

Real Time Information — Currency of the New Decade

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OSIsoft® UC2010

Using PI to Model and Monitor World Class Oil and Gas Assets

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About Marathon Oil Corporation

Marathon is an integrated international energy company engaged in exploration and production; oil sands mining; integrated gas; and refining, marketing and transportation operations. Marathon has principal operations in the United States, Angola, Canada, Equatorial Guinea, Indonesia, Libya, Norway, Poland and the United Kingdom. Marathon is the fourth-largest United States-based integrated oil company and the nation's fifth-largest refiner.





Background

- Oil and gas production in nine countries. Refined product sales in 18 states.
- PI systems:
 - Four in upstream (Houston, MEGPL, EGLNG, and Norway)
 - Eight in downstream (refineries in Illinois, Kentucky, Louisiana, Michigan, Minnesota, Ohio, and Texas).
 - A supply and distribution PI server was recently implemented in our downstream headquarters in Findlay, Ohio.
- Our first PI implementation was Robinson, III in 1988. Our first PI system was sold to us by Pat Kennedy.





Business Challenges

- No easy way to retrieve time-series data for upstream assets
- Requirements to gather data from six different control systems (including system with no existing interface)
- Embrace standards such as thin client using SharePoint®
- Integrate with Digital Oilfield initiatives such as Viewpoint
- Retrieve data from JV partners
- Advanced computation capability to highlight problem areas and prioritize workflows
- Provide knowledge management and knowledge transfer to newer technical professionals
- Integration with modeling applications such as Kappa Diamant, Kappa Saphir, HYSYS, ECLIPSE.



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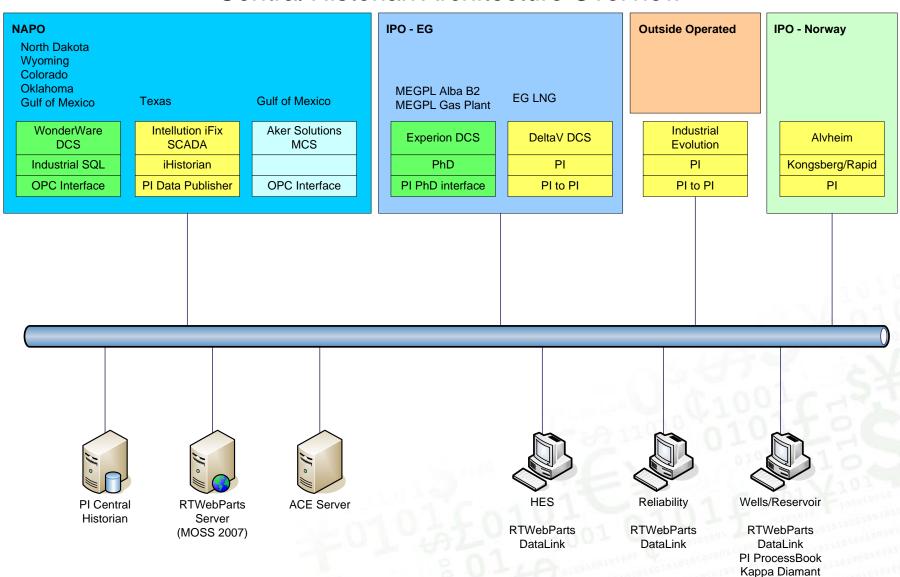
Contents

- Modeling: Equatorial Guinea
- Modeling: Droshky (Gulf of Mexico)
- Monitoring and Alerting: Mimm's Creek Plunger Lift Well Diagnostic Tools





Central Historian Architecture Overview



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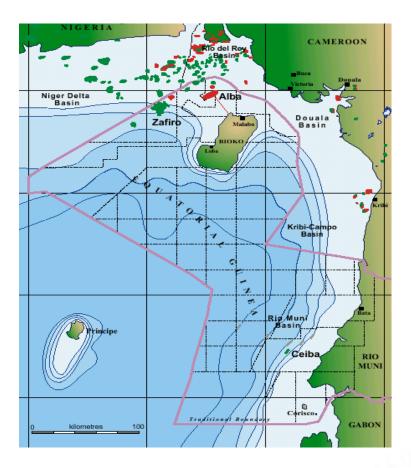
Equatorial Guinea

- World class asset Bioko Island West Africa
- Honeywell Control Systems both offshore and in gas plant
- Existing PI users at EGLNG (another company in Punta Europa complex)





Marathon: Equatorial Guinea



Ownership in Alba Block

Marathon 63.25% (65.21% W.l.)

Noble 33.75% (34.79% W.I.)

GEPetrol 3.00% (Carry)

Ownership in Alba LPG Plant:

Marathon 52.17% (65.21% W.l.)

Noble 27.83% (34.79% W.I.)

SONAGAS 20.00% (Repaid Carry)

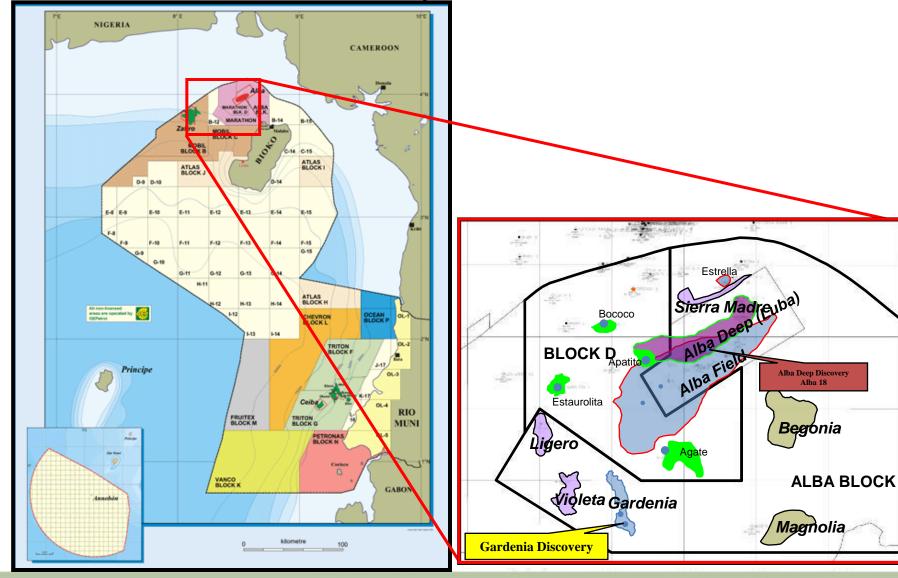
Alba Field is located 18 miles NW of Bioko Island, Equatorial Guinea in Rio Del Ray Basin.

