



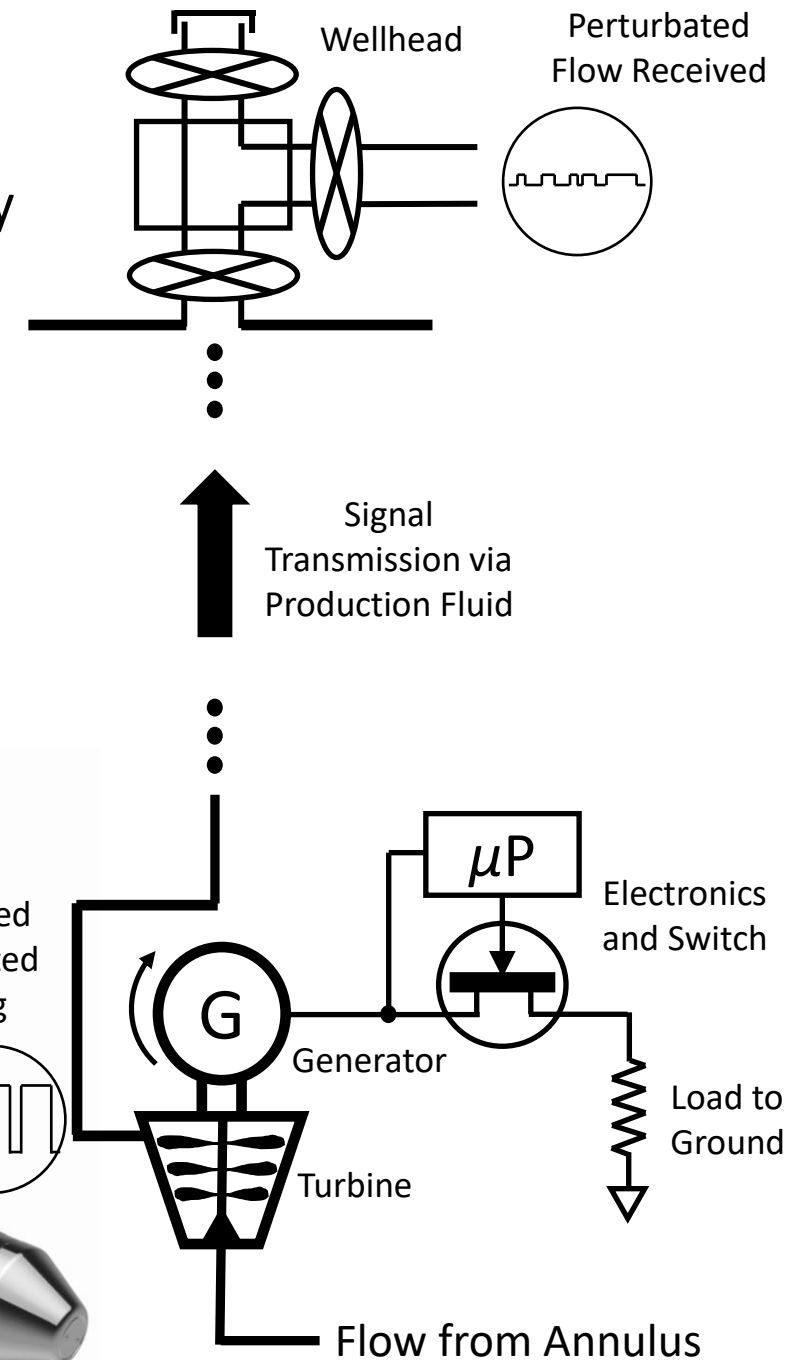
wiG^L™
Wireless Gas Lift Valve

The Problem

- Normally, Side Pocket Mandrels (SPM) and Gas Lift Valves permit cheap and easy intervention to maintain and repair Gas Lift systems.
- Highly deviated wells present problems to kickover tools for gravitation, manipulation, and to lift GLVs into upward oriented pockets
- Tubing-conveyed Gas Lift must have a workover for any repair or adjustment
- Electric Gas Lift can minimize interventions and increase optimization (SilverWell and Shell Gasmer Road [John Hirsch et al, circa 2001])
- wiGL Wireless GLV combines the best of all worlds:
 - Interventions are minimized but repair and maintenance are preserved
 - Fits existing SPM infrastructure
 - Electro-mechanical Kickover Tools improve operations at high deviations

