

A.A.D.E.

Monthly Technical Forum

November 19, 2009

Speaker

Nikola Kuzmanovic
 Chevron

Topic

New Technologies Applied
 to Shallow Horizontal Wells

Time

5:30-Social Hour
 6:30-Dinner
 7:00-Presentation

Place

Rice Bowl

Cost

\$20 if RSVP

RSVP

Ariana Enriquez
 334-3600 or
Ariana.Enriquez@Halliburton.com

2009-10 Board of Directors

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From the President

November ushers in the holiday season and for many of us it also means the 2010 planning season is in full swing! Judging from the oilfield grapevine, I expect 2010 to see an overall increase in activity level for drilling. Let's all just hope that oil prices remain stable. If you want to keep up with what's going on, I recommend attending the monthly AADE meetings and networking with your fellow drillers. This month's speaker is Nikola Kuzmanovic, a drilling engineer for Chevron. Nikola will be

talking about his horizontal well drilling project in Kern River. 56 wells have been drilled to date in this project and recent changes have resulted in significant cost and cycle time reduction. It is an interesting story. I know other operators (you know who you are) have similar interesting stories to share and the local AADE meetings are an excellent opportunity to present these. Contact Frank Hutton for additional details about presenting. I hope to see all of you at the meeting on November 19th.

Carl Simonson

office: (661)654-7206

Email:
csim@chevron.com

Horizontal Drilling (Nikola Kuzmanovic)

About the Speaker:

Originally from Serbia, Yugoslavia. Attended University of Tulsa in Oklahoma and received Bachelor's degree in Petroleum Engineering and Mechanical Engineering.

Worked in TU Drilling Research projects and focused on cuttings transport in horizontal wells using un-conventional drilling fluid systems. Also worked for Schlumberger in New Mexico (fracturing, cementing, and logging). Following that worked for Vintage Petroleum as a reservoir engineer in Tulsa, Oklahoma. Next assignment was with BP in Colorado where I designed foam cleanouts of Coal Bed Methane wells.

Finally I started working for Chevron and first assignment was in Gulf of Mexico as a company representative on offshore drilling rigs for 5 years, followed by international assignment in Thailand. Over there I

continued working on offshore drilling rigs for 2 years. Currently (for past 2 years), working in Bakersfield, and drilling mostly extended reach horizontal wells in Kern River field.

Presentation:

Presentation will focus mainly on new technologies applied to successfully drill and complete extremely shallow horizontal wells in Kern River field. Directional planning and anti-collision in highly developed field will be discussed along with optimum well placement in the reservoir body.

Technologies like: Bi-center PDC bits; Reaming while drilling (RWD); Drilling out cement and casing with RWD; Mechanical pipe agitation to reduce drag; Electromagnetic pulse MWD/LWD; Near bit inclination tool; Liner reaming shoe; One-step hydraulic liner running tool with Steel seal Assembly (SSA); Formate

based drilling mud system; Unloading well with foam to free differentially stuck pipe; and sized Calcium Carbonate bridging materials for drill-in fluids, will be covered.

Challenges like: differential sticking; steering; high doglegs; shallow kick-off point; offset wellbore proximity and interference; lost circulation; low weight on bit; drilling above 90 deg; and small target size will be discussed.

Optimized uses of technologies available on the market along with successful field tests of new technologies allowed us to drill and complete extended reach horizontal wells in shallow and highly depleted reservoir. Key learning and technologies are perfected and implemented into standard operating procedure which resulted safer operation with shorted cycle time and lower cost.

News Briefs

We had a pretty good group to show up for the last meeting. I hope everyone had a good time and maybe even picked up some useful information. We appreciate Mr. Lowrey coming and making his presentation for us. Thanks Peyton.

This month should be really good as well, we have one of our very own members to make the presentation. Mr. Nikola Kuzmanovic from Chevron and known to most everyone will be discussing new technologies for drilling shallow horizontal wells. He should have lots of experience with these types of wells. He will have to compete with the Geothermal Golf Tournament in the Imperial Valley, so all you non-golfers and guys and gals that are not going to the Tournament make sure to be there. And do not forget to RSVP to

Ariana, you do not want to miss you chance at the \$50 prize.

With the holidays coming up, this will be our last meeting until 2009 is over and we are beginning 2010. But January will be busy with Mr. John Daniel of Institutional Research Simmons & Company coming out from Houston to give us an Overview of 2010 Drilling. This should be a very interesting meeting. Then on the next day we will have our Winter Clay Shoot, which is always a lot of fun. Start getting your team together.

Oil prices have been in a pretty good range for quite some time now and it appears that the rig count has bottomed out and starting to rise again. We all hope this is the case, but with the economy like it is there are a lot of factors out

there that can affect our business. All in all most companies are talking some pretty nice plans starting out this new year. Let's be as optimistic as we can and get out there and do what we can to make sure the decision makers controlling these factors do the right thing.

Bob French

Office: (661)325-5919

Email: bfrench@geodf.com

Lucky Member of the Month—Dan Pignatiello

I would like to thank the AADE for drawing my name at last month's meeting. Fifty bucks is a nice way to convince me, or anyone for that matter, to attend some more meetings. Now, a little bit about me. I grew up in the Garden State (that's New Jersey, even though most think Jersey is just factories and refineries). I spent about half my life in NJ, but moved to North Carolina as a kid.