Water Depth ~250 ft





Location Map - EG License

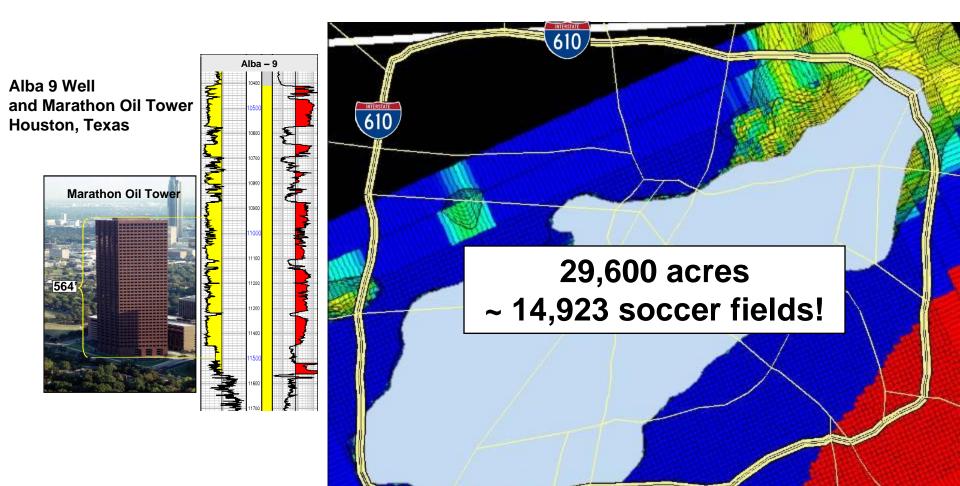


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Alba Field

Is all about the scale!



Alba Field Development

Economic Value Chain

Alba PSC

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Alba Plant



AMPCO



EG LNG



Long-life assets with diverse product and revenue streams

- Partners •
- Marathon
 - **Noble** Energy
 - **GEPetrol**
- Products *
- Condensate
- Natural Gas

- Marathon
- Noble Energy
- **SONAGAS**
- Propane
- Butane

- Marathon
- Noble Energy
- **SONAGAS**
- Methanol



- Marathon
- Gross SONAGAS **Production**
- Mitsui ~ 220,000 boepd
- Marabeni
- LNG



Operator











Alba Field Development Timeline

- Jan. 2002 Marathon acquires Alba assets
- May 2007 EGLNG facilities first production
- Nov. 2007 PI system implemented at EGLNG
- Nov. 2009 PI system implemented at MEGPL









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Finished Platforms











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MEGPL Gas Plant



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Housing Complex

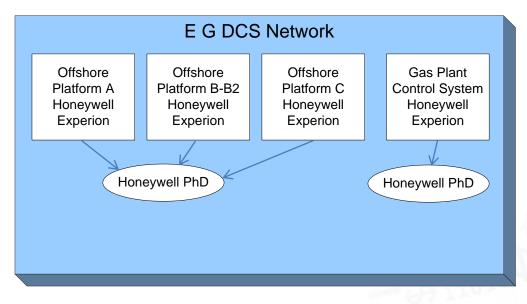


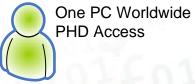






Equatorial Guinea – Before PI



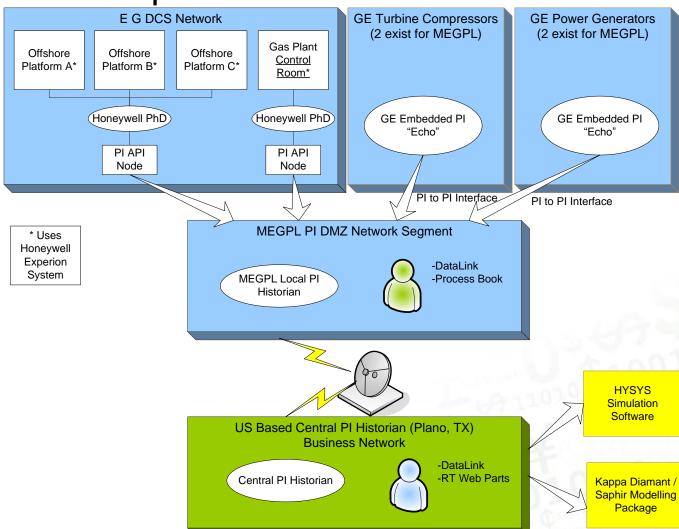






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Equatorial Guinea – After Pl







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Equatorial Guinea - Benefits

- Interface to HYSYS simulation package
- Interface to Kappa modelling packages
- Worldwide viewing of EG data
- Exports to GE and other service companies
- Time stamp matching of offshore and on-shore data





Droshky - Background

- 50,000 BPD crude potential largest from any single Marathon field in U.S.
- The field is 100 percent Marathon (WI). The sub-sea wells tie back to Shell's Bullwinkle Platform, Gulf of Mexico. The tie back is through an 18-mile pipeline.
- The majority of the data will be acquired from Aker Solutions sub-sea control system.
- Some data will be extracted from Shell's PI system, coming from Industrial Evolution.
- First production anticipated mid-2010.
- Downhole calculations by Baker-Hughes DHTP Calibration server on the platform.
- Re-calibrations performed monthly by Baker-Hughes in Houston office.



