

DEA Forum

PDC Bit Innovations for Today's Complex Shale Wells

September 15, 2014

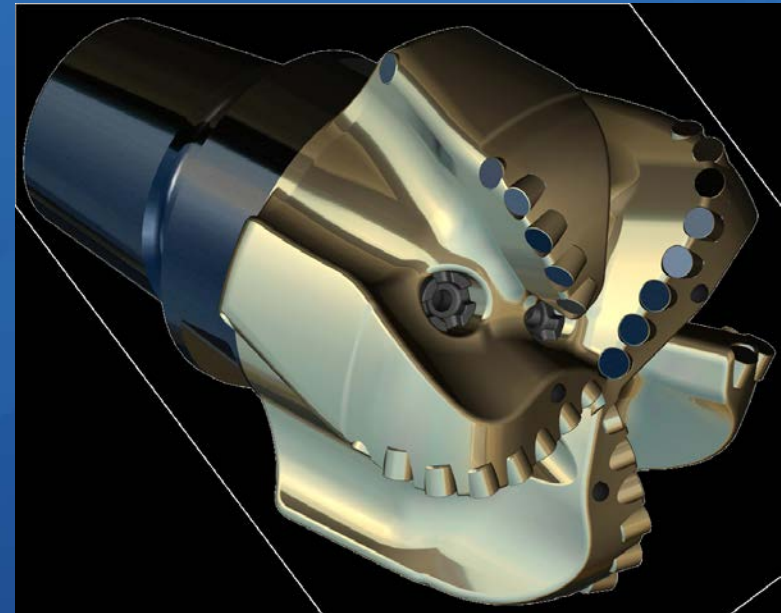
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Overview

- Complex well profiles require more complex BHA
 - More “jewelry” in the BHA
- Variety of new motors available
 - Higher torque
 - Longer life
- Rotary Steerable Systems
 - Bits designed for the system
- Limited HSi at the bit
 - Design and plan for it
- More demands on the cutters and bits
 - Stability improved
 - Steerability (DOC Control)
 - Durability and abrasion resistance improvements in cutters
- PDC Cutter is part of the bit, which is part of the system.

Steerable Bit Technology Package for Unconventionals

- Unconventional shale formations
- Curve-lateral sections
- Low HSi
- Features:
 - Application specific profile
 - Polished cutters
 - Application specific cutters
 - Diverging junk slots
 - Hydrophobic coating (available on request)
 - Advanced hardfacing on tough steel body
 - Short bit body
 - DOC control to minimize torque fluctuations
 - Field adjustable available soon
 - DART process



Cutter Technology Innovations

- Improved thermal stability
- Polished finish to reduce friction
- Multidimensional contoured face runs cooler
- Enhanced chamfers to improve durability
- Higher diamond density tables
- Stronger diamond to diamond bonding
- Innovative PDC manufacturing processes
- Proprietary diamond mixes to control crack propagation
- Enhanced substrate for erosion resistance
- Rotating cutter
- Shaped cutters
- Nano - technology
- Non metallic binders, reattached, brazed, etc.



Lateral section, Bakken, 6" 6 blades

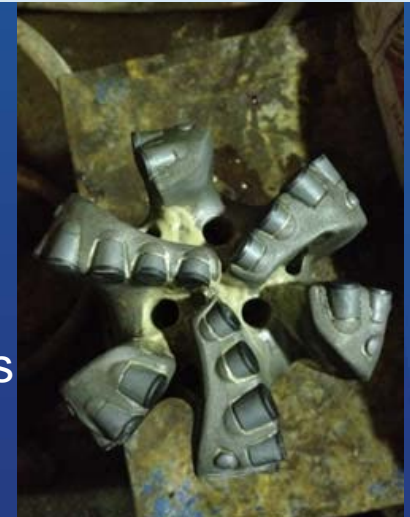
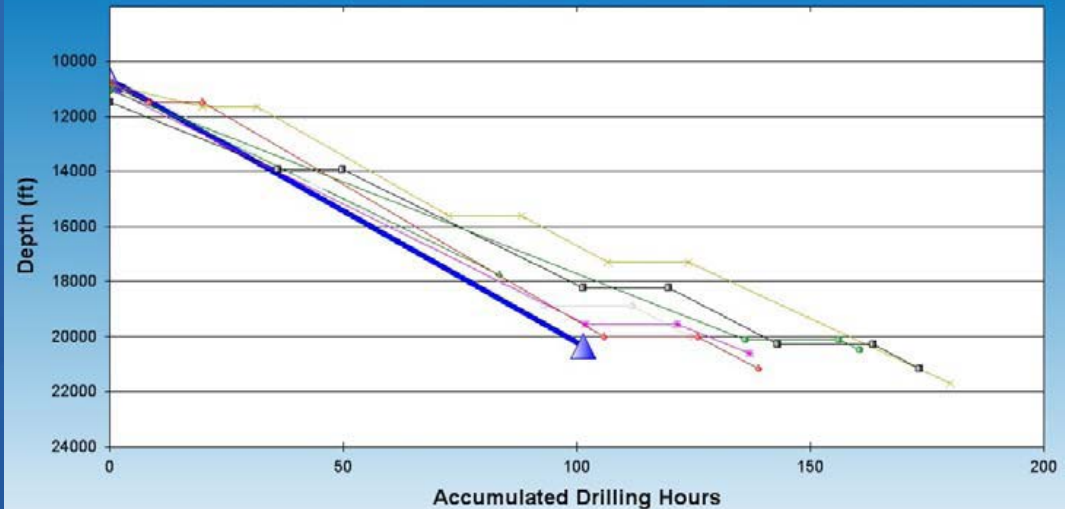
- Features