WINS Can Build on What We Have

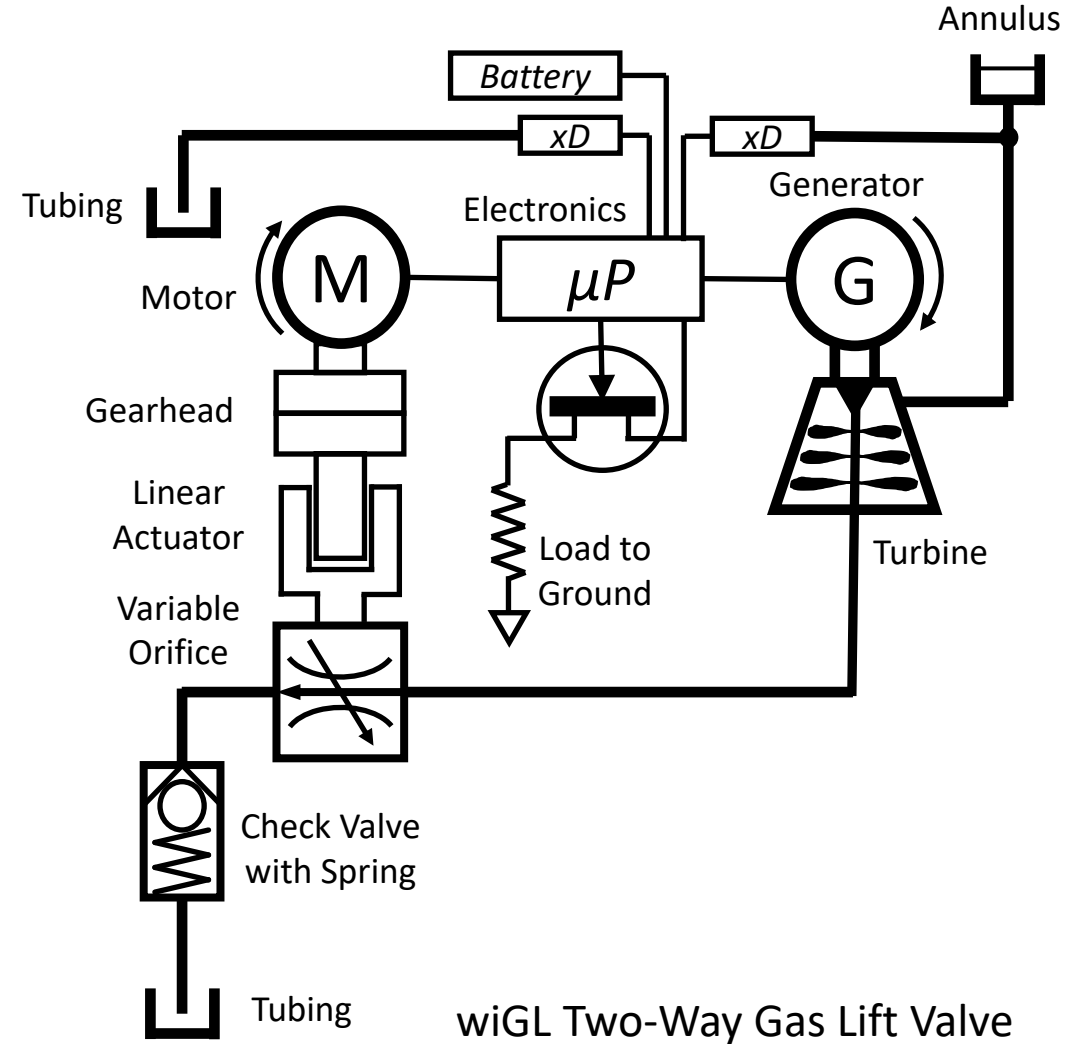
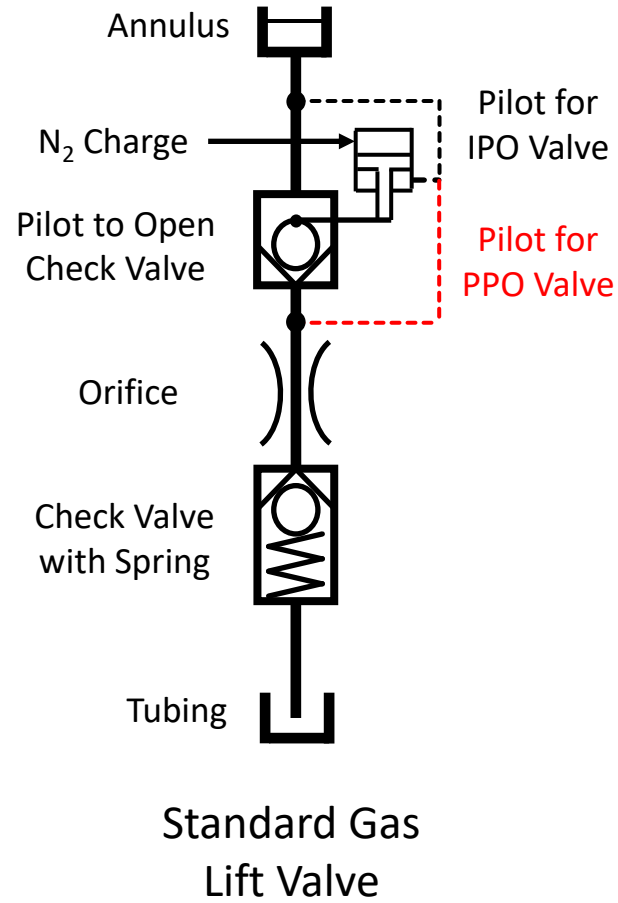
- Downhole turbine coupled to a generator converts flow into electricity
- When a load is added to the generator, it slows down, which causes a pressure change in the flow (signal)
- The pressure signals can be read at the surface, with no repeaters required
- The signals are so small that they will not be detected by existing surface equipment, i.e. no operator impact