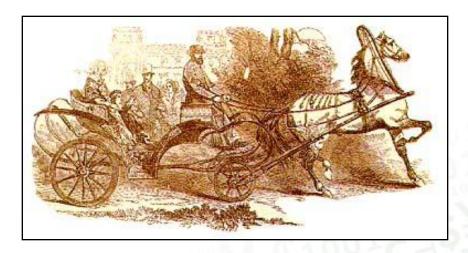


Droshky - Origin of Name

- Droshky chosen because of the connection to the Troika field
- Originally Troika Project involved three companies Marathon, BP and Shell



Troika: a Russian carriage pulled by *three horses* abreast

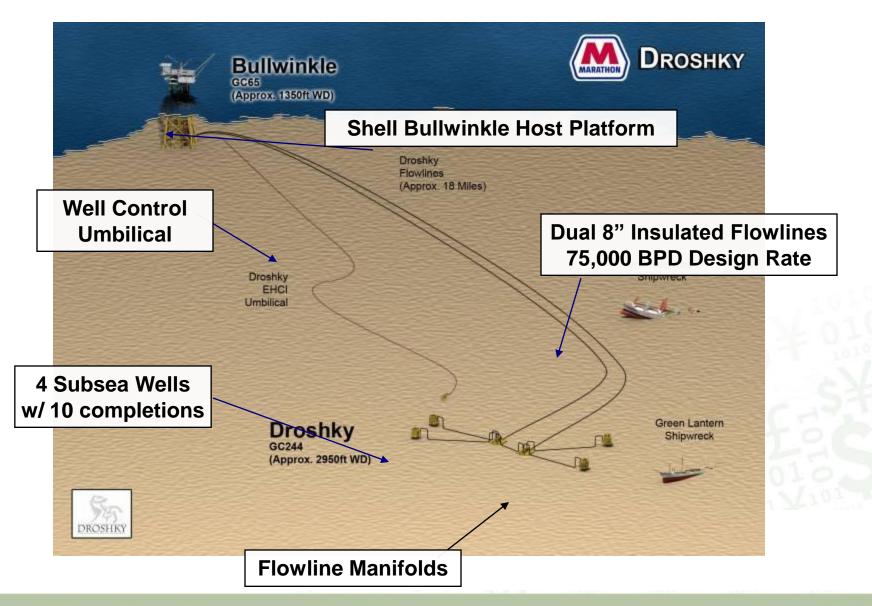


<u>Droshky:</u> low, four-wheeled, open carriage drawn by <u>one horse</u>

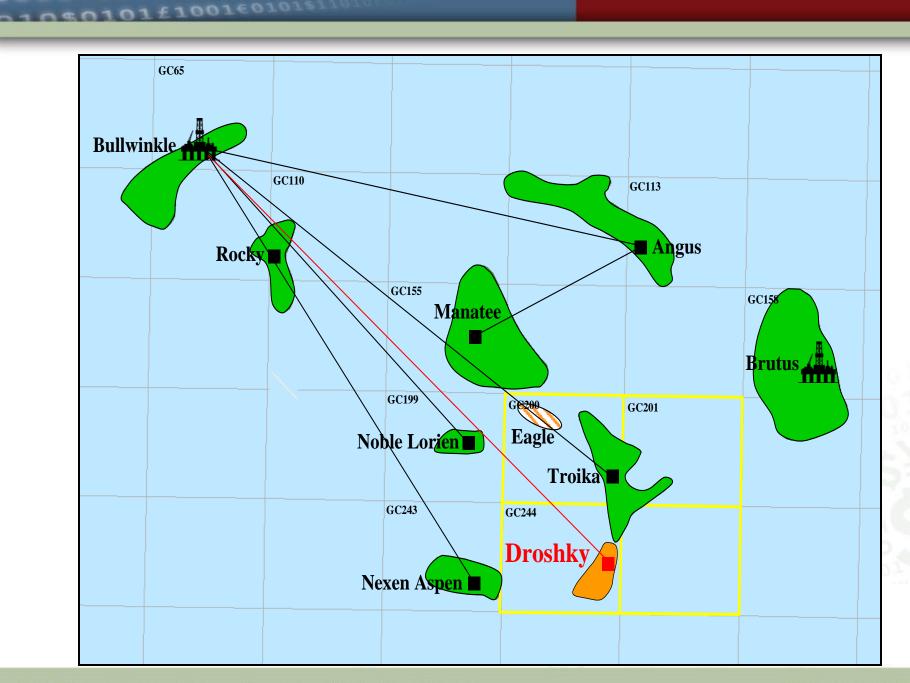




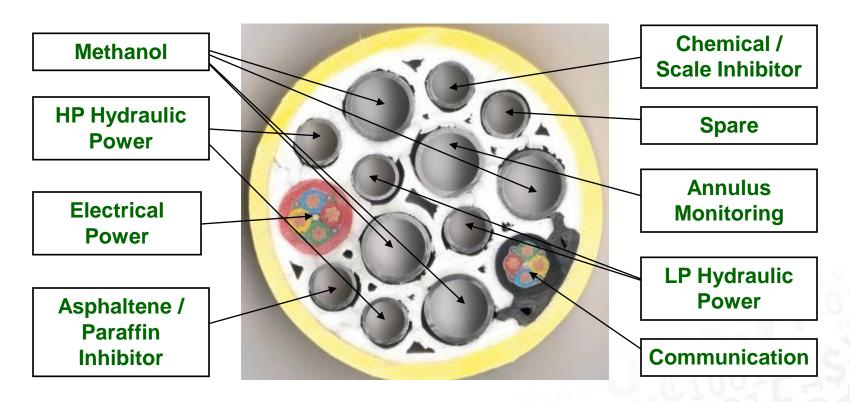
Subsea Facilities



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Umbilical



- 18.5-mile "extension cord" that connects the tree control pods to host platform
- Allows monitoring and control of the wells

