

THESIS

DEVELOPMENT OF FRAMEWORK FOR PREDICTING WATER PRODUCTION FROM
OIL AND GAS WELLS IN WATTENBERG FIELD, COLORADO

Submitted by

Bing Bai

Department of Civil and Environmental Engineering

In partial fulfillment of the requirements

For the Degree of Master of Science

Colorado State University

Fort Collins, Colorado

Fall 2012

Master's Committee:

Advisor: Kenneth Carlson

Neil Grigg

Sonia Kreidenweis

Copyright by Bing Bai 2012

All Rights Reserved

ABSTRACT

DEVELOPMENT OF FRAMEWORK FOR PREDICTING WATER PRODUCTION FROM OIL AND GAS WELLS IN WATTENBERG FIELD, COLORADO

Water issues in the oil and gas industry have drawn attention from various stakeholders including the public, industry and environmental groups. With the increasing demand for energy, the number of oil and gas wells has increased greatly providing 60% of the energy in the United States. Besides the large volume of fresh water required for drilling and hydraulic fracturing, wastewater from the well can also lead to serious problems. The current approach for managing wastewater from oil and gas fields is deep well injection or evaporation both of which can potentially cause environmental issues. One of the best strategies to solve water issues from oil and gas operations is to reuse wastewater as drilling and fracturing water so the volume of fresh water required and wastewater disposed can be reduced. Information on both water quantity and quality are required when designing wastewater reuse treatment facilities. This study provides a framework for understanding water production trends from oil and gas wells in the Wattenberg field in Northern Colorado by analyzing historical data from Noble Energy Inc. The Arps equations were chosen for modeling water production from oil and gas wells. After studying 1,677 vertical and 32 horizontal wells in Wattenberg field, an exponential decline function was applied to model the produced water production of all the wells and the frac flowback water of horizontal wells. An Excel based 30-year water production prediction tool was developed based on the two protocols developed for vertical and horizontal wells in the Wattenberg field. Three case studies of different subsets of oil and gas wells were examined to illustrate the function of

the tool. In addition, a comparison of exponential and harmonic functions was made in the third case study, and a significant difference was observed. The harmonic decline function predicts a less aggressive decline resulting in higher production volumes. It was concluded that in the absence of long term production data, the harmonic decline function should be used since the exponential decline function may underestimate the volume of produced water.

ACKNOWLEDGEMENTS

I have been overwhelmed by the support and kindness I have received during my time at Colorado State University. I would like to thank all of the people that have helped and inspired me during my studies. Nothing would be possible without the selfless and often unrecognized contributions from others. I am very grateful to everyone.

First, I would like to thank my advisor, Dr. Kenneth Carlson, for his guidance throughout my entire time at Colorado State University. His belief in me and mentoring has helped me with great opportunities that have exceeded my greatest expectations when I first came to CSU. I am very thankful for all he has done and it has been a privilege to work with him.

I was delighted to work with Dr. Kimberly Catton on this project. Her knowledge and enthusiasm was infectious as an instructor and advisor and often set the tone of the project. I especially enjoyed and learned a lot from our meetings every time with her opinions and suggestions.

Dr. Sonia Kreidenweis deserves special thanks as my outside committee member and instructor. I appreciate her enthusiasm and kindness. Her ambitious and upbeat attitude was always appreciated.

Dr. Neil Grigg, Dr. Sybil Sharville, Dr. Charles Shackelford, Dr. John Labadie and John McGee also deserve recognition for their inspiration and contribution to my education and my graduate school experience.

Caleb Douglas, Ken Knox and others from Noble Energy Inc. who had helped me also deserve special recognition. My research would not have been possible without their support and inspiration.

I would also like to thank Huishu Li, Ashwin Dhanasekar, Ildus Mingazetdinov and Stephen Goodwin for all the time and energy they spent making this project a success. I feel very fortunate to have had such great people to work with on this project.

Throughout my life I have been blessed with incredible and selfless teachers and mentors. Any success in my life is truly a reflection of their dedication and unselfish work. I am thankful for the contributions of so many unmentioned people in my life.

Finally, my deepest gratitude goes to my family for their unconditional love and support throughout my life. They prove time and time again no matter what happens in life, family will always be there for me.

TABLE OF CONTENTS

Chapter 1. Introduction	1
1.1. Origins of the problem	1
1.2. Structure of thesis.....	2
Chapter 2. Literature review	3
2.1. Introduction	3
2.2. Water use in energy production	5
2.3. Water production from oil and gas wells	7
2.3.1. Water production source and mechanism	7
2.3.2. Causes of water production problems.....	8
2.4. Characteristics of water production.....	8
2.4.1. Frac flowback water.....	8
2.4.2. Produced water.....	9
2.5. Produced water management	10
2.5.1. Evaporation in pits/ponds.....	10
2.5.2. Disposal wells	11
2.5.3. Disposal to publicly owned treatment works (POTWs).....	14
2.5.4. Direct reuse for fracturing.....	14
2.5.5. Treatment for reuse or surface discharge	15
2.6. Environmental impacts in the oil and gas industry	17
2.6.1. Air issues.....	18
2.6.2. Community impacts	19
2.6.3. Water issues	19
2.6.4. Land issues.....	20
2.7. Ways to minimize environmental impacts from hydraulic fracturing	20
2.7.1. Water management	21
2.7.2. Green completions	23
2.8. Current research on produced water quantity	24
2.9. Objectives and hypothesis.....	25

Chapter 3. Development of protocols and tools for predicting frac flowback and produced water volume from Wattenberg oil and gas field	27
3.1. Introduction	28
3.2. Methods and materials	30
3.2.1. Site location and description	30
3.2.2. Methods and data collection	31
3.3. Data analysis and protocol	33
3.3.1. Protocol for vertical well predictions of produced water	33
3.3.2. Protocol for horizontal well predictions of frac flowback and produced water	36
3.4. Development of Excel-based tool for predicting frac flowback and produced water volumes from the Wattenberg oil and gas field	41
3.4.1. Introduction of the tool	41
3.4.2. Uncertainty analysis	45
3.5. Case study of Noble wells in Wattenberg field.....	47
3.6. Case study of selected Noble wells in northeast Wattenberg field	50
3.7. Conclusion.....	55
Chapter 4. Case study on wells in Wells Ranch region, Wattenberg	57
4.1. Water production prediction of wells in Wells Ranch region	57
4.2. Comparison of exponential and harmonic functions	64
Chapter 5. Conclusions	67
Chapter 6. References	68
Appendix A. Method details	75
A.1. Vertical well water production data collection and analysis	75
A.2. Horizontal well water production data collection and analysis.....	76
A.3. 30-year water production rate for vertical and horizontal wells	77
Table A.1. Water production data and <i>k</i> value calculation of 1677 sample vertical wells	78
Appendix B. Uncertainty analysis	91
B.1. Uncertainty analysis of 1,677 vertical and 32 horizontal wells in Wattenberg field.....	91
B.2. Uncertainty analysis of case study of selected wells in northeast Wattenberg field	94
Appendix C. 7,486 Noble wells case study data and results	98

Chapter 1. Introduction

1.1. Origins of the problem

“Courage, determination, and hard work are all very nice, but not so nice as an oil well in the back yard.”

-Mason Cooley

With the rapid growth of economies throughout the world over the past several decades, the availability of energy has become critically important. As major forms of fuel, oil and gas provide about 60 percent of the world’s 6.9 billion people with their daily energy needs, while other forms of energy like coal, nuclear and hydroelectric power , wind and solar provide the other 40 percent [1]. With the economic recovery of the United States and the rest of the world, total energy demand will rise by 1.2% per annum in the next five years in the US [2], driving the need for additional oil and gas supplies. More oil and gas wells will be drilled to meet the energy demand increase; therefore, more hydraulic fracturing will be performed in the future. With heightened public knowledge and awareness of hydraulic fracturing, many people believe that the fracturing process can cause severe environmental problems, such as water shortages and pollution of both surface and ground water [3].

In order to drill a new oil and gas well, water mixed with other chemical components and sand is used for hydraulic fracturing to release oil and gas from shale formations deep beneath the ground [4]. Water usage varies depending on the type of well. Typically for vertical wells, 65,000 to 600,000 gallons of water is needed, but horizontal deep shale gas and oil wells require an average of 4.5 million gallons of water per well [4]. Fresh water is

often the major water source for hydraulic fracturing. As one of the states that have large oil and gas reserves, Colorado has over 95,000 oil and gas wells in total as of February, 2012 [5]. The biggest oil and gas field in Colorado is the Wattenberg field lying northeast of Denver, and average water usage for the wells in the Wattenberg field is around 3 million gallons per well [6]. Due to the rapid growth of population and industry in Colorado, the water scarcity problem has drawn more attention than ever before [7]. Besides the large amount of water needed for hydraulic fracturing, the water pollution problem is also becoming critical with the exploration and production of oil and gas wells. Though there is no evidence that hydraulic fracturing pollutes ground and surface water, people have begun to discuss this because of the additives in the fracturing water [8]. At the same time, since water also comes out with gas and oil from a well, it is important and necessary to have a good understanding of water as well as oil and gas production.

1.2. Structure of thesis

To better understand the impact of water from oil and gas wells, an in-depth study was performed to analyze the overall water balance during the entire oil and gas production process. Protocols and models were designed to predict total water production from oil and gas wells from a given field. The thesis is divided into 4 sections: (1) review of existing literature about water production in oil and gas wells, (2) analysis of production data from sample wells in Wattenberg field and modeling of the water production trend for both vertical and horizontal wells, (3) discussion of protocols and tools designed to predict total water production for the life of the well and (4) case studies on wells in different selected regions of Wattenberg field with uncertainty analysis.

Chapter 2. Literature review

2.1. Introduction

By the end of 2009, according to the U.S. Energy Information Administration, the proven reserves of crude oil in the U.S. were 22.3 billion barrels, and natural gas reserves were 283.9 trillion cubic feet [9]. The latest report released by the U.S. EIA showed that by the end of 2010, the proved reserves of crude oil in the U.S. were 25.2 billion barrels and the natural gas reserves were 317.6 trillion cubic feet [9]. Oil and gas make up to 60% of the energy source in the U.S. and the number of oil and gas wells will increase as a result of the increased energy demand. [10]. Water problems associated with oil and gas wells have caused concern [11] including water demand for drilling and fracturing [12,13,14], water contamination [15,16] and collection and handling of frac flowback and produced water during the oil and gas production process[17,18,19].

When oil or gas is extracted from underground formations, water also comes to the surface, and it is usually called produced water [20]. Also, as the largest waste stream generated by the oil and gas industry [20], produced water is difficult to manage and treat. In the United States, approximately 21 billion barrels of produced water has been generated from nearly one million oil and gas wells in 1985 and 18 billion bbls in 1995 [21,22] and 14 billion bbls in 2002 [20,23]. In Colorado, there are roughly 49,800 active wells and with an additional 46,300 wells which have been plugged and abandoned [5]. As one of the largest natural gas deposits in the United States, Wattenberg oil and gas field is located in the Denver-Julesburg Basin. In 2009, with an estimated 195.3 billion cubic feet of natural gas

production, Wattenberg field was ranked as the 10th largest source of natural gas in the United States [24]. Figure 2.1 shows the location of Wattenberg field in Colorado.



Figure 2.1. Wattenberg field in Colorado [25]

The 100 square mile geological formation located north of Denver, Colorado in Weld, Adams, Boulder, Broomfield and Larimer counties, Wattenberg field produces both crude oil and natural gas [25]. Currently there are over 18,000 wells in the Wattenberg field [26] and over 7,700 wells are operated by the Noble Energy Inc. New wells are still being drilled every year in the Wattenberg field [5], which demands a large volume of water for drilling and fracturing and results in significant frac flowback and produced water. In Colorado, most of the drilling water, known as hydraulic fracturing water, comes from fresh water.

Today, water shortages are not only a regional problem but a global consideration. The rapidly increasing population and industrial activity have led to increased water demand and

use. That, together with climate change, has contributed to a world-wide water crisis. In the United States, the government projects that by 2013 at least 36 states will face water shortages due to the combined results of rising temperatures, drought, population growth, urban sprawl, waste and excess [27]. As the principal river of the southwestern United States and northwestern Mexico, the Colorado River supplies water for agricultural and urban areas as well as hydroelectric power in the southwestern desert lands of North America [28]. A study in Water Resources Research in 2007 showed Colorado River reservoirs would risk running dry by 2057, leaving many downstream cities like Las Vegas, Los Angeles and San Diego short of water [29]. The Colorado Water Conservation Board has identified potential solutions to mitigate the water shortage in Colorado. One of the key outcomes to reach the water conservation goal is to recycle and reuse waste water [30], which also applies to the oil and gas industry.

2.2. Water use in energy production

Water is very important in energy resource development. Table 2.1 shows the water use for generating 1 million British thermal unit (MMBTU) of energy by different types of energy resources. On average coal requires 2-8 gallons of water without slurry transport and 13-32 gallons of water with slurry transport. On the other hand, only 0.82-3.7 gallons of water is needed by deep shale natural gas [31] to produce the same amount of energy, and groundwater is the major source of water used in shale gas exploration. It is clearly shown that water use for natural gas extraction can be less than the water used by other energy sources, therefore natural gas would be the best choice for saving water in energy production.

Table 2.1: Water use for energy production from various energy resources [32]

Energy Resource ¹	Range of Gallons of Water Used per MMBTU of Energy Produced
Deep Shale Natural Gas	0.84 – 3.70 ²
Coal (no slurry transport)	2 – 8
Coal (with slurry transport)	13 – 32
Nuclear (uranium ready to use in a power plant)	8 – 14
Conventional Oil	8 – 20
Synfuel - Coal Gasification	11 – 26
Oil Shale	22 – 56
Tar Sands	27 – 68
Synfuel - Fisher Tropsch (from coal)	41 – 60
Enhanced Oil Recovery (EOR)	21 – 2,500
Biofuels (Irrigated Corn Ethanol, Irrigated Soy Biodiesel)	> 2,500

¹Source: “Deep Shale Natural Gas: Abundant, Affordable, and Still Water Efficient”, GWPC, 2010.

²The transport of natural gas can add between zero and two gallons per MMBTU.

On average 1 to 5 million gallons of water is used to drill and fracture a shale gas well, and sometimes a well can be fractured up to 18 times. According to “The Marcellus Effect,” a typical gas well uses about 4 million gallons of fresh water over its lifetime [33]. A study of Noble oil and gas wells in Wattenberg field [6, 34] found that an average of 3 million gallons of fresh water is used for the hydraulic fracturing of one well. Besides the impact this might have on regional water availability, water transportation and storage must also be considered because the cost can be significant [35].

2.3. Water production from oil and gas wells

Water production, one of the major environmental, economic, and technical problems in the oil and gas industry, can limit the productive life of wells and cause severe operational problems such as corrosion, fines migration and hydrostatic loading. It is estimated that on average 8 barrels of water are generated while producing one barrel of oil, and the money spent in the United States to handle and dispose of the produced water is around 5 to 10 billion dollars every year [20].

2.3.1. Water production source and mechanism

The sources of produced water include injected water (frac water), formation water and aquifers. The injected hydraulic fracturing water could be the major source of water from oil and gas wells. After a large amount of water is injected into the formation where the well is drilled, only 15-40% of that water comes out as frac flowback [36]. The rest of the water stays in the formation and may come out at some point as produced water with oil and gas production through the life-cycle of the well. Formation water is another source of produced water. This is water which was originally trapped within the formation like oil and gas, but it can have limited contribution to water production. Aquifers could be another potential source of produced water.

Water can follow two types of paths to the wellbore. In the first one, water usually flows to the wellbore through a separate path from that of the hydrocarbons. Usually this type of water production will compete with oil and gas production, so in order to increase oil and gas production rates with higher recovery efficiency, this type of water production must be reduced. The second type of water production is water that is co-produced with oil, usually in

the later life time of a well. In this case, the reduced water production may result in a corresponding reduction in oil production [20].

2.3.2. Causes of water production problems

The causes of water contamination and production problems can be divided into three main categories: mechanical problems, completion related problems and reservoir related problems.

Mechanical problems refer to poor mechanical integrity of the casing, such as holes, wear and splits, and other leaks. Casing leaks lead to unwanted water entry and a rise in water production. Completion related problems include channels behind the casing, completion into or close to a water zone and fracturing out of the zone. The reservoir related problems are mainly channeling, coning and depletion [20].

2.4. Characteristics of water production

Based on the quantity and quality of the water coming out of the well, the water can be classified as two types: frac flowback water and conventional produced water.

2.4.1. Frac flowback water

Frac flowback water is the water produced from the fracturing of oil and gas wells, and it usually consists of fracturing fluid which returns to the surface. This water always contains chemicals, metals, and other components that are used for hydraulic fracturing. The frac load recovery can be from 15-40% of the fracturing fluid [36], and it flows back over a period of 3 to 4 weeks after fracturing, most of it within 7-10 days. Flowback water usually has high salinity and total dissolved solids (TDS) as well as organics and metals [37]. Table 2.2 shows the comparison of water quality between feed water and frac flowback. From the table, water

quality changes significantly from feed water to flowback. High salinity and TDS is seen in flowback water as well as organic materials like methanol and total organic carbon (TOC).

Table 2.2: Flowback water quality (mg/L) [35]

Parameter	Feed Water	Flowback
pH	8.5	4.5 to 6.5
Calcium	22	22,200
Magnesium	6	1,940
Sodium	57	32,300
Iron	4	539
Barium	0.22	228
Strontium	0.45	4,030
Manganese	1	4
Sulfate	5	32
Chloride	20	121,000
Methanol	Negligible	2,280
TOC	Negligible	5,690

2.4.2. Produced water

Produced water is the water that naturally occurs in the shale beds that are traversed by the wellbore. Usually, produced water flows throughout the whole lifecycle of the well along with oil and gas production, and there is currently no clear understanding of the volume and production rate of produced water over time. This water is also very saline with a high TDS. The water quality of produced water can vary a lot depending on the formation and the type of well [37]. The comparison of flowback water with conventional produced water is shown in Table 2.3. High TDS and TSS can be seen in produced water, and the oil and grease can vary a lot from a dry natural gas well to crude oil well.

Table 2.3: Comparison of flowback water quality with produced water quality [38]

Comparison of FB Water with Conventional Produced Water			
	Location A	Location B	Conv. PW
Parameter	14-d FB	14-d FB	Ranges^F
pH	5.5	6.5	5 - 8
Alkalinity *	52	93	NA
TDS **	112,000	105,000	20,000 - 100,000
Tot Susp Solids **	17	197	0-250
Tot Org Carbon **	34	39	NA
Biochemical Oxygen Demand †	149	2.8	NA
Oil & Grease **	31	< 5 mg/l	3 – 100

* mg/l as CaCO₃ † mg/l as O₂ ‡ NA = Not Available
 ** mg/l ‡ ND = Nondetect F IPEC, 2004; GRI, '94

2.5. Produced water management

Due to the potentially hazardous components in the flowback and produced water, U.S. Environmental Protection Agency (EPA) has regulated the disposal of produced water [39]. There are five ways currently in use for the management and disposal of flowback and produced water.

2.5.1. Evaporation in pits/ponds

Though natural evaporation would be the easiest and cheapest way to handle produced water, it is not practical due to a number of restrictions. Usually natural evaporation can only happen in dry areas where the precipitation rate is lower than the evaporation rate, and evaporation will be limited because of the extremely high salinity and TDS of the water. Also

the grease and organics in the water may form a crust over the pond and lead to the failure of evaporation [35].

2.5.2. Disposal wells

As the most commonly used method for produced water disposal, the disposal well is a contentious topic. The injection of produced water into deep underground injection wells allows saltwater (frac flowback and produced water) to be managed [40]. According to the Energy Tomorrow Blog, the number of class II injection wells in each state is shown in Figure 2.2.

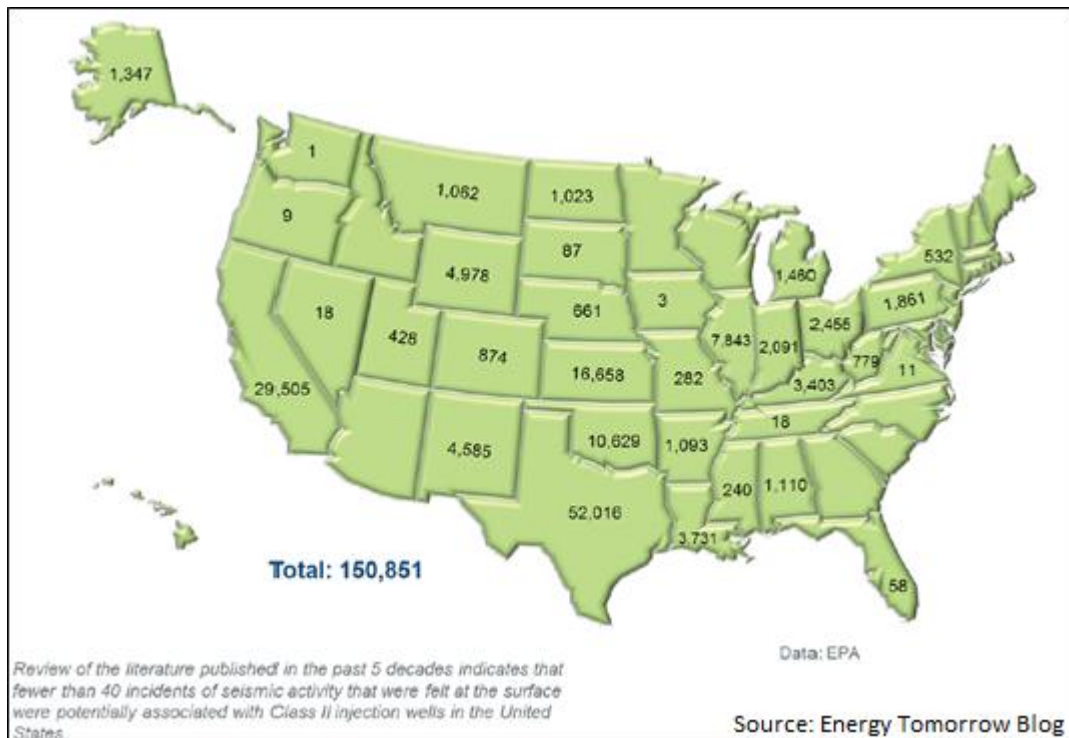


Figure 2.2. Class II injection wells across the country

EPA has delegated underground injection control to each state, following the federal Safe Drinking Water Act for surface ground water protection. Operators are therefore required to follow the disposal regulations of each state [40].

Figure 2.3 shows the typical construction of a class II injection well. The construction standards for a disposal well require three layers of casing to protect groundwater. The first layer is surface casing, with a steel pipe encased in cement from ground surface to the deepest groundwater level. This casing provides protection during the drilling of the well. The second layer is the production casing, with a pipe placed in the wellbore and cemented permanently in place. The third protection layer is the injection tubing string and packer through which the injected water can travel to the underground formation. Because of the three protection layers in a class II injection well, impact on groundwater can only be seen when all three layers fail at the same time [40].