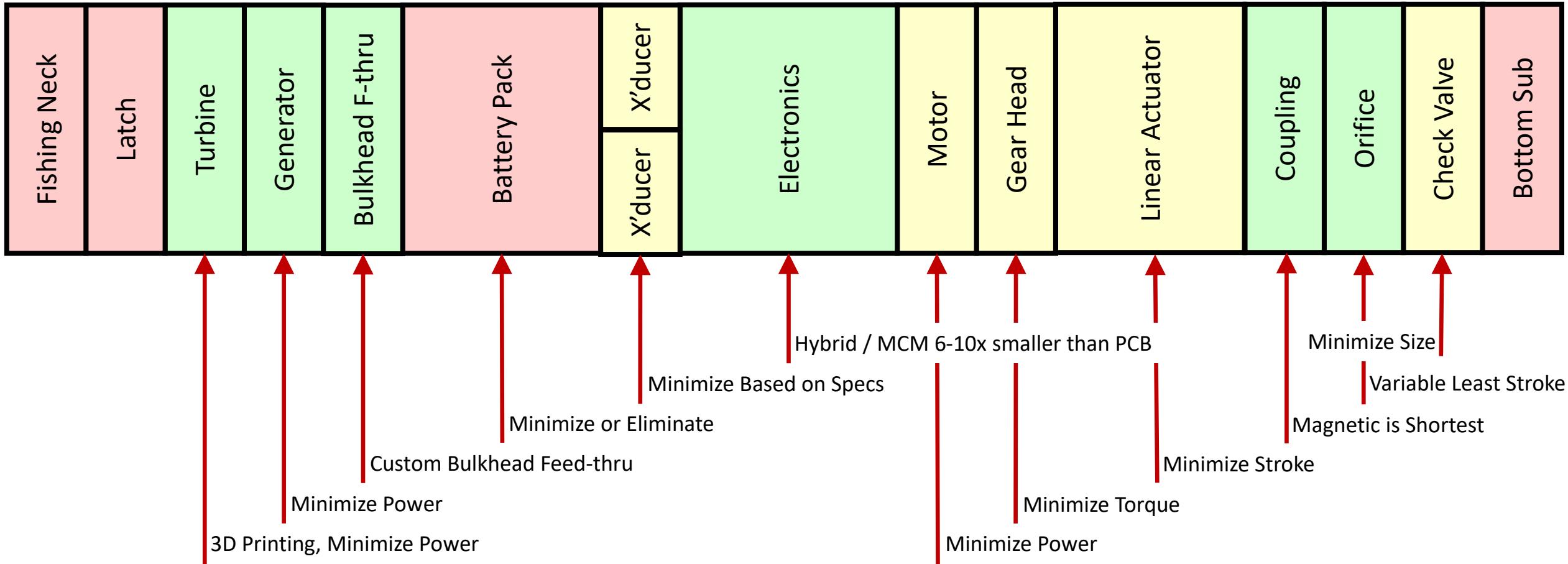
The Solution

- A Turbine-Generator combines many features into one system:
 - Downhole Power Generation replaces or minimizes battery pack
 - Variable load on the generator is the wireless telemetry, lots of power available
 - Turbine is also a mass flow meter
- wiGL **MUST** fit the standard GLV envelope so that existing SPM infrastructure would be convertible to wiGL
- Battery Packs, Electronics, Actuators and Valves are not space efficient.
- Miniaturize / Eliminate all systems possible