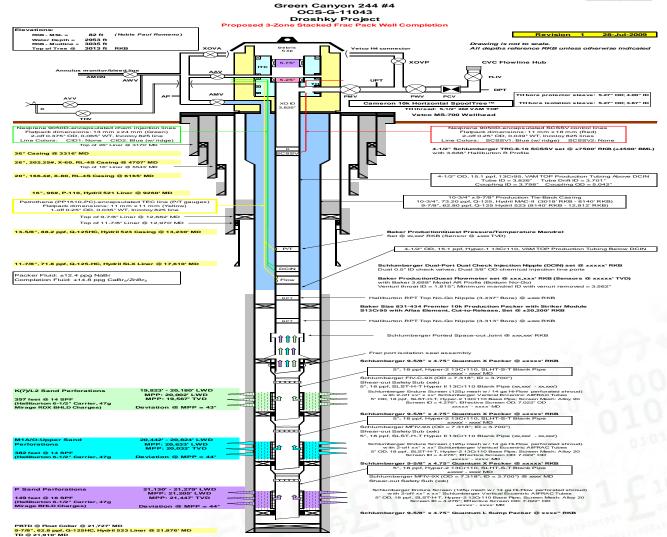




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DRAFT









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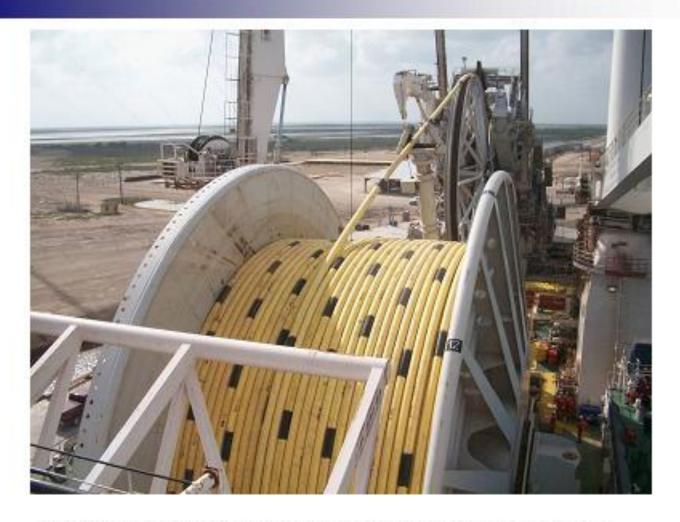
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The pipe goes through the tensioners and off the ramp onto the reel.

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The pipe landing on the reel as seen from the bridge. The average rate for spooling is 22m of pipe per minute.

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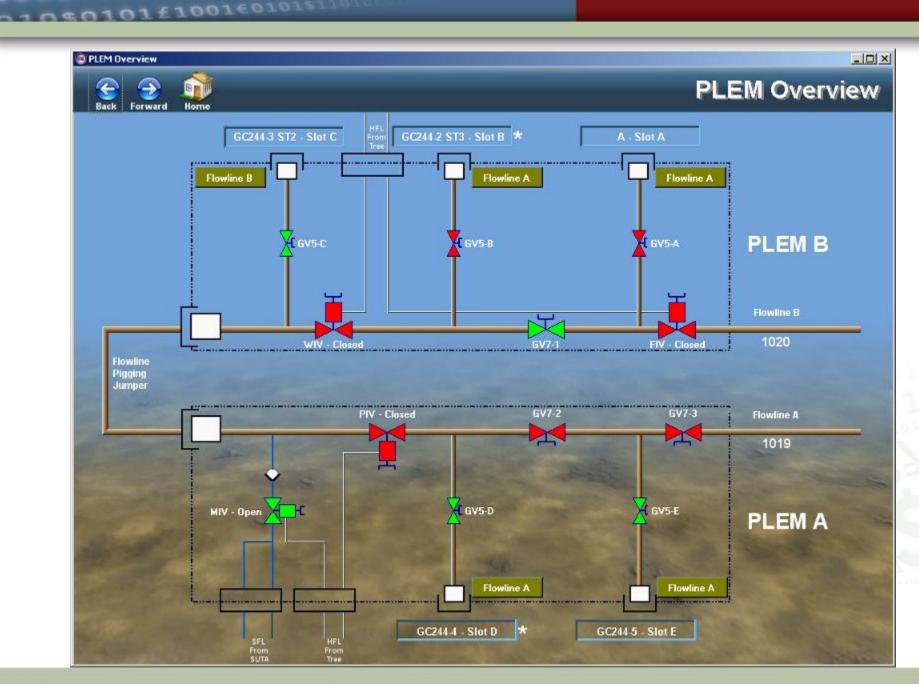
Flowline Abeing laid at the Angus umbilical crossing. 64 total concrete mattresses were used for the Droshky flowlines and umbilical.

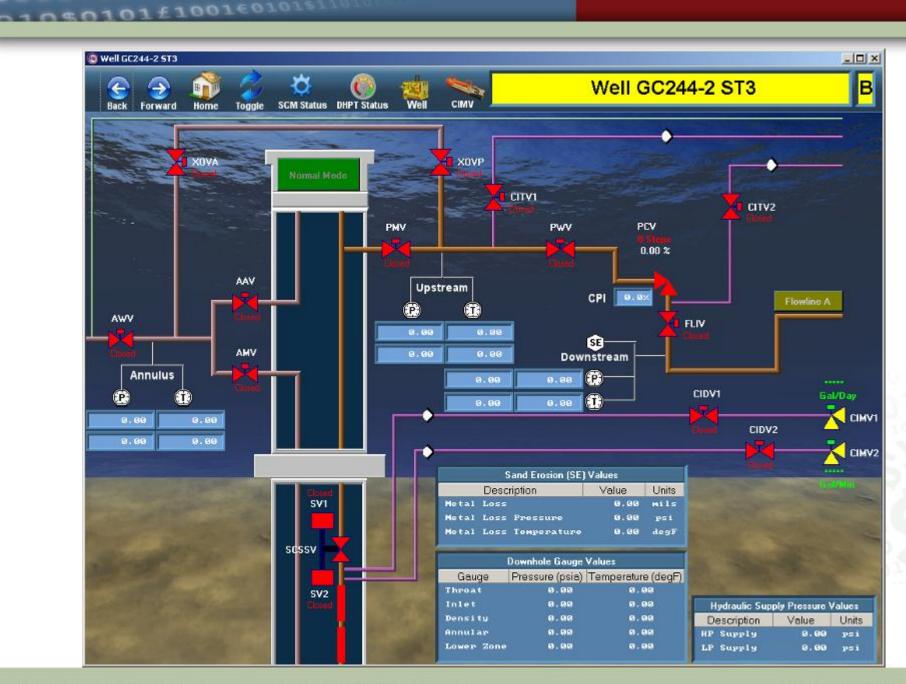
Flowline A shark encounter.



