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C-FER Technologies
200 Karl Clark Road
Edmonton, Alberta, Canada
T6N 1H2
<http://www.cfertech.com/>

Immediate Benefits to a New Participant

- 1) Upon the New Participant joining the JIP, a number of their personnel will be immediately issued usernames and passwords, and therefore will have immediate access to all the data/information in the system (the system, as of May 2008, contained data from about 60,000 production periods world-wide, both onshore and offshore; on-going effort includes processing data from a number of other wells).
 - 2) With access to the system, the New Participant personnel will immediately gain the ability to query the system to select subsets of interest, and to display the information in the system records in a number of numerical and graphical formats, so that it can be properly analyzed. Additional analysis capabilities are also available, such as generating Survival and Hazard Function plots, with the data grouped by a parameter of choice (such as manufacturer, bottom hole temperature range, etc.).
 - 3) The New Participant will immediately gain, therefore, an improved ability to make good decisions, when faced with specific questions related to ESP run life under different conditions (this, because such decisions could be made based on the large set of "hard" reliability data contained in the system). This applies to both new development projects, and existing operations.
 - 4) The New Participant will immediately benefit from about US\$ 3,500,000 worth of work conducted in the previous phases of the JIP (phases I – IX), which were funded by current Participants. Over US\$ 650,000 worth of work will likely be conducted in Phase X. The New Participant obtains, therefore, immediate leverage for the initial fee paid to join.
 - 5) Shortly after the New Participant joins the JIP, C-FER will provide them with a two-day workshop (at a location of their choice) to bring their personnel quickly up to speed with the other Participants.
 - 6) Similarly to what occurred to current JIP Participants, it is expected that the New Participant personnel will rapidly gain an improved understanding of run-life and failure tracking issues and analysis techniques.
 - 7) There will be an opportunity (at the New Participant discretion) to upgrade their current ESP failure tracking systems, to conform to the project standards (since the New Participant data can be easily migrated to the ESP-RIFTS Data Input Sheet tool), achieving overall consistency in data management within their company (and consistency with a de-facto industry standard).
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Long Term Benefits to a New Participant

- 1) The long-term benefits will be seen in terms of actual business results, which can span over a variety of aspects, including:
 - a. Improved chances of overall economic success in new projects (because there will be less uncertainty in the expected run-life).
 - b. Reduced production losses in the upcoming years (because improved rig scheduling will be possible).
 - c. Improved overall run-life and reduced operational costs (because best practices can be implemented).

Because the New Participant will immediately gain an improved ability to make good decisions (see "Immediate Benefits", item 3), such business results can start to be obtained as soon as possible.

Note that, in terms of run-life, the effects of good decisions made at one point in time are only felt in the long-term. See, for instance, paper SPE 63043. The authors show (Figure 11) that, once an improvement is made, it takes about 0.75 mean life times to achieve 80% of the reduction in the failure rate.

- 2) After loading the New Participant information, direct benchmark comparisons using the system will be possible (including both their company's operations and the other Participant's operations).
 - 3) Benchmarks established with the system can serve as guidelines for negotiations between the New Participant and ESP vendors (such as in alliance situations).
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