Gas Lift Valve Schematics



Opportunities for Miniaturization

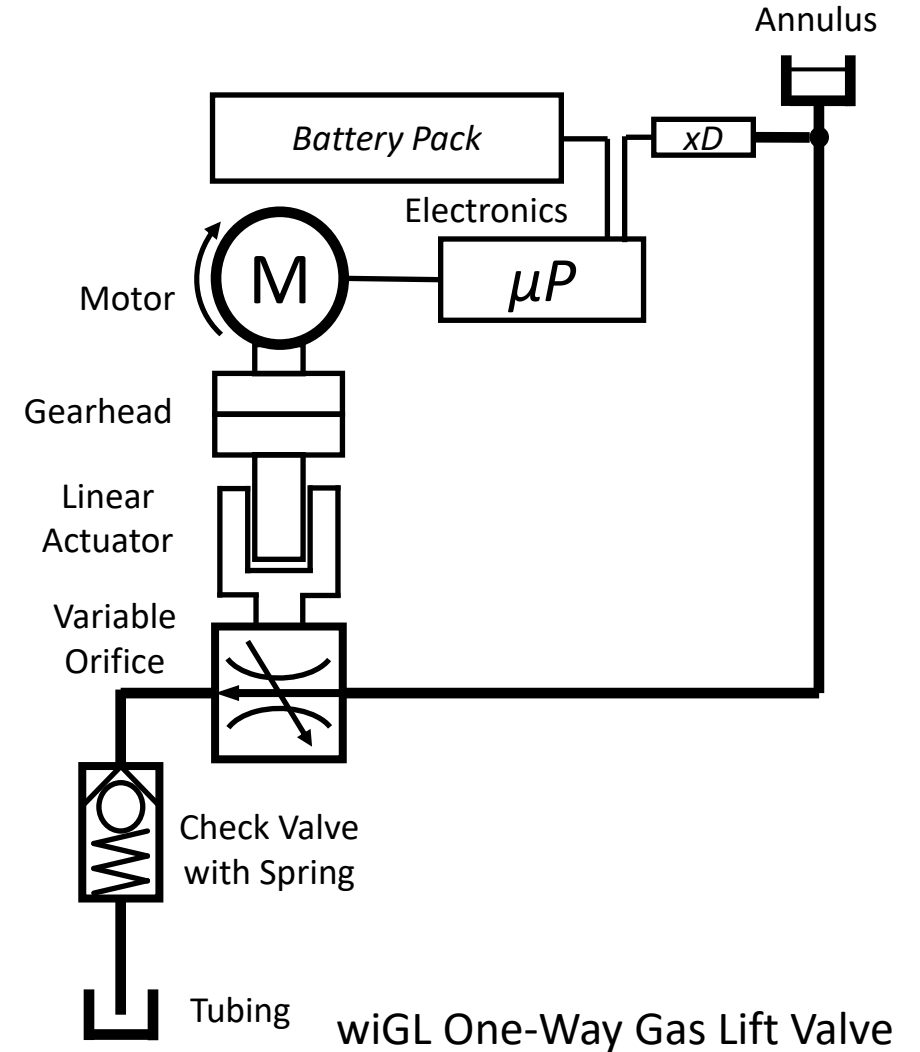


- No Opportunity for Miniaturization
- Some Opportunity for Miniaturization
- Great Opportunity for Miniaturization

15 Systems Needed

Current Design: 1.5"-1W

- 1.5" OD One-Way Comms
- 10,000 psi, 125°C, 2-4 years
- Battery powered
- Adjusts orifice on command
- Conceptual design completed (see below)