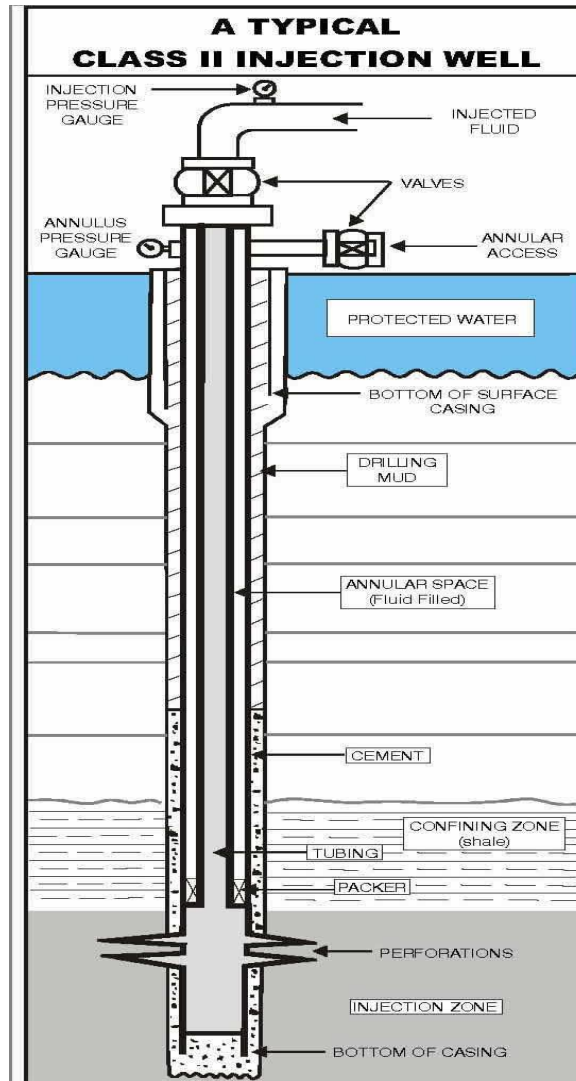


Figure 2.3. Wellbore of typical class II injection well [40]

Though disposal wells have been adopted widely for produced water management, it is considered unsafe to inject produced water directly into disposal wells because of the potential impacts to water supply aquifers and the possibility that the produced water may migrate to streams. So in many states, disposal wells are inspected at least once a year to make sure that no contamination has occurred. Another concern of injection wells was the potential of causing induced seismicity. Earthquakes related to injection wells have been reported in Texas and Ohio. In October 20, 2011 a 4.8 magnitude earthquake struck the area

of South Texas where many oil and gas wells are located. Seismologists explained that it was not caused by hydraulic fracturing but the injection of disposed fracing wastewater [41]. Besides earthquakes, induced seismicity is more likely to happen as a result of the injection of fracing wastewater [42]. At the same time, due to the limited capacities of the disposal well (1200 to 3000 bpd) and the substantial capital investment with uncertain life span (1 to 2 million dollars), as well as other factors like transportation, few new injection wells have been permitted. As a result, disposal wells will probably play less of a future role in the management of produced water [35].

2.5.3. Disposal to publicly owned treatment works (POTWs)

Another alternative for handling produced water is to dispose of the water into publicly owned treatment works (POTWs). However, because of the high salinity of produced water and the biological processes commonly adapted in POTWs which do not remove TDS, it's currently impractical and perhaps not possible to treat the produced water in POTWs. In addition regulatory limitations prohibit this option [35].

2.5.4. Direct reuse for fracturing

Since the hydraulic fracturing fluid has high viscosity and various additives, many companies have considered reusing produced water directly for fracturing. Chemical additives can be recycled by recycling produced water for hydraulic fracturing, and because of the high salinity requirement of fracturing fluid, TDS does not need to be decreased, so that energy and cost for treatment can be kept at a lower level. However some other chemical components such as chlorides should be removed or reduced because they can cause

corrosion and impact fracturing. Also safety problems such as chlorides and bacteria should be considered when reusing produced water for fracturing [35]. To treat produced water for fracturing use, typical treatment processes include: separation of oil and grease, organic material adsorption and removal, hardness removal and raw TSS removal. Figure 2.4 shows an example of the treatment process for treating produced water for reuse as fracturing fluid.

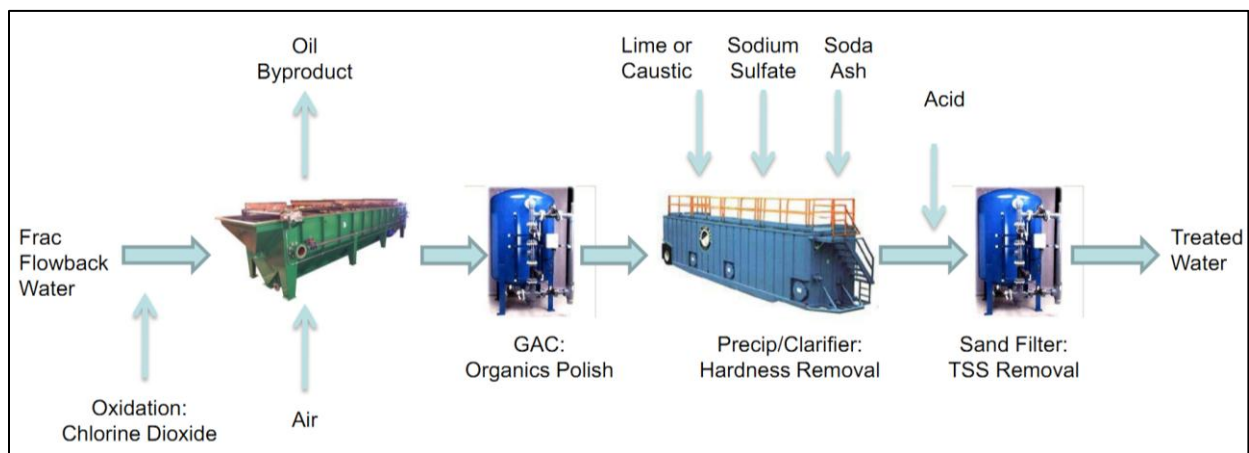


Figure 2.4. Example treatment process of produced water for reuse as fracturing fluid [43]

2.5.5. Treatment for reuse or surface discharge

In order to reuse produced water for purposes other than use in hydraulic fracturing, additional treatment processes are needed. TDS reduction is the most critical process in this type of treatment of produced water. For example, the TDS standard for agricultural irrigation is less than 2,000 mg/L and for surface discharge, the TDS should be less than 500 mg/L. Hence different treatment processes should be used for different TDS removal targets. For this type of reuse, membrane filtration is usually used after the treatment processes

illustrated in Figure 2.4, and reverse osmosis (RO) membrane is the best choice. Figure 2.5 shows the treatment process for reusing produced water for agriculture or surface discharge.

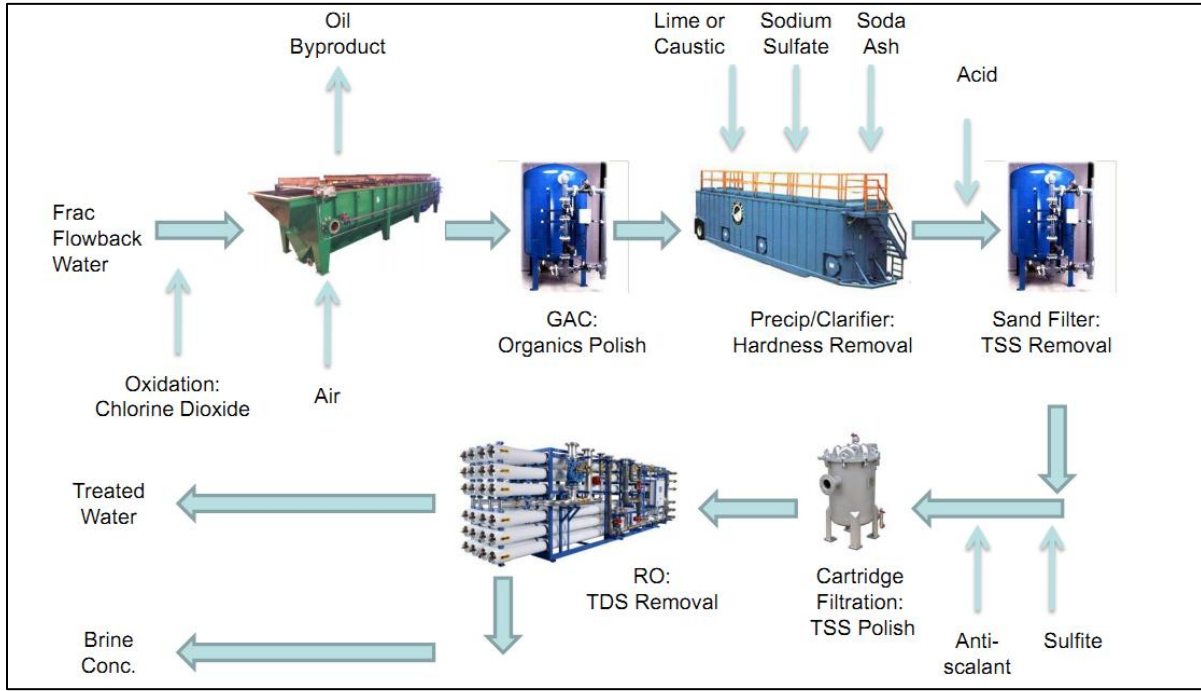


Figure 2.5. Example treatment process of produced water for agricultural use or surface discharge [43]

Though membrane filtration is the most efficient way for TDS removal, the cost is always high and varies depending on the influent water quality and outflow water quality target [35]. Figure 2.6 shows the relative cost vs. the range of applicability.

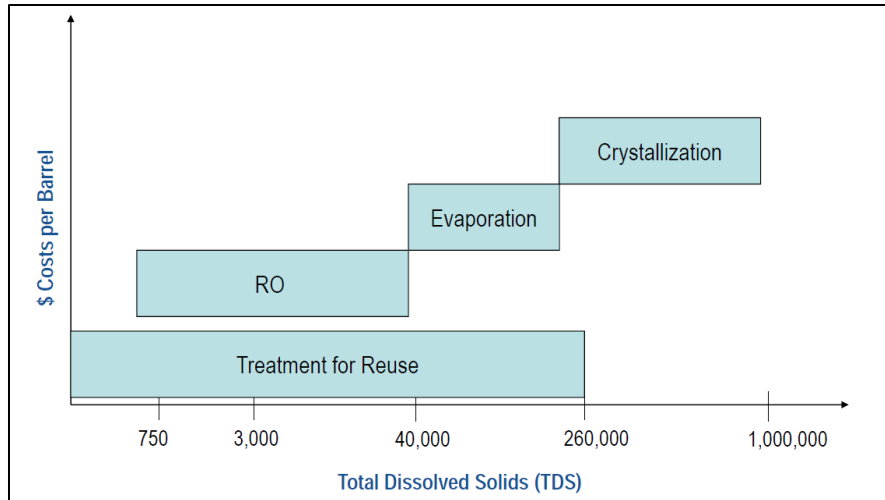


Figure 2.6. Range of applicability vs. cost for treating produced water [43]

2.6. Environmental impacts in the oil and gas industry

In addition to the amount of water use in hydraulic fracturing, there are other environmental and community concerns related to shale oil and gas development. The potential impacts are summarized in Figure 2.7: air issues, community impacts, water issues and land issues.

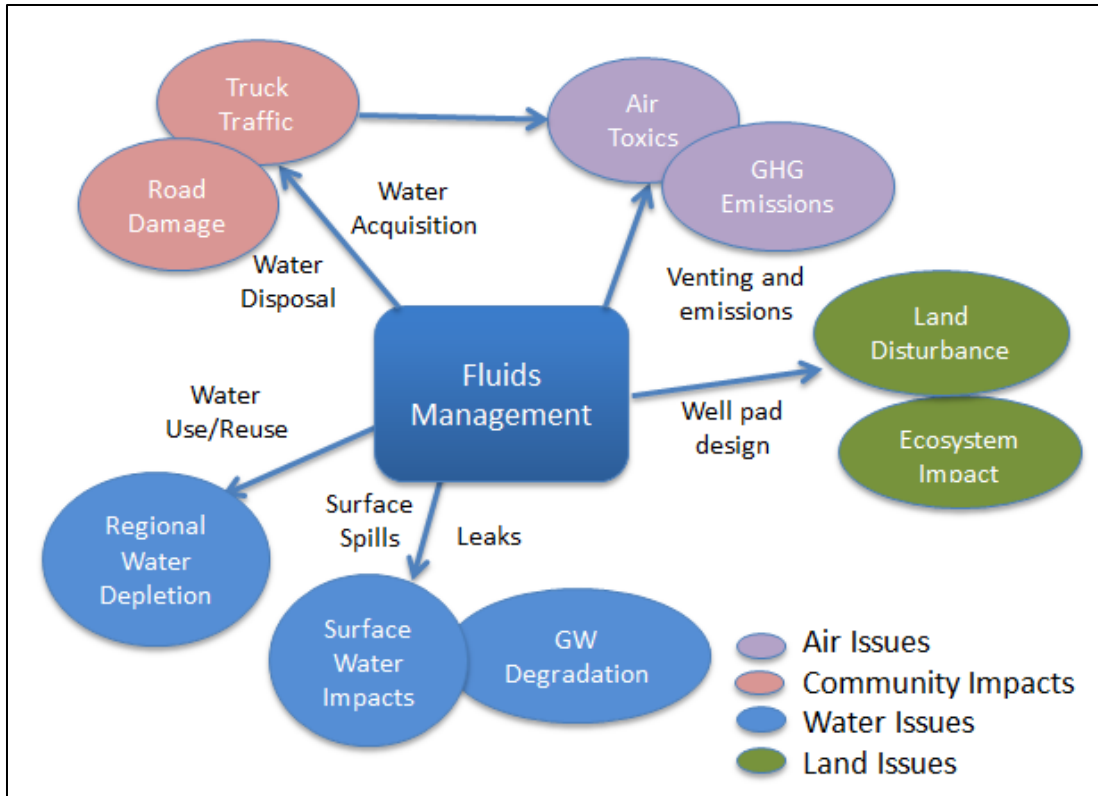


Figure 2.7. Major issues from shale oil and gas well development

2.6.1. Air issues

Leakage of gases from the well and engine emissions from trucks and pumps are two sources of air issues. The major type of leakage from a gas well is the gas itself, composed of methane, ethane, liquid condensate and VOCs. Some of these are potent greenhouse gases (GHGs) that can contribute to global warming and others (e.g. benzene) can cause public health problems. Studies conducted in Denver in 2011 and 2012 show that 4% (more than the 1-2% estimated previously) of the methane produced by gas wells was being released [28, 44, 45]. Research in 2012 shows that air pollution caused by fracturing may lead to acute and chronic health problems for people living near drilling sites [46]. Also, diesel trucks that

transport water and other materials for fracturing and the engines for the high pressure pumping are important sources of emissions.

2.6.2. Community impacts

Because nearly all oil and gas wells are in rural areas, a dramatic increase in traffic is required. Gas Field Specialists, one of the well services companies in Shinglehouse, Pennsylvania, uses tanker trucks to carry fracturing fluids and wastewater from the well. According to their estimates, if 2 million gallons of water is used for one well, 366 tanker trucks are required for hauling fresh water and another 183 trucks for hauling waste water, so a total of 549 tanker truck trips are needed for the hydraulic fracturing of one well [47]. However in Pennsylvania, in order to drill one horizontal Marcellus well, total water use is 3.5 million gallons on average and it requires about 960 truck trips to carry all the fresh and waste water [47]. According to the study on Noble wells in Wattenberg field, Colorado, 3 million gallons of water is needed for hydraulic fracturing [6, 34] and 824 truck trips are needed.

2.6.3. Water issues

Water used for drilling and hydraulic fracturing usually comes from existing sources and therefore competes with other users. Due to the amount of water that is used for hydraulic fracturing, well drilling may lead to regional water depletion, especially in dry areas. Additionally, water contamination is another concern in oil and gas operations. Surface spills and leakages of fracturing fluid from the wellbore are two potential mechanisms for water contamination. Both fracturing liquids and produced water can spill out from the well and cause environmental contamination. Meanwhile, the wastewater disposed of either in disposal wells or evaporation ponds can pollute surface and ground water with both the

chemicals used in the fracturing fluids, contaminants from the formation water and naturally occurring radioactive materials (NORM) from the deep shale formation. The typical gases that can escape during fracturing and drilling operations are methane, ethane, and other VOCs that may be hazardous (e.g. benzene).

2.6.4. Land issues

Another issue is the land and space used by the well. For a Marcellus well, only 16 wells can be spaced per square mile, and on average a town can contain up to 1500 wells [47]. Horizontal wells, on the other hand, require a large space, so more land is needed. Usually a pad can range from 5 to 15 acres. The development of natural gas could also potentially have an impact on the terrestrial ecosystem. Trees, shrubs and other understory plants respond to the fracturing fluid with leaves turning brown, wilting, and subsequent leaf and bud mortality [48]. Also it may have impact on wild animals by destroying their living habitats and ranges and exposing them with chemical additives. In Pennsylvania, September 2009, Dunkard Creek suffered from a massive fish kill and EPA scientists pointed out it may have been the result of the wastewater from hydraulic fracturing of shale gas [49]. At the same time, road damage as well as erosion and sediment can be seen as a result of drilling new natural gas well.

2.7. Ways to minimize environmental impacts from hydraulic fracturing

Since water is the most important part in hydraulic fracturing, the best way to minimize environmental impacts is better fluid management. This includes both water management and air emission control.

2.7.1. Water management

Oil and gas wells are usually widely dispersed and wastewater from the wells is generated in small volumes compared to domestic wastewater. In addition, there is a difference in water quality between frac flowback and produced water, and different purposes for the end use of the treated water exist. For these reasons, it is difficult to set up a centralized wastewater treatment facility in rural areas for these wells. Therefore, a Geographic Information System (GIS) based approach is required to optimize water management. Among all water management practices, water reuse and recycling is the most efficient and effective approach for minimizing impacts.

By recycling and reusing wastewater for hydraulic fracturing, fresh water demand will decrease and hence the required truck trips will also be decreased. Also, with less wastewater being injected into disposal wells or evaporation ponds, the possibility of surface and groundwater contamination will be lowered as well as the impact of the contamination on ecosystems.

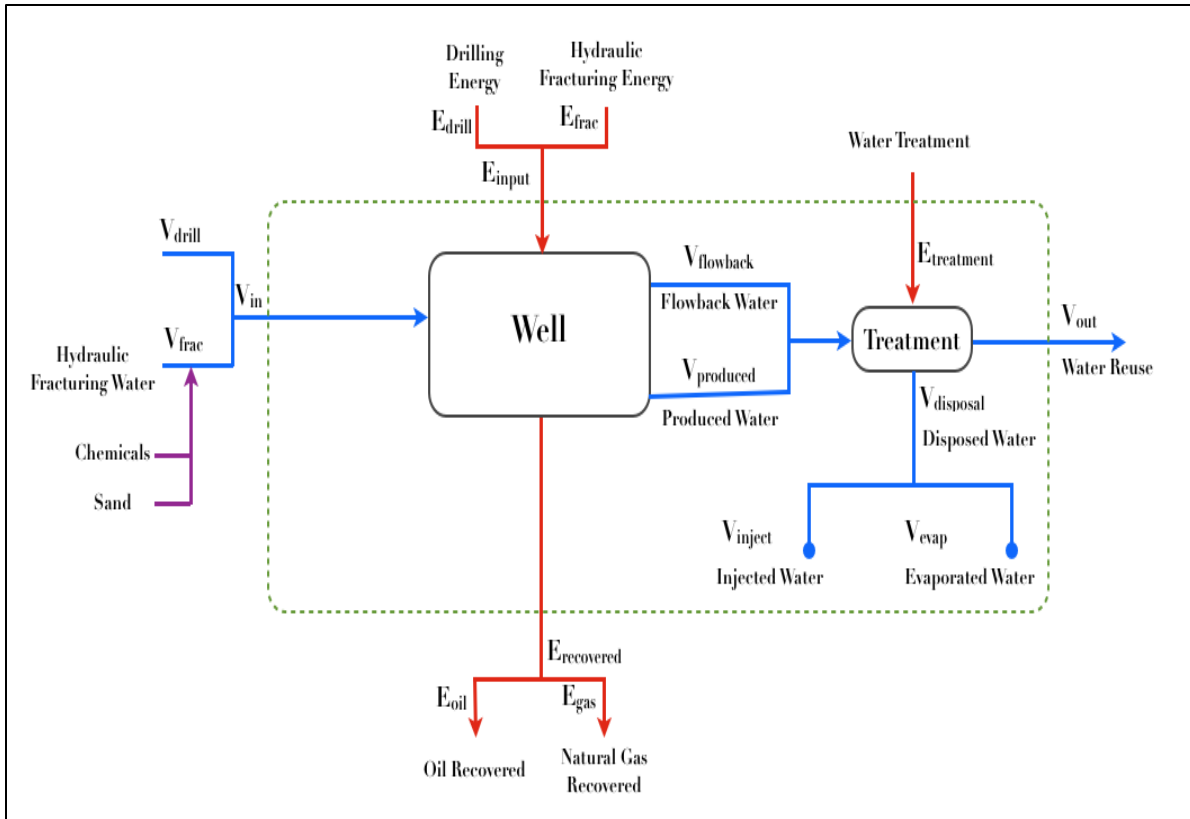


Figure 2.8. Oil and gas well energy and water balance

Figure 2.8 shows energy and water balance for a typical shale oil and gas well. Best water management can be achieved by treating wastewater from the well. According to Figure 2.8, by reusing treated water from the wastewater treatment facility, there will be less disposal water and the related issues will be reduced. Also the reused water will help decrease the amount of fresh water demand which provides higher efficiency of water use. In order to design the capacity of the treatment facility, both water quantity and quality of frac flowback and produced water is required. Water quality can be easily tested; however, there is no method for calculating and predicting water quantity from a dynamic well field that is being actively developed. Therefore, it is important to develop a protocol for water production calculation and prediction.

2.7.2. Green completions

Recycling wastewater can reduce air emissions from trucks since new water does not need to be transported to the site. In addition, other potential spills and leakages of gas can be lowered, such as the storage tank of wastewater from which gas (methane for example) can emit into the air. EPA issued new regulations on air pollution from hydraulically fractured gas wells on Apr. 17, 2012 [50]. The new regulation requires all operations to practice “reduced emissions” or “green completions” to capture gas and other volatile organic compounds (VOCs) that are released with hydraulic fracturing flowback water. Much of the gas released during fracturing is off-gassing from the flowback water and measures need to be taken to assure it is not vented to the atmosphere.

Green completion techniques are the methods designed to minimize the released natural gas and oil vapors into the environment during the completion period of a well. The benefits of green completions include minimizing the release of greenhouse gases (such as methane) and VOCs, and maximizing the recovery of natural resources by selling the gas instead of letting it go into the atmosphere [5].

Under the new rule, estimation was made that between 190,000 and 290,000 tons of VOCs emissions and from 12,000 to 20,000 tons of benzene emissions from hydraulic fracturing equipment would be eliminated per year. In addition, between 1 million and 1.7 million tons of unrecovered methane emissions would be eliminated by this rule. The EPA announced it would delay requiring the use of green completion technology until 2015 to provide time for producers to finish the transition. Before 2015 operators will have the option of using either green completion technology or flaring gas [51].