- Short profile
- Longer gage length
- Variable back-rakes
- DOC features as required
- Large blade standoff
- Open hydraulically

- Results

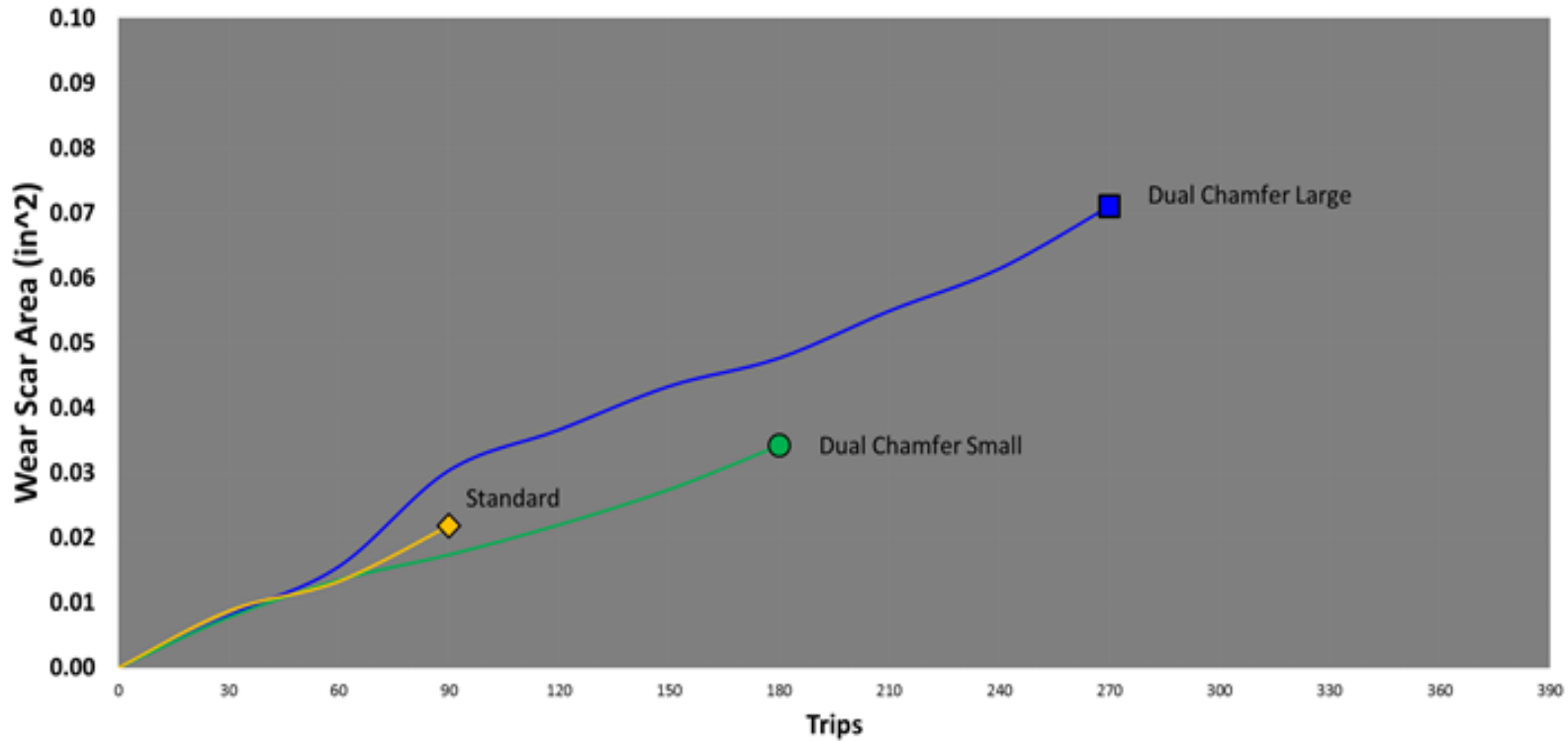
- Drilled the entire lateral
- Typically requires 2-3 bits to reach a similar depth
- Saved the customer trip time and bit cost
- 9,685' in 101.5 hours for an average ROP of 95.4 ft/hr.
- Reduced the section versus the closest offset by 40 hours
- Saved the operator \$133,000.

