

EXTENDING TUBING LIFE WITH ENDURALLOY TUBING

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INTRODUCTION

Pioneer Natural Resources has been committed to Downhole Failure Reduction since its creation in 1997. The success of their Failure Reduction Programs can be attributed to the use of new technology and all levels of field personnel trained with this new technology.

The Spraberry Field is an important asset of Pioneer Natural Resources. This Field is responsible for 25% of Pioneer's worldwide production and 50% of Pioneer's proven reserves. This Field is an important asset because of stable production, low maintenance costs and low capital costs. Pioneer's successful Failure Reduction Programs have been an important factor in protecting and utilizing this asset.

Pioneer Natural Resources as of September 30, 2009 had a Total Failure Rate of 0.28 failures per well per year (FPWPY) in the Spraberry Field. This translates to a Mean Time Between Failures (MTBF) of 3.57 years. Since all downhole failures in a sucker rod lift system (Tubing, Rod or Pump) contribute to lease operating costs it is important to create Failure Reduction Programs that are best defined by the phrase "continuous improvement".

PROGRAM OBJECTIVES

1. Increase Mean Time Between Failures (MTBF) from 3.57 to 5.0 years in all Spraberry Wells by extending tubing life.
2. Extend tubing life by strategically installing EndurAlloy Tubing in 18 Newly Drilled Wells.
3. Track performance of these 18 Newly Drilled Wells from August 4, 2006 to January 27, 2009 for this paper presentation.
4. Continue monitoring tubing life performance to evaluate reaching Mean Time Between Failure (MTBF) goal of 5.0 years.

ENDURALLOY PROCESS

EndurAlloy is a process that controls the diffusion of boron into the substrate of steel and steel alloys. This diffusion of boron that penetrates the surface of the base metal provides improved corrosion resistance and increased hardness. This process is applied to the inside diameter to the end root threads at a thickness of 0.008" to 0.010".

For comparison, J-55 tubing has hardness range of 23 - 32 Rockwell C. The EndurAlloy process increases this hardness range to 73 - 90 Rockwell C.

NEWLY DRILLED WELL INSTALLATION

All of the 18 New Drilled Wells selected for this Failure Reduction Program were initially placed on production as follows;

Pumping Unit:

Conventional Pumping Units
228-246-86
Surface Stroke of 86"
Pumping Speed of 10 spm
Pump Plunger Diameters from 1.25' to 1.50"

Rod String Designs (Top to Bottom):

Taper-1 50' to 1,200' 7/8" Steel Rods
Taper 2 3,000' 1.0" Fiberglass Rods
Taper 3 2,175' to 3,825' 7/8" Steel Rods
Taper 4 500' to 625' 1.5" Grade-C Sinkerbars

Tubing String Designs (Top to Bottom):

223 Joints of 2-3/8" O.D., Non-Coated I.D., J-55 Tubing
6 Joints of 2-3/8" O.D., EndurAlloy Coated I.D. J-55 Tubing

Average Seating Nipple Depth:

7,219 feet

Production Casing:

4.0" I.D.

INITIAL RESULTS

Since the initial installation on August 4, 2006 of 6 joints of EndurAlloy Tubing, the 18 wells have experienced a total of 19 Well Service Events. Out of these 19 Well Service Events, there was 1 new zone recompletion and 1 failure that not identified. The remaining 17 identified failures were as follows;

Tubing Leaks	8	47 %
Rod Failures	8	47 %
<u>Pump Failures</u>	<u>1</u>	<u>6 %</u>
Total Failures	17	100 %

Upon further investigation, it was discovered that ten (10) wells of the initial eighteen (18) well tubing installations were altered from the initial designs utilizing 6 joints of EndurAlloy Tubing installed below 223 joints of uncoated Tubing. A performance summary of the ten (10) wells is listed below;

6 Wells	Bare 2-3/8" Tubing - IPC tubing - EndurAlloy Tubing	12 Well Service Events
3 Wells	Bare 2-3/8" Tubing - EndurAlloy - IPC Tubing	6 Well Service Events
1 Well	Bare 2-3/8" Tubing - EndurAlloy Tubing	1 Well Service Event