2.8. Current research on produced water quantity

In order to treat and reuse produced water, it is important to understand how much water is produced as well as its quality. Current research has focused on the quality of produced water, since the production pattern of produced water is complicated and changes from well to well. There are many factors impacting the volume of produced water: type of well drilled, location of well within the reservoir structure, type of completion, type of water separation and treatment facilities, water flooding for enhanced oil recovery, insufficient produced water volume for water flooding, loss of mechanical integrity and subsurface communication problems [20]. Typically horizontal wells have higher water production rates than vertical wells. On average, 7 bbls of water is produced with production of one bbl of crude oil in the U.S. [52], the same result American Petroleum Institute's (API) produced water surveys found in 1985 and 1995. API had calculated the water-to-oil ratio of about 7.5 bbls of water for each bbl of oil produced, and the number increased to approximately 9.5 according to the produced water survey in 2002 conducted by API [20].

There has been very limited research on produced water decline trends. In 2011, the USGS (United States Geological Survey) conducted a study on oil, gas and water production from Wattenberg Field in Colorado. Produced water volume of one sample well decreases from 1.2 to 0.65 bbl/day over 5 years from 1990 to 1995; however the pattern of water production is not analyzed [53].

The Arps equation (Equation 2.1) [54] is generally used for calculating the production rate of oil and gas and therefore can be used as a first approximation for modeling decline rates. In the Arps equation, $q_{(t)}$ is production rate at t , q_i is initial production rate, D_i is the decline rate constant, t is time and b is the degree of curvature.

$$q(t) = \frac{q_i}{(1+D_it)^{1/b}} \quad 2.1$$

In the Arps equation (Equation 2.1), b value changes from 0 to 1. When b=0, the Arps equation changes to the form of $Q=Ae^{-kt}$ which is exponential decline, and when b=1, the equation changes to harmonic decline.

Figure 2.9 shows the different decline curves with different b values in Arps equation.

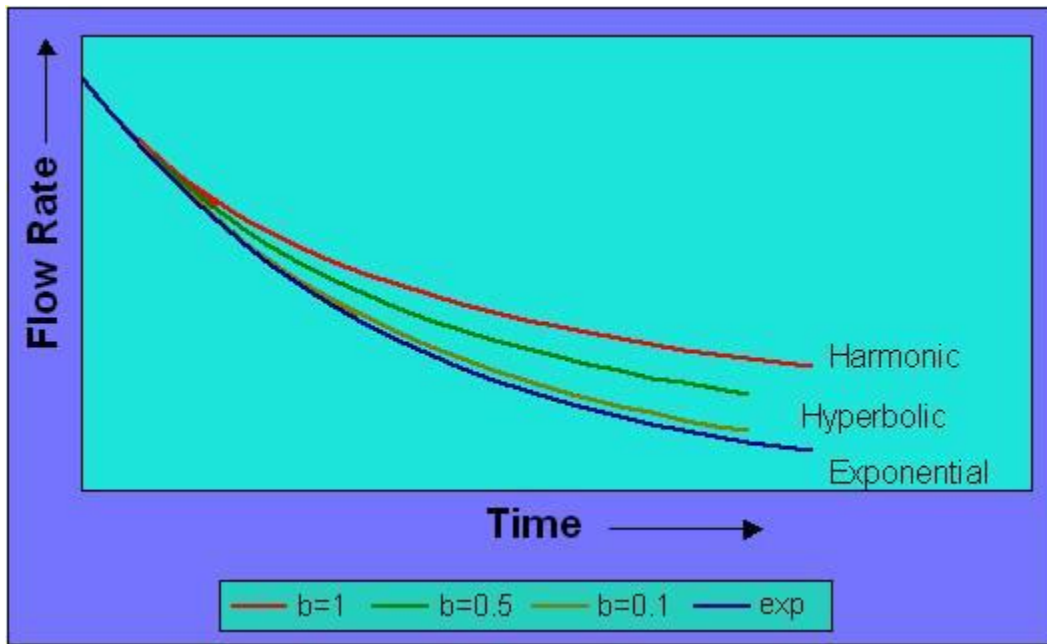


Figure 2.9. Decline curves from different b values in Arps equation [55]

2.9. Objectives and hypothesis

Previous research has focused on produced water quality and methods for treatment. When considering reusing frac flowback and produced water, the quantity of water is also important for designing the capacity of the treatment facility. Therefore, it is necessary to study the water production trends from these wells as well as the relationships between water production and spatial location. GIS will be the best tool for understanding how water

quantity varies in different locations. At the same time, since disposal wells are still the most commonly used way to handle wastewater from oil and gas wells, it is important to be aware of how much water to expect so that truck trips to carry the water to disposal wells can be estimated.

This research focuses on fitting historical water production data from Noble Energy Inc. wells in Wattenberg field with the Arps equation, by studying the historical decline trends of water produced, and modeling prediction of water production. The research has four research objectives:

1. Develop protocol for predicting produced water production from vertical wells
2. Develop protocol for predicting frac flowback and produced water production from horizontal wells
3. Create Excel tool for predicting total water production for Wattenberg field
4. Complete case studies of tool application in three different well fields.

Chapter 3. Development of protocols and tools for predicting frac flowback and produced water volume from Wattenberg oil and gas field

Bing Bai ^a, Caleb Douglas^b, Ken Knox^b, Ken Carlson ^a

^a *Department of Civil and Environmental Engineering, Colorado State University, Fort Collins, Colorado*

^b *Noble Energy, Inc., Denver, Colorado*

To be submitted to Journal Petroleum Science and Engineering

Abstract

The objective of this study was to develop protocols and interactive tools that could be used to predict frac flowback and produced water volumes considering the unique decline rates that exist for different types of oil and gas wells. Specifically, water production data from the Colorado Oil and Gas Conservation Commission (COGCC) and Noble Energy Inc. were used to develop protocols for modeling water production for vertical and horizontal wells, a distinction made largely due to the different amounts of water used for each. If centralized water treatment and handling facilities are going to be designed and constructed, it is important to have a reliable estimate of the water that will be produced in the future as wells are completed and brought on line. An Excel-based tool was developed utilizing the horizontal and vertical well protocols for predicting total volume of water production by current and future wells in Wattenberg Field. Two case studies have been conducted including one with all of the Noble wells in Wattenberg Field and one with a subset assuming a regional treatment center might be established. Uncertainty of the predictions was determined using standard error calculations on the two

modeling parameters for water flow decline rates. An interactive Excel-based spreadsheet has been developed to allow predictions of water production based on the number of horizontal and vertical wells drilled in the future.

Research highlights:

- Two protocols were developed for predicting water production from vertical and horizontal oil and gas wells.
- An Excel-based tool was created that utilizes the two protocols to predict total water production in Wattenberg field.
- Uncertainty of predictions was estimated by determining the 95% confidence limits of two parameters used for decline rate modeling.
- Two cases studies were conducted using the Excel-based tool to predict flowback and produced water.

Keywords: Oil and Gas Wells, Frac Flowback, Produced Water, Wattenberg Field

3.1. Introduction

By the end of 2010, the proven reserves of crude oil in the U.S. were 19.1 billion barrels [56], and the natural gas reserves were estimated to be greater than 300 trillion cubic feet [57]. Since more than 60% of US energy is supplied by oil and gas, it is likely that the number of wells drilled over the next few decades will continue to increase as a result of increased energy demand [2]. In the oil and gas industry, water is a major concern, not only because of its demand in drilling and hydraulic fracturing, but also because of the water

produced from oil and gas wells. Drilling and hydraulically fracturing a horizontal shale well requires an average of 3 to 6 million gallons of water [31] and in the Wattenberg field in northern Colorado, each vertical and horizontal well uses an average of 0.39 million and 2.8 million gallons of water respectively [6, 34]. Increased water demand for the oil and gas industry may stress already scarce water supplies in Colorado. However, after the completion of a well, a large amount of water, known as frac flowback and produced water returns with the extracted oil and gas. This water has higher total dissolved solids (TDS) and lower water quality than fresh water [35, 58] and can be difficult to handle and treat. Water pollution from frac flowback and produced water has drawn attention recently and will likely continue to be a controversial topic in the future. One of the best strategies to mitigate the water related risks in the oil and gas industry is to recycle and reuse water. Therefore it is important to understand how much water is being produced and what the quality of that water is so that the appropriate treatment processes can be chosen for reusing and recycling the water [59, 60].

Nomenclature	
Q	Water flow rate (bbl/year)
t	Well age (year)
k	Vertical well water production decay rate (year ⁻¹)
k_f	Horizontal well frac flowback production decay rate (year ⁻¹)
a	Horizontal well produced water production decay rate (year ⁻¹)
A	Vertical well initial water flow rate (bbl/year)
A_f	Horizontal well initial frac flowback flow rate (bbl/year)
C	Horizontal well initial produced water flow rate (bbl/year)

3.2. Methods and materials

3.2.1. Site location and description

The Wattenberg field is an unconventional shale play located northeast of Denver, Colorado. With an estimated 195.3 billion cubic feet reserve of wet natural gas in 2009, the Wattenberg field is ranked as the 10th largest natural gas field in the United States [24]. Additionally, some estimates have predicted that Wattenberg field could yield as much as 1 to 2 billion barrels of oil equivalent, comprised of 70% oil and 30% natural gas [61]. Lying in the Denver-Julesburg Basin, the Wattenberg field has five formations: J Sandstone, Codell Sandstone, Niobrara Formation, Hygiene Sandstone and Terry Sandstone [62]. By August 2011, there were over 18,000 active wells in Wattenberg field with approximately 7,700 operated by Noble Energy [63]. Figure 3.1 shows the locations of Noble wells in Wattenberg field in Colorado.

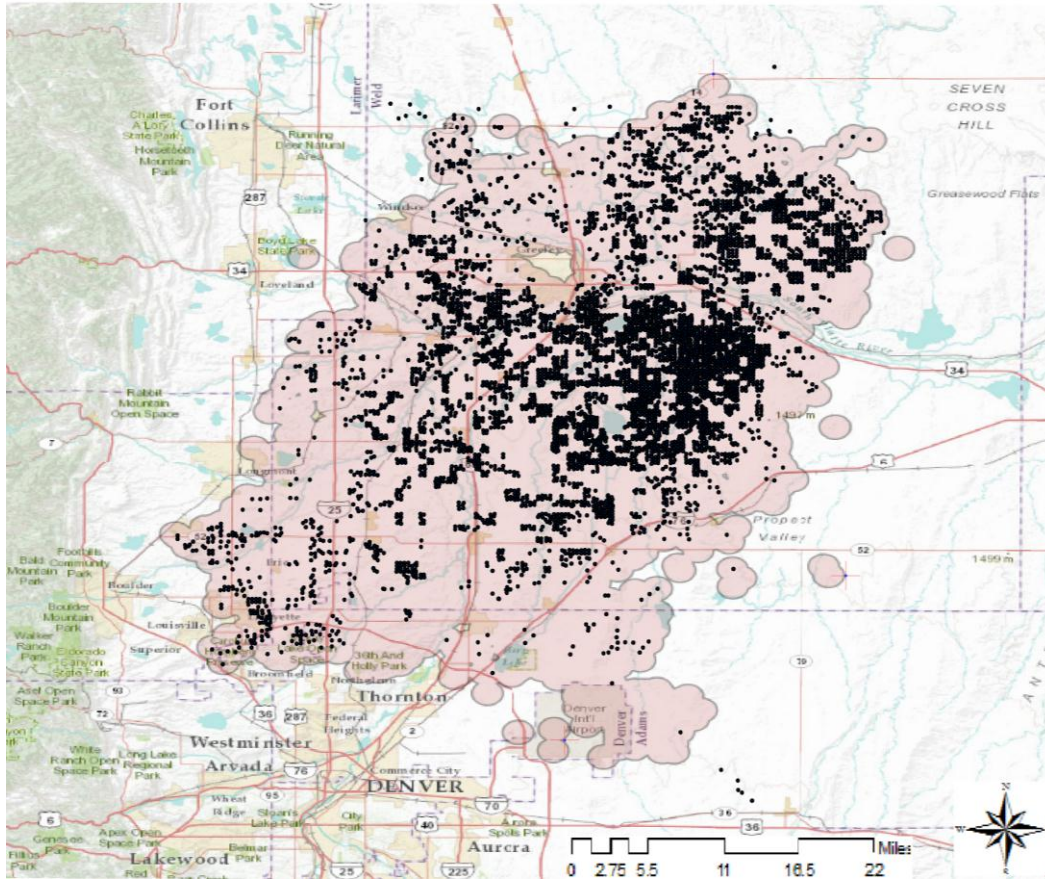


Figure 3.1. Location of Noble oil and gas wells in the Wattenberg field of Colorado

3.2.2. Methods and data collection

Based on the different types of oil and gas wells, separate methods of analysis were performed to study life-cycle water production trends of vertical and horizontal wells.

a. Methods and data collection for vertical oil and gas wells

For vertical wells, annual water production data for a sample of 1,677 Noble Energy wells from 1999 to 2011 was obtained from the Colorado Oil and Gas Conservation Commission (COGCC) database. According to the dates of completion and first production, new wells in each year were selected for this study as shown in Table 3.1.

The selected wells were then classified according to well age to study the water production trend for 13 years. This subset of Noble Energy wells was used to make water production predictions for the 30 year life-cycle of vertical wells in the Wattenberg field, a timeframe that was chosen to represent the maximum well life.

Table 3.1. New wells from 1999 to 2011 and number of wells in each operating year

Year	New wells	Years in Operation	Number of wells
1999	6	1	1677
2000	10	2	1494
2001	29	3	1324
2002	28	4	1140
2003	65	5	807
2004	105	6	535
2005	131	7	374
2006	161	8	243
2007	227	9	138
2008	333	10	73
2009	184	11	45
2010	170	12	16
2011	183	13	6

b. Methods and data collection for horizontal oil and gas wells

Since the drilling of horizontal wells is relatively new (first started in 2010 in Wattenberg) and since there are currently only approximately 200 horizontal wells for Noble Energy in the Wattenberg field, a sample of 32 Noble Energy horizontal wells were studied. Daily frac flowback and produced water data were acquired from Noble Energy. Based on the existing frac flowback and produced water data, predictions of water production for the 30 year life-cycle of horizontal wells in the Wattenberg field were made.

3.3. Data analysis and protocol

3.3.1. Protocol for vertical well predictions of produced water

The protocol for vertical wells is based on both frac flowback and produced water data. Total water production in each operating year was summed for the chosen subset of vertical wells and the average number of producing days in each operating year was calculated based on the distribution of existing Noble Energy data (Table 3.2). Average daily water production per well was computed from operating years 1 to 13 and annual water production was calculated by multiplying average daily water production with the average number of producing days. High water flow rates were observed in the first year of operation because of the intrinsic frac flowback period (typically 1 to 2 days of high volume water production) included in that year. Based on the results of these calculations, predictions of water production for future years were made to an assumed well life-cycle of 30 years.

Table 3.2. Distribution of producing days for each operating year

Operating Year	Average Producing Days
1	162
2	337
3	339
4	342
5	342
6	348
7	354
8	346
9	350
10	339
11	322
12	339
13	333

For the first operating year, all wells were not started at the beginning of the year; hence the average production period is 162 days (less than half of the production days in the following years). Based on the existing 13 years of water production data, an exponential decline curve was applied to the water production trend for predicting future water generation ($Q=Ae^{-kt}$). An exponential decline curve was chosen for this subset of wells because it best fits the behavior of vertical water production in the Wattenberg field. However, some fields with more connate water will have a different best-fit curve. The type of curve chosen as a foundation may change, but the protocol should yield a consistent outcome. Based on the average value of A and k (rate constant) from all 1,677 vertical wells (Appendix A, Table A.1), and the days of production from Table 3.2, the equation of water production rate is:

$$Q=1.981e^{-0.1614t} \quad (R^2=0.5336) \quad (1)$$

Equation 1 shows the average water production rate from vertical wells in Wattenberg Field. However, from the water production data, it is known that the water production varies throughout the Wattenberg field. In order to understand the relationship between the spatial location of wells and the decay rate constant, an ArcGIS map was interpolated based on the decay rate constant (k value) of each vertical well as shown in Figure 3.2. Based on the interpolated GIS map of k values shown in Figure 3.2, the average k value for a selected subset of the Wattenberg field can be calculated in ArcGIS. An example of using ArcGIS to calculate average k value for a particular case study is described later in the paper.

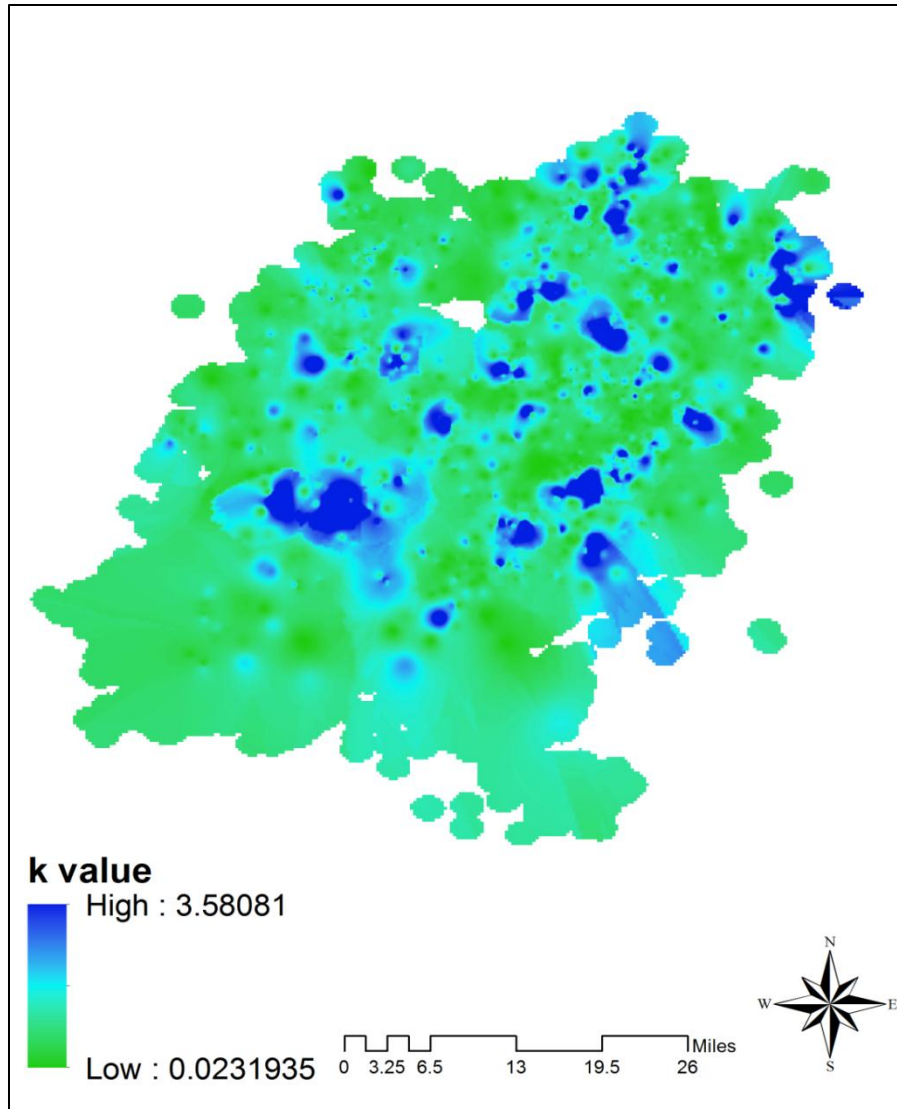


Figure 3.2. Interpolated k values of Noble Energy vertical oil and gas wells in Wattenberg field

In Figure 3.2, the k (decay rate) of water production from vertical wells varies from 0.023 (half-life of 30.14 years) in the southwest to 3.58 (half-life of 0.19 years) in the northeast of the Wattenberg field. The reason for the large variation in k or half-life may be due to geologic formation differences that can be studied in the future. Additionally, the newer a well is, the less water production data are available. This may lead to a higher k and shorter half-life prediction. It is also observed that the k value is not homogeneous, as shown by the dark blue pockets in light green areas. Therefore, to adequately determine the proper k value,

a spatial area must be defined. In Equation 1, the k value was defined as the average k across the 1,677 vertical wells.

3.3.2. Protocol for horizontal well predictions of frac flowback and produced water

Unlike vertical wells, horizontal wells use more water for drilling and fracturing, while having longer frac flowback periods that last up to two months. The protocol for horizontal wells is based on both frac flowback and produced water data. However, since there are only about 200 horizontal wells in the Wattenberg field, all of which were completed after 2010, a sample of 32 horizontal wells from Noble Energy was chosen for the estimation of water production rates.

When production data are plotted by years in operation, it is seen that the water production decline rate is different for frac flowback and produced water. Therefore distinct rate models need to be developed. To distinguish flowback from produced water, two methods of analysis were performed on the data of the 32 horizontal wells. Raw data analysis uses the flowback report from Noble Energy as the flowback period and the day after the period as the first day of produced water generation. Another approach, the modified data analysis, uses the intersection point of first order decay trend lines of flowback and produced water curves as the first day of produced water generation. Both methods can be seen in Figure 3.3.

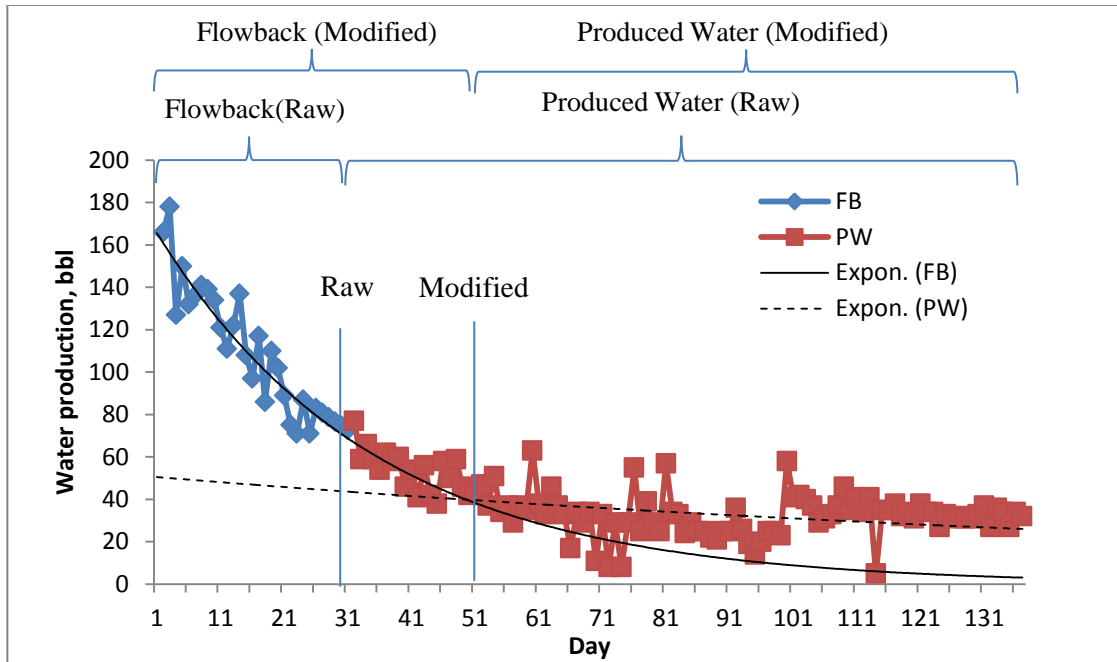


Figure 3.3. Comparison of two methods (raw and modified data analysis) of example horizontal well 70 Ranch BB21-65HN

Using the raw data analysis, it was found that the average flowback time for a horizontal well was 27 days. However, it was also found that the average horizontal well did not produce until the 74th day. This can be due to waiting for production equipment, waiting for midstream infrastructure, or waiting for other wells on the pad to be completed. Hence, a total flowback time is defined as the time after a well is completed till just before a well produces and the flowback period for the average horizontal well in Wattenberg is assumed to be 74 days from the raw data analysis. And from the modified analysis the average frac flowback period for horizontal wells in Wattenberg field is assumed to be 61 days. . After analyzing the frac flowback and produced water production curves for the 32 wells based on the modified analysis method, the average curve was plotted and a prediction of future water production was made. For frac flowback water, exponential decay function was used to calculate the water production rate. Based on the average A_1 and k_1 for all 32 horizontal wells, the equation of frac flowback water production for horizontal wells in the first 61 days is:

$$Q=264.4e^{-0.043t} \quad (R^2=0.7869) \quad (2)$$

However for produced water, production rate was modeled with harmonic function for peak flow condition. The equation of harmonic decay is: $Q = \frac{C}{1+at}$, in which C is the initial water production rate and a is the initial decay rate. After applying harmonic function to each horizontal well, the average C and a value of 32 wells was calculated and the equation of produced water production for horizontal wells is:

$$Q = \frac{88.8638}{1+0.04469t} \quad (R^2=0.7379) \quad (3)$$

The average number of production days in each operating year used in the analysis is the same as the vertical wells, and for the 162 days in the first operating year, there are assumed to be 61 days of frac flowback and 101 days of produced water production.