Depth In - Depth Out vs. Accumulated Drilling Hours



Laboratory Test

Durability Wear Progression (Averaged)



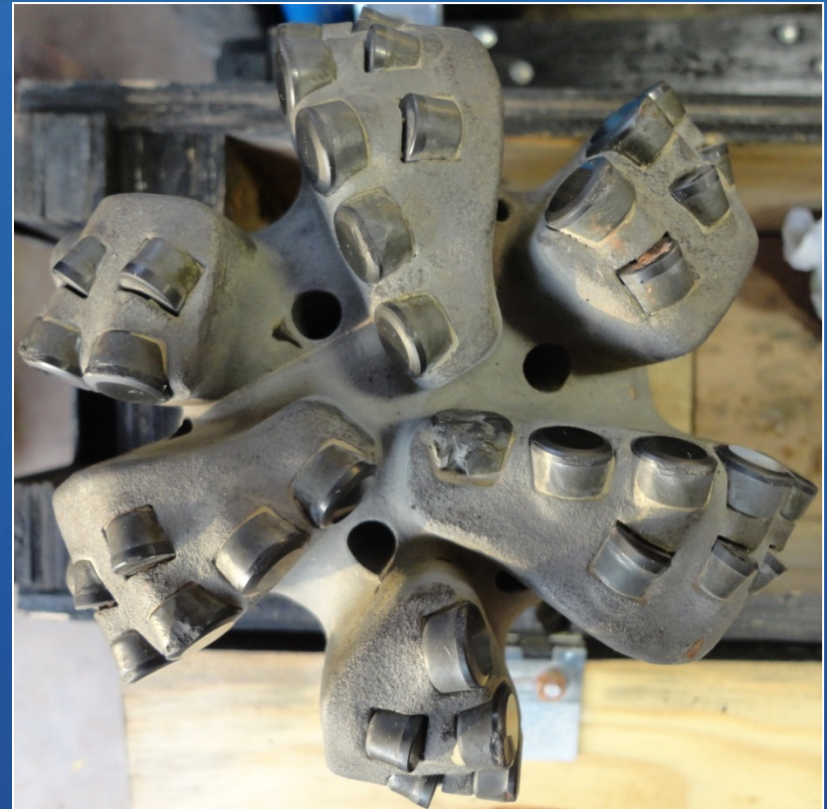
- Dual Chamfer Geometry significantly adds cutter life
- Increase in Secondary Chamfer size increases cutter life

