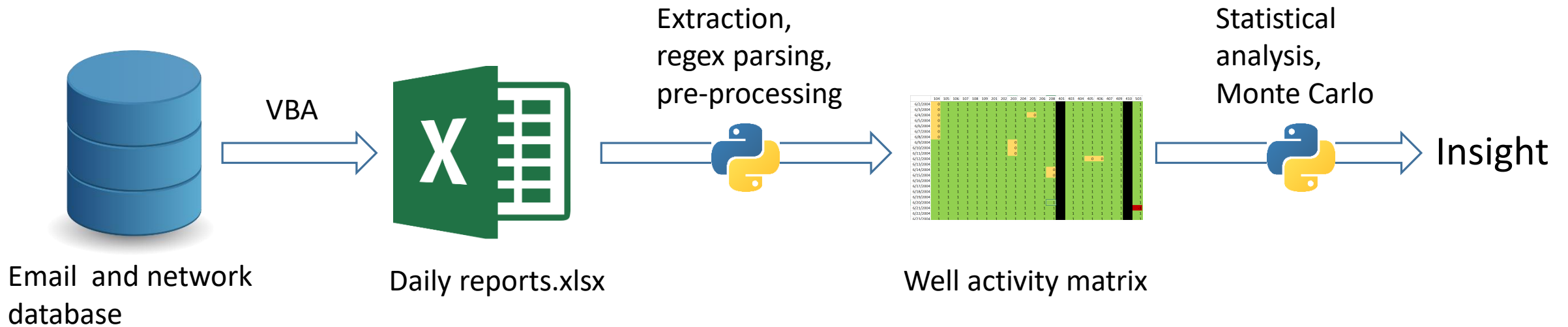


Data preparation



Activity Matrix

15 year span

88 wells

~2 MB

~500k data points

Columns:

Well names

Rows:

Date

Legend:

