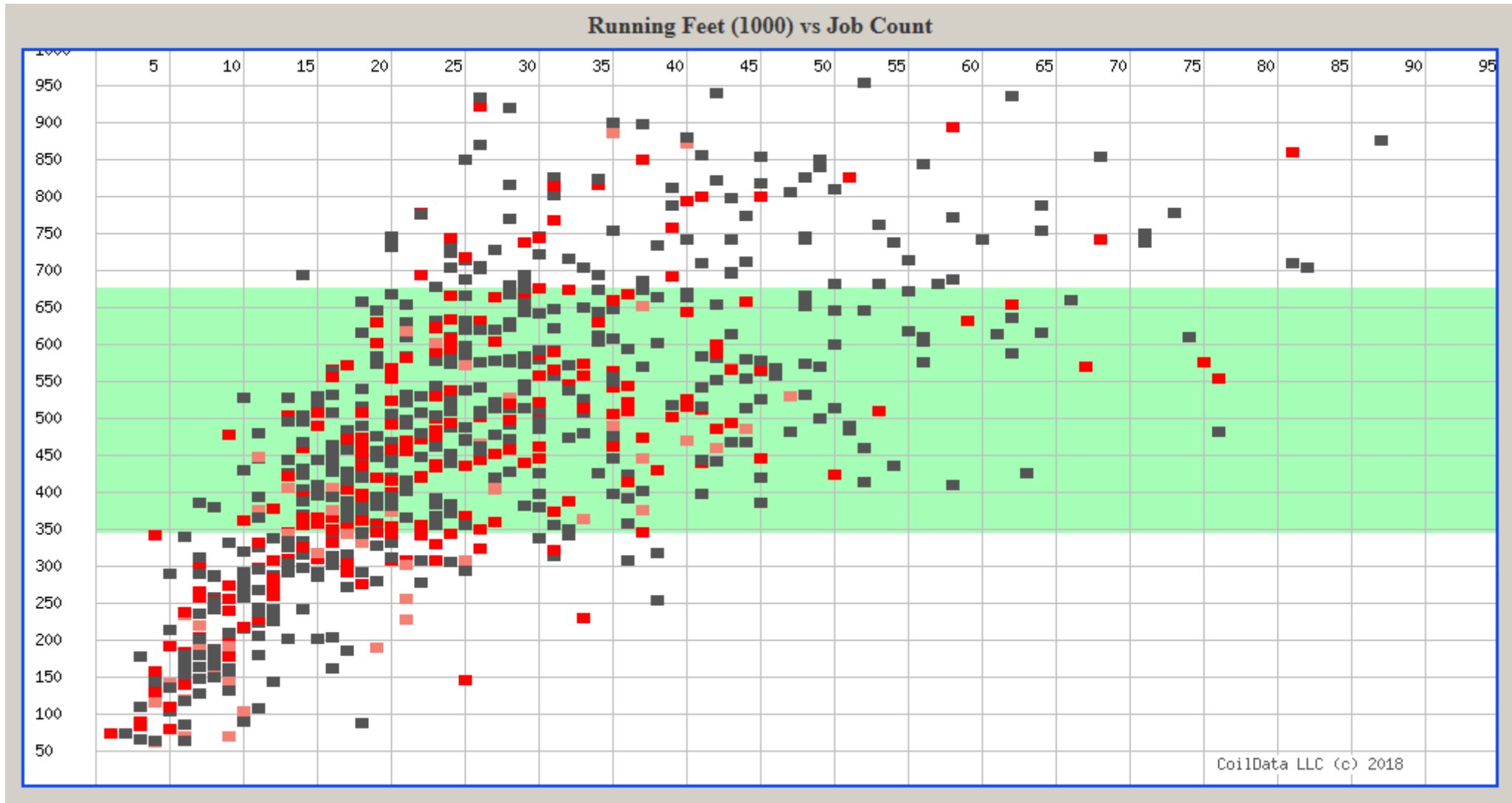
2.375" all grades, multiple companies