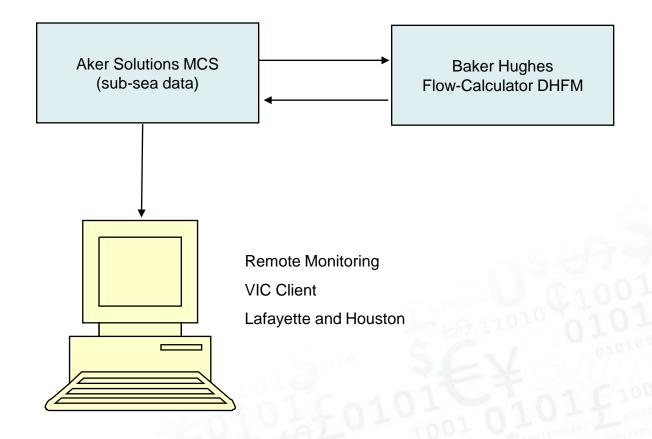
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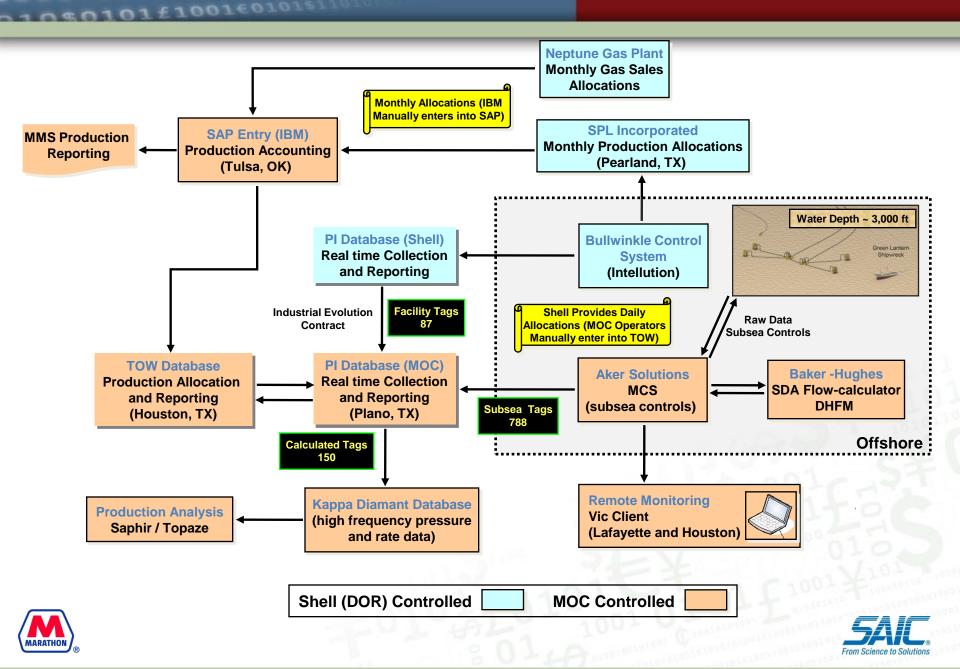


Droshky – Without PI









Droshky - Benefits

- Savings of \$5K per user for displays vs. VIC client
- Daily input deck for Eclipse models saving vs. hand-typing by engineers.
- Automatic daily entry into production allocation system (TOW)
- One source of the truth using PI OLEDB COM connectors into TOW.
- Monthly updates for re-calibration of Baker-Hughes downhole data using PI Universal File Loader (UFL). PI is considered "Gold Database".
- Sub-surface modeling with automatic channel created to Kappa Modeling Suite.





Engineering Models Used

- ECLIPSE: Sub-surface reservoir modeling for multi-phase flow through porous media. (Entire Field)
- Kappa Diamant/Saphir: Pressure transient analysis. Used in the early stages of a well to evaluate properties in the close vicinity to the well. (One well at a time)
- HYSYS: Topsides modeling. Usually used for offshore platforms. Maximize fluid recovery to optimize surface production facilities.





Benefits (Modeling)

Project value estimates were based on 0.1% of worldwide production, based on greater well equipment reliability, and well characterization for future wells.





Reservoir Engineer Quote

"A new well drilled and completed in Deepwater Gulf of Mexico or Equatorial Guinea can cost up to \$125 million. Proper reservoir characterization includes flow and pressure build-up data down to the six-second level, in order to avoid wasting capital on unproductive wells. PI will be instrumental in capturing this data."





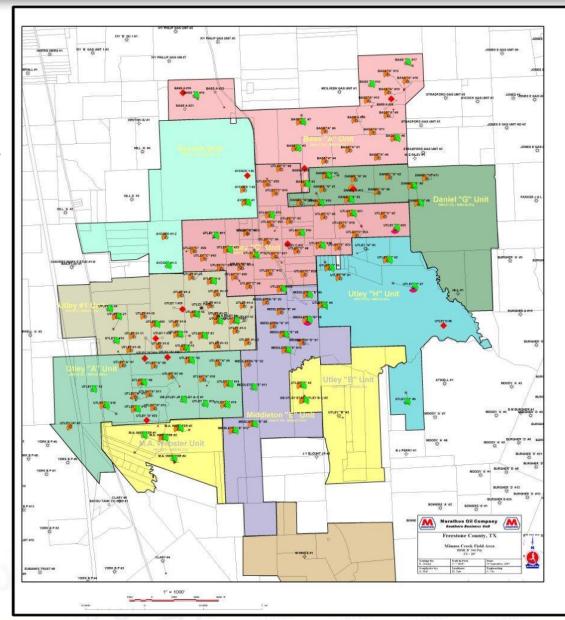
Mimm's Creek Plunger Lift Diagnostic Tool

- Operators are overwhelmed with tasks (operate by exception)
- Requested by the Technology Services group (R & D function)
- Result of a six-month study to optimize production