The remaining total of eight (8) wells have operated from August 4, 2006 to January 27, 2009 with no change to the original tubing design utilizing 6 jts of EndurAlloy Tubing installed below 223 jts of non-coated tubing. A performance summary of these eight (8) wells is listed below;

8 Wells	Bare 2-3/8" Tubing - EndurAlloy Tubing	0 Well Service Events
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PERFORMANCE BY TUBING DESIGN

INITIAL "BARE – ENDURALLOY" TO CURRENT "BARE - IPC – ENDURALLOY" DESIGNS

There were a total of six (6) wells that experienced a total of 12 Well Service Events for 11 failures in 2.5 years. These wells were initially installed with the following sequence of tubing;

Initial Design; 221-232 joints of bare 2-3/8" tubing
6 joint of EndurAlloy 2-3/8" tubing

Current Design: 186-217 joints of bare 2-3/8" tubing
15- 40 joints of IPC 2-3/8" tubing
6 joints of EndurAlloy 2-3/8" tubing

<u>Lease Name and Well No.</u>	<u>Description of Failure</u>	<u>Tubing Leak</u>	<u>Rod Failure</u>	<u>Pump Failure</u>
1. Blocker A Lease, Well No. 2	1.1 years with 6 jts EndurAlloy Tubing Leak in Seating Nipple 15 IPC above 6 EndurAlloy	01	00	00
2. Hazelwood C Lease, Well No. 7	1.4 years with IPC-EndurAlloy 0.2 years with 6 jts EndurAlloy Rod Failure – On Off Tool Failure 0.9 years with 6 jts EndurAlloy Tbg Lk 43 jap (In Bare Tubing) 35 jts IPC above 6 jts EndurAlloy	00	01	00
3. Howard Lease, Well No. 6	1.4 years with IPC-EndurAlloy 0.3 years with 6 jts EndurAlloy Tbg Lk 23 jap (In Bare Tubing) Increased EndurAlloy to 16 jts 0.6 years with EndurAlloy No Failure Found 20 jts IPC above 16 jts EndurAlloy	01	00	00
4. Hooper 39 Lease, Well No. 1	1.5 years with IPC-EndurAlloy 1.0 years with 6 jts EndurAlloy 7/8" Rod Box Failure 16 jts IPC above 5 jts EndurAlloy	00	01	00
5. Glasscock AA Lease, Well No. 4	1.4 years with IPC-EndurAlloy 0.3 years with 6 jts EndurAlloy Tbg Lk 19 jap (In Bare Tubing) 6 jts EndurAlloy above 20 jts IPC 0.8 years with EndurAlloy-IPC Tbg Lk 32 jap (In Bare Tubing) 40 jts IPC to above 6 jts EndurAlloy	01	00	00
6. Greeman-Grisham Lease, Well No. 5	1.3 years with IPC-EndurAlloy 0.3 years with 6 jts EndurAlloy Tbg Lk 20 jap (In Bare Tubing) 6 jts EndurAlloy above 20 jts IPC 0.1 years with EndurAlloy-IPC 7/8" Rod Box Failure 0.1 years with EndurAlloy-IPC Tbg Lk 29 jap (In Bare Tubing) 50 jts IPC below 6 jts EndurAlloy 1.0 year with EndurAlloy-IPC 7/8" Rod Box Failure 30 jts IPC above 6 jts EndurAlloy 0.9 years with IPC-EndurAlloy	01	00	00
Total Failures by Failure Type:		07	04	00
For 6 Wells - After 2.5 Years – Mean Time Between 7 Tubing Leaks				0.59 Years
For 6 Wells - After 2.5 Years – Mean Time Between 11 Failures				0.55 Years
For 6 Wells - After 2.5 Years – Mean Time Since Last Failure (Bare-IPC-EndurAlloy)				1.30 Years

INITIAL "BARE - ENDURALLOY" TO CURRENT "BARE - ENDURALLOY- IPC" DESIGNS

There were a total of three (3) wells that experienced a total of 6 Well Service Events in 2.5 years. These wells were initially installed with the following sequence of tubing;

Initial Design; 213-222 joints of bare 2-3/8" tubing
 6 joints of EndurAlloy 2-3/8" tubing
 Current Design: 190-202 joints of bare 2-3/8" tubing
 6-10 joints of EndurAlloy 2-3/8" tubing
 19-20 joints of IPC 2-3/8" tubing

