

Report Title/Type: Nineteenth Quarterly Technical Progress Report for project entitled "Establishment of an Industry-Driven Consortium Focused on Improving the Production Performance of Domestic Stripper Wells"

Reporting Period: April 1, 2005 – June 30, 2005

Principal Authors: Joel L. Morrison

Report Issue Date: August 30, 2005

Doe Award Number: DE-FC26-00NT41025

Submitting Organization:
The Pennsylvania State University
The Energy Institute
C-211 Coal Utilization Laboratory
University Park, Pennsylvania 16802-2323

DISCLAIMER

This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

ABSTRACT

The Pennsylvania State University, under contract to the U.S. Department of Energy, National Energy Technology Laboratory will establish, promote, and manage a national industry-driven Stripper Well Consortium (SWC) that will be focused on improving the production performance of domestic petroleum and/or natural gas stripper wells. The consortium creates a partnership with the U.S. petroleum and natural gas industries and trade associations, state funding agencies, academia, and the National Energy Technology Laboratory.

This report serves as the nineteenth quarterly technical progress report for the SWC. Key activities for this reporting period include: 1) deliver a keynote luncheon address to the 16th Annual Oil Recovery Conference in Wichita, Kansas, 2) participated in the Interstate Oil & Gas Compact Commission's (IOGCC) Midyear Issues Summit in Anchorage, Alaska, 3) completed and distributed the SWC technical bulletin "Keeping the Home Wells Flowing: Helping Small Independent Oil and Gas Producers Develop New Technology Solutions", and 4) completed the primary filming of the Public Broadcast of "Independent Oil: Rediscovering America's Forgotten Wells".

TABLE OF CONTENTS

	<u>Page</u>
DISCLAIMER.....	i
ABSTRACT	ii
1.0 INTRODUCTION	1
2.0 EXPERIMENTAL.....	1
3.0 RESULTS AND DISCUSSION.....	2
3.1 16 th Oil Recovery Conference.....	2
3.2 IOGCC’s Midyear Summit.....	2
3.3 “Keeping the Home Well’s Flowing”	2
3.4 “Independent Oil”	3
4.0 CONCLUSIONS	4
5.0 REFERENCES	4

1.0 INTRODUCTION

The Pennsylvania State University, under contract to the U.S. Department of Energy (DOE), National Energy Technology Laboratory (NETL), is in the process of establishing an industry-driven stripper well consortium that will be focused on improving the production performance of domestic petroleum and/or natural gas stripper wells. Industry-driven consortia provide a cost-efficient vehicle for developing, transferring, and deploying new technologies into the private sector. The Stripper Well Consortium (SWC) will create a partnership with the U.S. petroleum and natural gas industries and trade associations, state funding agencies, academia, the National Energy Technology Laboratory, and the National Petroleum Technology Office.

Consortium technology development research will be conducted in the areas of reservoir remediation, wellbore clean up, and surface system optimization. Consortium members elected an Executive Council that will be charged with reviewing projects for consortium co-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.

2.0 EXPERIMENTAL

A description of experimental methods is required by the DOE for all quarterly technical progress reports. In this program, Penn State is responsible for establishing and managing an industry-driven stripper well consortium. Technology development research awards are made on a competitive basis. Therefore, this section is not applicable to the Penn State contracted activities. Technical reports from the individual researchers will be required to contain an experimental discussion section and will be submitted to consortium members and DOE for their review.

3.0 RESULTS AND DISCUSSION

Key activities for this reporting period include: 1) participated in the 16th Oil Recovery Conference in Wichita, Kansas, 2) participated in the Interstate Oil & Gas Compact Commission's (IOGCC) Midyear Issues Summit in Anchorage, Alaska, 3) completed and distributed the SWC publication "Keeping the Home Wells Flowing: Helping Oil and Small Producers Develop New Technology Solutions". and 4) continue efforts in the production of the Public Broadcast of "Independent Oil: Rediscovering America's Forgotten Wells".

3.1 16th Oil Recovery Conference

The SWC delivered a keynote luncheon address to the 16th Annual Oil Recovery Conference in Wichita, Kansas. The presentation provided attendees with an overview of the Consortium and its associated activities. The conference is drew 136 attendees.

3.2 IOGCC's Midyear Summit

The SWC participated in the Interstate Oil & Gas Compact Commission (IOGCC) Midyear Summit on May 15-17, 2005 in Anchorage, Alaska. The Summit was host to the nation's leading oil and gas experts and governors who discussed "New Natural Gas" and other relevant energy issues.

The SWC was invited to submit its "Independent Oil: Rediscovering America's Forgotten Wells" for consideration for IOGCC's Stewardship Award. In addition, the SWC and the Oklahoma Marginal Well Commission planned to jointly request that the IOGCC develop a technology transfer component for small producers.

3.3 "Keeping the Home Wells Flowing"

The SWC completed and distributed its technical bulletin entitled: "Keeping the Home Wells Flowing: Helping Small Independent Oil and Gas Producers Develop New Technology Solutions". The SWC received 5,000 copies of the bulletin on June 2, 2005. The bulletin

provides an overview of the U.S. energy supply challenge, the role of stripper wells in meeting the challenge, how the Consortium works, and a technology showcase of twelve SWC projects

Each SWC member was provided 10 copies of the bulletin and asked to distribute it to their colleagues. Members were provided additional copies upon request. In addition to the SWC membership mailing, several large mailings were coordinated through federal and state agencies. These include:

- Rocky Mountain Oil Testing Center (160 copies),
- Petroleum Technology Transfer Council (730 copies),
- Independent Petroleum Producers of America (50 copies),
- Interstate Oil & Gas Compact Commission (160 copies),
- Oklahoma Marginal Well Commission (480 copies),
- New York State Energy Research Development Authority (50 copies),
- Pennsylvania Oil and Gas Association (200 copies),
- Independent Oil & Gas Association of New York (225 copies),
- Tennessee Oil and Gas Association (160 copies), and
- Houston Business Journal (50 copies).

3.4 “Independent Oil”

The Consortium worked with Penn State’s Public Broadcasting to develop a documentary on the domestic stripper well industry. The project was broken down into the following two segments: 1) a nominal 26-minute overview of the U.S. stripper well industry for airing on public broadcast stations across the U.S., and 2) a nominal 15-minute segment to showcase approximately six SWC projects.

During this reporting period, the primary filming has been completed. A draft of the documentary was provided to the IOGCC for consideration for their Stewardship Award. The documentary is now undergoing its final editing and audio mixing and is scheduled for release in early fall 2005.

4.0 CONCLUSIONS

The major effort for this reporting period focused on completing and disseminating the technical bulletin. In total, over 3,000 copies of the bulletin have been distributed during this reporting period. The Consortium has received, and continues to receive, very positive comments on the publication and the projects showcased in the bulletin.

Efforts also focused on the completion of the production of “Independent Oil: Rediscovering America’s Forgotten Wells”. All of the primary filming has been completed and is now being edited. The graphics for the DVD packaging has been completed.

The completion of these two projects provides the stripper well industry with a succinct snapshot of the SWC operations and projects. With the completion of these projects, the Consortium is poised to continue its membership growth and activities in the upcoming years.

5.0 REFERENCES

A listing of referenced materials is required by the DOE for each quarterly technical progress report. This technical progress report for the SWC did not utilize any reference material.