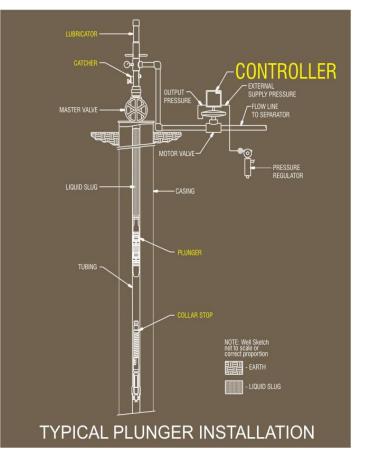




- Large number of gas wells
- Spread out across numerous counties in Texas



Plunger Lift Basics



- Plunger is dropped through fluid in production tubing with bypass valve open
- Flow control valve (FCV) is opened and gas is injected below the plunger. This forces the bypass valve to close and the plunger to rise, carrying with it any fluid.
- Plunger is caught at top while fluid is produced.
- After a designated amount of time, FCV is closed, the plunger is dropped and the cycle repeats.
- Controller at surface orchestrates all of this.

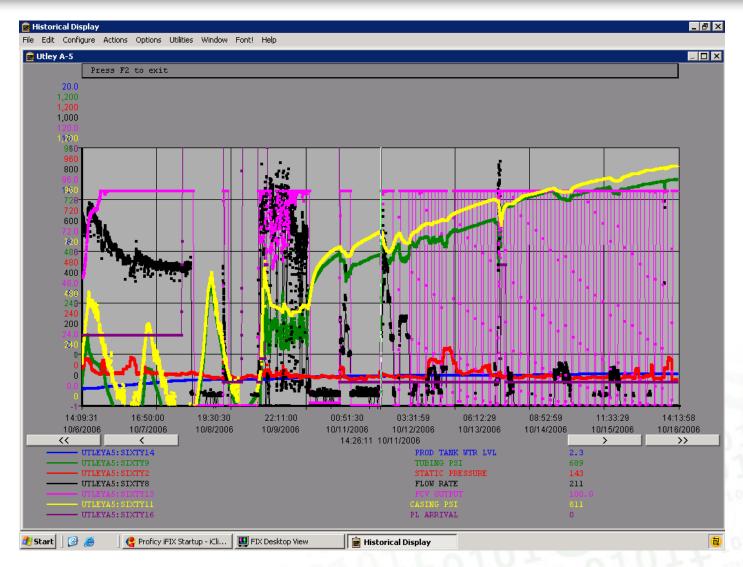
















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Shut-in Well Flags

- Plunger in lubricator
 - Check sensor value for indication that plunger is falling
- Flow Control Valve leaking
 - Look for gas flow during shut-in
- Dump valve leaking
 - Based on drop in line pressure during shut-in
- Possible dump valve leaking
 - Based on tank level changes during shut-in
- Leak in system
 - Check for casing or tubing pressure decrease during shut-in

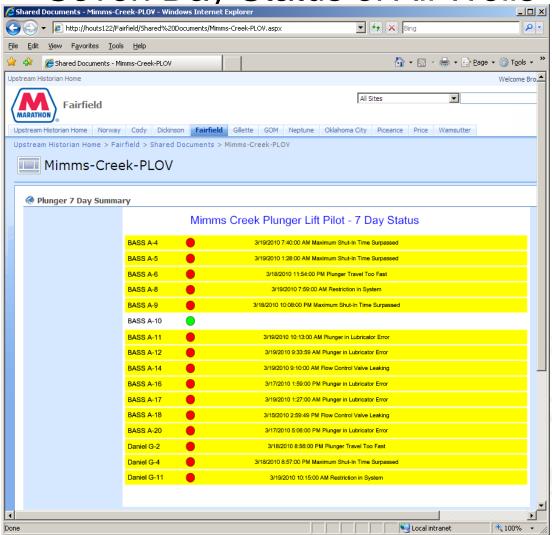




Flowing Well Flags

- Insufficient plunger fall time
 - Flow Control Valve (FCV) opens before expected Plunger Fall Time has elapsed
- Minimum pressure not achieved
 - FCV opens before min pressure setpoints have been achieved
- Maximum shut-in time surpassed
 - FCV does not open before max shut-in time has elapsed
- Plunger travel too fast/slow and plunger arrival not detected
 - Based on plunger arrival sensor value
- Over range gas meter
 - Check max gas rate during flow
- Restriction in system
 - Pressure delta between tubing and static pressure should not be increasing too much during flow
- Rate below minimum unload rate
 - As flow decreases, controller should instruct FCV to close well

Seven Day Status of All Wells

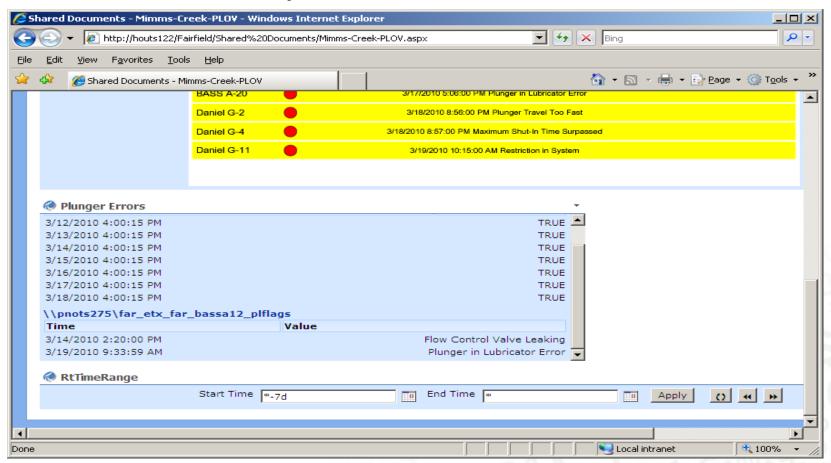






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Seven Day Status of Individual Well