6.125" Standard Vs Dual Chamfer Cutters



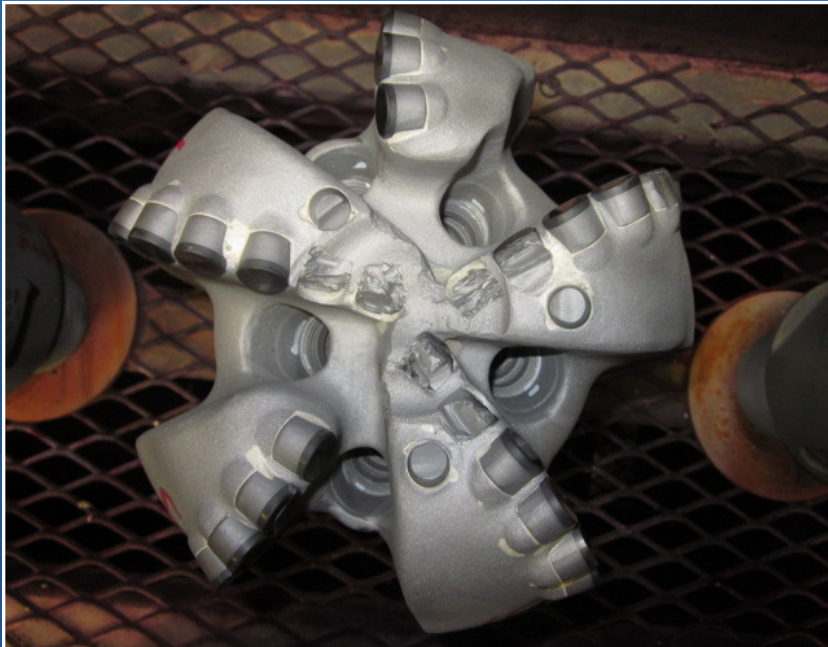
Bit #1
DPD406X
1726' @ 46.6 ft/hr

Alfalfa, Oklahoma



Bit #2
DPD406X DUAL CHAMFER
2438' @ 55.7 ft/hr

8.75" Same Pad – Standard vs. Dual Chamfer

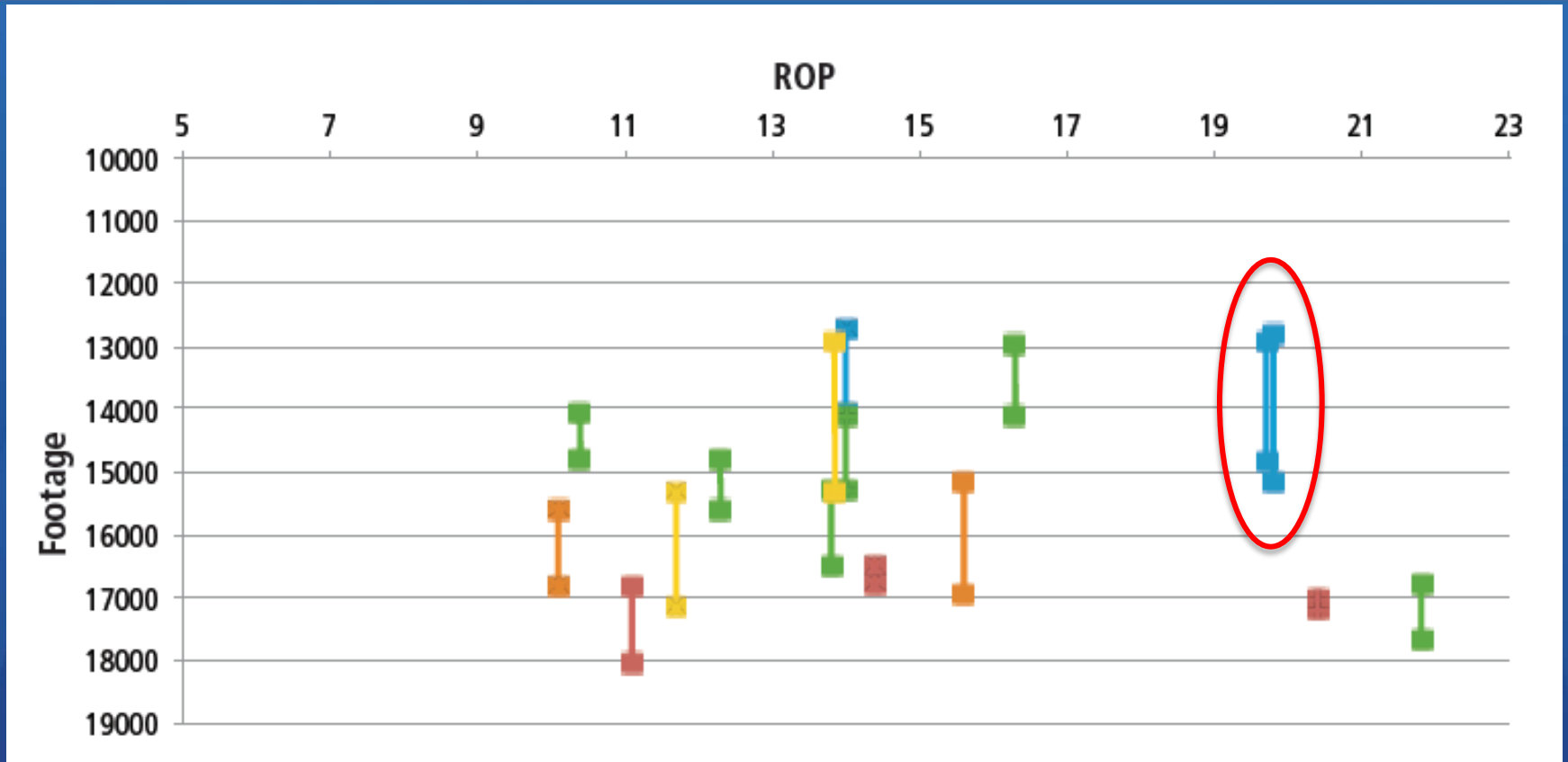


Bit #1
DPD505
3273' @ 73.6 ft/hr

Saginaw, Texas

Bit #2
DPD505 Dual Chamfer
5105' @ 74.5 ft/hr

Multidimensional Contoured Face



Longer, faster, and good dull in a very hard abrasive application

Multidimensional Contoured Face



Permian Case Study #1 – CO₂ Injection Wells

The Challenge

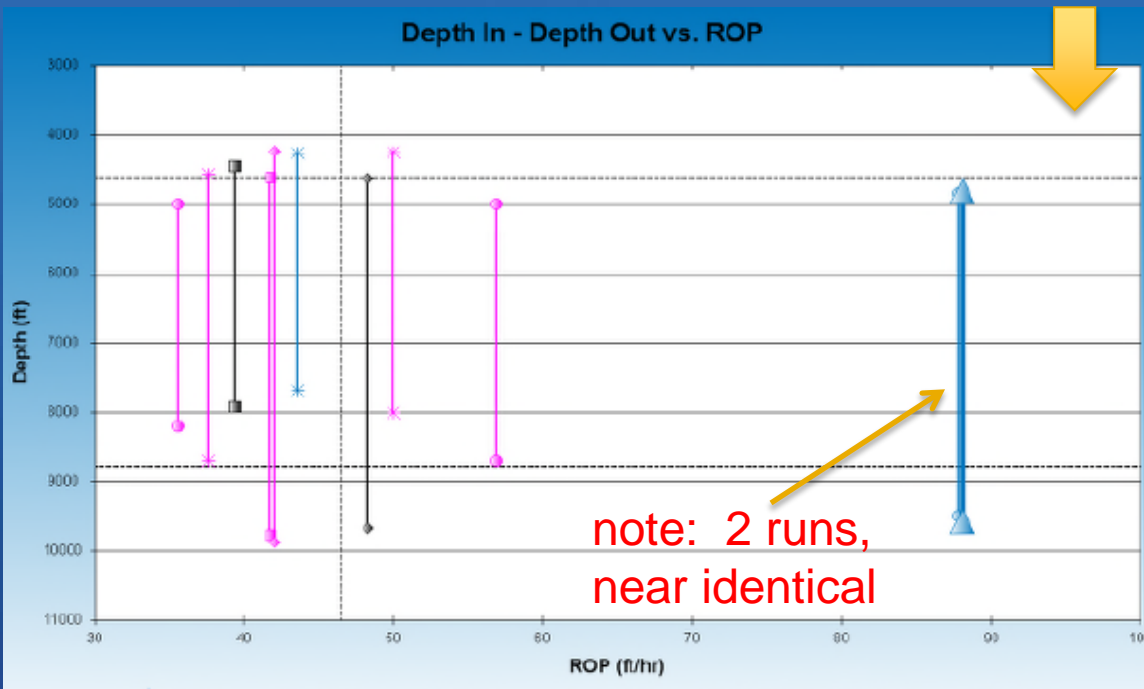
- Yoakum County, TX
- San Andres Formation
 - Hard dolomites, anhydrites, and salts
- Drill curve and entire lateral with one bit

The Solution

- State of the Art PDC Bit
 - Polished Cutters