Again, ArcGIS interpolated maps are used to estimate the spatially-defined k_1 value (frac flowback decay rate constant) in Equation 2 and a value (produced water decay rate constant) in Equation 3. Figure 3.4 shows how k_1 and a for horizontal wells differ spatially throughout the Wattenberg field. Like the decay rate of vertical wells (k), the distribution of k_1 and a are not homogeneous. Therefore, in the analysis of all horizontal wells in the Wattenberg field, an average k_1 value of 0.043 (half-life of 16.12 days) and average a value of 0.04469 (half-life of 15.51 years) was used. The average is depicted in Equations 2 and 3.

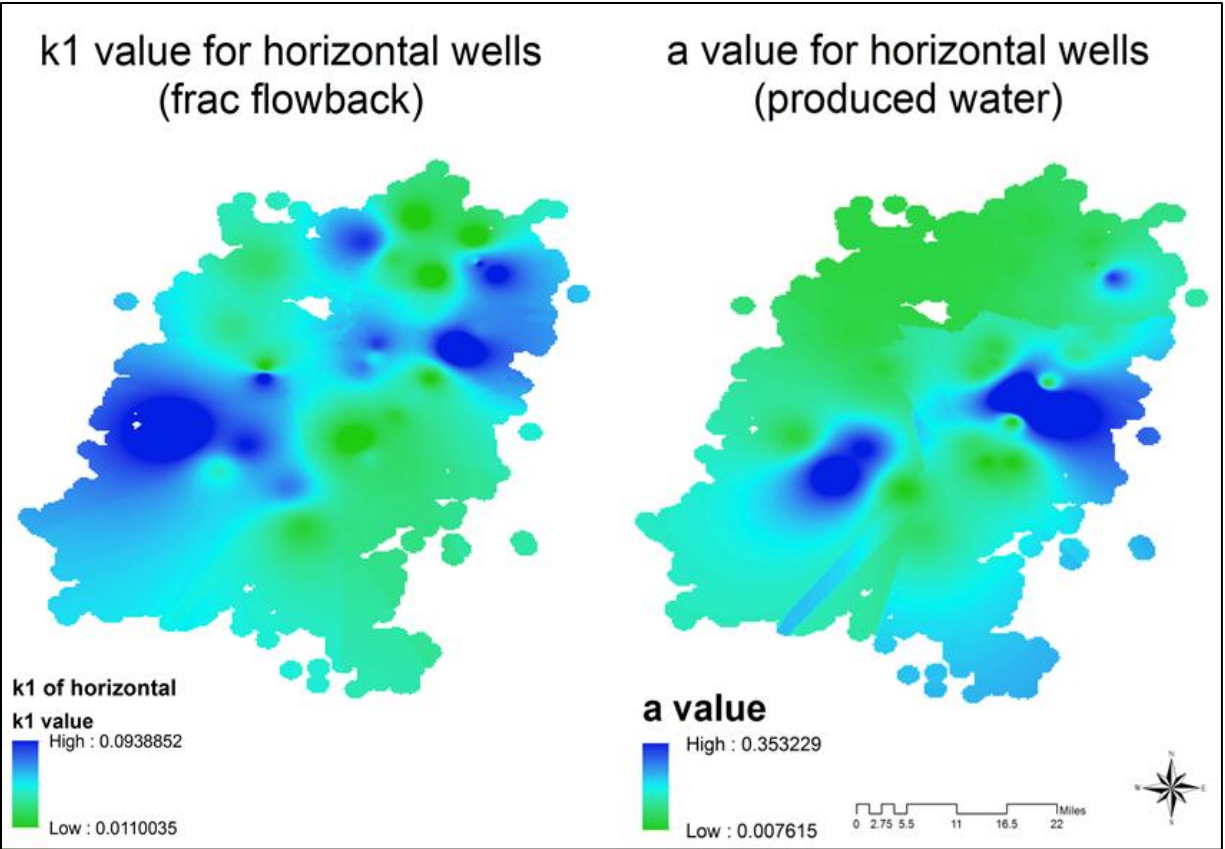


Figure 3.4. k_1 and a of horizontal oil and gas wells in the Wattenberg field

Based on Equation 1, 2 and 3, averaged water production curves of horizontal and vertical wells in the Wattenberg field are shown in Figure 3.5. With more fracturing water use and longer frac flowback time, horizontal wells have higher water production rate than vertical wells. Also shown in Figure 3.5, horizontal wells have faster decay in the first year of operation because of the large volume of frac flowback generated in the first year.

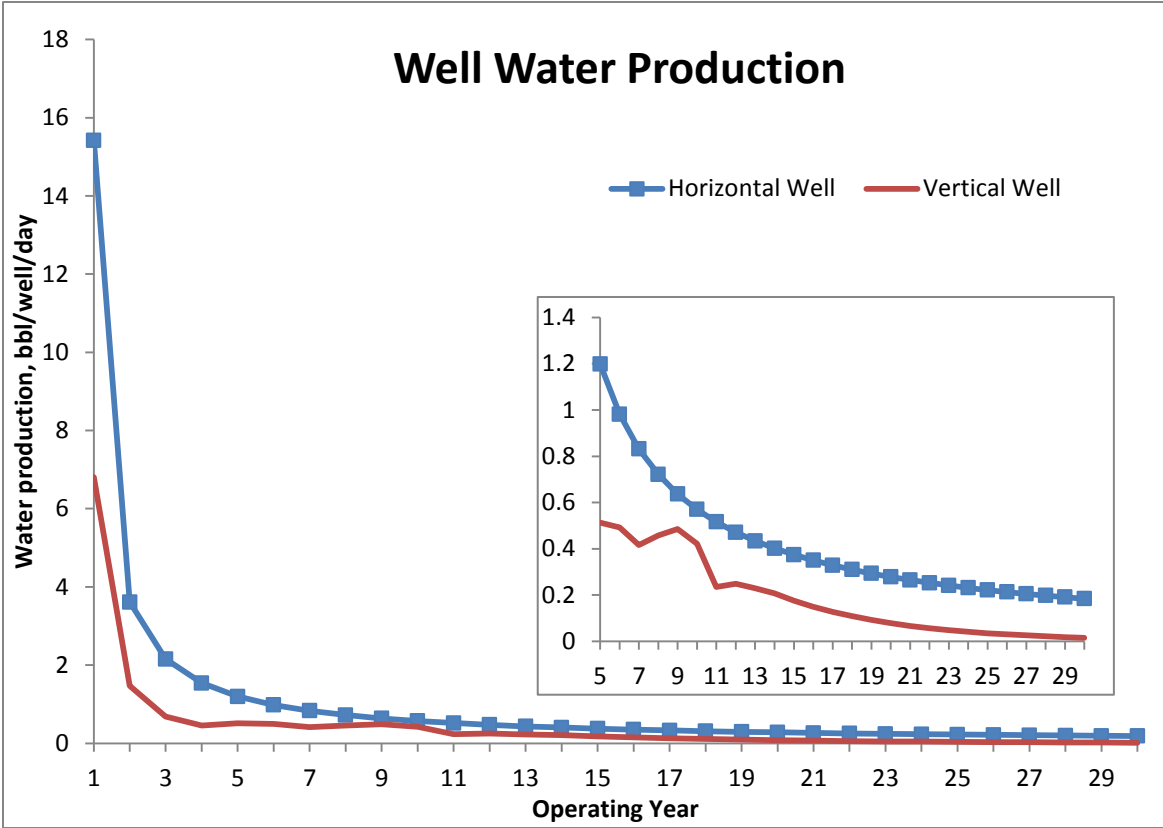


Figure 3.5. Horizontal and vertical well water production curves

3.4. Development of Excel-based tool for predicting frac flowback and produced water volumes from the Wattenberg oil and gas field

3.4.1. Introduction of the tool

After combining the protocols of vertical and horizontal wells, an Excel-based tool was developed to predict frac flowback and produced water volumes for existing wells in the Wattenberg field. This was achieved through the development of the water production curves, based on current well counts and historical production data. As seen from the Wattenberg vertical and horizontal well models, water production prediction models can be fitted with a single curve or with multiple curves

The developed Excel-based tool can also be used to predict water production for future proposed development from given oil and gas field (or other spatially defined area) based on the historical data. In order to perform the calculation, the required historical data includes the number of existing wells, the type of these wells, and the associated production dates and volumes in the given area so that the years of operation of each well can be determined. Once curves are developed from existing wells in the area, the models can be applied to future annual drilling and fracturing in terms of yearly wells planned.

Prediction of total water production in future years is calculated after inputting the planned new wells and their types for each year, and by summing water produced from both existing wells and proposed wells.

Inputs and outputs of the tool

The tool, based on the model developed with spatially-relevant historical data, has two major inputs: the number of new vertical wells and the number of new horizontal wells for each future year. Because the water production rate changes with the length of wellbore, and all historical Noble wells were relatively homogeneous with the length of 4,500 feet, new wells are all considered as or equivalent to 4,500 feet long. The output of the tool is the predicted water production in each future year for the defined area. Figure 3.6 shows the screen shot of the Excel tool (Available on the CEWC (Colorado Energy Water Consortium) website).

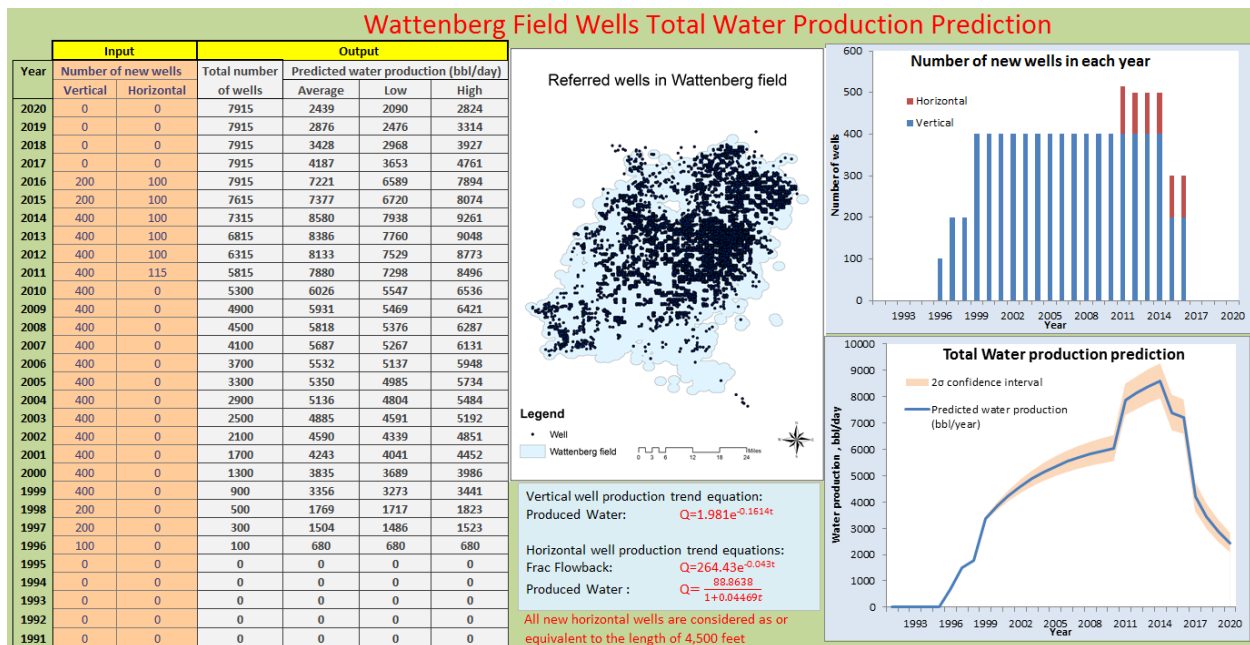


Figure 3.6. Screen shot of the Excel tool with inputs and outputs

Method of prediction

From the described protocols, using historical water production data, area-specific water production equations can be determined. These equations can be used to model the future water production of existing wells. Additionally, the equations can be used to forecast water production for future, proposed wells within the defined boundaries. By default, a prediction of water produced from existing wells is made based on no new wells in future years. However, the effect of future wells on water production can be determined by inputting the planned number of each type of new wells into the developed tool.

In Figure 3.6, the tool depicts a Wattenberg-wide water prediction analysis where historical well counts for each year and associated water production were obtained from COGCC (pre 2009) and Noble Energy (after 2010). Example future well development was input for years of 2012 through 2014 to include 200 new vertical wells and 100 new horizontal wells annually in the defined area. These future development plans do not reflect Noble Energy's true well development forecasts for the Wattenberg field. Figure 3.7 shows how future water production is affected by existing wells and proposed wells. It is seen that water production will continue to increase along with well development but after drilling stops, water production starts to drop. Additionally, Figure 3.7 depicts the default prediction of the tool where no new wells are drilled and completed. In this example, water production drops off drastically in the first few years and then settles into a gentler decay.

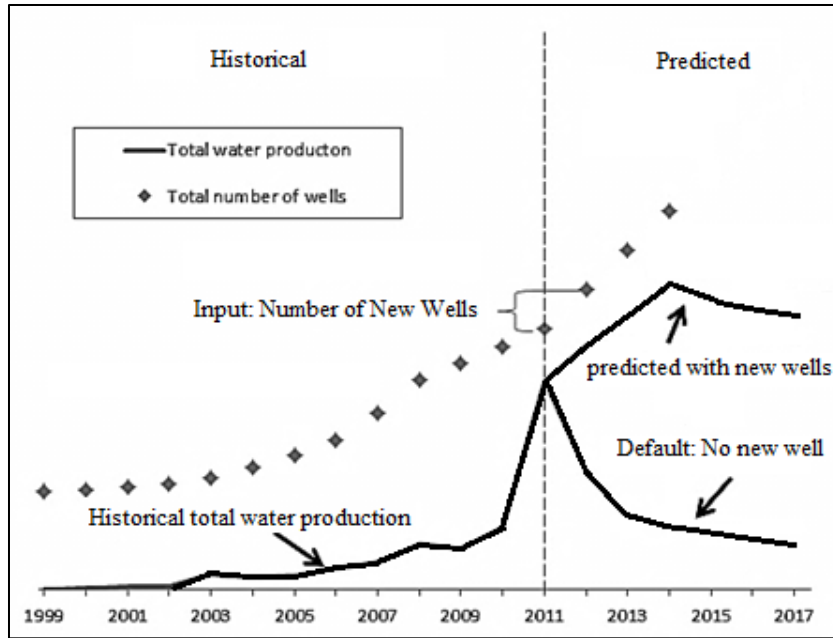


Figure 3.7. Description of method for predicting future total water production

Assumptions

Due to the complexity of the historical data, several assumptions were made during the development of the tool:

- a. Though there are more than 7,000 Noble Energy vertical wells in Wattenberg field, only 1,677 vertical wells have available timeline information such as drilling dates and first production dates. Therefore, these 1,677 wells were chosen as a subset to develop the water production curves. This subset will affect assumptions drawn about field-wide production curves.
- b. Water production changes with the length of wellbore, since all historical wells from Noble have been relatively homogeneous with the wellbore length of 4,500 feet, all new wells are considered equivalent to 4,500 feet long.

- c. When a well is plugged and abandoned, it is assumed to have been operated for greater than 10 years so that it produced very little water. Additionally, only around 10 to 20 wells are plugged and abandoned in each year. Hence, the impact from plugged and abandoned wells on total water production in that year was assumed negligible.
- d. Refractured wells are considered to behave similar to newly completed wells. This assumption will be verified in future work.
- e. Future wells are assumed to behave the same as historical wells.

3.4.2. Uncertainty analysis

Water production trends of vertical wells, as well as frac flowback water production trends of horizontal wells in the Wattenberg field, were all fitted with an exponential decay function of the form $Q=A \cdot e^{-kt}$ and produced water production trends of horizontal wells were fitted with a harmonic decay function of the form $Q = \frac{C}{1+at}$. For the developed tool, average values of A , k , C and a for all Wattenberg field wells studied were used. However, Figures 3.2 and 3.5 both show significant variability in k , k_I , and a . Another variables, A and C , also will have variability from well to well. Therefore, uncertainty analyses were performed for all parameters.

For all 1,677 vertical wells, the water production decline trend for each well was analyzed and fitted to an exponential decay function. Since 438 of the vertical wells had limited water production data and another 113 wells did not fit the decay function, only 1,126 k values were used in the uncertainty analysis. A smaller subset of 153 wells was chosen randomly for evaluation of A variability. The normal distribution of k and A is shown in Figure 3.8.

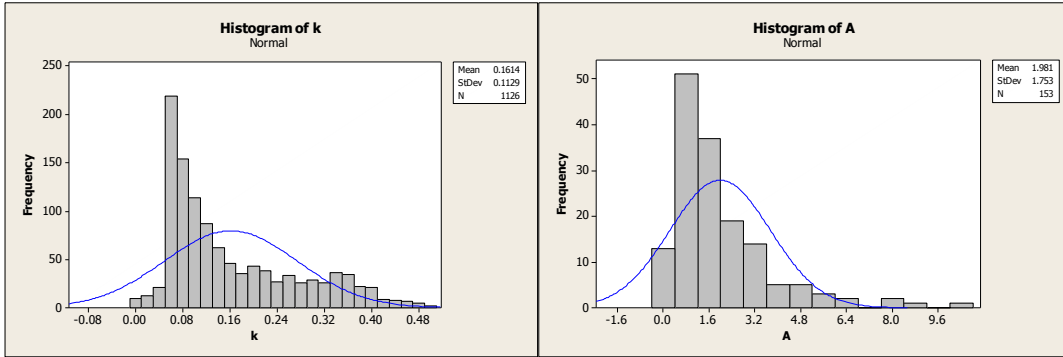


Figure 3.8. Distribution of k and A for vertical wells

Since horizontal wells in the Wattenberg field are modeled by two separate functions for flowback and produced water, four variables (A_1 and k_1 for flowback and C and a for produced water) were analyzed for uncertainty using the same statistical method. Figure 3.9 shows the distribution of k_1 , A_1 , C and a values of horizontal wells.

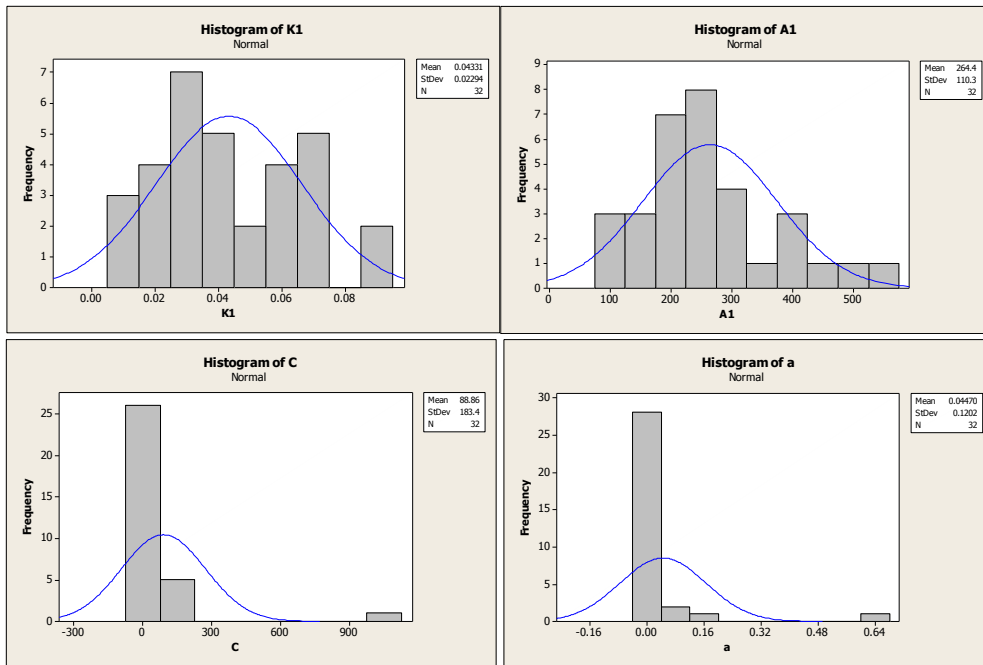


Figure 3.9. Distribution of k_1 , A_1 , C and a for horizontal wells

Assuming the parameter values for both vertical and horizontal wells are normally distributed, the z score for 95% confidence interval is 1.645 and the calculated statistical values are shown in Table 3.3.

Table 3.3. Uncertainty analysis and acceptable range of variables

	<i>k</i>	<i>A</i>	<i>k</i> ₁	<i>A</i> ₁	<i>C</i>	<i>a</i>
μ	0.1613	1.981	0.0434	264.4	88.8638	0.0447
σ	0.0033	0.141	0.0040	19.4	32.4282	0.0212
$\mu-1.645\sigma$	0.1558	1.748	0.0366	232.3	35.5194	0.0098
$\mu+1.645\sigma$	0.1669	2.214	0.0499	296.5	142.208	0.0796

3.5. Case study of Noble wells in Wattenberg field

A case study to estimate total water production for all Noble Energy wells from 2012 to 2017 in Wattenberg field was conducted using the developed Excel-based tool. Historical total water production and well count data was acquired for all Noble wells in Wattenberg Field each year from 1999 to 2011. Data from 1999 to 2009 were extracted from the COGCC website database, and the data for 2010 and 2011 was taken directly from the Noble Energy Carte® database.

By the end of 2011, a total of 7,486 wells from Noble Energy were producing in the Wattenberg field. Overall, there were 7,371 vertical wells and 115 horizontal wells. Each of these wells was modeled with the appropriate Wattenberg-average decay functions (Equations 1, 2, and 3) and their specific well age. All water production from existing wells in the Wattenberg field was projected out to 2017.

After applying the tool to all existing wells in the Wattenberg field, a development assumption was made where 100 new horizontal wells and 200 new vertical wells would be drilled and completed each year from 2012 to 2017. For each of these proposed wells, the appropriate water production model was also applied using the tool. This assumption of well development is used to demonstrate the planning capabilities of the tool if a company would like to know how their new well plans will affect future water production.