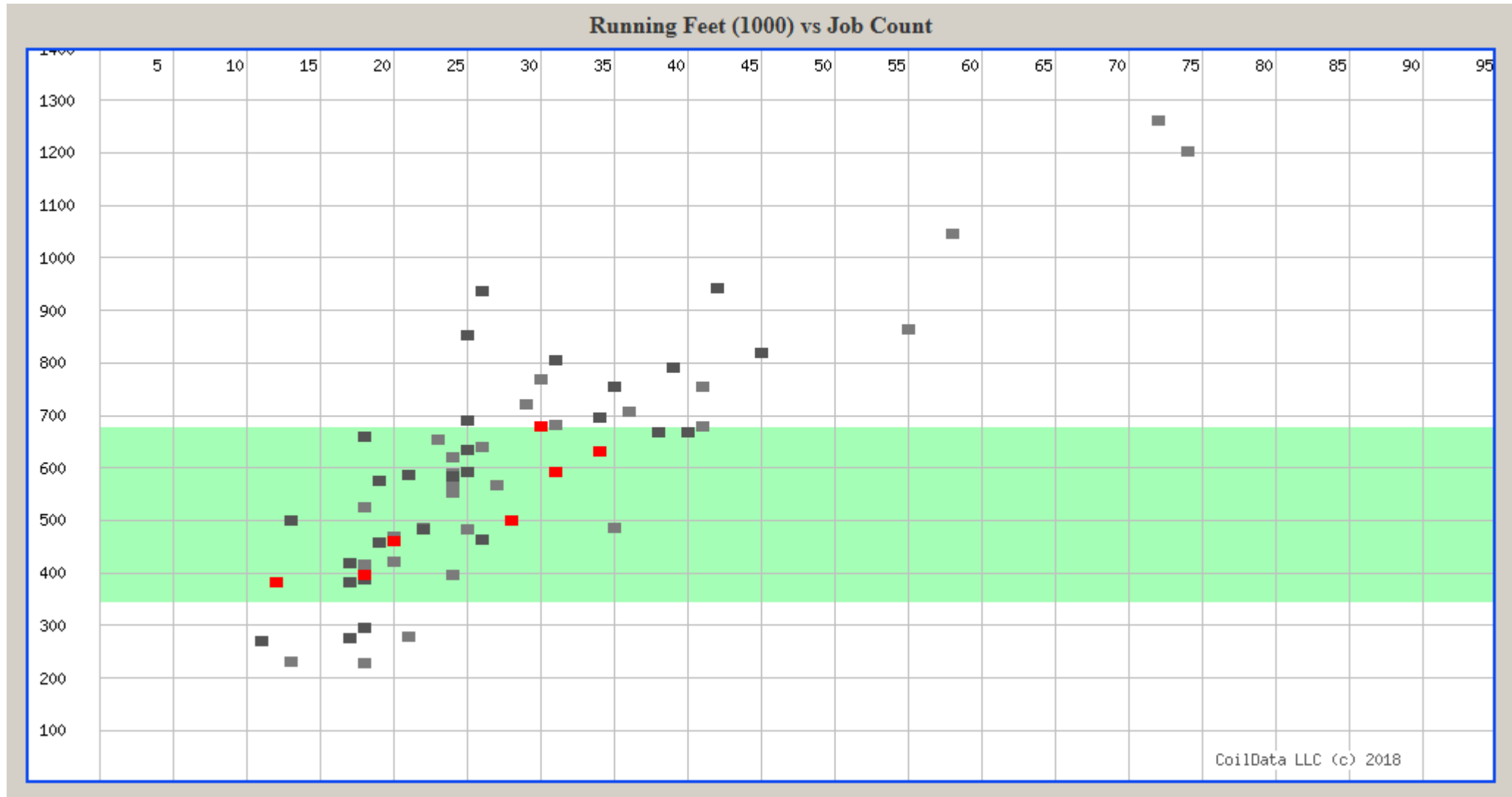
2.375" 100Kpsi



2.375" 100Kpsi

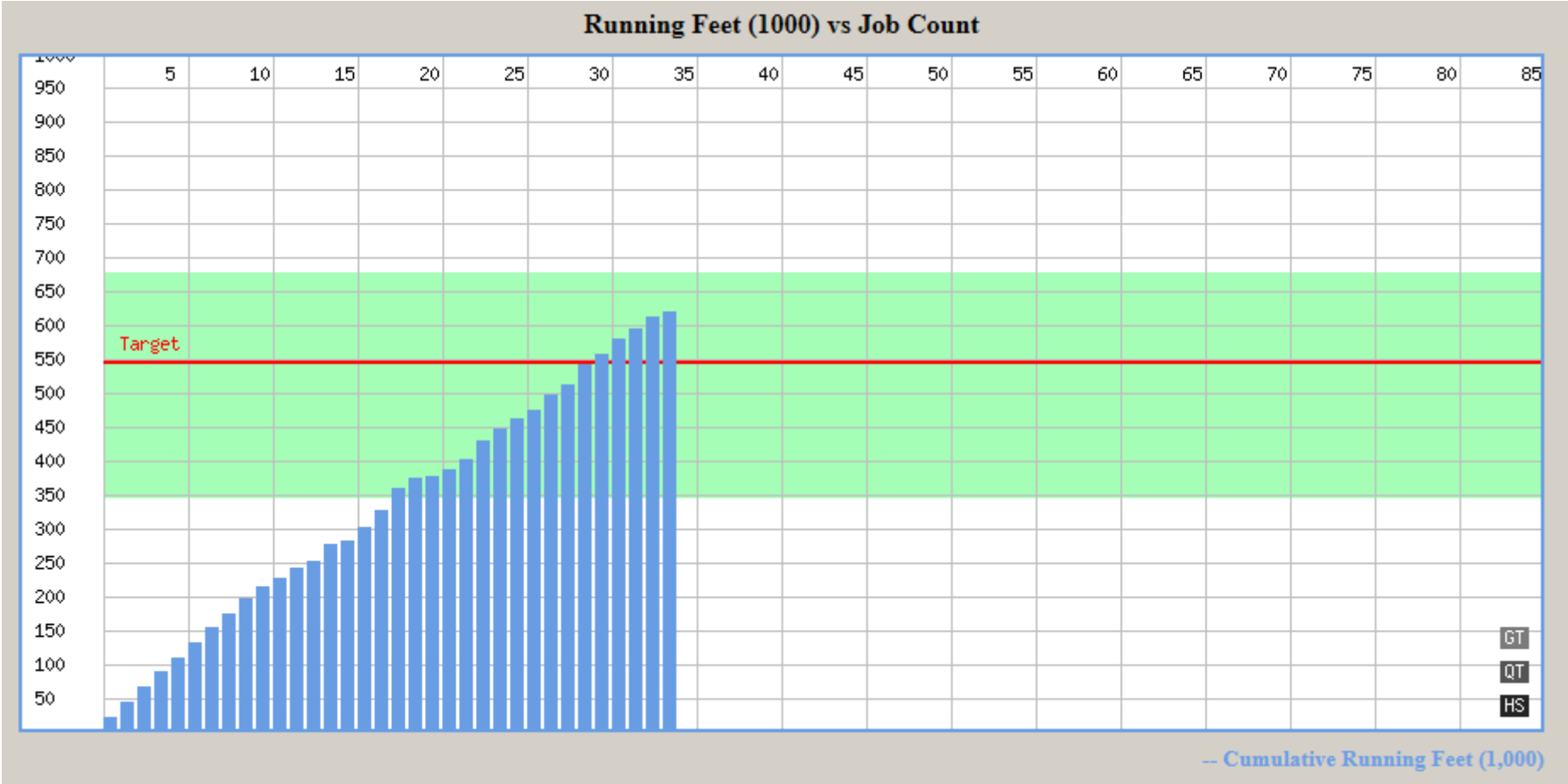