 - Application Specific Cutter Technology
 - Steel body with new Hardfacing
 - Enhanced Directional Control



The Results



- Back to back record runs
- Exceptional tool face control
- Saved 2 days on well
- Great dull condition

Case Study #2 – Wolfcamp B Horizontal

The Challenge

- Reagan County, TX
- Wolfcamp B Formation
 - Shale, sandstone, chert
- Drill 9,500ft lateral with one bit
- Conventional motor assembly

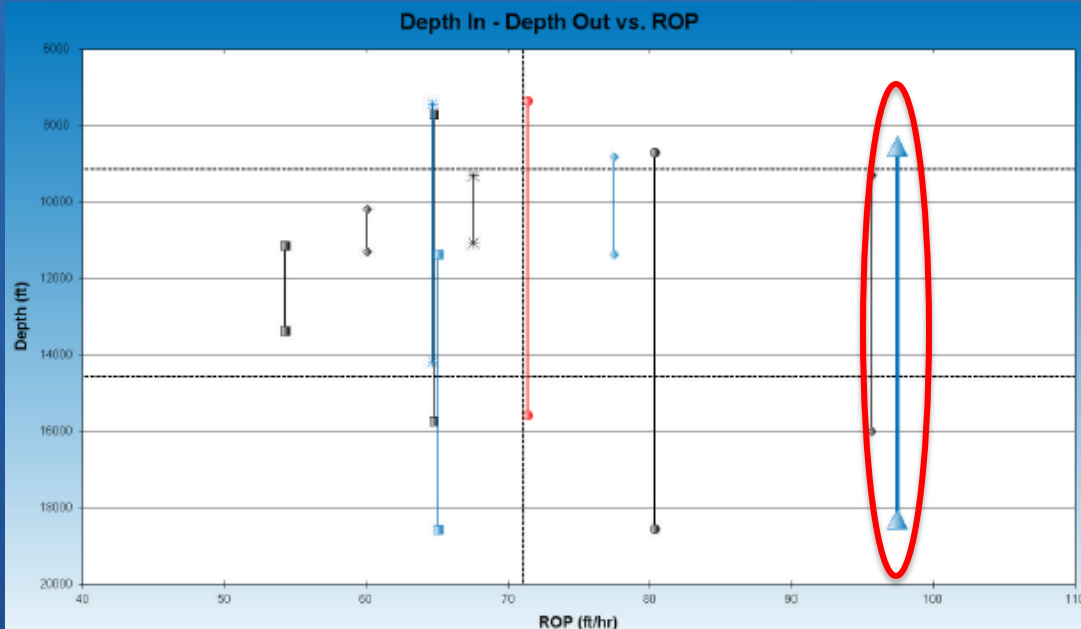


The Solution

- State of the Art PDC Bit
 - Polished Cutters
 - Enhanced Cutter Technology
 - Steel body with new Hardfacing
 - Enhanced Directional Control



The Results



- Drill 9,500ft at 98ft/hr
 - Offsets typically drill interval with multiple bits
- Saved operator 4 days drilling time
- Excellent steerability