The additive predicted volume of water production from both existing and proposed wells from 2012 to 2017 is shown in Figure 3.10. Additionally, the case where no new wells are drilled is shown in Figure 3.10. Finally, the 95% confidence interval for both cases is also shown in Figure 3.10. The 95% or 2σ confidence interval is calculated using values from Table 3.3. For the high limit of the 95% confidence interval, the biggest A and smallest k value was used in the calculation. This means the water production curve has the biggest initial flow rate and slowest decay rate. For the lower limit of the 95% confidence interval, the smallest A and biggest k value was used in the model.

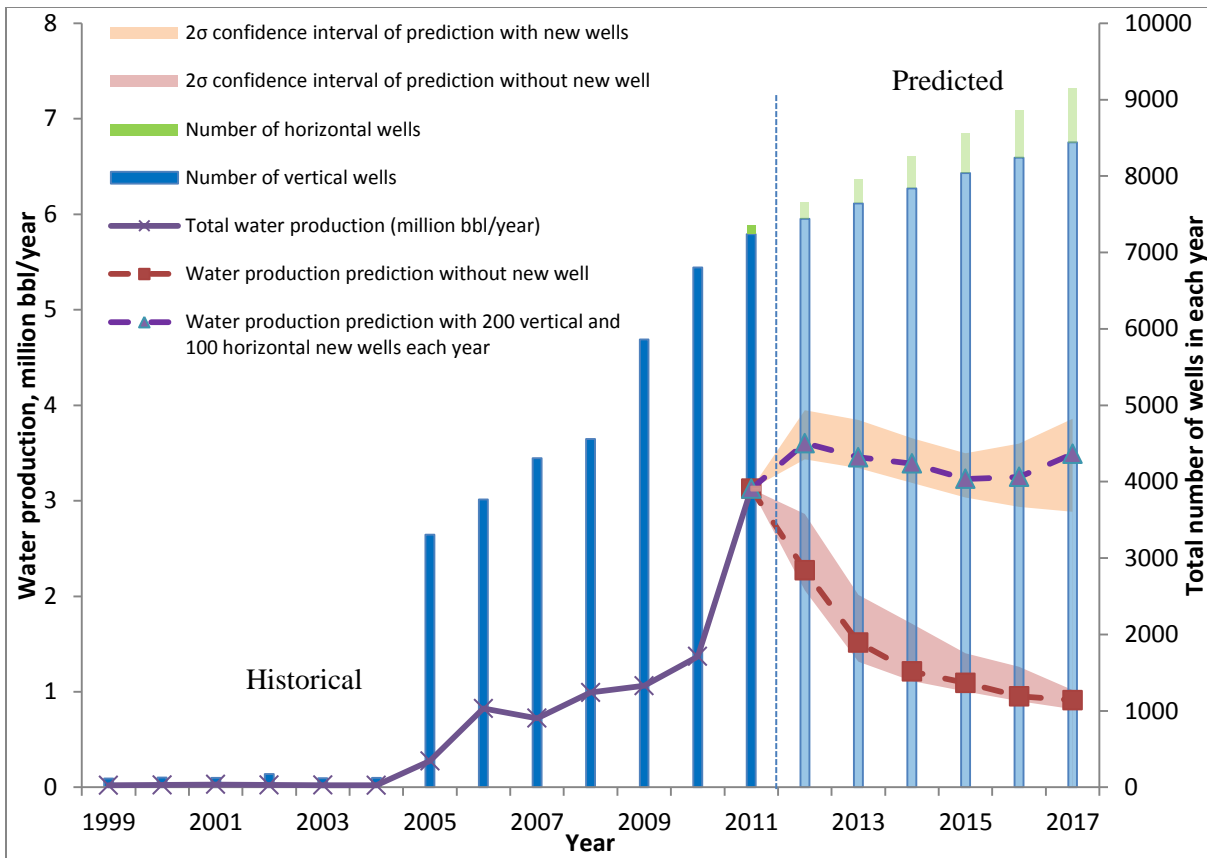


Figure 3.10. Total water production prediction of all Noble wells in the Wattenberg field from 2012 to 2017

From Figure 3.10, a few observations can be drawn. A large jump in water production is seen in 2010. This is due to the introduction of horizontal wells. From the prediction made by the tool, it is also clear that water production will decrease from 2012 to 2015. From 2016 to 2017 the total water production increases again to around 3.5 million bbls. Though there are new wells being drilled each year from 2012 to 2015, total water production in Wattenberg field actually decreased due to the large number of new wells from 2009 to 2011. This shows that from 2012 to 2015, total water production in the Wattenberg field is strongly affected by the wells drilled in 2010 and 2011 (total of 1,415 vertical and 115 horizontal) rather than the new wells from 2012 to 2015 (200 vertical and 100 horizontal each year). Total water production increases again in 2016 and 2017 when new wells in each year provide greater

influence than the existing wells. If no new wells are drilled, water production is seen to drop from approximately 3 million bbls in 2011 to about 1 million bbls in 2017. This is expected since without new wells, the water production trend would revert to the produced water rate after 2011, as seen in Figure 3.5.

3.6. Case study of selected Noble wells in northeast Wattenberg field

In the previous case study estimating water production for all 7,486 Noble wells in the Wattenberg field, the k values for both vertical and horizontal wells were average values for the whole field. However, according to Figures 3.2 and 3.5, k values vary spatially throughout the Wattenberg field. To make a more precise water production prediction, a smaller area can be chosen where the k value is more tailored. Therefore in order to understand the water produced in a smaller geographic area, a case study of selected wells in the northeast Wattenberg field was conducted using both the predictive k value tool in ArcGIS and the estimated water production tool in Excel. The selection of wells is shown in Figure 3.11.

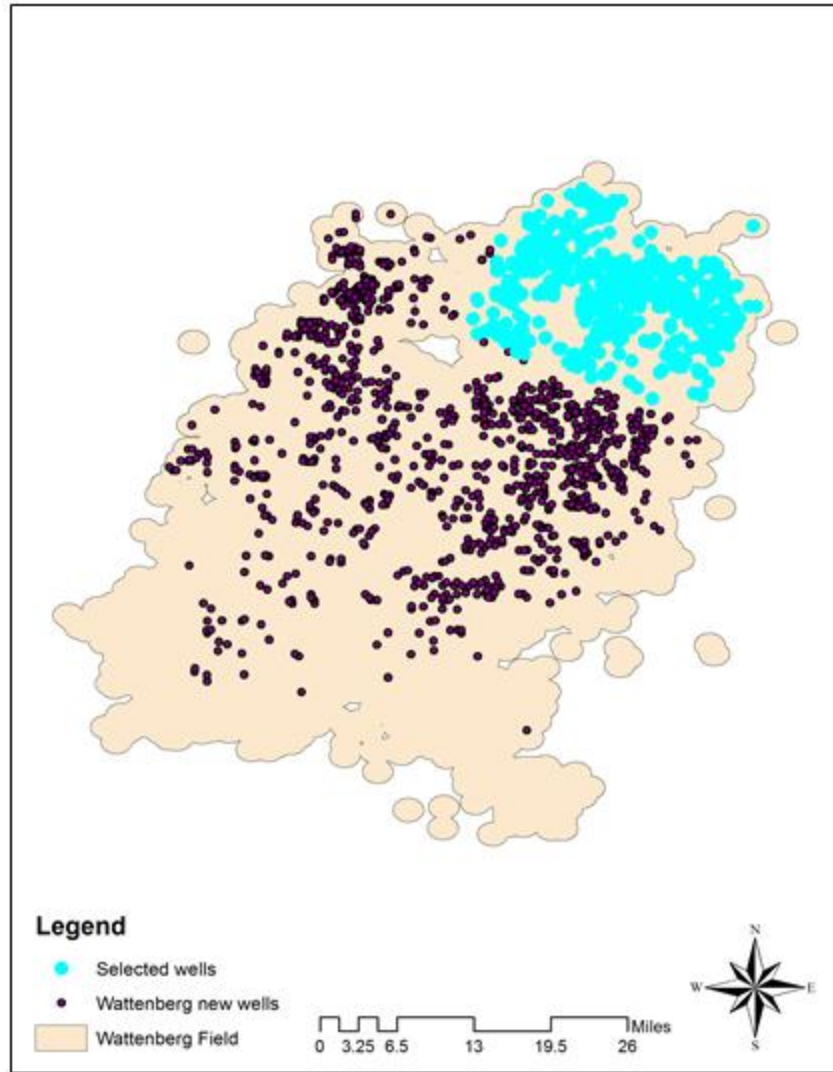


Figure 3.11. Selection of wells in northeast Wattenberg field

From the GIS attribute table of the selected region, 568 vertical and 12 horizontal wells were analyzed, and the average k values for both types of wells were computed in ArcGIS, as shown in Figure 3.12 and Figure 3.13.

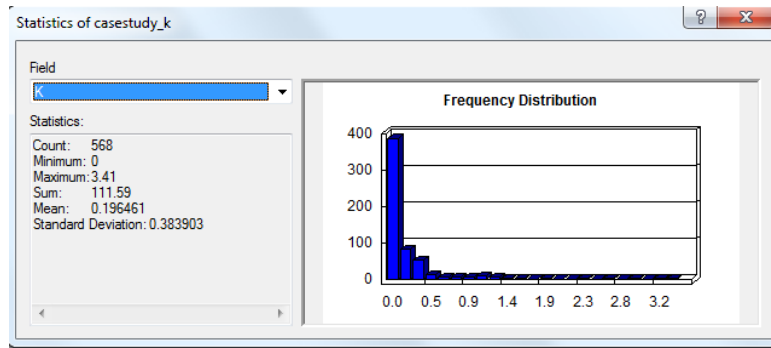


Figure 3.12. Distribution of k value of selected vertical wells in ArcGIS

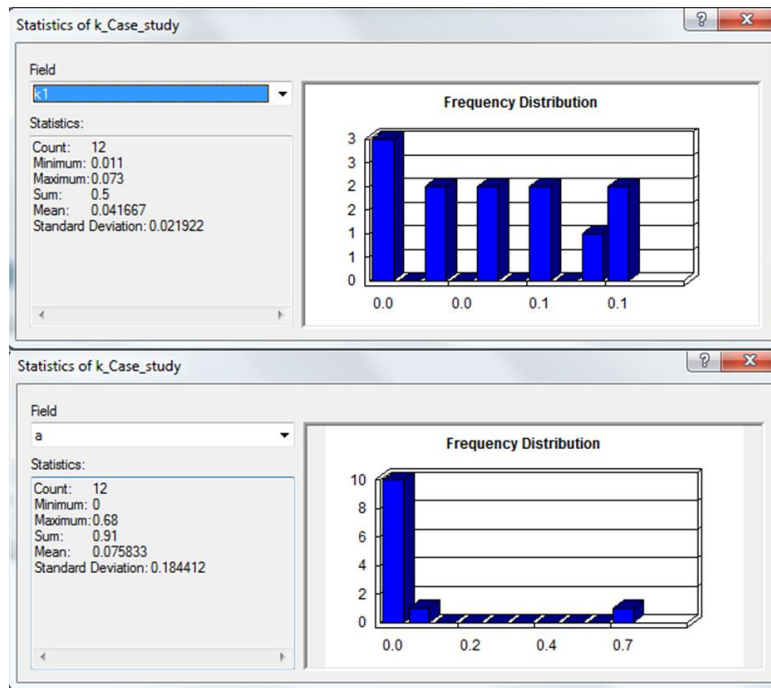


Figure 3.13. Distribution of k_1 and a values of selected horizontal wells in ArcGIS

After applying the computed, spatially relevant k , k_1 and a into Equations 1, 2, and 3, the water production functions for wells in the selected area of the Wattenberg field were modified from the averaged equations. And for the selected wells, the average value of A , A_1 and C was 2.003, 259.9 and 142.995 respectively. As a result, the equation for predicting vertical well water production for the selected area is:

$$Q=2.003e^{-0.197t} \quad (R^2=0.8073) \quad (4)$$

The equation for predicting horizontal well frac flowback water production for the selected area is:

$$Q=259.9e^{-0.042t} \quad (R^2=0.7849) \quad (5)$$

The equation for horizontal well produced water production for the selected area is:

$$Q = \frac{142.995}{1+0.07583t} \quad (R^2=0.8022) \quad (6)$$

Water production for selected vertical and horizontal wells was calculated using the Excel-based tool. Figure 3.14 and Figure 3.15 show the comparison of water production trends for both vertical and horizontal wells between Wattenberg field-average k value and area-specific k values from selected wells in northeast Wattenberg Field.

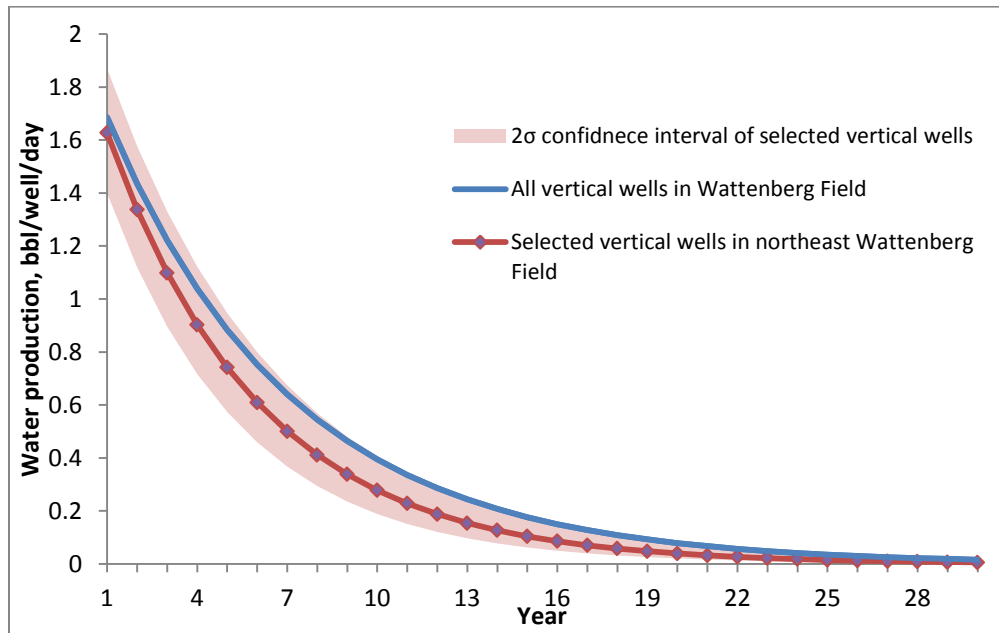


Figure 3.14. Comparison of water production trends between all vertical wells and selected vertical wells in northeast Wattenberg Field

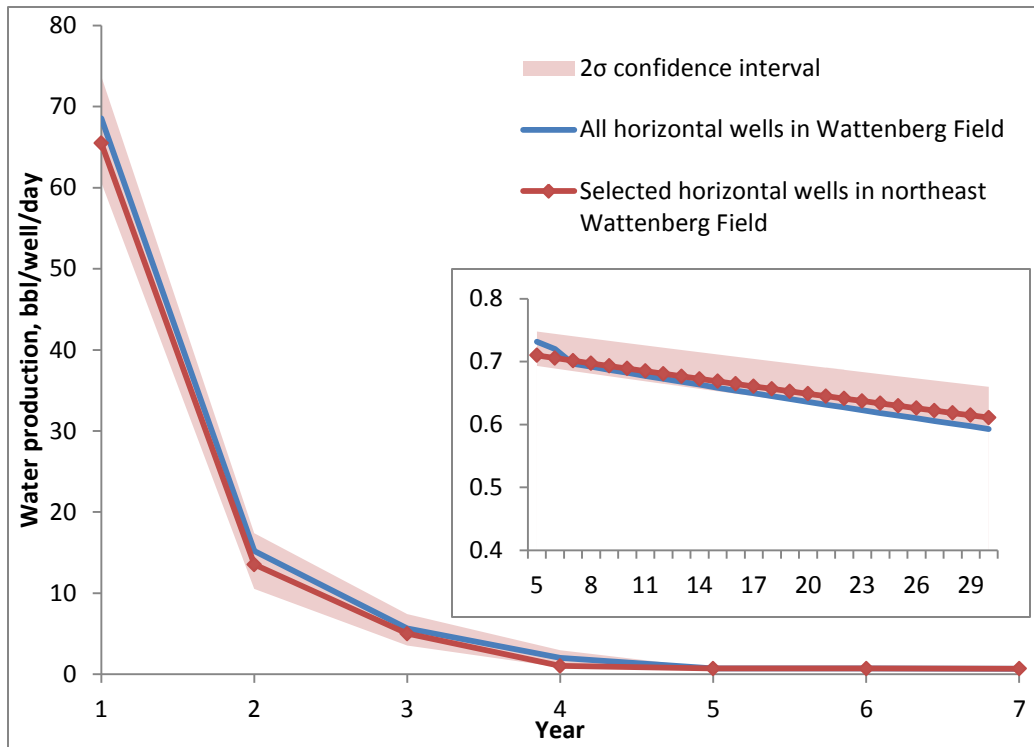


Fig. 3.15. Comparison of water production trends between all horizontal wells and selected horizontal wells in northeast Wattenberg field

In this case study, the difference in k , k_1 , and a values for a chosen subset area (northeast part) of the Wattenberg field is compared to the entire field model. Different k , k_1 , and a values result in different equations for both vertical and horizontal wells when predicting the water production. As shown in Figures 3.14 and 3.15, the model used for predictions of the well subset is different from the one of the whole Wattenberg field. It may be more accurate at predicting subset water production than applying the field-wide model. This case study shows the value of applying ArcGIS with the Excel tool to predict water production based on spatial locations.

3.7. Conclusion

Water usage in oil and gas development has been discussed at great length. However, it is known that oil and gas wells have the potential to produce and return water to the hydrologic cycle. Understanding these return flows is essential to understanding the complete water cycle associated with oil and gas development. Additionally, understanding these return flows can aid in treatment efforts that bring produced water back to beneficial uses.

This paper describes a simple tool for predicting total water production from existing and future oil and gas wells. While the tool is developed for the Wattenberg field in this paper, the case study of northeast Wattenberg demonstrates the tool's ability to be tailored to other areas by altering the functions. In the case of the Wattenberg field, the curves chosen are a first order decay function. It was determined that a single first order decay function was sufficient at modeling vertical well water production and two separate decay functions were required for predicting flowback and produced water from horizontal wells. Additionally, it was observed that decay rates vary drastically over a given area. Hence, to accurately forecast water production, a keen knowledge of historical decay rates and a defined project boundary are required.

From the first case study of all Noble wells in the Wattenberg field, it is clear that an increased total volume of produced water should be expected in the future with the expanded reliance on horizontal wells. Additionally, it is seen how proposed future development affects water production. As industry moves toward greater reliance on horizontal wells, water production will increase. From the second case study of the northeast Wattenberg field, it is seen that a tighter boundary can positively affect the accuracy of the decay rate. Therefore, choosing smaller project areas will increase the accuracy of the water production forecast.

While work can be done to minimize the effects of assumptions and historical data can be improved, ArcGIS and Excel tools can be built with models based on historical data to predict future water production for existing and proposed oil and gas wells. This knowledge of how current and future oil and gas development will affect water production in a field can be used to aid in decision making surrounding water treatment, disposal, transportation, and the efficacy of pursuing development in a given field.

Chapter 4. Case study on wells in Wells Ranch region, Wattenberg

4.1. Water production prediction of wells in Wells Ranch region

Another case study was performed in the Wells Ranch Region in northeast Wattenberg Field. Figure 4.1 shows the location and the studied wells in the Wells Ranch play in Wattenberg Field. A centralized water supply and wastewater treatment facility was considered to be built, and according to the database of Noble Energy, there are 283 vertical wells and 28 horizontal wells in this area. These wells were classified according to the year of the flowback report and Table 4.1 shows the number of new wells in each year.

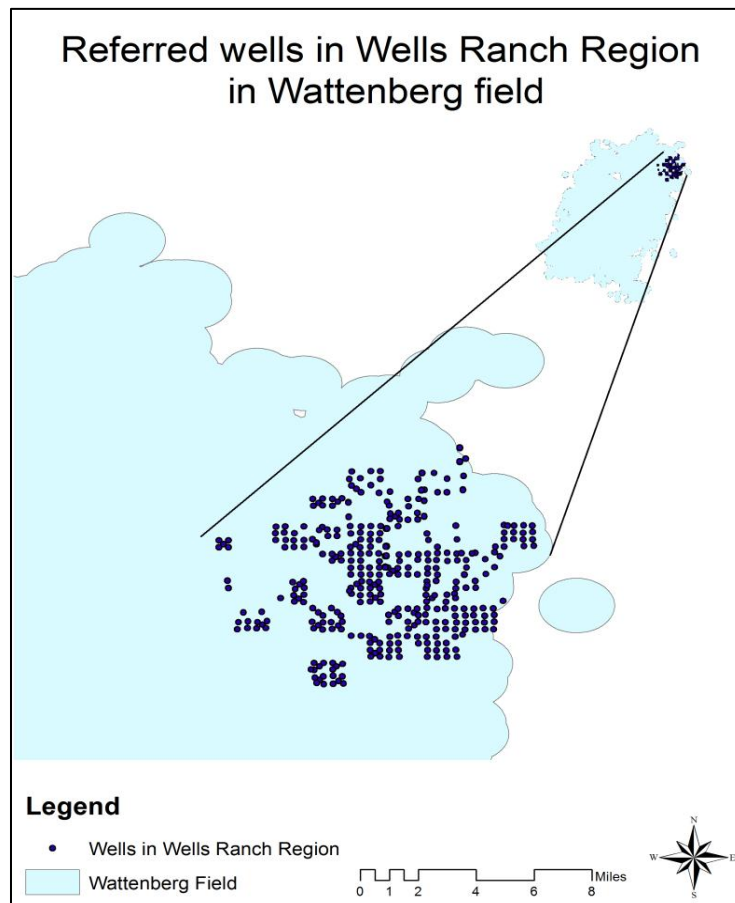


Figure 4.1: Location of wells ranch region and referred wells in Wattenberg Field

Table 4.1: Number of new wells in each year in Wells Ranch Region

Year	New vertical well	New horizontal well
2007	14	0
2008	83	0
2009	60	0
2010	37	5
2011	26	6
2012	63	17

Daily water production for each of these 311 wells was obtained from Noble Energy and due to the limited data for horizontal wells, only 15 flowback reports for horizontal wells were available from Noble Energy. Water production trends for vertical and horizontal wells were modeled all with exponential decay function.

In order to calculate the water production rate for these wells, production curves were made for each of these wells. Because among the 283 vertical wells, 61 wells have only one year of production data, data from 222 vertical wells were fitted to an exponential decline curve in water production and their A and k values were used to determine the vertical wells production rate. For the 15 horizontal wells with sufficient data sets, both frac flowback and produced water production curves were plotted.

