EAS 375

Spring 2011

Lecture Questions 07 – Leasing and Drilling

1. What is the difference between surface and mineral rights?

Surface is the land, the mineral rights are what is found in the ground (on or below the land).

1. What are the basic types of international leases?

Concession contracts, production-sharing agreement, service contracts.

1. What is the “rule of capture”?

Laws give title to oil and gas to whoever drills a well and produces it (can come from adjacent property).

1. What is the blowout preventer?

Large specialized valve to seal, control and monitor oil and gas wells. Copes with extreme pressures.

1. What is the importance of drilling mud when drilling a oil well?

Keeps drilling bit cool, removes drill cuttings, prevents gas blowouts.

1. What is horizontal drilling?

(Slant drilling) The electric drilling motor can drill horizontally while in the ground.

1. What are the benefits of horizontal drilling?

Faster, cheaper, higher precision, larger horizontal range (compared to several wells).

1. Whys reservoir so important to producing oil?

Can tell quantity of oil and if they can make a profit.

1. Briefly describe or sketch the production of oil from a reservoir?

15. Why is meant by refinery gain?

Increase in volume that occurs heavy molecules in crude oil are broken up into lighter molecules.