2.375" one medium-sized company

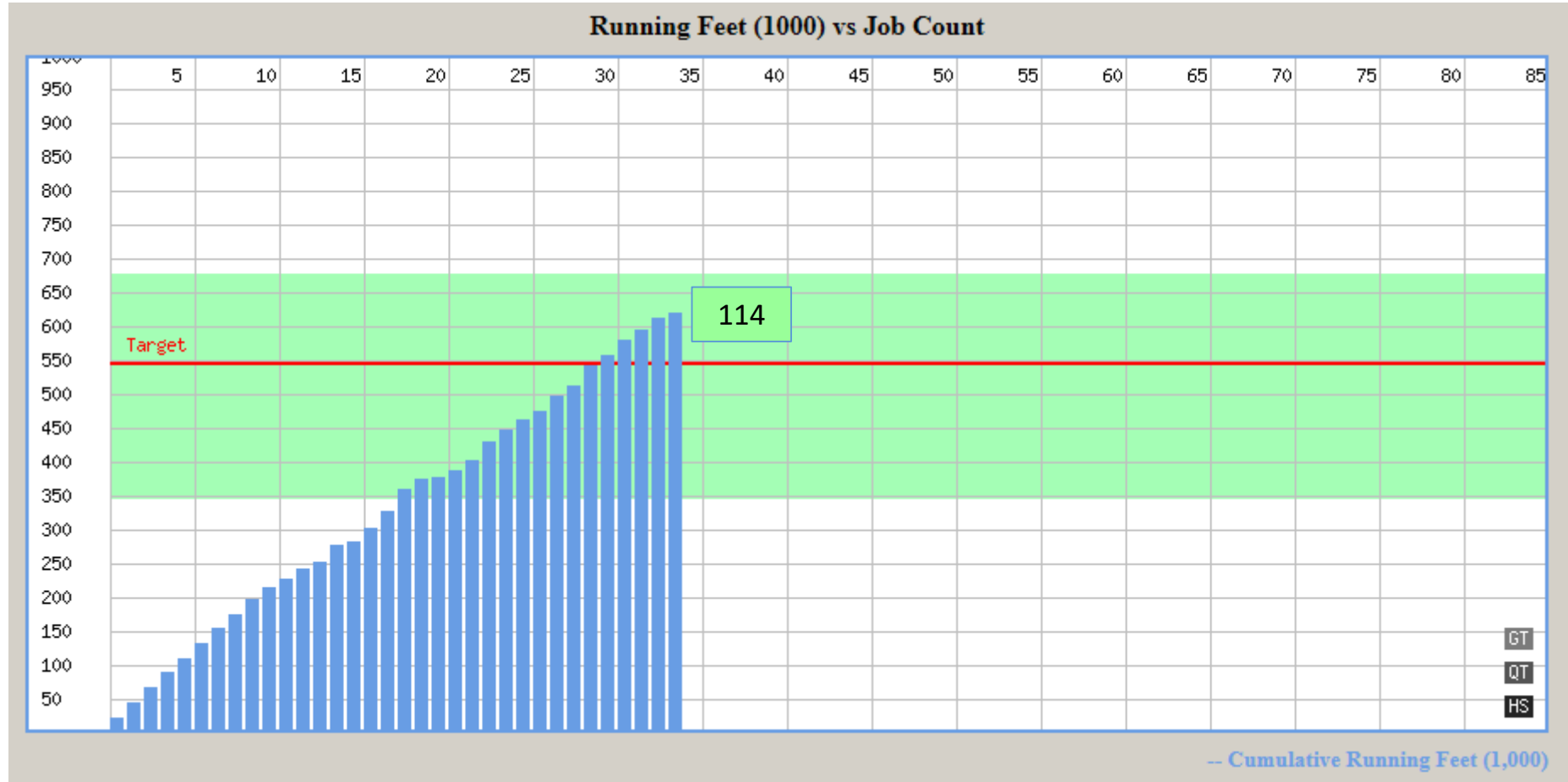


pinholed or parted

Status of a Working String



String Performance Index™ (SPI)