Based on the average A and k values from 222 vertical wells, the water production rate for vertical wells in the Wells Ranch region is:

$$Q=5.189e^{-0.2747t} \quad (R^2=0.8356) \quad (7)$$

And based on the average A_1 , A_2 , k_1 and k_2 values from 15 horizontal wells, frac flowback water production rate for horizontal wells in this region is:

$$Q=1773.45e^{-0.1946t} \quad (R^2=0.7236) \quad (8)$$

And the produced water flow rate for horizontal wells in this region is:

$$Q=0.6731e^{-0.0082t} \quad (R^2=0.8418) \quad (9)$$

In Eq. (7), (8) and (9), the average value of A , k , A_1 , k_1 , A_2 and k_2 were used for the prediction of water production. In order to understand the reliability of these equations, an uncertainty analysis for these wells was performed. Figure 4.2 and 4.3 show the normal distribution of these variables.

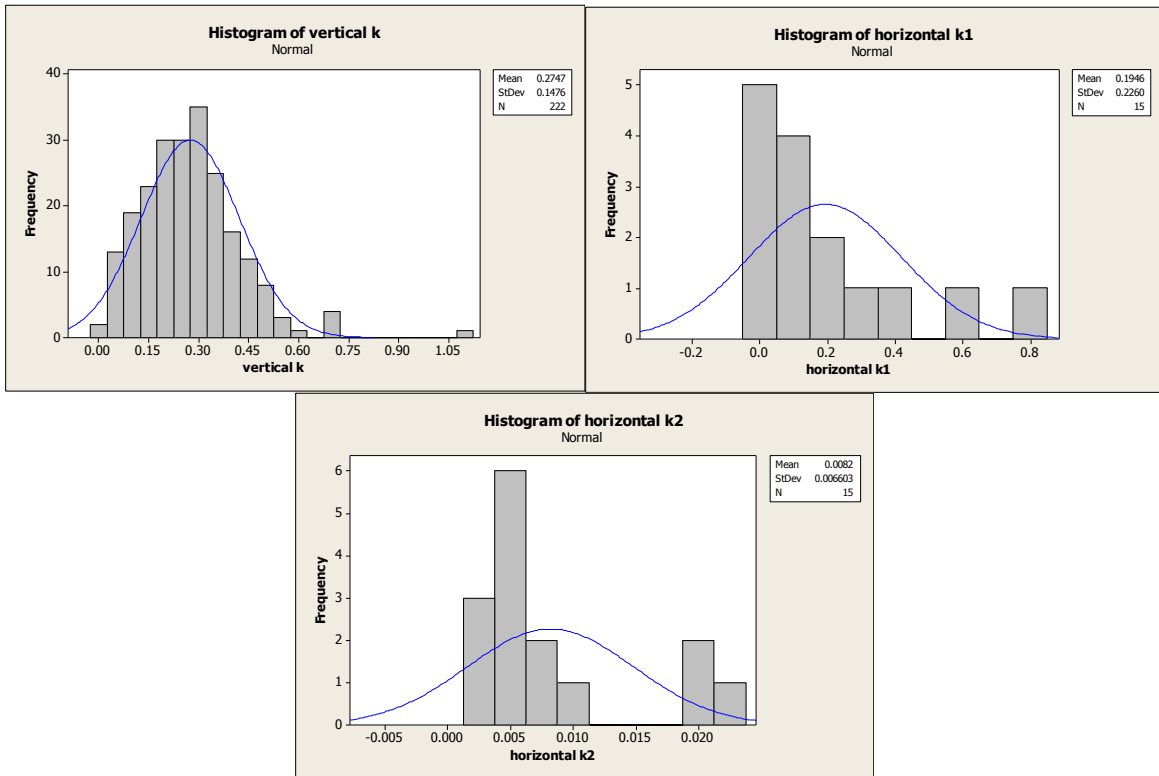


Figure 4.2: Distribution of k , k_1 and k_2 of wells in wells ranch region

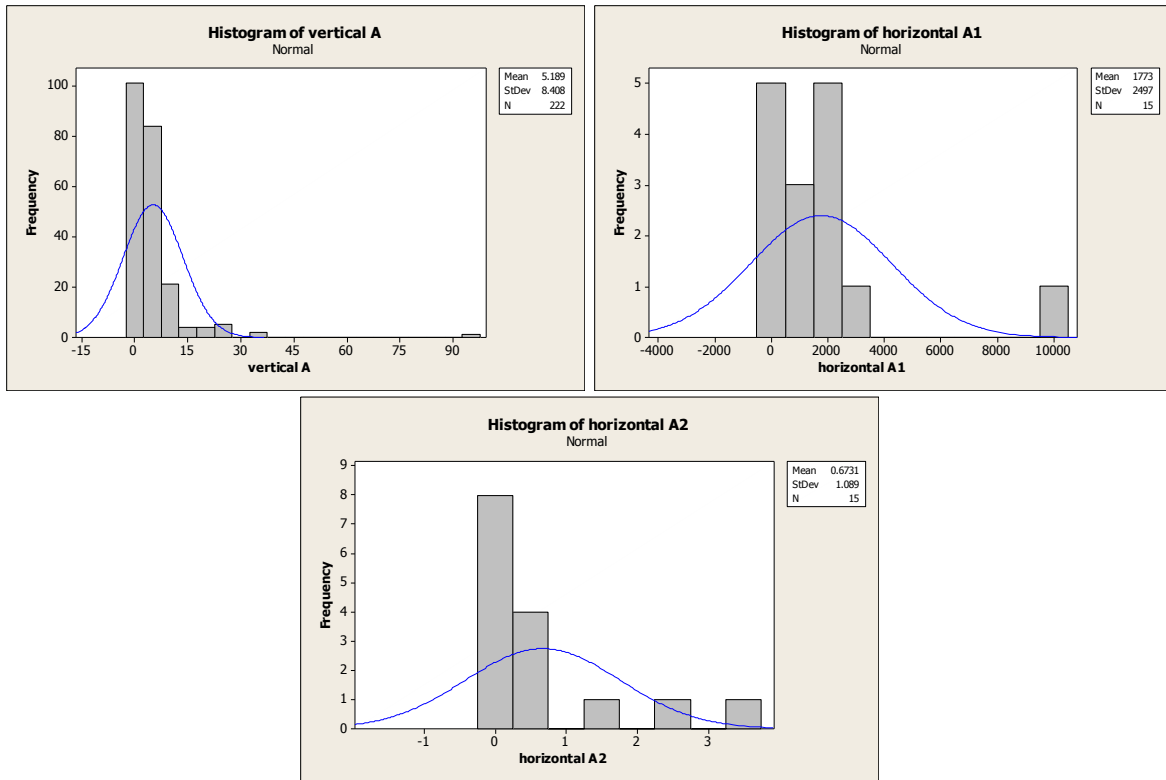


Figure 4.3: Distribution of A , A_1 and A_2 of wells in wells ranch region

Figure 4.4 shows a comparison of k values from all vertical wells (A) and 222 Wells Ranch vertical wells (B). Better resolution of k values is seen in the map B because more k values were used in map B compared to map A with only 66 k values.

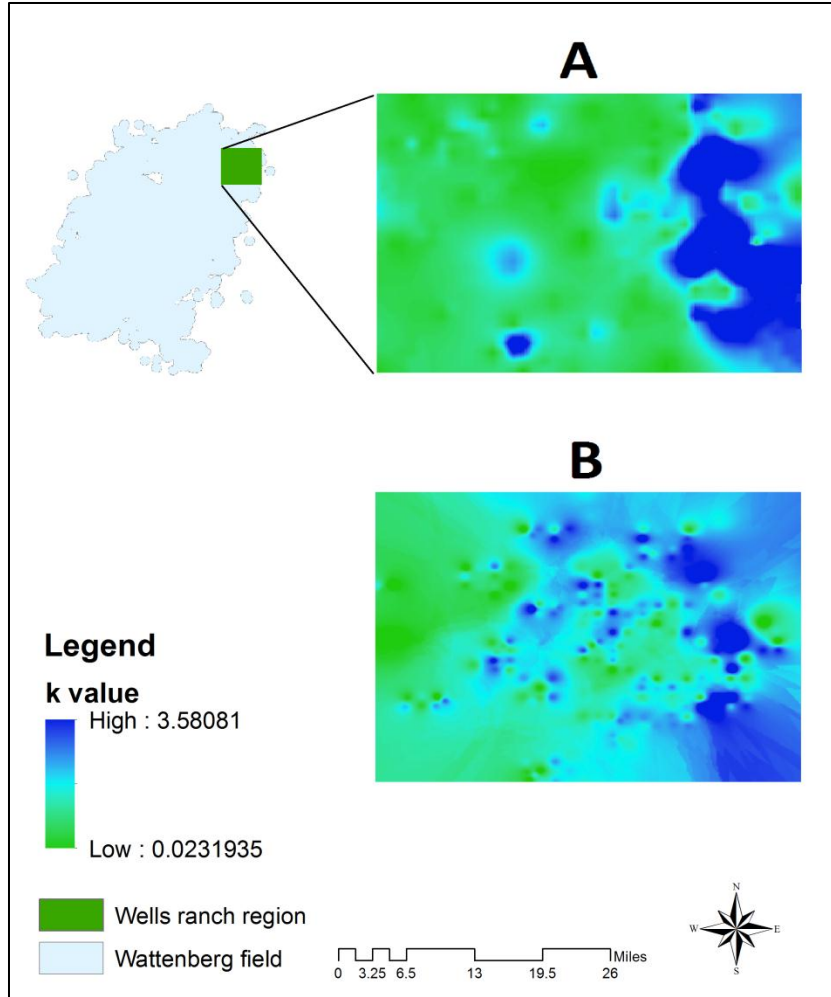


Figure 4.4: (A) Map of k values interpolated from 1,667 vertical wells in Wattenberg field
 (B) Map of k values interpolated from 222 wells ranch vertical wells

Table 4.2: Uncertainty analysis and acceptable range of variables

	k	A	k_1	A_1	k_2	A_2
μ	0.2747	5.189	0.1946	1773.45	0.0082	0.6731
σ	0.0099	0.564	0.0584	644.65	0.0017	0.2811
$\mu-1.645\sigma$	0.258	4.261	0.099	713.001	0.005	0.211
$\mu+1.645\sigma$	0.291	6.117	0.291	2833.9	0.011	1.136

Figure 4.5 and 4.6 show the production trends of vertical and horizontal well with 95% confidence intervals.

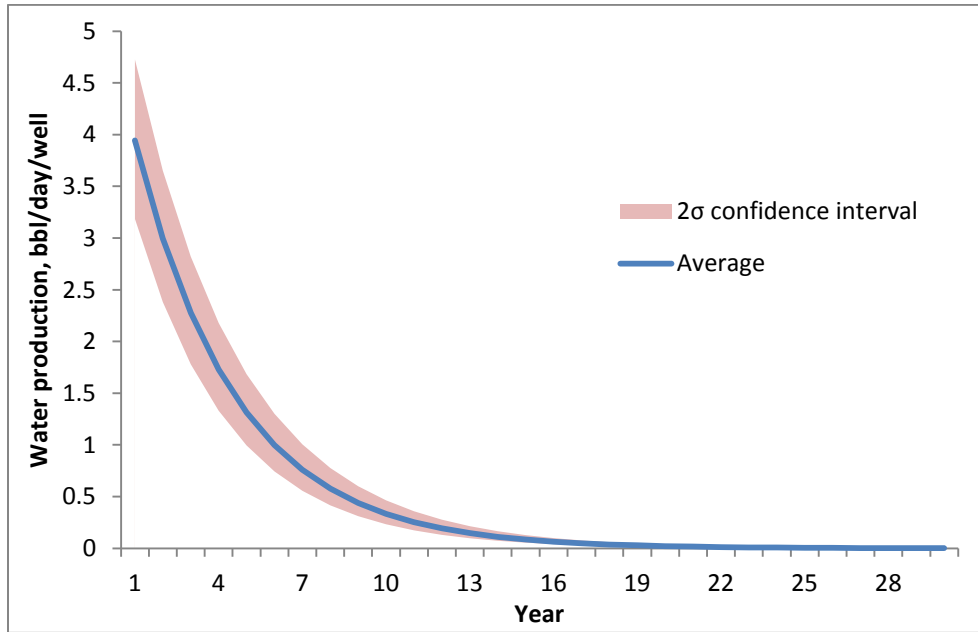


Figure 4.5. Water production trend of vertical well in wells ranch region

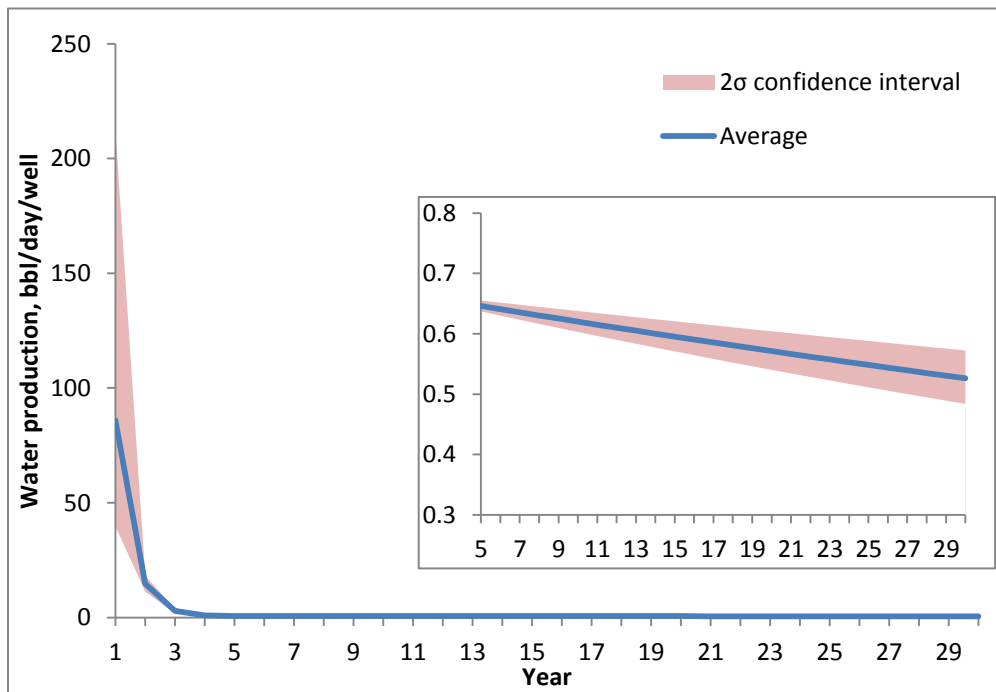


Figure 4.6. Water production trend of horizontal well in wells ranch region

Compared to the case study conducted in chapter 3 with selected wells in northeast Wattenberg field, this case study is more specific and focused on the Wells Ranch area, where Noble Energy is planning future development. This specific case study provides more precise water production trends of wells in Wells Ranch region compared to the results from average values of Wattenberg field. When predicting future water production in this region, more accurate computation will be available by using the Equations (7), (8) and (9).

Figure 4.7 shows the predicted water production from all wells in the Wells Ranch area with 50 vertical and 30 horizontal new wells drilled each year from 2012 to 2017. The assumption of well development is used to demonstrate the planning capabilities of the tool if a user would like to know how their new well plans will affect future water production. Because it is assumed that 30 new horizontal wells are drilled in 2012 compared to 6 in 2011, the water production increases rapidly. And since the number of new wells after 2012 stays constant, the predicted water production increases more consistently. On the other hand, if there are no new wells drilled after 2011, water production drops quickly from 400,000 to 70,000 bbl/year.

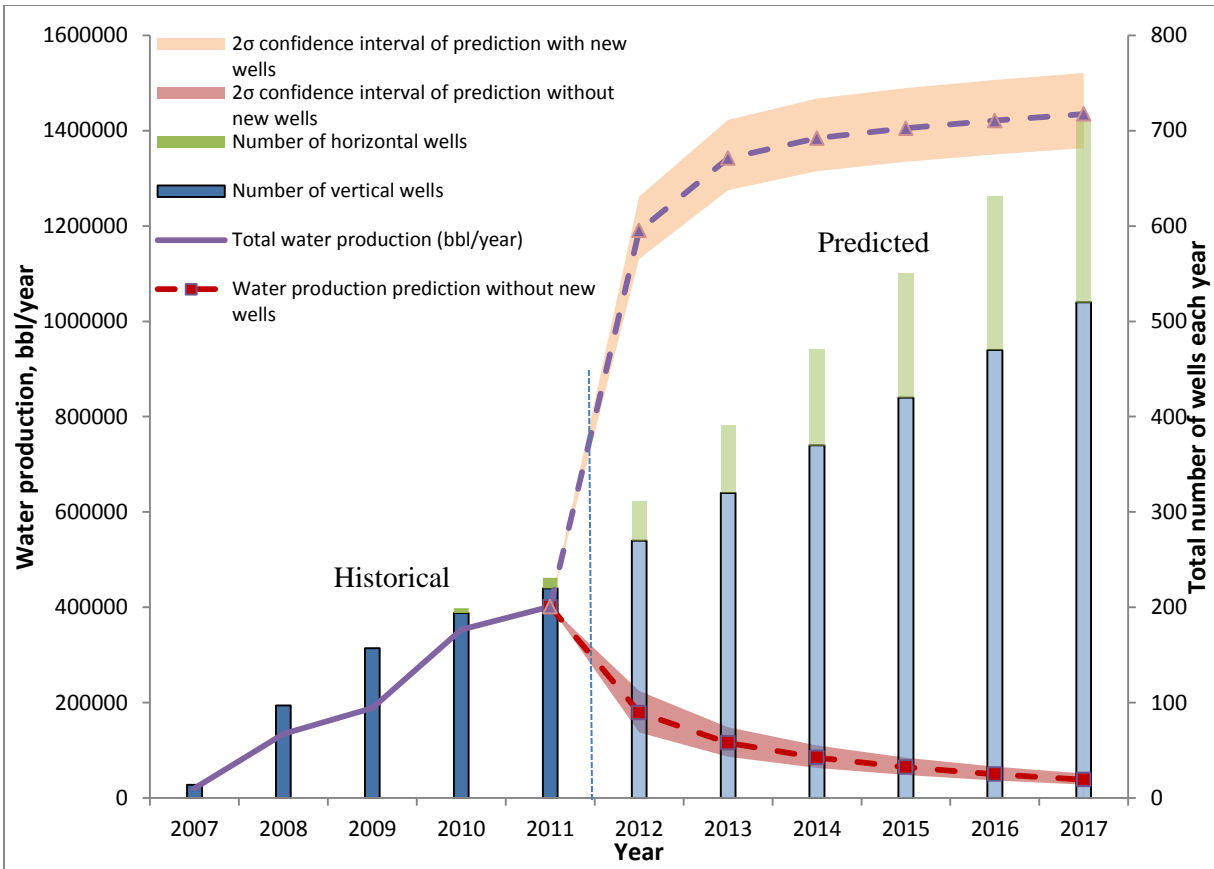


Figure 4.7. Total water production prediction of all wells in Wells Ranch Region from 2012 to 2017

4.2. Comparison of exponential and harmonic functions

In chapter 3 and 4, production of horizontal wells was fitted with exponential decline curves, however it may underestimate the volume of produced water since the exponential function is a form of Arps equation when $b=0$. When designing wastewater treatment facilities, it is essential to know the peak flow rate and in this case, exponential decline may not be the best function for predicting water production. Therefore, a comparison of exponential and harmonic functions was conducted on production predictions in the Wells Ranch area.

When $b=1$, the Arps equation is referred to as a harmonic decline with the equation of $Q = \frac{C}{1+at}$. After fitting the produced water data of 15 Wells Ranch wells with harmonic decline, the produced water production trend is:

$$Q = \frac{97.307}{1+0.022t} \quad (R^2=0.7273) \quad (10)$$

The comparison of exponential and harmonic functions is shown in Figure 4.8. When using an exponential function, the water production rate decays quickly from 85 bbl/day/well in the first year to 2.9 bbl/day/well in the third year. For the same decline rate constant (D_i), the production rate decreases from 69 to 52 in the first three years assuming a harmonic function. Therefore the exponential function is considered as the aggressive decline and the harmonic function is considered as the conservative decline.

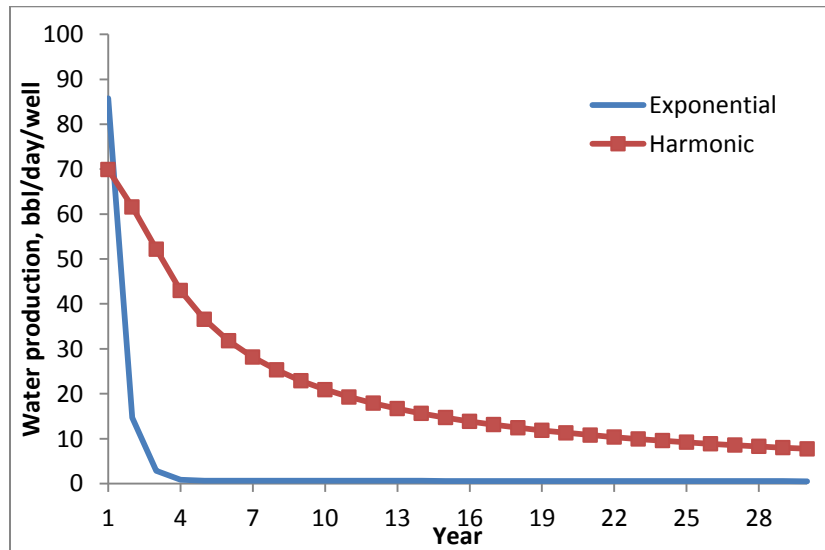


Figure 4.8. Comparison of exponential and harmonic decline of produced water production from 15 horizontal wells in Wells Ranch region in Wattenberg field, Colorado

Figure 4.8 shows a huge difference in water production between two different functions, and because the initial flow rates were different from two functions, the two water production curves in Figure 4.8 don't start from the same point. As a result, produced water flow rate

varies a lot with different fitting functions. Because there is only one year of data available for these 15 horizontal wells, it is not possible to determine the true long term decline trend and therefore an assumption needs to be made. In this case, it is recommended that wastewater treatment facilities be designed based on conservative decline assumptions and therefore it is recommended that a harmonic function be used.

Chapter 5. Conclusions

A study of water production from oil and gas wells in Wattenberg field was performed and Arps equation can be used for modeling produced water flow rate for both vertical and horizontal well. In this study, the water production rate was modeled with exponential decline which has the most aggressive decay when $b=0$ in the Arps equation. Limitations of the approach occurred because of the limited production data of horizontal wells and the use of average k values, even though there is considerable spatial variability as shown in Figure 3.2 and 3.4. The case study on Wells Ranch wells showed significant difference in the water production rate between exponential ($b=0$) and harmonic ($b=1$) functions, indicating that the exponential function may not be the best approach for predicting produced water production because it may underestimate the volume of produced water.

This study described a framework which can be used when trying to understand water production trends from oil and gas wells. In the future, more data will be collected and Arps equations with various b values will be studied to find out the best fitting function for water production. At the same time, in order to better understand the relationship between k values and spatial locations, a web based, user friendly GIS application will be developed using ArcGIS so that the prediction can be made based on the chosen area rather than the average value from the entire field. Finally water quality data will also be integrated into the application so it can provide a reference for users to design treatment facilities for water recycling.

