

Stripper Well Consortium Established

By E. Lance Cole, Petroleum Technology Transfer Council and Gary Covatch, DOE National Energy Technology Lab

DOE's Strategic Center for Natural Gas (SCNG) and the National Petroleum Technology Office (NPTO) at the National Energy Technology Laboratory have partnered with The Pennsylvania State University and the University of Tulsa to establish a national, industry-driven consortium that is focused on improving the production performance of domestic oil and natural gas "stripper wells." The concept is to achieve greater results than individual companies could through collaborative effort in identifying and funding small R&D projects. DOE will provide up to \$3.0 million over three years, to be matched with 30% cost share or \$1.3 million from industry, to fund projects selected by the consortium. One must be a member to propose an R&D project to the consortium.

The Consortium is actively soliciting members from industry, academia and trade and state organizations. Annual membership fees will primarily cover consortium administrative costs. Full membership is available for an annual fee of \$1,000 to any industrial or academic member, or \$2,500 for a three-year membership. Full members can (1) steer research into areas of strategic importance to their companies, (2) individually or jointly, submit R&D proposals, and (3) gain access to low-cost technology transfer. Members will retain a five-year confidentiality period. Affiliate memberships also are available for state and trade organizations. Affiliate members are entitled to attend meetings that they may summarize for their organizations. Affiliate membership is available for \$200 annually, or \$500 for a three-year membership.

Driving Force Behind Consortium

Low-volume stripper oil and gas wells often have unique technology and economic concerns. The driving force is large — more than half of the onshore natural gas wells in the lower 48 states are classified as "stripper wells," and the problem is equally large on the oil side. One key to keeping these wells producing and contributing to domestic production is to identify projects that government and industry can co-fund to improve their performance — projects that recognize the constraints of stripper well operations.

Many of these wells are operated by small, independent producers. For them, the consortium approach effectively leverages both their time and money. Together with their consortium partners, they are a large enough group to draw needed attention from the technology-developer community. The model of projects being selected by industry members has been proven effective in larger consortia, such as the Drilling Engineering Association and the Completion Engineering Association. As results become available, a focused, low-cost technology transfer effort will help them quickly apply the results in their operation.

Program Focus Areas

The Consortium has identified three special interest areas -- reservoir remediation, wellbore clean-up, and surface system optimization issues — in which R&D projects will be funded. Although these areas will be the primary focus of the program, the consortium also will consider other project proposals that focus on well-performance issues.

How The Consortium Will Work

The Consortium will be organized to meet its membership needs. Each Full member will appoint one

representative to an Advisory Committee that will serve as a steering committee for the Consortium. The Advisory Committee is responsible for electing an Executive Council that evaluates and selects research initiatives for funding. Proposals must address improving the production performance of stripper wells and must provide significant cost share. The process of having industry develop, review, and select projects for funding will ensure that the Consortium conducts research that is relevant and timely to industry. Co-funding of projects using external sources of funding will be sought to ensure that Consortium funds are highly leveraged.

Consortium Is Moving Quickly

The Consortium is currently being organized. The first organizational meeting, when the Executive Council that will serve as the proposal review committee is elected, was held on January 29, 2001 in Pittsburgh. Proposals were accepted from members and selection will proceed quickly. Members seeking funding were required to make a brief 10-15 minute proposal to the membership and to submit a brief 5-7 page proposal. A web site will be developed in which members can electronically download standardized forms for future proposal submission, reporting requirements, and intellectual and properties guidelines. For your voice to be heard, you must move quickly. For further information or a membership application form, contact:

Joel L. Morrison

Program Coordinator

The Pennsylvania State University

C205 Coal Utilization Laboratory

University Park, PA 16802

(814) 865-4802

e-mail: jlm9@psu.edu

Technical contacts within Pennsylvania State University are Dr. Cem Sarica, the Consortium's principal investigator (phone 814-863-6341, e-mail sarica@pnge.psu.edu) and Dr. Mohan Kelkar at the University of Tulsa (phone 918-631-3036, e-mail mohan@utulsa.edu).

PTTC will monitor and report Consortium activities and cooperate wherever possible in transferring project findings and insights to industry.