



DETERMINING **LATERAL** LENGTH

CONSTRAINTS & REASONING



BACKGROUND

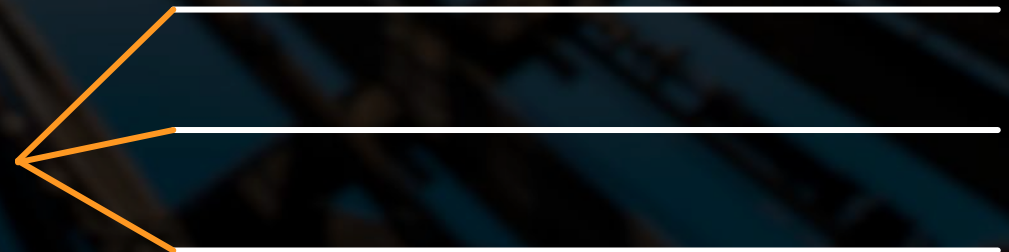
- ▶ LATERAL: HORIZONTAL PORTION OF THE WELL
 - ▶ Likely not exactly 90 degrees
 - ▶ Provides great contact area with the formation of interest
- ▶ LONGER LATERAL LENGTH IS BECOMING GROWING TREND
 - ▶ Shown in many investor materials
 - ▶ Cost reported as \$ per lateral foot

SIDE

SURFACE

--LATERAL LENGTH--

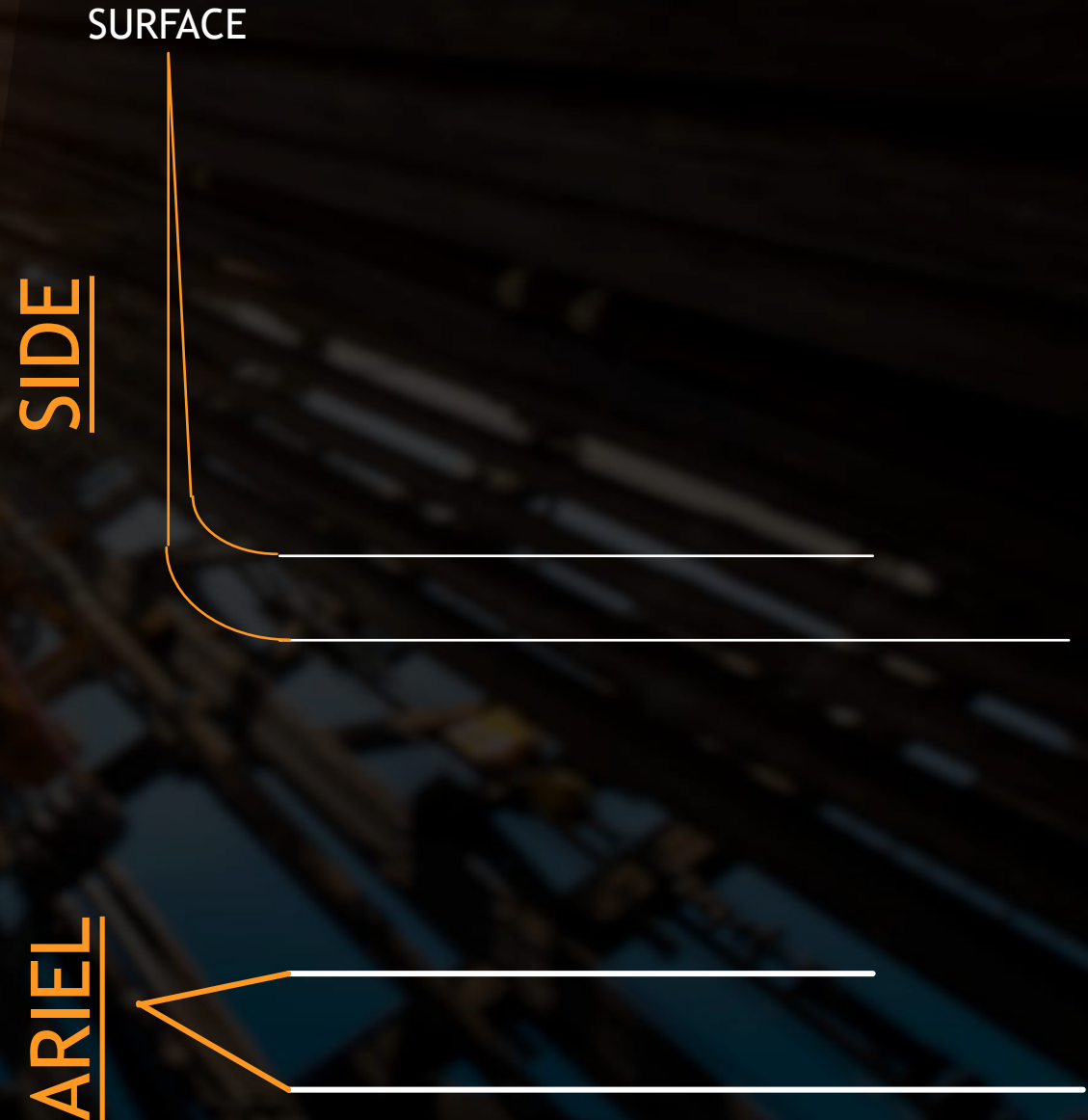
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ECONOMICS

- ▶ LONGER IS BETTER FOR...
 - ▶ Drilling costs
 - ▶ Production amounts
 - ▶ Surface footprint & equipment
- ▶ LONGER IS WORSE FOR...
 - ▶ Completion & drillout costs
 - ▶ Peer well economics
 - ▶ Risk profile of well





ISSUES

▶ DRILLING

- ▶ Push for speed, dogleg severity
- ▶ Mud properties and efficiency

▶ COMPLETIONS

- ▶ Increased WL time & friction
- ▶ Coiled tubing might not reach

▶ PRODUCTION

- ▶ Fluid buildup, liquid loading
- ▶ Not linear production gains

SIDE

SURFACE

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DETERMINATION

- ▶ DEPENDS ON COMPANY'S PHILOSOPHIES
- ▶ LAND CONSTRAINTS
 - ▶ Lease rights
 - ▶ Common lengths
 - ▶ Preferred orientation

SIDE

SURFACE

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