-3 – well not drilled yet

-1 – downhole issue

0 – surface issue

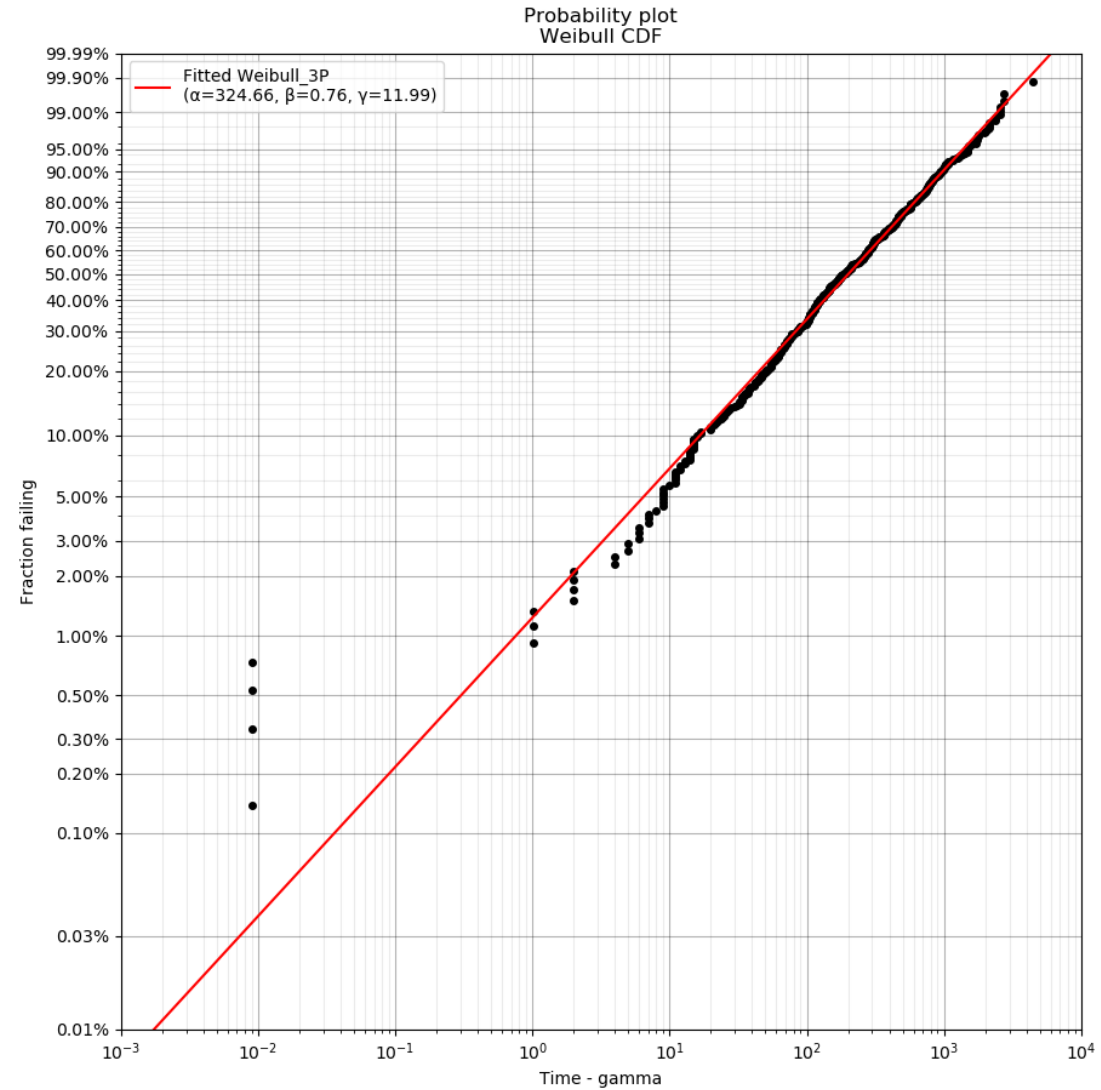
1 – well active

	104	105	106	107	108	109	201	202	203	204	205	206	208	401	403	404	405	406	407	409	410	503
6/2/2004	0	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/3/2004	0	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/4/2004	0	1	1	1	1	1	1	1	1	1	0	1	1		1	1	1	1	1	1		1
6/5/2004	0	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/6/2004	0	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/7/2004	0	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/8/2004	0	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/9/2004	1	1	1	1	1	1	1	1	0	1	1	1	1		1	1	1	1	1	1		1
6/10/2004	1	1	1	1	1	1	1	1	0	1	1	1	1		1	1	1	1	1	1		1
6/11/2004	1	1	1	1	1	1	1	1	0	1	1	1	1		1	1	1	1	1	1		1
6/12/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	0	0	1	1		1
6/13/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/14/2004	1	1	1	1	1	1	1	1	1	1	1	1	0		1	1	1	1	1	1		1
6/15/2004	1	1	1	1	1	1	1	1	1	1	1	1	0		1	1	1	1	1	1		1
6/16/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/17/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/18/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/19/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/20/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/21/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		-1
6/22/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1
6/23/2004	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1		1

Reliability Model

3-parameter Weibull distribution fit

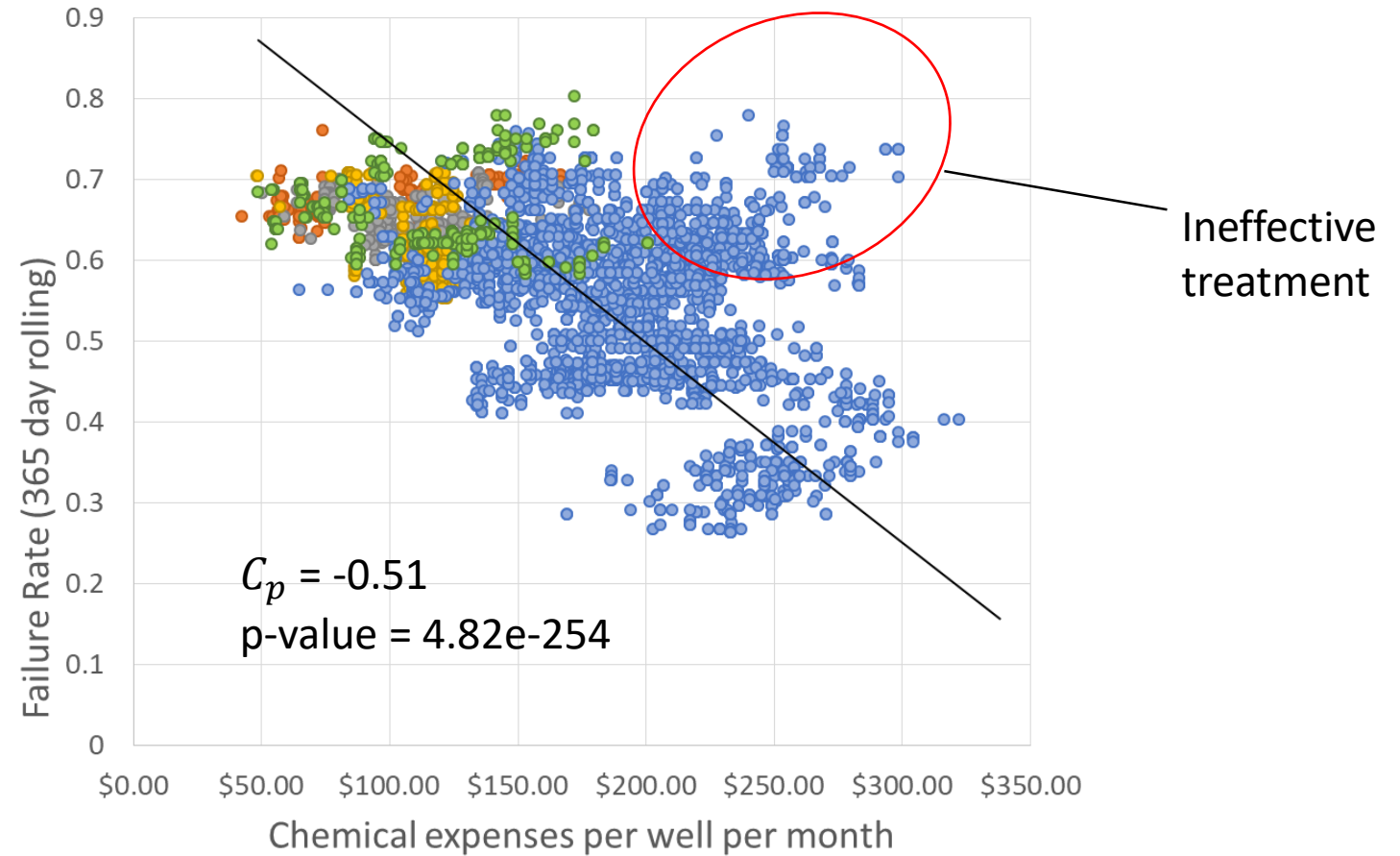
The reliability model allows to predict failure behavior which is often a missing part in economic analysis.