<u>Lease Name and Well No.</u>	<u>Description of Failure</u>	<u>Tubing Leak</u>	<u>Rod Failure</u>	<u>Pump Failure</u>
1. Richards Lease, Well No. 3	0.2 years with 6 jts EndurAlloy Pump Failure	00	00	01
	6 jts EndurAlloy above 19 jts IPC			
	0.4 years with EndurAlloy-IPC 7/8" Rod Box Failure	00	01	00
2. Greeman-Grishman Lease, Well No. 6	0.9 years with EndurAlloy-IPC 7/8" Rod Pin Failure	00	01	00
	0.9 years with EndurAlloy-IPC			
	0.4 years with 6 jts EndurAlloy 7/8" Rod Box Failure	00	01	00
3. Kentex Lease, Well No. 6	6 jts EndurAlloy above 20 jts IPC			
	1.1 years with EndurAlloy-IPC 7/8" Rod Box Failure	00	01	00
	0.7 years with EndurAlloy-IPC			
Total Failures by Failure Type:		00	04	01
For 3 Wells - After 2.5 Years -- Mean Time Between 0 Tubing Leaks				> 2.5 Years
For 3 Wells - After 2.5 Years -- Mean Time Between 5 Failures				0.60 Years
For 3 Wells - After 2.5 Years -- Mean Time Since Last Failure (Bare-EndurAlloy-IPC)				1.20 Years

INITIAL "BARE - ENDURALLOY" TO CURRENT "BARE - ENDURALLOY"

(Separated Out Because of Single Tubing Leak)

There were a total of one (1) well that experienced a total of 1 Well Service Event in 2.5 years. This well was initially installed with the following sequence of tubing;

Initial Design; 213 joints of bare 2-3/8" tubing
 6 joints of EndurAlloy 2-3/8" tubing
 Current Design: 213 joints of bare 2-3/8" tubing
 6 joints of EndurAlloy 2-3/8" tubing

<u>Lease Name and Well No.</u>	<u>Description of Failure</u>	<u>Tubing Leak</u>	<u>Rod Failure</u>	<u>Pump Failure</u>
1. Rayford McAlister Lease, Well No. 2	0.8 Years with 6 jts EndurAlloy Tbg Lk 41 jap (In Bare Tubing)	01	00	00
Total Failures by Failure Type:		01	00	00
For 1 Well - After 2.5 Years -- Mean Time Between 1 Tubing Leak				0.80 Years
For 1 Well - After 2.5 Years -- Mean Time Between 1 Failure				0.80 Years
For 1 Well - After 2.5 Years -- Mean Time Since Last Failure (Bare-EndurAlloy)				1.40 Years

CONCLUSIONS

1. Increased Mean Time Between Failures (MTBF) appears possible, but continued monitoring of failure performance is necessary to exceed current 3.57 years between failures.
2. No EndurAlloy Tubing in this program experienced a Tubing Leak
3. Best Mean Time Between Failures (MTBF) occurred when EndurAlloy was located on bottom of each tubing string
4. A better method is required to identify EndurAlloy Tubing by "sight"
5. Continue to confirm and document all Tubing Leaks
6. Any changes to initial tubing design must be evaluated and documented in the future
7. Consider pressure testing all tubing
8. Tubing scanning must be monitored by qualified personnel
9. Existing results will recommend increasing EndurAlloy from 6 joints to 10 joints while maintaining only bare tubing above EndurAlloy tubing

Acknowledgments

This Paper has been presented at the 14th Annual 2008 Artificial Lift Forum, November 4-5, 2008 in Midland, Texas

Special thanks to the following for assistance with the preparation of this paper;

Larry Hambek, Pioneer Natural Resources

Mary Pirtle, Pioneer Natural Resources

Pioneer Natural Resources Well Technicians

Pioneer Natural Resources Well Technicians

Rowland Ramos

Gaines Bailey

Darrell Hilliger

Mark Murphy

Charles Whaley

Dennis White

Stephen Ramos

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Endurance Technology

Saved as; 2009 SWPSC Paper -- Extending Tubing Life with EndurAlloy Tubing -- Pioneer Natural Resources.doc