145

124

100

64

36

0


Effect of Working Pressure (2.375" pipe)

| | number of data points | | average running feet (x1000) |
|------------|-----------------------|-----|------------------------------|
| Material A | All | 270 | 517 |
| | 0-2000 | 17 | 473 |
| | 2000-4000 | 75 | 599 |
| | 4000-6000 | 36 | 527 |
| | 6000-8000 | 5 | 428 |
| Material B | All | 96 | 644 |
| | 0-2000 | 0 | 0 |
| | 2000-4000 | 28 | 696 |
| | 4000-6000 | 56 | 640 |
| | 6000-8000 | 4 | 344 |
| Material C | All | 137 | 815 |
| | 0-2000 | 1 | 0 |
| | 2000-4000 | 39 | 1052 |
| | 4000-6000 | 56 | 760 |
| | 6000-8000 | 8 | 468 |

Effect of Working Pressure (2.375" pipe)

| | number of data points | average running feet (x1000) | |
|------------|-----------------------|------------------------------|---|
| Material A | All | 270 517 | All 270 517 0-2000 17 473 2000-4000 75 599 4000-6000 36 527 6000-8000 5 428 |
| | 0-2000 | 17 473 | |
| | 2000-4000 | 75 599 | |
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| | 6000-8000 | 5 428 | |
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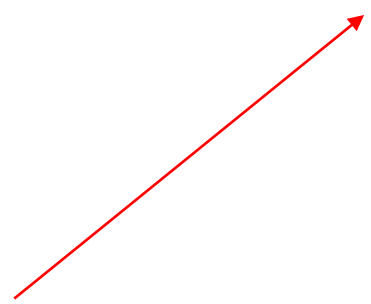
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|------------|-----------------------|------------------------------|---|--------|
| Material A | All | 270 517 |  | |
| | 0-2000 | 17 473 | | |
| | 2000-4000 | 75 599 | | |
| | 4000-6000 | 36 527 | | |
| | 6000-8000 | 5 428 | | |
| Material B | All | 96 644 | All | 96 644 |
| | 0-2000 | 0 0 | 0-2000 | 0 0 |
| | 2000-4000 | 28 696 | 2000-4000 | 28 696 |
| | 4000-6000 | 56 640 | 4000-6000 | 56 640 |
| | 6000-8000 | 4 344 | 6000-8000 | 4 344 |
| Material C | All | 137 815 | | |
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| | | |
|-----------|-----|------|
| All | 137 | 815 |
| 0-2000 | 1 | 0 |
| 2000-4000 | 39 | 1052 |
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| 6000-8000 | 8 | 468 |



Running Feet per Dollar (2.375" pipe)

| | | | <u>RF/\$</u> |
|------------|-----------|---------|---------------|
| Material A | All | 270 517 | All 2.4 |
| | 0-2000 | 17 473 | 0-2000 2.2 |
| | 2000-4000 | 75 599 | 2000-4000 2.8 |
| | 4000-6000 | 36 527 | 4000-6000 2.5 |
| | 6000-8000 | 5 428 | 6000-8000 2.0 |
| Material B | All | 96 644 | All 2.8 |
| | 0-2000 | 0 0 | 0-2000 0.0 |
| | 2000-4000 | 28 696 | 2000-4000 3.0 |
| | 4000-6000 | 56 640 | 4000-6000 2.7 |
| | 6000-8000 | 4 344 | 6000-8000 1.5 |
| Material C | All | 137 815 | All 3.0 |
| | 0-2000 | 1 0 | 0-2000 0.0 |
| | 2000-4000 | 39 1052 | 2000-4000 3.9 |
| | 4000-6000 | 56 760 | 4000-6000 2.8 |
| | 6000-8000 | 8 468 | 6000-8000 1.7 |

Average running feet
String cost*

* Estimate based on original string design using known recent string cost data

2-3/8" vs 2-5/8"

