



Permian Basin Oil Operator Reduces Costs, Liability with Wellkeeper Remote Monitoring

Customer:
Permian Basin oil operator

Well Profile:
170 wells in the Permian Basin

Well Monitoring Objectives:

- Eliminate the 2-week lag time in getting field data in the office.
- Troubleshoot problems before they affect production or cause spills.

While visiting well sites daily helps operators identify problems, there’s an inevitable lag time between site readings and when that data is back in the office for review. In that gap, managers may not see the subtle changes that can point to well problems until well after those issues have already affected production.

Such was the case for a Permian basin operator with 170 wells. Field personnel turned in log books about every two weeks. By the time the operations manager could look at the data, any issues that weren’t immediately noticeable to pumpers had likely gone on for a while.

“We couldn’t see production numbers until the end of the month,” the operations manager said. “I wanted to be more hands on, which was hard to do with that amount of lag time.”

Immediate Attention to Critical Issues

The company learned about Wellkeeper remote monitoring at an industry trade show. Wellkeeper technology continuously monitors well sites and tank batteries, allowing operators to see what’s happening in real-time and over time via a Web interface. With that level of insight, companies can manage their field personnel more effectively, prevent spills and decrease losses.

With onsite assistance from Wellkeeper, the oil company implemented remote monitoring

at a number of tank batteries. Each day, field personnel access the data—updated every 12 hours—via home computers. Those without home access confer with the operations manager regarding any known issues, and then plan their daily visits with an eye toward hitting trouble spots first.

“We put Wellkeeper on every well site now. It’s pretty much an integral part of our business.”

— Operations Manager

“The guys still go to most wells every day, but now they can customize their daily routes based on what’s actually happening in the field,” he said. “So now we hit problem areas earlier in the day.”

In the office, the operations manager logs in to Wellkeeper to follow production numbers each day. At month’s end, he uses simple graphical reporting capabilities in Wellkeeper to look at production values and spot any changes throughout the month.

The Impact of Remote Monitoring

- Reduced the occurrence of spills and associated liabilities.
- Lowered fuel costs by not visiting some more remote locations.
- The company saves about \$1,265 in remediation costs for every small spill it averts.
- Preventing small spills more than pays for the annual cost of Wellkeeper.
- Avoids lost production by preventing small and large spills.



Based on business rules established in Wellkeeper by the oil company, the system also informs the company of more urgent issues through automated alerts. When tank levels reach high levels, for example, Wellkeeper calls the relevant pumper first. If there's no answer, the system calls the office. Then it tries the pumper again, then the operations manager, and then the company's owner. Wellkeeper continues to send alarms until one of the parties acknowledges it—ensuring no critical issues go too long without attention.

Wellkeeper alarms have been critical in alerting the company about full tanks, which have allowed field personnel to troubleshoot issues before they become spills.

When the company brings on new wells, Wellkeeper staff install remote monitoring at sites. "Everyone at Wellkeeper is really helpful and gets things taken care of quickly," the operations manager said. "The experience has been very good."

Reducing Field and Spill Costs

Wellkeeper enables the company to reduce normal field costs, as well as spills and the associated cleanup costs. Fewer spills also decrease costly oil losses and minimize environmental exposure.

The operations manager estimates that field personnel have reduced daily driving by going less often to some of the more remote sites, which lowers fuel costs. Instead of daily trips to all sites, pumpers may now only visit further sites a couple of times a week.

With remote monitoring, the oil company also reduced large and small spills. In a comparison of small spills (less than eight barrels) before and after implementing Wellkeeper, the company prevented approximately 18 small spills per year across all wells. Factoring in the costs of equipment, labor, and damages to the surface

land owner, the company saves about \$1,265 for every small spill it averts.

Considering the annual cost of Wellkeeper remote monitoring, those savings more than pay for the service—not even taking into account the value of decreasing production losses from those small spills, or the costs associated with large spills.

As the oil company has expanded with well sites across a larger geographic area, it can also more effectively keep track of contract pumpers, giving the operations manager greater confidence in field operations.

With Wellkeeper, proactive, near real-time monitoring has become an essential part of the company's daily operations. Looking ahead, the company expects to further increase the value of remote monitoring by giving some field personnel access via their cell phones.

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About Wellkeeper...

Providing Web-based information access, Wellkeeper brings remote monitoring technology previously only available to the majors within reach of any independent. Near real time and historical well data allows operators to identify and troubleshoot downtime more quickly; reduce the costs of spills, field mileage and truck maintenance, reduce environmental liability, and increase production and profitability. Visit www.wellkeeper.com or call 1-888-WELLKEEPER (935-5533) to learn how remote monitoring can impact your operations.