Eagleford Vertical-Curve-Lateral, 1 bit run

- Challenges

- Drill the entire Vertical-Curve-Lateral with a conventional assembly from surface casing in one run with one bit and BHA
- Drill vertical section at increased ROP
- Maintain tool face control in the curve to achieve build rates
- Improved tracking ability in the lateral to reduce slide time

- Results

- Completed the Vertical-Curve-Lateral section 20 times, YTD 2014
- There has NOT been one DBR'd bit out of the 20 completed runs
- Dull grades typical 11TD to 12TD

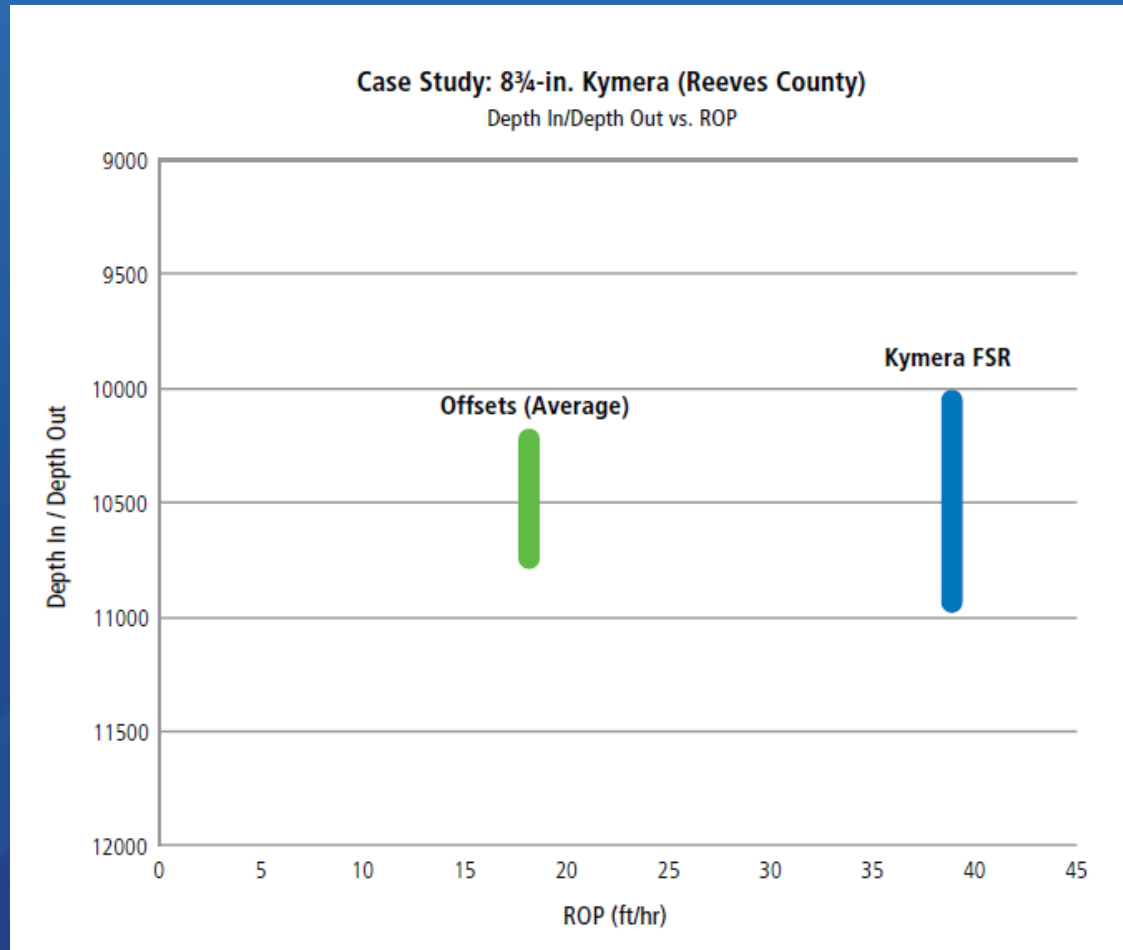
Eagleford Vertical-Curve-Lateral, 1 bit run

