Small Operators Innovate To Survive Difficult Market

Small operators, particularly, can be impacted by low oil prices. However, through a combination of years of experience and being open to technology, operations continue to move forward in spite of a struggling market. In fact, many operators are gearing for the other side of this “market dip.”

I had the opportunity to tour various operations, observe technology in use, and learn how some operators are working through today’s oil and gas market.

My first stop took me near Wellsville, KS., where the folks at Town Oilfield Services were fracturing several producing wells. I was greeted by Lance Town, who was getting set to fracture the first well of the day. Rigging up was Hurricane Services, which just made the last connection and was getting ready to pump the job.

Town explained that a lot of these wells will see near-wellbore effects, which will reduce production. One common way to mitigate that damage is to fracture past it and place a small amount of large-sized proppant to improve connectivity.

Town opted to use Hurricane Services largely because of its location, as well as its fracturing “combo unit” that combines the technological capability of a larger operation with versatility and size to easily and efficiently frac multiple wells in a single day. The rig is outfitted with a 1,500-horsepower pump that can deliver 20 barrels a minute at 3,200 psi. It has a 40 barrel-per-minute blender and a nine-inch sand screw that can move 16 pounds of sand per revolution. Additionally, the unit uses three 20 gallon-per-minute chemical pumps, and can monitor digitally the progress of the job in real time.

During my short visit that morning, this unit pumped six jobs, easily rigging up and down between fracs. Town’s commitment to improve production by using a modern pumping unit and an innovative approach is helping his operation grow, even in this unusual market.

From Wellsville, I traveled through Miami County, KS., to visit the folks at Bobcat Oilfield Services. Rob Eberhart from Bobcat said many of its wells had a total vertical depth around 250 feet and produced mostly water. Like most small companies, Bobcat has seen its share of ups and downs in this industry. However, its unique approach to cost savings illustrates ingenuity and commitment to the business.

I was shown a new field office brilliantly housed in a converted freight trailer. Eberhart said he couldn’t have built a building for the price of purchasing and getting the freight container to the site, and it would have been less durable.

Across from the new office was Bobcat’s water treatment facility. Housed in reused trucking freezer containers, Bobcat cycles its produced water through sock filters so it can be re-injected. Housing the operation inside not only keep things running during the cold months, but keeps Bobcat field guys from freezing while making repairs and replacing filters. Bobcat’s approach to using water filtration technology housed in reused structures saves the operation money while keeping production moving forward.

I spent the last day of my trip with Verde Oil Company in Savonburg, KS. What was most striking initially about the Savonburg site was the way in which the yard and surrounding acreage were arranged. I couldn’t help but notice well organized rows of equipment and supplies surrounded by what appeared to be a neatly organized grid of five-spot water injection wells.

It became obvious Verde had made the investment in technology aimed at making its job sites as productive as possible. I was told Verde operates with a philosophy of running the company like a major operator on a small scale.

The first stop at Verde was another converted freight container, where all of the injector lines—complete with digital gauges—were housed in the same place. This setup makes it easier to make adjustments in a controlled environment without driving acre after acre, making slight changes.

Probably most impressive was Verde’s separator tank. The tank looks pretty similar to most tanks in a field, but Verde’s Jeff Dale says this particular tank, which was built by KBK Industries, has helped him separate and recover additional oil that was trapped in produced water and injected back into the reservoir.

It occurs to me that overall, each of these operations approaches technology in a very different way. And each company’s approach during these tough times is different even than it normally would be. However, their commitment to their operations and the industry is undeniable.

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