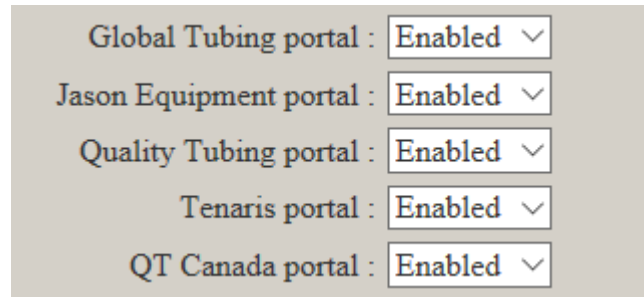
| | <u>2-3/8"</u> | <u>2-5/8"</u> |
|------------|---------------|---------------|
| Material A | All 2.4 | |
| | 0-2000 2.2 | |
| | 2000-4000 2.8 | 2000-4000 2.4 |
| | 4000-6000 2.5 | 4000-6000 1.7 |
| | 6000-8000 2.0 | |
| Material B | All 2.8 | |
| | 0-2000 0.0 | |
| | 2000-4000 3.0 | 2000-4000 2.5 |
| | 4000-6000 2.7 | 4000-6000 2.1 |
| | 6000-8000 1.5 | |
| Material C | All 3.0 | |
| | 0-2000 0.0 | |
| | 2000-4000 3.9 | 2000-4000 2.5 |
| | 4000-6000 2.8 | 4000-6000 1.8 |
| | 6000-8000 1.7 | |

Commercial Considerations

- Data is owned by each participating service company
- Data is private; permission to publish or use is required
- Comparison of pipe vendors is commercially sensitive
- Comparison of service companies is commercially sensitive
- Informal survey suggests many companies would be willing to release data if it were for the benefit of the industry at large, and done in a manner that did not compromise their business interests.
- One possible approach would be to do it in collaboration with an industry body, such as ICoTA.

Commercial Considerations

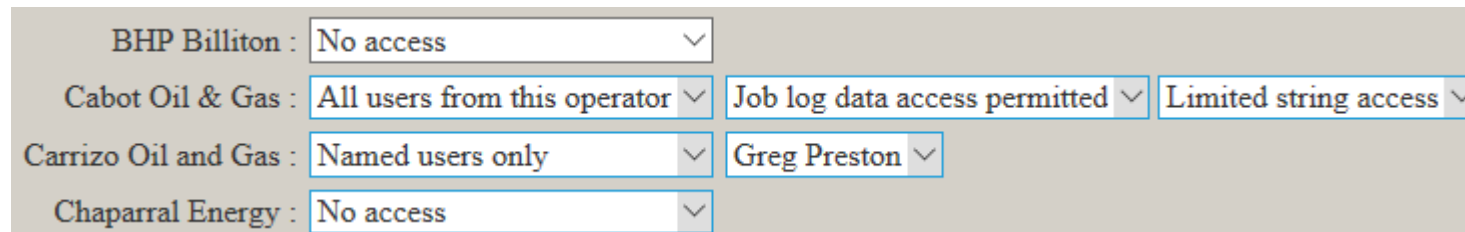
- Option already exists to make select data available to pipe vendors



A screenshot of a control panel with a light gray background. It contains five rows, each with a label and a dropdown menu. All dropdown menus are currently set to 'Enabled'.

| | |
|--------------------------|-----------|
| Global Tubing portal : | Enabled ▾ |
| Jason Equipment portal : | Enabled ▾ |
| Quality Tubing portal : | Enabled ▾ |
| Tenaris portal : | Enabled ▾ |
| QT Canada portal : | Enabled ▾ |

- Option already exists to make select data available to operators



A screenshot of a control panel with a light gray background. It contains four rows, each with a label and one or more dropdown menus. The dropdown menus are set to various access levels and user names.

| | | | |
|-----------------------|--------------------------------|---------------------------------|-------------------------|
| BHP Billiton : | No access ▾ | | |
| Cabot Oil & Gas : | All users from this operator ▾ | Job log data access permitted ▾ | Limited string access ▾ |
| Carrizo Oil and Gas : | Named users only ▾ | Greg Preston ▾ | |
| Chaparral Energy : | No access ▾ | | |

- Option could be added to make some data available to industry project

Conclusions

- A substantial amount of data exists of potential interest to the CT industry.
- That data is not currently available, but could possibly be made available through an industry initiative.
- Some preliminary discussions have taken place.

www.CoilData.com

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Coiled Tubing Online