After high school, I decided to go to the University of North Carolina at Chapel Hill (Go Heels!). I began my studies as a biology and nutrition student. After realizing you can't make much money telling people how to exercise and eat (unless you work in Hollywood), I knew I had to reassess my direction. On a trip to Germany with my family, I visited some beautiful caves. The way they formed, and the fact that we could take a small boat through them just fascinated me. Upon returning to

UNC, I decided to take a few geology and paleontology courses. I fell in love. Geology was the perfect mix of science and art. It has taken me around the world, literally. I have spent time in Australia, Taiwan, New Zealand, and Antarctica to just name a few.

I began my career at Anadarko Petroleum Corp. in The Woodlands, TX. I worked there as a geoscientist for a couple of years, and delved into landman work for about a year and a half. Soon after the Anadarko purchase of Kerr McGee, I decided to join Halliburton (2007). So I worked as a Log Analyst/Geologist in Houston for about seven months. I then got married, went on a honeymoon, packed up our apartment, moved to Bakersfield, and purchased a house all within about three and a half weeks.

Now that I have been in Bakersfield for two years, I'm starting to feel like a local. Many of the people I

meet have been here a shorter time than I have. I work as the resident imaging and mineralogy specialist in the Reservoir Evaluation Services (RES) group for Halliburton. One thing that is great about working in Bakersfield (especially over Houston) is that we have a small, close-knit group both within Halliburton and the entire industry. I get to work closely with salesmen (unfortunately I don't get the golf perk there), frac engineers, and drilling engineers. I mean how many other places can a geologist attend a drilling engineer meeting, take \$50 bucks, and not get booted out of the room.

AADE CALENDAR—2009-2010

- 11/19: Monthly Technical Forum
- 1/14: 2010 Overview of Drilling
- 1/15: Clay Shoot
- 2/18: Monthly Technical Forum
- 3/19: Golf Tournament
- 4/15: Monthly Technical Forum
- 5/20: Clay Shoot

This schedule is tentative and may be subject to change

This Years January Meeting has a New Name

“2010 OVERVIEW OF DRILLING”

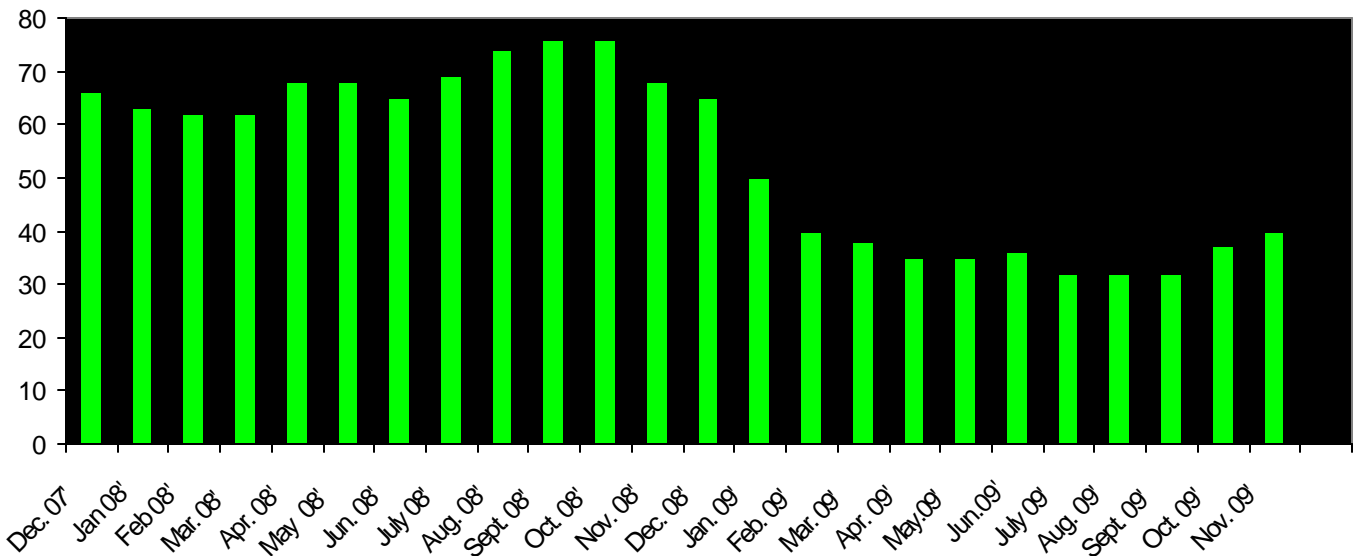
The Keynote Speaker will be:

**JOHN M. DANIEL
VICE PRESIDENT
INSTITUTIONAL RESEARCH
SIMMONS & COMPANY
HOUSTON**

Simmons & Company is one of the premier Investment banking firms that follow the U.S. drilling market for Wall Street, Major Oil Companies, and the Drilling Industry. By attending the January Meeting you can gain valuable insight into the 2010 drilling activities in California and the U.S.

Please plan to attend!

Monthly Rig Count Onshore California



* Data based on Munger Report