Chemical Treatment by Vendor

Assuming \$30k cost of an average repair:

For every dollar spent on chemical treatment we save on average 6 dollars on workovers



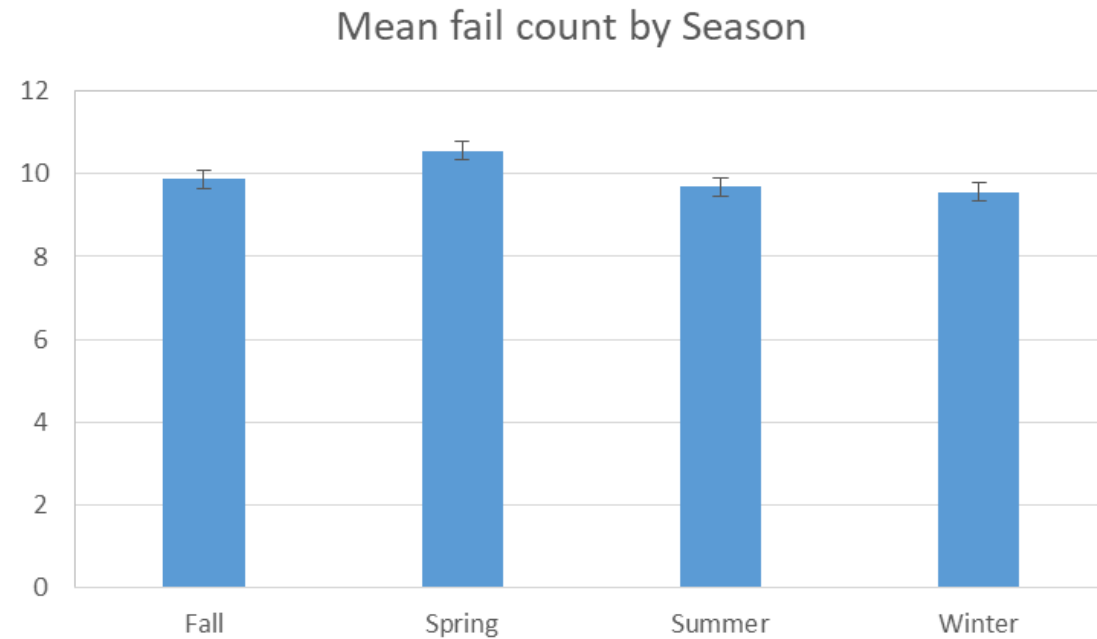
Colder => More failures?

ANOVA one-sided F-test:

F-statistic: 0.12

P-value: 0.95

The effect of weather (air temperature) on failure frequency was not confirmed.



*bars indicate standard error of the mean