Chapter 6. References

- [1] Oil and Gas industry Overview, Petroleum Online website.
<http://www.petroleumonline.com/content/overview.asp?mod=1>
- [2] Radler, M. and Bell, L. US energy demand to stay weak in 2012 amid strong oil, gas production. Oil & Gas Journal, 01/09/2012.
- [3] Cooke, C.E. and Cooke, B. LLP. Industry responds to public take on hydraulic fracturing. E&P Magazine, March 1, 2010.
- [4] Hydraulic fracturing facts, Hydraulic Fracturing Website.
<http://www.hydraulicfracturing.com/Pages/information.aspx>
- [5] Colorado Oil and Gas Conservation Commission Website.
<http://cogcc.state.co.us/>
- [6] Goodwin, S. and Douglas, C.2012. Life Cycle Analysis of Water Use and Intensity of Oil and Gas Recovery in Wattenberg Field, Colo. Oil & Gas Journal, 110: 48-59, 2012.
- [7] Getches, D.H. Water Scarcity in the Americas: Common Challenges – A Northern Perspective. Rosenberg International Forum on Water Policy, Buenos Aires, Argentina, November 2010.
- [8] Gjelten, T. Water Contamination concerns linger for shale gas. National Public Radio, September 23, 2009.
- [9] U.S. Energy Information Administration Website.
<http://www.eia.gov/naturalgas/crudeoilreserves/index.cfm>

- [10] Radler, M and Bell, L. US energy demand to stay weak in 2012 amid strong oil, gas production. *Oil & Gas Journal*, 110:24-31, 2012.
- [11] Veil, J.A. and Quinn, J.J. Water issues associated with heavy oil production. Environmental Science Division, Argonne National Laboratory for the U.S. Department of Energy, National Energy Technology Laboratory, November 2008.
- [12] Railroad Commission of Texas Website.
<http://www.rrc.state.tx.us/barnettshale/wateruse.php>
- [13] Miller, P. Future of hydraulic fracturing depends on effective water treatment. *Hydrocarbon Processing*, 90:13-13, 2011.
- [14] Arthur, J.D., Uretsky, M. and Wilson, P. 2011. Water resources and use for hydraulic fracturing in the Marcellus shale region. *Water resource issues in the Marcellus shale region*, ALL Consulting. 2011.
- [15] Jackson, R.B., Osborn, S.G. and Vengosh, A., etc. Reply to Davies: Hydraulic fracturing remains a possible mechanism for observed methane contamination of drinking water. *Proceedings of the National Academy of Sciences of the United States of America*. 108: E872, 2011.
- [16] Biello, D. Hydraulic fracturing for natural gas pollutes water wells. *Scientific American*. May 9, 2011.
- [17] Smith, P., Roy, S. and Swailes, D., etc. A model for the corrosion of steel subjected to synthetic produced water containing sulfate, chloride and hydrogen sulfide. *Chemical Engineering Science*. 66:5775-5790, 2011.

- [18] Singh, R. Oil and Gas: Produced water treatment for beneficial uses. *Filtration & Separation*. 47:20-23, 2010.
- [19] Gray, J.S. Perceived and real risks: produced water from oil extraction. *Marine Pollution Bulletin*. 44:1171-1172, 2002.
- [20] Neil, J.A., Puder, M.G. and Elcock, D., etc. A white paper describing produced water from production of crude oil, natural gas, and coal bed methane. January 2004.
- [21] API (American Petroleum Institute), 1988, "Production Waste Survey," prepared by Paul G. Wakim, June.
- [22] API, 2000, Overview of Exploration and Production Waste Volumes and Waste Management Practices in the United States, prepared by ICF Consulting for the American Petroleum Institute, Washington, DC, May.
- [23] Clark, C.E., and Veil, J.A., 2009, Produced Water Volumes and Management Practices in the United States, ANL/EVS/R-09/1, prepared by the Environmental Science Division, Argonne National Laboratory for the U.S. Department of Energy, Office of Fossil Energy, National Energy Technology Laboratory.
- [24] US Energy Information Administration. Top 100 Oil and Gas Fields of 2009. US Energy Information Administration Website.
http://www.eia.gov/pub/oil_gas/natural_gas/data_publications/crude_oil_natural_gas_reserves/current/pdf/top100fields.pdf
- [25] Anadarko Petroleum Corporation Website.
<http://www.anadarko.com/Operations/Pages/TightGas.aspx>

[26] Wattenberg Field Website.

<http://wattenbergfield.com/> (accessed 5 February 2012)

[27] Crisis feared as U.S. water supplies dry up. Associated Press. 10/27/2007.

http://www.msnbc.msn.com/id/21494919/ns/us_news-environment/t/crisis-feared-us-water-supplies-dry/#.Uck3Y_mHNAU

[28] Wikipedia Website.

http://en.wikipedia.org/wiki/Denver_Basin

[29] Rajagopalan, B., Nowak, K. and Prairie, J., etc. 2009. Water supply risk on the Colorado River: Can management mitigate? Ater Resources Research, Vol. 45, W08201, 7 PP., 2009.

[30] Colorado Water Conservation Board Website.

<http://cwcb.state.co.us/Pages/CWCBHome.aspx> (accessed 10 February 2012)

[31] Chesapeake Energy. 2012. Natural Gas Water Usage Facts. Chesapeake Energy Website.

<http://www.naturalgaswaterusage.com/Water-and-Energy/Pages/information.aspx>
(accessed 18 March 2012)

[32] “Deep Shale Natural Gas: Abundant, Affordable, and Still Water Efficient”. GWPC, 2010.

[33] Brayton, E., 2011. Fracking cleanup techniques being developed in the private sector. The American Independent News Network. Aug 24, 2011.

[34] Carlson, K. 2012. Improving Water Resource Management in the Niobrara. Niobrara Report (May, 2012)

<http://coloradoenergynews.com/2012-niobrara-report> (accessed 30 May 2012)

- [35] Vidic, R.D. Sustainable Water management for Marcellus Shale Development. Pittsburgh, PA, 2010.
- [36] WikiMarcellus Website.
http://www.wikimarcellus.com/wiki/Main_Page (accessed 24 April 2012)
- [37] Flowback Water, WikiMarcellus Website.
http://waytogo.com/wiki/index.php/Flowback_water (accessed 24 April 2012)
- [38] Hayes, T., GTI. Gas Shale Produced Water. Presentation to the RPSEA/GTI Gas Shales Forum. June 4, 2009.
- [39] Produced Water Management Information System, Federal Regulations. U.S. Environmental Protection Agency.
- [40] Railroad Commission of Texas Website.
<http://www.rrc.state.tx.us/about/faqs/saltwaterwells.php> (accessed 29 May 2012)
- [41] Bernier, N., 2011. Earthquake In South Texas: Fracking Fluid at Fault? KUT News. Oct 20, 2011.
- [42] Fracking wastewater disposal induced a dozen earthquakes in Ohio. NY Daily News, Mar 09, 2012.
- [43] Kimball, B., CDM. 2010. Water treatment technologies for global unconventional gas plays. *U.S. – China Industry Oil and Gas Forum. Fort Worth, TX ,September 16, 2010.*
- [44] Powell, D. (24 March 2012). Natural gas wells leakier than believed. Measurements at Colorado site show methane release higher than previous estimates. 181(6). Science News Magazine for the Society of Science and the Public. p. 16.

- [45] Howarth, R.W., Santoro, R. and Ingraffea, A. (13 March 2012). Methane and the greenhouse-gas footprint of natural gas from shale formations. *Climatic Change*. DOI 10.1007/s10584-011-0061-5.
- [46] "Study shows air emissions near fracking sites may have serious health impacts". Colorado School of Public Health. 19 March 2012. Retrieved 25 April 2012.
- [47] Shalesshork Organization Website. 2012.
<http://shaleshock.org/drilling-101/>
- [48] Adams, M.B., Ford, W.M. and Schuler, T.M., etc. 2010. Effects of natural gas development on forest ecosystems. *17th Central Hardwood Forest Conference*. Lexington, KY, April 5-7, 2010.
- [49] Soraghan, M. and Greenwire. EPA scientist points at fracking in fish-kill mystery. *Scientific American*. Oct 12, 2011.
- [50] US Environmental Protection Agency Website.
<http://www.epa.gov/gasstar/documents/workshops/2008-annual-conf/smith.pdf>
- [51] Boman, K. EPA Delays Hydraulic Fracturing Green Completion Rule Until 2015. *Rigzone Magazine*. April 18, 2012.
- [52] Lee, R., Seright, R. and Hightower, M., etc. 2002, "Strategies for Produced Water Handling in New Mexico," presented at the *2002 Ground Water Protection Council Produced Water Conference, Colorado Springs, CO, Oct. 16-17*.
- [53] Nelson, P.H. and Santus, S.L. 2011. Gas, Oil, and Water Production from Wattenberg Field in the Denver Basin, Colorado. USGS. Virginia, 2011.

- [54] Arps, J.J.: "Analysis of Decline Curves," Trans. AIME (1944) 160, 228-47.
- [55] F.A.S.T.RTA. Advanced Production Decline Analysis.
<http://www.fekete.com/software/rta/media/webhelp/c-te-analysis.htm>
- [56] OPEC (Organization of the Petroleum Exporting Countries). 2011. Annual Statistical Bulletin, 2010/2011 Edition.
- [57] American Gas Association. 2012. Preliminary findings concerning 2011 natural gas reserves. April 03, 2012.
- [58] Shramko, A., Palmgren, T. and Gallo, D., etc. M-I SWACO. 2009. Analytical Characterization of Flowback Waters In the Field. In *16th Annual Petroleum & Biofuels Environmental Conference (IPEC), 3-5 November 2009, Houston, Texas.*
- [59] Yoxtheimer, D. Water Treatment Solutions for Marcellus Natural Gas Development.
- [60] Kimball, B., CDM. Key considerations for frac flowback/produced water reuse and treatment. In *NJWEA Annual Conference, May 9-13, 2011, Atlantic City, NJ.*
- [61] Raabe, S. 2011. Oil estimate in northern Colorado pumps up job, revenue prospects. The Denver Post, 16 Nov. 2011.
- [62] Weimer, R.J., Sonnenbert, S.A., and Matuszczak, R.A., etc. Wattenberg Field, Denver Basin, Colorado. Search and Discovery Article #20001, 1999.
- [63] Colorado Oil and Gas Conservation Commission. 2011. In COGCC Hearing: Wattenberg Horizontal Rule Making, 8-9 Aug, 2011, Denver, CO.

Appendix A. Method details

A.1. Vertical well water production data collection and analysis

There are two major sources for historical water production data of oil and gas wells in Wattenberg field. COGCC has yearly reports of all producing wells in each year in Colorado State, including oil, gas and water production data. Due to the limited access to all information of these wells, a sample of 1,677 vertical and 32 horizontal wells is chosen. Several filtration methods were applied to the COGCC reports to select the sample: All sample wells should be in Wattenberg field, and have all information including completion date, first production date, operation status and well type. The completion dates and first production dates are used in this study to determine well ages, and only wells that are producing were selected in this sample. There are totally 13 yearly reports of all wells in Colorado, after applying the filtration methods to all of these reports, 1,677 vertical wells with needed information were chosen for analysis.

Another source of data collection is the Carte[®] system of Noble Energy Incorporation. However there is not any information about completion and first production date in the system, only frac flowback data report of vertical wells were acquired from Noble Energy. After comparing flowback water with produced water of vertical wells in Wattenberg, it is necessary to neglect water produced during flowback period since it is so short (usually less than 1 to 2 days). Therefore, only produced water data from COGCC database was used for the analysis of water production trend of vertical wells in Wattenberg field.

The analysis is based on the average value of water production and producing days. From the COGCC data, average producing days were calculated (see Table 3.2) and depending on the well age, all these wells were classified from well age 1 to 13 (see Table 3.1). By summing up

total water produced from all wells of the same well age and divided by total number of wells of the same well age, the average water production rate (bbl/well/year) was computed. And the daily water production rate is calculated from the yearly rate divided by average producing days in each year.

After plotting the daily water production in each operating year with time, the water production trend curve of vertical well is made. As shown in Eq. (1), the curve was fitted into exponential decay. The average decay rate for the entire Wattenberg field is 0.112 year^{-1} and in order to study the relationship between decay rate k and spatial location of wells, k value for each vertical well of 1,677 well samples was computed. And there are only 1,230 k values calculated from the sample, for the other 447 wells k value was not able to compute either because of the curve was not exponential decay or there was only one value (wells in 2011). All data and calculation results of vertical wells are shown in Table A.1 and A.2.

A.2. Horizontal well water production data collection and analysis

Unlike vertical wells, there was no horizontal well before 2010 so yearly water production data from COGCC cannot be used for analyzing water production trend for horizontal wells. Also because of long frac flowback period of horizontal wells, it is essential to study both frac flowback and produced water production trend.

All the analysis of horizontal wells in this research was based on water production data from Noble Energy Carte[®] system, including both hourly frac flowback report and daily produced water data. Only 32 wells' production data was acquired so only a sample of 32 horizontal wells was studied in this research. New report for each well was made by converting frac flowback data into daily data and combining them with produced water data. Frac flowback

water curves were fitted into exponential decay and produced water curves were fitted into harmonic decay and k_I and a values were calculated and these calculations were all made from the modified data analysis method for horizontal wells (Figure 3.3). All calculation results of horizontal wells are shown in Table A.3. After Calculating k_I and a value for each well, curves were plotted for each k value of every well, and based on the 64 curves (32 for k_I and 32 for a) the average curve (Eq.(2) and (3)) was made to represent the water production trend of all horizontal wells.

A.3. 30-year water production rate for vertical and horizontal wells

For both vertical and horizontal well, a life time (30 year) of water production rate was predicted for use by the developed Excel based tool. According to Eq. (1), (2) and (3), daily water production for both types of wells and predicted yearly volume of water production is shown in Table A.4 and A.5.

Table A.1 (Cont.)

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2008	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2009	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2010	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2011	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2012	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2013	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2014	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2015	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2016	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2017	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2018	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2019	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2020	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2021	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2022	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2023	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2024	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2025	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2026	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2027	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2028	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2029	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84
2030	695	232	605	43	314	81	378	70	231	134	256	344	63	89	83	4	486	110	873	184	0.84	0.84	0.84

Table A.1 (Cont.)

Table with columns for various variables (e.g., WPT1, WPT2, WPT3) and rows of numerical data points. The table is organized in a grid with multiple columns and rows of data.

Table A.2: Results of produced water analysis of 1,677 vertical wells in Wattenberg field

Operating year	Number of wells	Total WP	WP/well	Production days	WP/well/day
		(bbl)	(bbl)		(bbl)
1	1,677	1,847,953	1,101.940	162	6.802
2	1,494	736,296	492.835	336	1.467
3	1,324	306,487	231.486	339	0.683
4	1,140	175,038	153.542	341	0.450
5	807	141,775	175.682	342	0.514
6	535	91,548	171.118	348	0.492
7	374	55,024	147.123	354	0.416
8	243	38,351	157.823	345	0.457
9	138	23,375	169.384	349	0.485
10	73	10,410	142.603	338	0.422
11	45	3,395	75.444	322	0.234
12	16	1,351	84.438	339	0.249
13	6	957	159.5	333	0.479

Table A.3. Results of frac flowback and produced water analysis for 32 horizontal wells in Wattenberg field

API	Well Name	Well Number	Well Type	Total Water (gal)	Flowback Trend	Produced Water Trend	Raw Data			Protocol Data		
							Flowback Days	Total Flowback (gal)	FB/Total Water	Flowback Days	Total Flowback (gal)	FB/Total Water
05-123-33576	70 RANCH BB	21-65HN	HORIZONTAL	$3258822 \text{ y} = 165.57e^{-0.028x}$	$y = 72.05784 / (1+0.013901x)$	30	132477.1814	0.041	52	181734.80	0.056	
05-123-33577	70 RANCH BB	21-63HN	HORIZONTAL	$2666958 \text{ y} = 251.47e^{-0.058x}$	$y = 39.52193 / (1+0.004337x)$	25	151704	0.057	26	153363.00	0.058	
05-123-33579	70 RANCH BB	21-67HN	HORIZONTAL	$2581530 \text{ y} = 201.09e^{-0.053x}$	$y = 93.3955 / (1+0.036711x)$	20	96264	0.037	25	119679.00	0.046	
05-123-33556	70 RANCH USX	BB09-63HN	HORIZONTAL	$2741928 \text{ y} = 243.54e^{-0.054x}$	$y = 176.9398 / (1+0.102339x)$	39	236594.4738	0.086	43	246282.03	0.090	
05-123-33546	Degenhart State	AE16-63HN	HORIZONTAL	$2777418 \text{ y} = 227.18e^{-0.044x}$	$y = 56.20368 / (1+0.015408x)$	51	187383	0.067	38	165816.00	0.060	
05-123-33545	Degenhart USX	AE17-63HN	HORIZONTAL	$2826432 \text{ y} = 260.5e^{-0.052x}$	$y = 156.3435 / (1+0.11475x)$	51	193389	0.068	35	169176.00	0.060	
05-123-32595	Felt	E23-97HZ	HORIZONTAL	$2894136 \text{ y} = 244.16e^{-0.058x}$	$y = 8.33998 / (1+0.006637x)$	175	242526.1298	0.084	48	148998.93	0.051	
05-123-32648	FEITE	23-99HZ	HORIZONTAL	$2968938 \text{ y} = 223.52e^{-0.072x}$	$y = 16.00014 / (1+0.007997x)$	168	275972.5047	0.093	32	110844.10	0.037	
05-123-32649	FEITE	23-98HZ	HORIZONTAL	$3315984 \text{ y} = 364.7e^{-0.052x}$	$y = 17.19166 / (1+0.009755x)$	179	402624.0295	0.121	179	237325.13	0.072	
05-123-33277	Guttersen	D29-65HN	HORIZONTAL	$2987838 \text{ y} = 258.59e^{-0.018x}$	$y = 43.53527 / (1+0.023925x)$	69	423217.428	0.142	92	486373.06	0.163	
05-123-33326	GUTTERSEN	D02-75HN	HORIZONTAL	$2774436 \text{ y} = 313.58e^{-0.084x}$	$y = 68.45044 / (1+0.015931x)$	14	90220.73921	0.033	24	119758.81	0.043	
05-123-32709	GUTTERSEN D	29-99HZ	HORIZONTAL	$3207708 \text{ y} = 389.68e^{-0.055x}$	$y = 14.64023 / (1+0.019218x)$	147	400945.8772	0.125	49	279001.46	0.087	
05-123-33223	Guttersen State	D28-79HN	HORIZONTAL	$3096072 \text{ y} = 310.36e^{-0.028x}$	$y = 19.62883 / (1+0.010333x)$	91	441607.2448	0.143	114	462904.27	0.150	
05-123-32650	KLEIN	B16-99HZ	HORIZONTAL	$3924900 \text{ y} = 235.22e^{-0.011x}$	$y = 46.31031 / (1+0.004432x)$	110	625734.6464	0.159	144	697897.28	0.178	
05-123-32651	KLEIN	B16-98HZ	HORIZONTAL	$4593414 \text{ y} = 251.78e^{-0.011x}$	$y = 50.62407 / (1+0.005129x)$	131	728625.6548	0.159	178	806661.65	0.176	
05-123-33320	SCHOLFIELD STATE A	36-69HN	HORIZONTAL	$3238830 \text{ y} = 384.88e^{-0.04x}$	$y = 70.23207 / (1+0.014761x)$	54	342594	0.106	47	329175.00	0.102	
05-123-33325	SCHOLFIELD STATE A	36-79HN	HORIZONTAL	$3200022 \text{ y} = 389.29e^{-0.04x}$	$y = 67.42931 / (1+0.010178x)$	56	344799	0.108	39	308385.00	0.096	
05-123-34231	SOONER STATE B	36-63HN	HORIZONTAL	$2789934 \text{ y} = 194.58e^{-0.088x}$	$y = 22.12595 / (1+0.002263x)$	56	195195	0.070	54	193053.00	0.069	
05-123-32821	SPIKE STATE D	16-99HZ	HORIZONTAL	$3377556 \text{ y} = 583.52e^{-0.055x}$	$y = 9.206827 / (1+0.004122x)$	140	655660.1738	0.194	57	479955.59	0.142	
05-123-33114	STATE C	36-99HZ	HORIZONTAL	$3182676 \text{ y} = 221.52e^{-0.018x}$	$y = 43.56955 / (1+0.015602x)$	75	362313.5943	0.114	108	419439.05	0.132	
05-123-33415	STOCKLEY	C22-79HN	HORIZONTAL	$2391984 \text{ y} = 173.02e^{-0.072x}$	$y = 69.26069 / (1+0.021961x)$	21	72093	0.030	30	84084.00	0.035	
05-123-33416	STOCKLEY	C15-79HN	HORIZONTAL	$3460170 \text{ y} = 455.64e^{-0.072x}$	$y = 24.36715 / (1+0.003722x)$	27	211113	0.061	28	215964.00	0.062	
05-123-33698	STREAR V	06-63HN	HORIZONTAL	$2504292 \text{ y} = 69.649e^{-0.04x}$	$y = 28.62867 / (1+0.031515x)$	29	49527.7692	0.020	34	53572.88	0.021	
05-123-33702	TANNER K	33-65HN	HORIZONTAL	$3144960 \text{ y} = 286.78e^{-0.071x}$	$y = 1057.131 / (1+0.676856x)$	19	116088	0.037	25	133507.61	0.042	
05-123-32747	UPRC	H17-99HZ	HORIZONTAL	$3444546 \text{ y} = 210.88e^{-0.017x}$	$y = 26.88737 / (1+0.009147x)$	128	457164.1289	0.133	133	462864.47	0.134	
05-123-33869	Wacker	B01-79HN	HORIZONTAL	$3001236 \text{ y} = 178.09e^{-0.031x}$	$y = 31.962 / (1+0.011489x)$	53	206703	0.069	51	202293.00	0.067	
05-123-33870	Wacker	B11-69HN	HORIZONTAL	$2488458 \text{ y} = 178.21e^{-0.031x}$	$y = 31.48131 / (1+0.011091x)$	53	206661	0.083	52	204960.00	0.082	
05-123-33874	Wacker	B12-69HN	HORIZONTAL	$712614 \text{ y} = 109.36e^{-0.028x}$	$y = 60.28455 / (1+0.028376x)$	38	119553	0.168	34	113253.00	0.159	
05-123-33100	Wells Ranch USX	BB15-65HN	HORIZONTAL	$3363654 \text{ y} = 110.94e^{-0.011x}$	$y = 196.5892 / (1+0.150384x)$	95	269140.1773	0.080	137	323608.77	0.096	
05-123-33101	Wells Ranch USX	BB15-67HN	HORIZONTAL	$3019296 \text{ y} = 163.31e^{-0.022x}$	$y = 162.7571 / (1+0.023175x)$	84	264085.8987	0.087	96	278429.17	0.092	
05-123-33708	WELLS RANCH USX	AA11-65HN	HORIZONTAL	$4350822 \text{ y} = 1701.4e^{-0.088x}$	$y = 40.7521 / (1+0.012849x)$	67	746692.2559	0.172	37	764269.26	0.176	
05-123-33324	Wells Ranch USX AE	29-68HN	HORIZONTAL	$924840 \text{ y} = 569.79e^{-0.031x}$	$y = 22.59939 / (1+0.012061x)$	66	673887.3773	0.729	35	512677.76	0.554	

Table A.4. Vertical well 30-year water production trend prediction

Operating Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Water Type	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW
Production rate (bbl/well/day)	6.802097	1.466772	0.682849	0.45027	0.513689	0.491718	0.415602	0.457458	0.485341	0.421902	0.2343	0.249078	0.478979	0.2335	0.212551
Production days	162	336	339	341	342	348	354	345	349	338	322	339	333	341	341
Predicted WP (bbl/well/year)	1101.94	492.9428	231.2637	153.6113	175.6135	171.0472	146.9945	157.8433	169.5051	142.7997	75.36069	84.42089	159.2605	79.62354	72.47994
Operating Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Water Type	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW
Production rate (bbl/well/day)	0.193482	0.176123	0.160322	0.145938	0.132845	0.120926	0.110077	0.100201	0.091212	0.083028	0.075579	0.068799	0.062626	0.057007	0.051893
Production days	341	341	341	341	341	341	341	341	341	341	341	341	341	341	341
Predicted WP (bbl/well/year)	65.97724	60.05794	54.66971	49.7649	45.30013	41.23592	37.53635	34.16869	31.10317	28.31268	25.77255	23.4603	21.35551	19.43955	17.69549

Table A.5. Horizontal well 30-year water production trend prediction

Operating Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Water Type	FF+PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW
Production rate (bbl/well/day)	68.56049	15.20399	5.64254	2.016466	0.731484	0.719873	0.714137	0.708447	0.702802	0.697202	0.691647	0.686136	0.680668	0.675245	0.669864
Production days	162	336	339	341	342	348	354	345	349	338	322	339	333	341	341
Predicted WP (bbl/well/year)	11106.8	5109.655	1910.987	687.9247	250.0705	250.4127	252.5839	244.4456	245.4532	235.9798	222.463	232.5542	226.3223	230.2585	228.4238
Operating Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Water Type	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW	PW
Production rate (bbl/well/day)	0.664527	0.659232	0.653979	0.648768	0.643599	0.63847	0.633383	0.628336	0.62333	0.618363	0.613436	0.608548	0.603699	0.598888	0.594116
Production days	341	341	341	341	341	341	341	341	341	341	341	341	341	341	341
Predicted WP (bbl/well/year)	226.6037	224.7981	223.0069	221.2299	219.4671	217.7184	215.9836	214.2626	212.5554	210.8617	209.1816	207.5148	205.8613	204.221	202.5937

FF--Frac Flowback PW--Produced Water

Appendix B. Uncertainty analysis

B.1. Uncertainty analysis of 1,677 vertical and 32 horizontal wells in Wattenberg field

In order to model the decline functions of both vertical and horizontal wells in the whole Wattenberg field, average A and k values of 1,677 vertical wells and average k_l , a , A_l and C values of 32 horizontal wells were used. However from Figure 3.2 and 3.4, all decay rate value (k for vertical well and k_l , a for horizontal well) varies spatially in the Wattenberg field, it is necessary to study the reliability of the water production trends from Equation (1), (2) and (3).