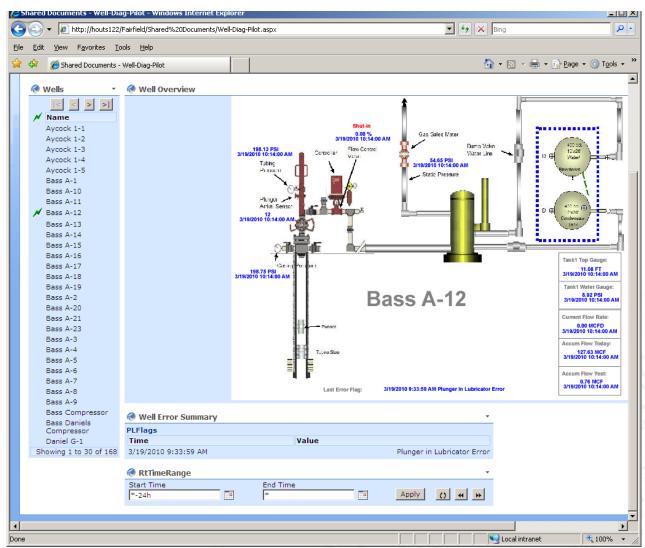






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Well Current Status

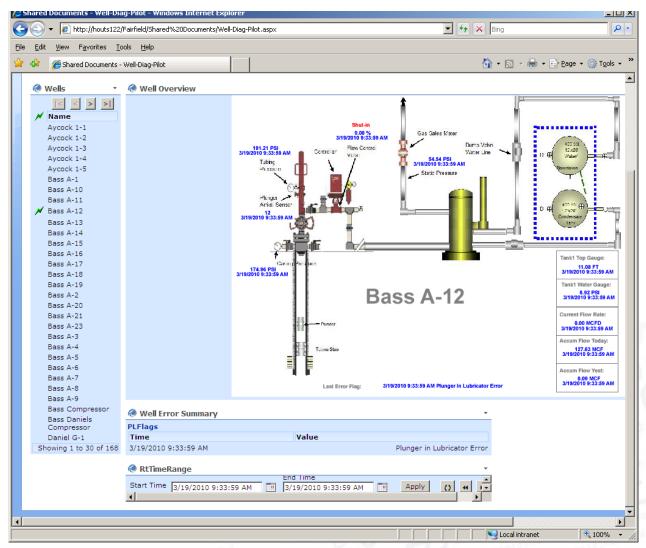






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Well Status at the Time of the Last Error

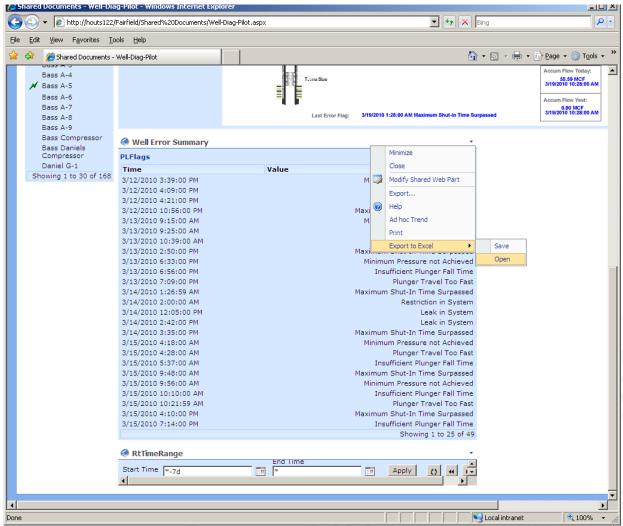






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Exporting Well Errors to Excel







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Resulting Spreadsheet

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1	Dataset	Dataset.Server	Dataset.Tag	Dataset.Context	Time	Value
2	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/12/2010 3:39:00 PM	Minimum Pressure not Achieved
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/12/2010 4:09:00 PM	Insufficient Plunger Fall Time
4	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/12/2010 4:21:00 PM	Plunger Travel Too Fast
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/12/2010 10:56:00 PM	Maximum Shut-In Time Surpassed
6	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/13/2010 9:15:00 AM	Minimum Pressure not Achieved
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/13/2010 9:25:00 AM	Plunger Travel Too Fast
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/13/2010 10:39:00 AM	Insufficient Plunger Fall Time
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/13/2010 2:50:00 PM	Maximum Shut-In Time Surpassed
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/13/2010 6:33:00 PM	Minimum Pressure not Achieved
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/13/2010 6:56:00 PM	Insufficient Plunger Fall Time
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/13/2010 7:09:00 PM	Plunger Travel Too Fast
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/14/2010 1:26:59 AM	Maximum Shut-In Time Surpassed
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/14/2010 2:00:00 AM	Restriction in System
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Leak in System
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/14/2010 2:42:00 PM	Leak in System
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/14/2010 3:35:00 PM	Maximum Shut-In Time Surpassed
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/15/2010 4:18:00 AM	Minimum Pressure not Achieved
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	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/15/2010 5:37:00 AM	Insufficient Plunger Fall Time
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/15/2010 9:48:00 AM	Maximum Shut-In Time Surpassed
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	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Plunger Travel Too Fast
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	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Plunger Travel Too Fast
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/17/2010 3:13:00 AM	Leak in System
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Maximum Shut-In Time Surpassed
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/17/2010 10:04:00 AM	Insufficient Plunger Fall Time
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Minimum Pressure not Achieved
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/17/2010 10:16:00 AM	Plunger Travel Too Fast
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/17/2010 6:04:00 PM	Insufficient Plunger Fall Time
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Plunger Travel Too Fast
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/18/2010 12:41:59 AM	Maximum Shut-In Time Surpassed
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/18/2010 1:20:00 AM	Plunger Travel Too Fast
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/18/2010 4:15:01 AM	Leak in System
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Minimum Pressure not Achieved
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/18/2010 12:18:00 PM	Insufficient Plunger Fall Time
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Maximum Shut-In Time Surpassed
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/18/2010 6:39:00 PM	Minimum Pressure not Achieved
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Insufficient Plunger Fall Time
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5		Plunger Travel Too Fast
	PLFlags	pnots275	PLFlags	uspo\fairfield\mimms creek\bass a-5	3/19/2010 1:28:00 AM	Maximum Shut-In Time Surpassed
51						
2	→ → Well Error S			[4]		





Pilot ACE Specifics

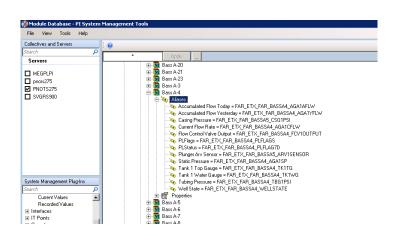
- A new well-state tag needed to be added for each well. The states are: Well Shut-In, Well Transition, Well Flowing.
- ACE kicks off the Well State Determination process every time a new value is written to the Valve Position Indicator tag.
- The remaining ACE calculations run based on the value of the Well-State tag.
- A new digital state tag was also added for each well to store current and historical error flags.