Four Options for WINS Solution

| wiGL Configuration | 1.0" OD wiGL | 1.5" OD wiGL |
|---|---|--|
| One-Way Communications (Surface to Downhole Only) | <p><u>Option 2</u></p> <ul style="list-style-type: none">• Design appears feasible• To be used in existing wells• To be used in restricted envelopes where 1" pocket is the only choice | <p><u>Option 1</u></p> <ul style="list-style-type: none">• Conceptual Design Completed• Fewest features |
| Two-Way Communications (Turbine-Generator Req'd) | <p><u>Option 3</u></p> <ul style="list-style-type: none">• Very difficult envelope to fit• Not feasible at present | <p><u>Option 4</u></p> <ul style="list-style-type: none">• Design appears feasible• Preferred package with many features.• New wells should be designed for this config. |

Requirements

| Operator: | A | B | C | D |
|---------------------------------------|--|-----------------------|------------------------------|----------------------------|
| Location: | | | Global | |
| Depth (TVD): | 10,800 ft | 1500-8000 ft | 5-11,000 ft | 8500-9520 |
| SIWHP: | 8400 psi | 70-300 psi | 0-2500 psi | 400-2000 psi |
| Annulus Pressure: | 3800 psi | 725-870 psi | 500-3500 psi | 1800 psi |
| Tubing Pressure at Operating Valve: | 10,646 psi | 290-850 psi | 500-1500 psi | 1500-1850 psi |
| Annulus Pressure at Operating Valve: | 5578 psi | 700-950 psi | 500-3500 psi | 1600-2000 psi |
| Circulating Valve Orifice Area: | 0.186 in ² | 0.186 in ² | 0.196 in ² | 0.186 in ² |
| Circulating Direction: | Both | Ann to Tbg | Both | Ann to Tbg |
| Gas Lift Orifice Diameters Used (in): | 0.016, 0.156, 0.188, 0.250, 0.438" | 0.016" to .438" | .156-.500" in .032" inc | .156-.500" in .032" inc |
| Gas Lift Direction: | Ann to Tbg Only | Ann to Tbg Only | Both | Ann to Tbg Only |
| Unloading Flow Rate: | | "Slowly" | 1 bpm spec 3 bpm accident | |

Requirements

| Operator: | A | B | C | D |
|--------------------------------|------------------------------|------------------------|------------------------|-----------------------|
| Gas Lift Valve Size (Initial): | 1" | 1" | 1-1/2" | 1-1/2" |
| GLV Comms (Initial): | One-way | One-way | One-way | One-way |
| Gas Lift Size (final): | 1-1/2" | 1-1/2" | 1-1/2" | 1-1/2" |
| Gas Lift Comms (Final): | Two-way | Two-way | Two-way | Two-way |
| Max Temp (°C): | 80-132°C | 50-100°C | 125°C | 125°C |
| Check Valve Needed: | Yes | Yes | Yes | Yes |
| Check Valve Type: | Barrier Rated (need spec) | Barrier Rated | Barrier Rated | Barrier Rated |
| Valve Pressure Rating: | 5000 psi | 5000 psi | 5000 psi | 5000 psi |
| Dummy Pressure Rating: | 6500 psi (screen out) | 5000 psi | 5000 psi | |
| Lifetime (Desired): | 3 years | 3 years | 5 years | 5 years |
| Lifetime (Minimum) | 3 years | 3 years | 3 years | 3 years |
| SPM Metallurgy: | L-80 and P-110 at HT | L-80 Some 13Cr L-80 | P-110 and 13Cr L-80 | L-80 and 13Cr L-80 |
| Max SPM Deviation (deg): | 80+ | 60 max | 80-90 | 65 (was 70-80) |

Requirements

| Operator: | A | B | C | D |
|--------------------------------|----------------|---|---|---|
| SPM Size 2.375" x 1.0 | | | | |
| SPM Size 2.875" x 1.0 | | X | | |
| SPM Size 3.5" x 1.0 | X (inj also) | X | | |
| SPM Size 4.5" x 1.0 | X (inj also) | | | |
| SPM Size 3.5" x 1.5 | X | X | | X |
| SPM Size 4.5" x 1.5 | X (low demand) | | X | X |
| SPM Size 5.0" x 1.5 | | | | |
| SPM Size 5.5" x 1.5 | | | X | |
| SPM Size 7" x 1.5 | | | X | |
| SPM Size 7" x 1.5 x 1.5" (dbl) | | | X | |

