



Workovers: On the way up in 1988

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Workover rig count*

Region	November 1987	December 1987	Change %
Gulf Coast	388	350	- 10
Northeastern	511	576	+ 13
Western	343	284	- 17
West Texas	461	470	+ 2
Total U.S.	1,703	1,680	- 1

* Includes only those rigs pulling tubing from wells deeper than 1,500 ft.

The author

Pradeep Anand received a BS degree in metallurgical engineering from the Indian Institute of Technology (Bombay) in 1976 and an MBA from the University of Houston in 1981. He was employed by Phillips India Ltd. from 1977 to 1978, the University of Houston from 1978 to 1981, Geosource Inc. from 1981 to 1982 and NL Industries from 1983 to 1986, when he joined Baker Service Tools. He is a member of SPE.

THE CONTINUING volatility in world oil prices and anticipated increases in 1988 U.S. gas prices are focusing petroleum industry interest on investment options that provide predictable and relatively quick returns on investment. One very favorable option is working over existing wells. As an example of the scope of such revenue opportunities, a total 866,037 producing wells were onstream in 1987, 612,181 oil wells and 253,856 natural gas completions.

Because of the growing importance of workovers, Baker Service Tools, a Baker Hughes Company, began a monthly workover rig survey in April 1987. A measurement of "true" workover rig activity has been unavailable in the past due to: (1) the industry practice of using workover rigs for other purposes and (2) defining what a "workover" entails. Operators have different definitions of what constitutes a workover among themselves, as do the service organizations.

The basis established for the new workover rig count is that a workover occurs when tubing is pulled from a wellbore that exceeds 1,500 ft in depth. About 60 BST district offices in the U.S. gather workover activity information. Each district begins to contact all workover contractors in its territory three days before the end of a given month. The contractor provides information regarding workover rig activity. This information is compiled into regional summaries (Gulf Coast, Northeastern, Western and West Texas—see map) and is available on the third working day following the end of the month.

The regional concept of a workover rig count was adopted because of the frequency of rig moves and the fact that many workover contractors operate across state borders and the intrastate regional lines (Railroad Commission Districts in Texas, North/South Louisiana, etc.) that are used by API to report wells drilled and by Baker-Hughes to record the drilling rig count.

As shown in the graph, data has been gathered since April 1987 and has been found to be a valid measure of workover activity in the U.S. With time, this quantitative information can be an asset to the workover contractor, tool supplier and oil and gas producer, alike.

The workover rig count will henceforth be published every month in WORLD OIL to assist the oil field industry at large. The accompanying table is the format in which the monthly count will be reported. ■