RUN DATE	COUNTY	BIT SIZE	BIT TYPE	DEPTH IN	DEPTH OUT	DISTANCE	ROP (ft/hr)	DULL
7/28/14	ATASCOSA	8.5		4124	13693	9569	143.9	1-1-CT-S-X-I-WT-TD
7/26/14	GONZALES	8.5		7204	16815	9611	116.5	1-1-WT-S-X-I-NO-TD
4/27/14	MCMULLEN	8.75		5200	16905	11705	109.4	1-2-CT-A-X-I-NO-TD
1/6/14	LA SALLE	8.5		6160	16773	10613	108.6	1-1-CT-N-X-I-WT-TD
6/19/14	ZAVALA	8.75		3160	14583	11423	108.3	1-1-WT-S-X-I-NO-TD
5/6/14	MCMULLEN	8.5		4674	17624	12950	107.4	1-1-CT-S-X-I-WT-TD
6/12/14	MCMULLEN	8.5		4842	17511	12669	106.5	1-1-WT-A-X-I-NO-TD
3/2/14	MCMULLEN	8.5		6275	17481	11206	104.2	1-1-CT-S-X-I-NO-TD
6/14/14	MCMULLEN	8.75		5780	18250	12470	96.7	2-2-WT-A-X-I-CT-TD
6/21/14	ZAVALA	8.75		3160	14583	11423	92.5	1-1-WT-A-X-I-NO-TD
6/26/14	MCMULLEN	8.75		5785	17970	12185	85.8	2-2-CR-C-X-I-CT-TD
5/27/14	DE WITT	8.75		3845	18796	14951	85.4	1-1-BT-G-X-I-CT-TD
4/21/14	MCMULLEN	8.75		5200	16835	11635	83.1	1-2-LT-S-X-I-CT-TD
4/10/14	MCMULLEN	8.75		4438	16195	11757	81.6	1-2-BT-S-X-I-CT-TD
2/17/14	MCMULLEN	8.75		5700	16712	11012	77.3	1-2-BT-S-X-I-CT-TD
4/8/14	MCMULLEN	8.5		6123	17571	11448	76.6	2-2-LT-N-X-I-WT-TD
6/21/14	ZAVALA	8.75		2750	14001	11251	74.5	2-1-CR-N-X-I-WT-TD
3/18/14	LA SALLE	8.5		4425	17080	12655	72.2	1-1-CT-A-X-I-CT-TD
5/25/14	ATASCOSA	8.75		3428	13825	10397	63.6	1-2-CT-G-X-I-NO-TD
1/27/14	MCMULLEN	8.75		5587	19078	13491	60	1-2-BT-G-X-I-WT-TD
3/18/14	MCMULLEN	8.75		5190	15658	10468	55.7	1-2-CT-S-X-I-WT-TD

Hybrid Bits Case Study in Unconventionals

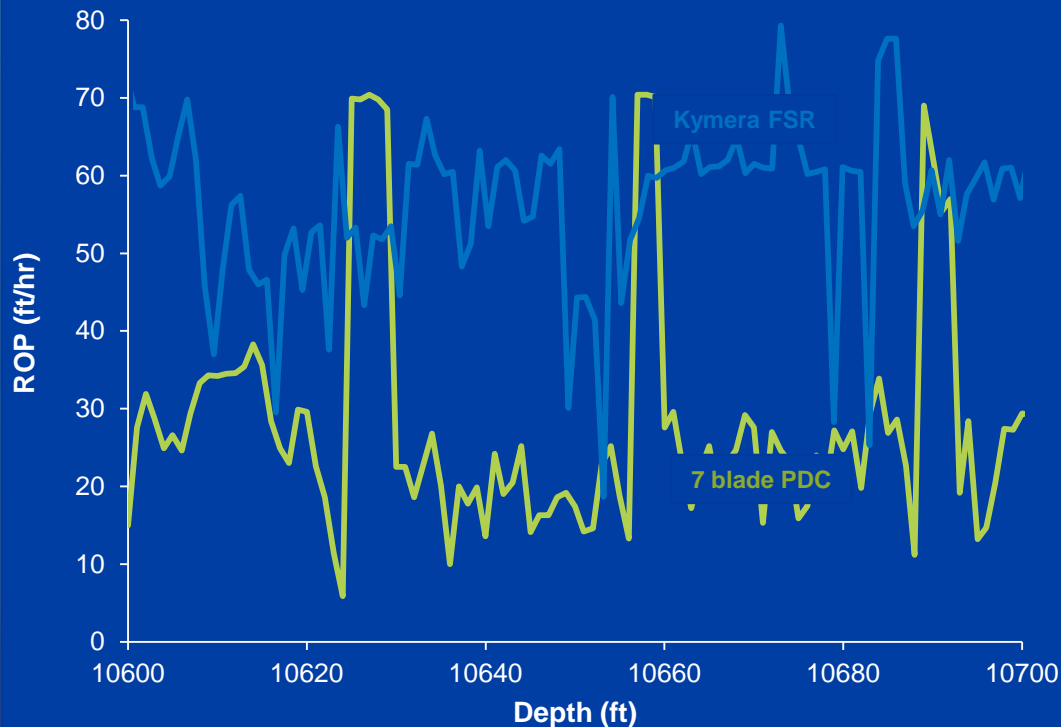
- The Challenge: Wolfecamp curve
 - Complete curve in one run
 - Maintain or improve wear, durability, dull condition over PDC.
 - Drill through conglomerate, chert, sand
- The results
 - Beat offsets solidly
 - Run of 38.8 fph vs. 18.0 fph
 - Maintained targeted build rate of 14° or higher per hundred
 - One run curve in typical “2” bit section
 - 1,1 Dull
 - Saved 18 hours vs. offset average