For all 1,677 vertical wells, water production trend for each well was analyzed and fitted to an exponential decay function. Because there are 438 wells having only one year water production data (one data point) due to limited data got from COGCC database and another 113 wells have increased water production trends (which did not fit exponential decay function used in this study), only 1,126 k values of vertical wells were used in this uncertainty analysis. Unlike the k value, only 153 wells' A values were selected by random from these vertical wells. Assuming the distributions of k and A were normal, and for 2σ (95%) confidence interval, the z score was 1.645.

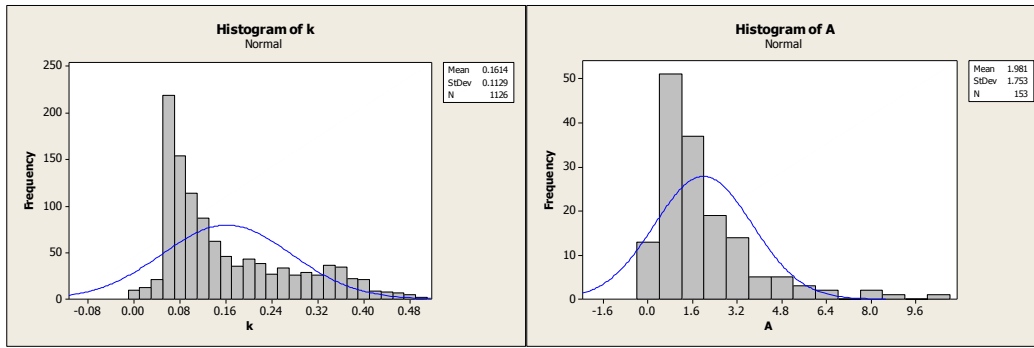


Figure B.1. Distribution of k and A of vertical wells

For 32 horizontal wells, flowback and produced water curves were all fitted and the distributions of A_1 , k_1 , C and a were analyzed.

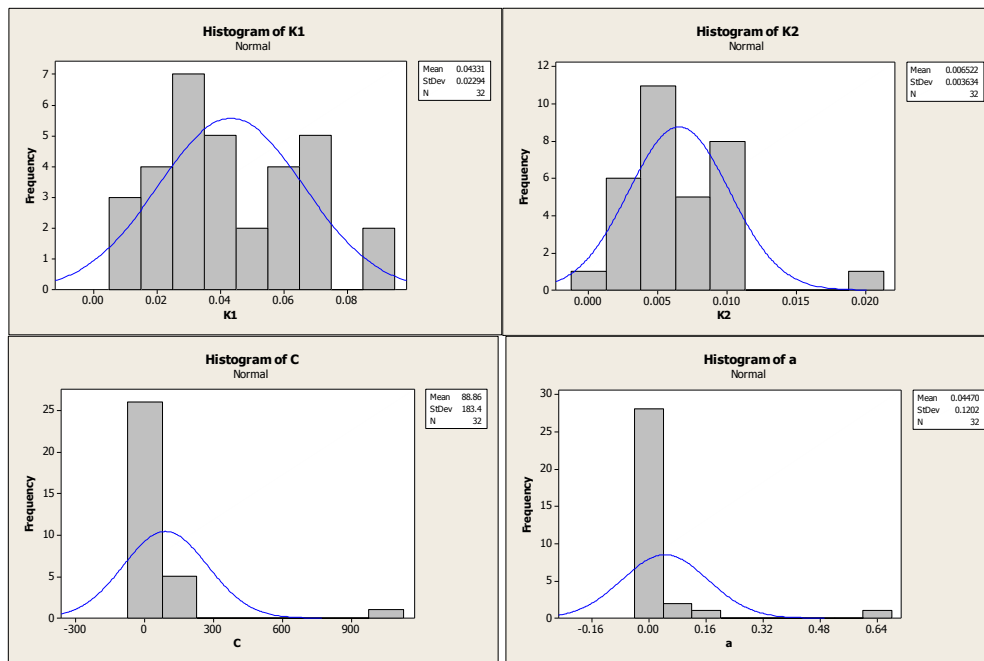


Figure B.2. Distribution of k_1 , A_1 , C and a for horizontal wells

Assuming all distributions were normal, and the z score for 2σ (95%) confidence interval was 1.645. Table B.1 shows the 2σ (95%) confidence interval for all variables of vertical and horizontal wells.

Table B.1. Uncertainty analysis and acceptable range of variables of all wells

	k	A	k_1	A_1	C	a
μ	0.1613	1.981	0.0434	264.4	88.8638	0.0447
σ	0.0033	0.141	0.0040	19.4	32.4282	0.0212
$\mu-1.645\sigma$	0.1558	1.748	0.0366	232.3	35.5194	0.0098
$\mu+1.645\sigma$	0.1669	2.214	0.0499	296.5	142.208	0.0796

For horizontal wells, because frac flowback only lasts for 61 days, the water production rate for the first year is the average of 61 days of frac flowback and 101 days of produced water. Figure B.3 and B.4 show the water production trends with 2σ confidence interval of vertical and horizontal wells in the Wattenberg field.

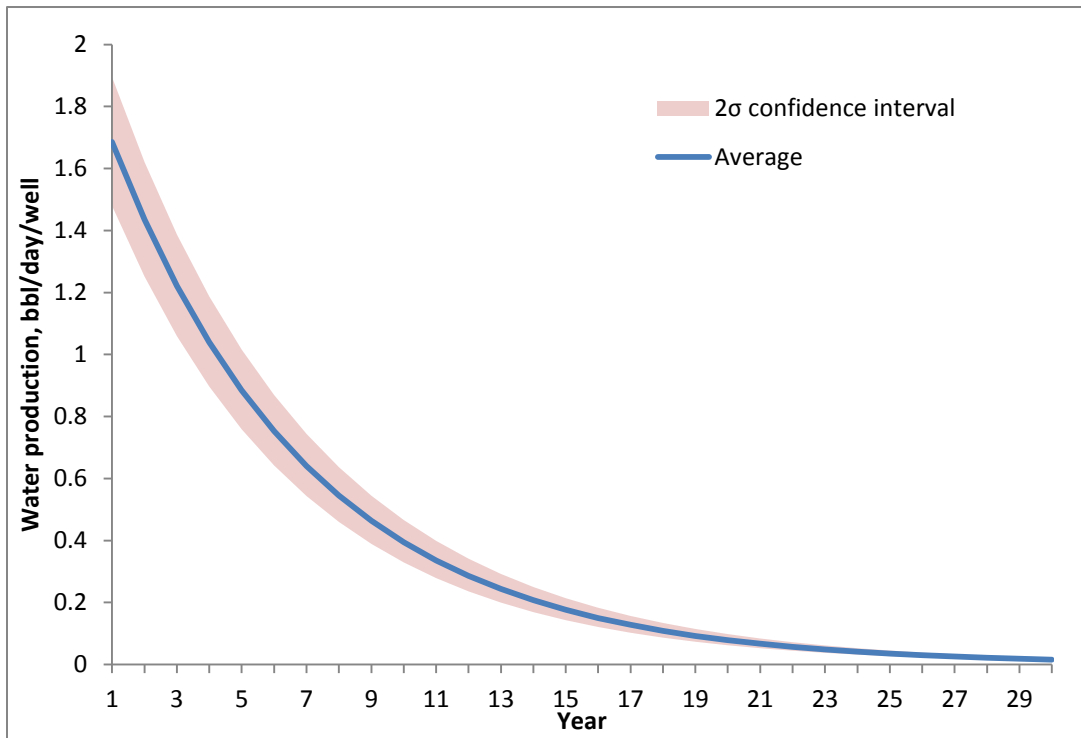


Figure B.3. Vertical well water production trend with 2σ (95%) confidence interval

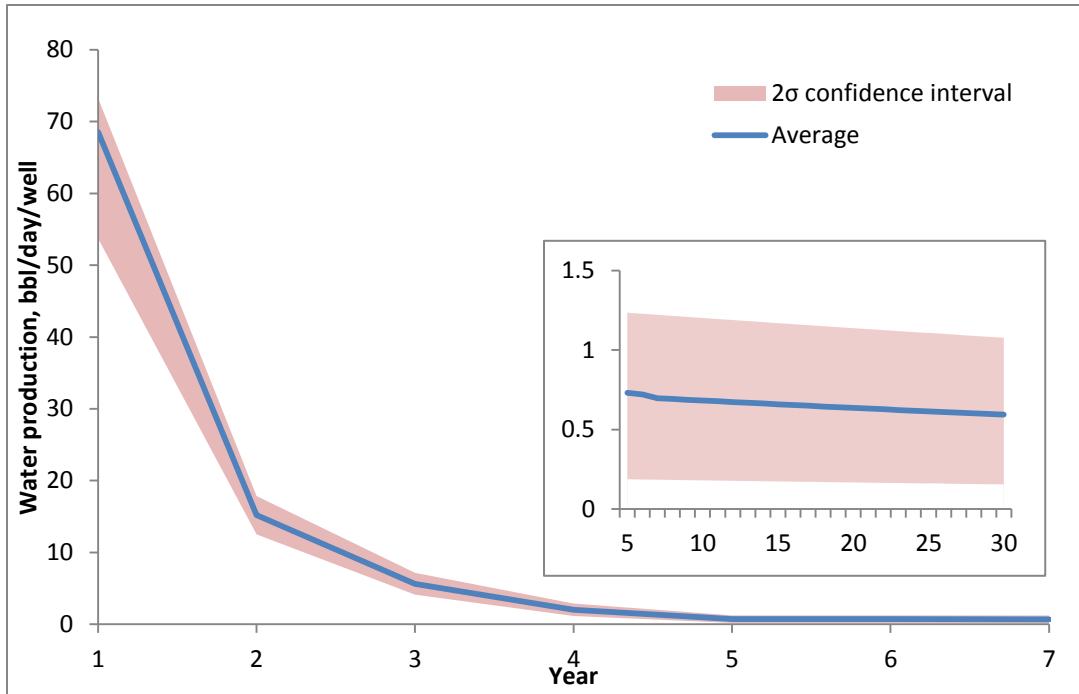


Figure B.4. Horizontal well water production trend with 2σ (95%) confidence interval

B.2. Uncertainty analysis of case study of selected wells in northeast

Wattenberg field

In the case study of selected wells in northeast Wattenberg Field, 568 vertical and 12 horizontal wells were included and the same methods of uncertainty analysis were conducted to these wells. Figure B.5 shows the distribution of k , k_I , A , A_I , C and a values of all selected wells.

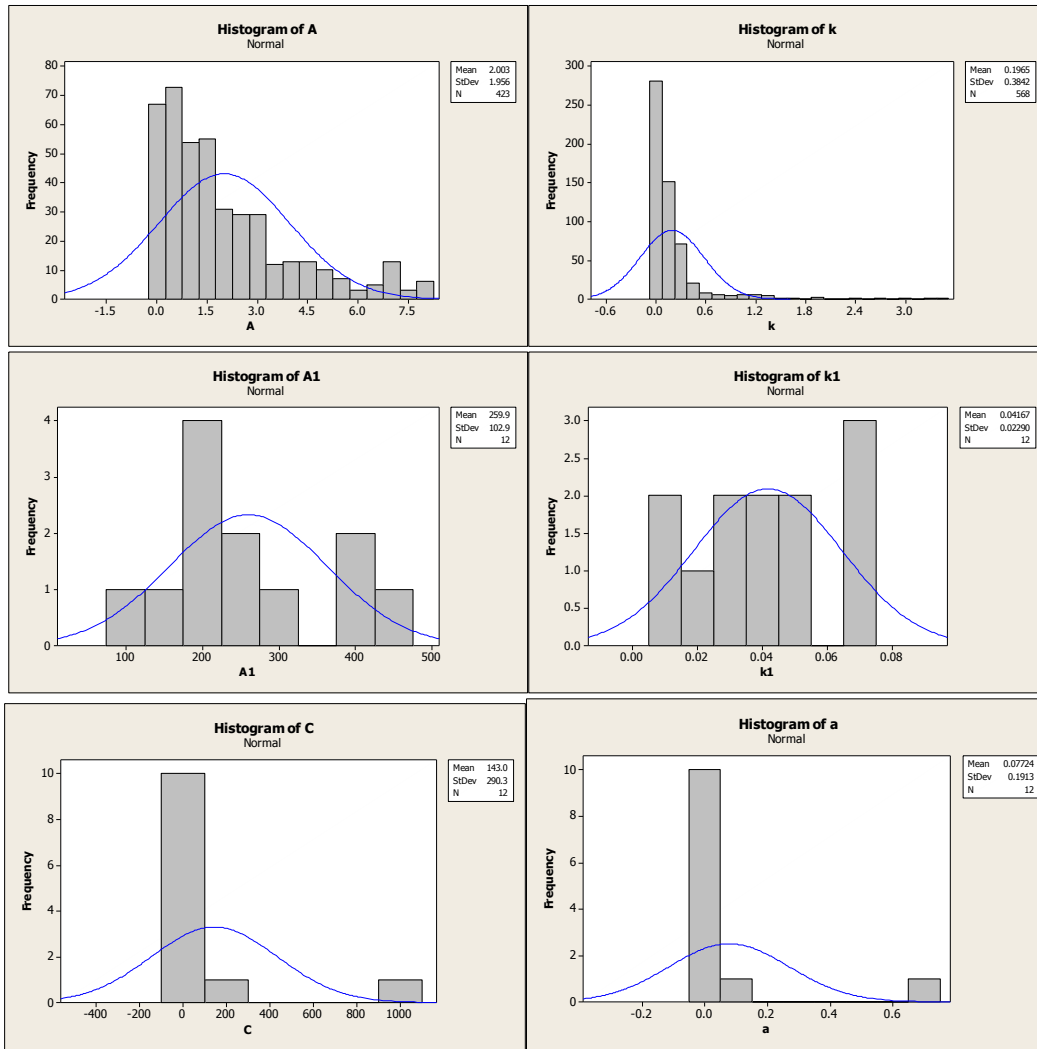


Figure B.5. Distribution of all parameters of selected wells in northeast Wattenberg field

Also the results of uncertainty analysis and acceptable ranges of variables of selected wells were shown in Table B.2.

Table B.2. Uncertainty analysis and acceptable range of variables of selected wells

	<i>k</i>	<i>A</i>	<i>k</i> ₁	<i>A</i> ₁	<i>C</i>	<i>a</i>
μ	0.197	2.003	0.042	259.9	142.994	0.0772
σ	0.016	0.095	0.006	29.70	83.8	0.0452
$\mu-1.645\sigma$	0.171	1.847	0.032	343.6	5.143	0.0029
$\mu+1.645\sigma$	0.223	2.159	0.052	441.4	280.847	0.1516

Water production trends of these selected wells were shown in Figure B.6 (vertical) and Figure B.7 (horizontal), with 2σ (95%) confidence interval.

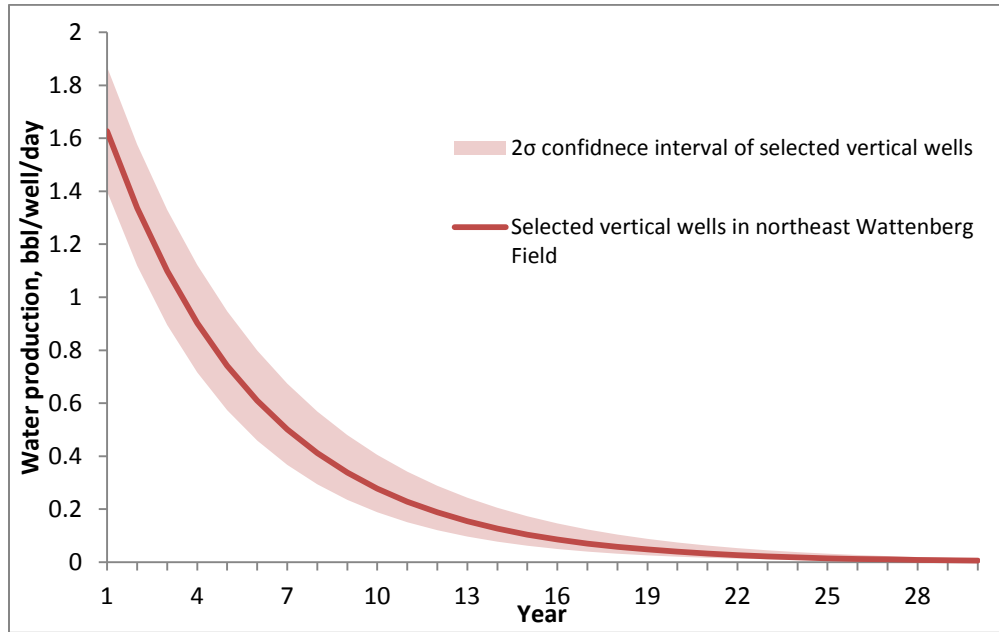


Figure B.6. Water production trend of selected vertical wells in northeast Wattenberg field with 2σ (95%) confidence interval

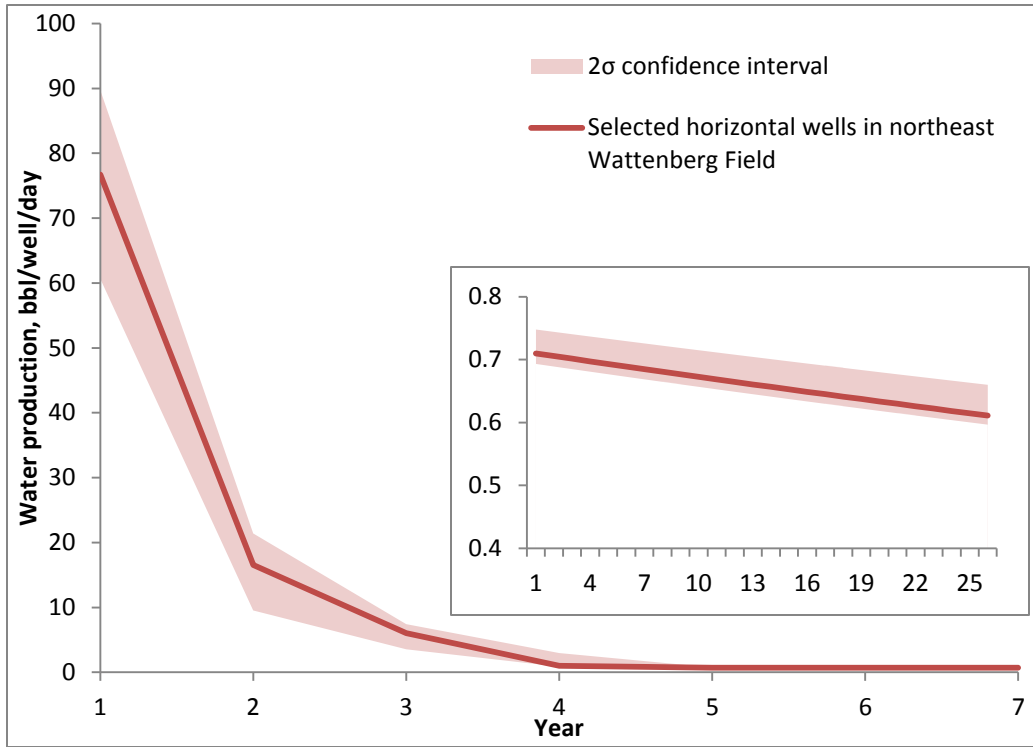


Figure B.7. Water production trend of selected horizontal wells in northeast Wattenberg field with 2σ (95%) confidence interval

Appendix C. 7,486 Noble wells case study data and results

From COGCC database, number of all Noble wells in Wattenberg field and total water production from 1999 to 2009 was collected. Data for 2010 and 2011 was collected from Noble Energy Carte[®] system. The case study was based on the existing data and the prediction was based on 200 new vertical and 100 new horizontal wells increase each following year. The summary of data is shown in Table C.1.

Table C.1: Historical and Prediction Data of 7,486 Noble Wells Case Study

Year	Number of vertical wells	Number of horizontal wells	Total WP (million bbl)	Predicted WP without new well (million bbl)	Predicted total WP with new wells (million bbl)
1999	113	0	0.020		
2000	127	0	0.024		
2001	122	0	0.029		
2002	174	0	0.024		
2003	118	0	0.022		
2004	123	0	0.021		
2005	3,306	0	0.275		
2006	3,768	0	0.824		
2007	4,309	0	0.722		
2008	4,558	0	0.992		
2009	5,862	0	1.063		
2010	6,803	0	1.369		
2011	7,371	115	3.125	3.125	3.125
2012	7,571*	215*		2.273*	4.238*
2013	7,771*	315*		1.516*	5.352*
2014	7,971*	415*		1.214*	6.466*
2015	8,171*	515*		0.954*	7.580*
2016	8,371*	615*		0.914*	8.694*
2017	8,571*	715*		1.097*	9.808*

* Predicted Value from 2012 to 2017, with 200 new vertical and 100 new horizontal wells each year