# Issues & challenges faced by producers

- Decreased, low, unstable, and unpredictable production
- ✓ Man-power intensive production
- ✓ Increased HSE risks

## Compressor specific challenges

- ✓ Increased compression ratios
- √ High cylinder temperatures
- ✓ Potential rod overload
- ✓ Increased likelihood of part failures
- ✓ Overall decreased equipment performance & reliability

# Is the compressor owned or leased?

#### If owned:

- ✓ Re-cylinder or reconfigure the existing unit
- ✓ Add a second compressor to add a stage of compression or boost pressure with a rotary screw
- Lease a replacement unit and dispose of compression asset
- ✓ Refurbish and/ or Relocate compression asset to another lease or area
- ✓ Field abandonment if economic limits are met

#### If leased:

- ✓ Operator has option to swap it out with a new right sized/type rental compressor unit
- ✓ Producer will face demob, transport, hook-up expense and some minimal downtime / lost production to swap compressors

## If leased (cont'd):

- ✓ Capital can be used for other purposes such as drilling programs
- ✓ Compression cost is a fixed item on the operating expense and can be budgeted with certainty
- ✓ Manpower needs can be focused on exploration & production

# Quote from producer who both owns and leases compression equipment:

"With the current low pricing environment in the rental market, leasing is our preferred business strategy for most applications"

# Standpoint of packagers & rental fleet operators:

- ✓ Rubber compressor still not available
- ✓ Allowing for wider operating ranges is usually not cost effective when leasing
- ✓ Whereas for purchase the customer's pocketbook dictates the design and ultimate cost
- ✓ It's what we do for a living

# Dealing with Declining Pressures in Gathering Systems

### **Options to Reduce Pressures**

- √ Re-cylinder existing compression
- ✓ Re-stage existing compression
- ✓ Install additional compression in parallel

✓ Install additional compression in series

## Key Consideration in Adding Compression in Series

- ✓ Optimizing Compressor Configuration
- ✓ Choosing the Most Effective Compressor

✓ Optimizing Intermediate Pipeline Pressure

### **Optimizing Compressor Configuration**

- ✓ Compressing to transmission line pressure at the wellhead uses less total horsepower.
- ✓ Large centralized compressor packages cost less to purchase and maintain per horsepower.
- ✓ However, wellhead compression is seldom cost effective due the higher costs associated with purchasing and maintaining a larger number of smaller compressors.

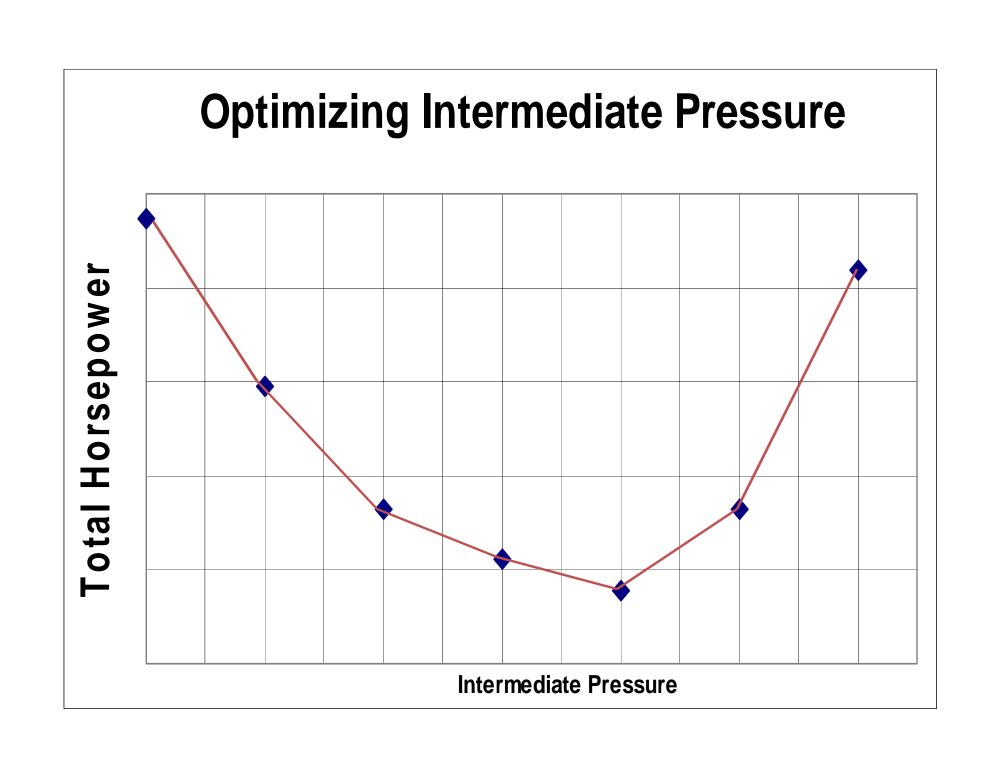
### **Decentralized Compression**

- ✓ Can combine the efficiency of wellhead compression with the cost effectiveness of centralized compression.
- ✓ Usually the first choice when designing low pressure gathering systems initially.
- ✓ Can result in significant saving on initial, maintenance and fuel costs due to efficiency!

### **Choosing Most Effective Compressor**

- ✓ Generally, reciprocating compressors tend to be more economical when suction pressures are above about 30 psig and compression ratio is less than 2.7 per stage.
- ✓ Rotary screws are usually more cost effective when suction pressure are less than 30 psig and compression ratios per stage are above 2.7.
- ✓ Other compressor types should be investigated if compression ratio and discharge pressure are low.

# Optimizing Intermediate Pipeline Pressure Reduces Overall Horsepower



### Wellhead vs. Centralized Compression

### Wellhead vs. Centralized Compression

- ✓ Impact on performance
- ✓ Impact on maintenance
- ✓ Emissions concerns
- ✓ Equipment preferences

### Wellhead vs. Centralized Compression

- ✓ Gas turbine driven vs. EMD
- ✓ Multi-body trains
- ✓ Restaging
- ✓ Power augmentation

**Questions?**