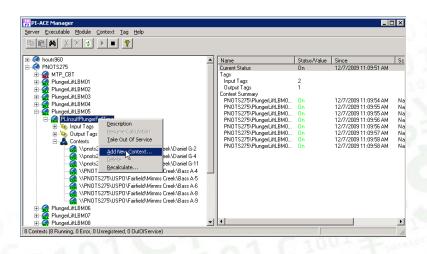




PI-ACE Calculation Implementation

 All of the calculations have been developed generically to allow new wells to be added quickly and easily.

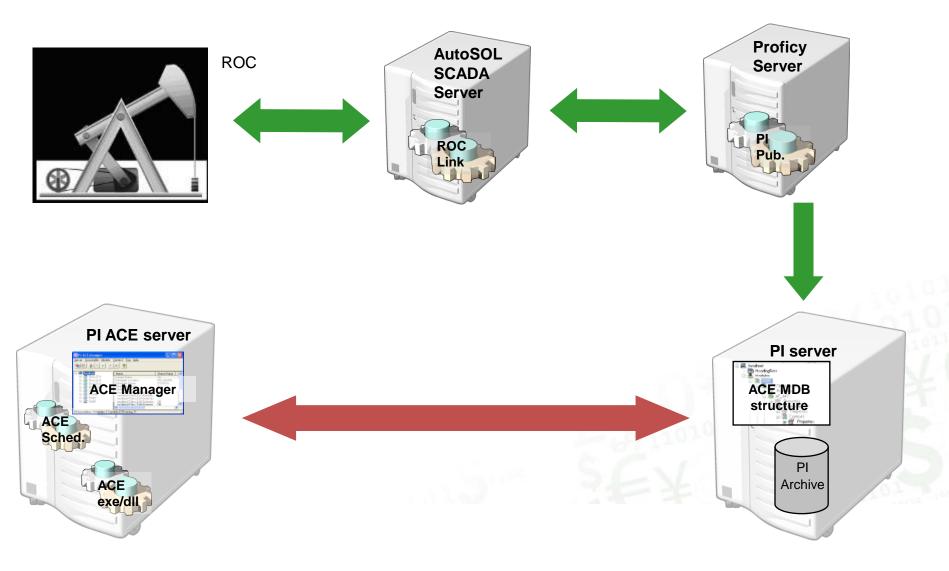








Fairfield SCADA and PI-ACE Architecture



FUTURE - Daily e-mail Spreadsheet

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A16 ▼	f≽ Bass A-4	2, 1, 1	
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1 Well	Error Flag	Timestamp	
9 Bass A-16	Plunger in Lubricator Error	Sunday, March 07, 2010 05:09 AM	
10 Bass A-17	Plunger in Lubricator Error	Friday, March 05, 2010 07:18 AM	
11 Bass A-17	Plunger in Lubricator Error	Saturday, March 06, 2010 04:41 AM	
12 Bass A-17	Flow Control Valve Leaking	Saturday, March 06, 2010 05:11 AM	
13 Bass A-17	Plunger in Lubricator Error	Saturday, March 06, 2010 07:22 AM	
14 Bass A-17	Plunger in Lubricator Error	Sunday, March 07, 2010 07:14 AM	
15 Bass A-17	Plunger in Lubricator Error	Sunday, March 07, 2010 03:20 PM	
16 Bass A-4	Restriction in System	Friday, March 05, 2010 05:29 AM	
17 Bass A-4	Insufficient Plunger Fall Time	Friday, March 05, 2010 05:38 AM	
18 Bass A-4	Maximum Shut-In Time Surpassed	Friday, March 05, 2010 05:51 AM	
19 Bass A-4	Leak in System	Friday, March 05, 2010 11:04 AM	
20 Bass A-4	Over-Range Gas Meter	Friday, March 05, 2010 01:46 PM	
21 Bass A-4	Plunger Travel Too Fast	Friday, March 05, 2010 01:51 PM	
22 Bass A-4	Insufficient Plunger Fall Time	Friday, March 05, 2010 08:02 PM	
23 Bass A-4	Leak in System	Friday, March 05, 2010 08:08 PM	_
24 Bass A-4	Maximum Shut-In Time Surpassed	Friday, March 05, 2010 08:15 PM	
25 Bass A-4	Over-Range Gas Meter	Saturday, March 06, 2010 04:10 AM	
26 Bass A-4	Plunger Travel Too Fast	Saturday, March 06, 2010 04:15 AM	
27 Bass A-4	Insufficient Plunger Fall Time	Saturday, March 06, 2010 08:25 AM	
28 Bass A-4	Maximum Shut-In Time Surpassed	Saturday, March 06, 2010 08:38 AM	
29 Bass A-4	Leak in System	Saturday, March 06, 2010 11:31 AM	
30 Bass A-4	Over-Range Gas Meter	Saturday, March 06, 2010 04:33 PM	
31 Race A.4	Plunger Travel Too Fast	Saturday March 06 2010 04:38 PM	V
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Ready			NUM //.





Benefits

- Reduce Lost Production
- Reduce Maintenance
- Opportunity to focus on higher value items
- Operators are better able to prioritize their daily routine
- Fewer problems "slip through the cracks"
- Conservative Estimate





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Conclusions

OSIsoft Real-Time Infrastructure

- Visibility into Operations
- Separation of consumers
- Application Platform