Hybrid Performance in Curve



Hybrid FSR vs. 7 blade

- Bone Springs, Permian



Problem drilling curve:

- Bone Springs Permian
- Challenging Carbonates
- Multiple bits building 12°/100ft
- Limited WOB with PDC due to reactive torque

Solution:

- 8-3/4" Hybrid in 1 bit
- Smooth drilling
- Increased ROP due to reduced reactive torque

→ Increased ROP by up to 2x in carbonates

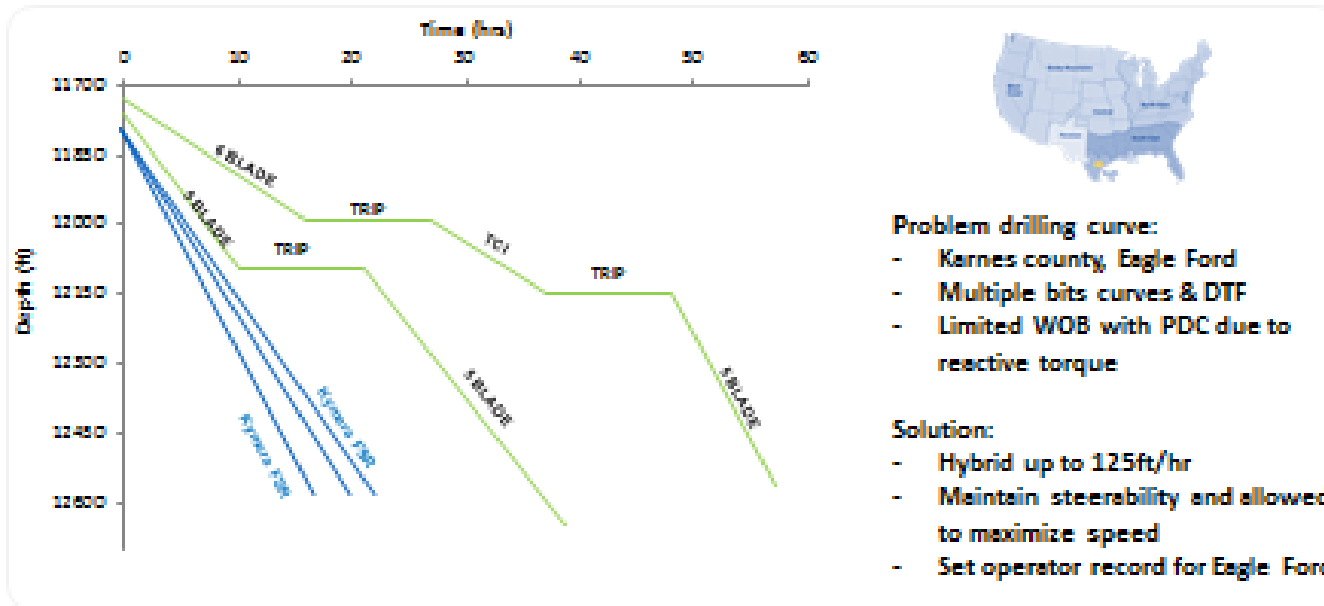
Case Study: Hybrid Technology in South Texas

Hybrid vs. 5 - 6 blades

- Eagle Ford, South Texas

"125 ft/hr from Hybrid is the fastest I've seen through a curve on this pad"

Directional Driller for Eagle Ford



Problem drilling curve:

- Karnes county, Eagle Ford
- Multiple bits curves & DTF
- Limited WOB with PDC due to reactive torque

Solution:

- Hybrid up to 125ft/hr
- Maintain steerability and allowed to maximize speed
- Set operator record for Eagle Ford



Consistency and speed, saves \$510k in 3 wells

Summary

- Innovations in the PDC cutter and PDC bit have greatly improved economics of horizontal unconventional wells.
- One PDC bit can generally complete the lateral.
- The focus shifted to the vertical and build sections.
- One section bit runs are becoming the norm.
- Hybrid bit technology is becoming a standard curve choice in more demanding applications.
- One bit to TD is a realistic objective in many applications. One bit V-C-L is in sight for more applications.
 - Bit specialist and drilling engineer collaboration.
- Today's PDC cutter is substantially improved over decade.
- Cutter and bit innovations have lead to field records.
- Innovation is alive and well in our industry.

Future Possibilities (Survey of US Patents)

- Real time data from the bit
 - Module in the bit shank with monitoring and measuring capabilities
 - Optimize parameters
 - Maximum performance
- Sensors and monitors in the bit
 - Performance
 - Response
 - Formations
 - Integral part of the automated drilling system
- Bit as part of an adaptive system
- Innovative cutter shapes
- Innovative diamond tables
- Smart PDC cutters

Thank the DEA for this opportunity to share results of recent innovations.

Thank you for your attention.