Requirements

| Operator: | A | B | C | D |
|--|---|---|---|--|
| Experience with Standard Kickover Tool | Can't lift 1.5" GLV at 80°+ Deviation, 15 misruns of 1" GLV on 1 job. Intend to run calipers to determine SPM orientation | No problems. | Probs with 7" dbl pocket in vertical hole, dropped GLVs after release | |
| Experience with Ratchet Kickover Tool | Worked in lab, problems in field | None | Worked in lab, no field exp, think it is fine for their needs | |
| KOT Extra Features | Want GR/CCL with pip tag in GLV for position | None needed | | None needed at 65°. Still looking at higher deviations |
| Experience with SW: | Not run yet, planning SPMs for backup | Looking... | Not run yet | Yes |
| General Comments: | EM-KOT and -KOR separate from wiGL | Could gradually change from 1" to 1.5" GLVs | | |

Project Definitions and Features

| Project | Features |
|---|---|
| <p>1</p> <p>wiGL 1.0" (option 2)</p> | <ul style="list-style-type: none"> • wiGL 1.0" dia, standard length • One-way comms (surface to downhole) • Closed, circulate, one orifice flow position (perhaps more) • Battery powered, 2-4 year life based on temp and use |
| <p>2</p> <p>wiGL 1.5" (option 4)</p> | <ul style="list-style-type: none"> • wiGL 1.5" dia, standard length • Two-way comms based on turbine-generator using perturbed flow • Closed, circulate, and variable orifice flow positions • Pressure, temperature, and flow sensors • 3-5 year lifetime based on turbine and electronics reliability |
| <p>3</p> <p>Electromechanical Kickover Tool Size 1.0" (EM-KOT)</p> | <ul style="list-style-type: none"> • Several 1" sizes: 2-3/8 x 1", 2-7/8 x 1", 3-1/2 x 1", etc. • Orientation vs. torque, axial force vs. deflection, kickover force vs. pos, latch grip and release • Interface to one or two tractor manufacturers • Developed first and trialed early to get experience with 1" GLVs in the field. |
| <p>4</p> <p>Electromechanical Kickover Robot Size 1.5" (EM-KOR)</p> | <ul style="list-style-type: none"> • EM-KOR with several sizes: 3-1/2 x 1.5", 4-1/2 x 1.5", 5-1/2 x 1.5", etc. • Multiple operations on a single run • Interface to several tractor manufacturers • Future versions to include pocket maintenance tools |

Project Schedule

| Projects | | Year 1 | | | | Year 2 | | | | | |
|----------|-------------|-------------------|----|----|----|--------|----|----|----|---------------------------------|---|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | |
| 1 | 1.0x1W wiGL | | | | | | | | | wiGL Joint Industry Project | B |
| 2 | 1.5x2W wiGL | | | | | | | | | | |
| 3 | 1.0 EM-KOT | | | | | | | | | EM-KOT/R Joint Industry Project | C |
| 4 | 1.5 EM-KOR | | | | | | | | | | |
| | | Feasibility Study | | | | | | | | | |
| | | A | | | | | | | | | |

| Legend | | | |
|--------|-------------|--|-------------|
| | Design | | Test |
| | Detail | | Field Trial |
| | Manufacture | | |

Structure of Feasibility Study and JIP

| Project Name | Project Scope |
|---|---|
| A Feasibility Study (6 months) | <ul style="list-style-type: none"> • wiGL 1.0" one-way comms feasibility <ul style="list-style-type: none"> ○ Conceptual and Detailed Design • wiGL 1.5" two-way comms feasibility <ul style="list-style-type: none"> ○ Conceptual Design ○ Select and test miniaturization subsystems ○ Iterate to improve • 1.0" EM-KOT feasibility <ul style="list-style-type: none"> ○ Conceptual Design • 1.5" EM-KOR feasibility <ul style="list-style-type: none"> ○ Conceptual Design |
| B wiGL Joint Industry Program (18 months) | <ul style="list-style-type: none"> • wiGL 1.0" with one-way communications <ul style="list-style-type: none"> ○ Develop, test, and field trial • wiGL 1.5" with two-way communications <ul style="list-style-type: none"> ○ Further develop refining miniaturization ○ Test and field trial |
| C Electromechanical Kickover Tool Joint Industry Program (18 months) | <ul style="list-style-type: none"> • 1" EM-KOT <ul style="list-style-type: none"> ○ Develop, test, and field trial • 1.5" EM-KOR <ul style="list-style-type: none"> ○ Develop, test, and field trial |

BECOME TRULY DIGITAL

WINS 

LIVE WELL DATA IS KEY

Questions?