A Novel Approach for Risk Minimization in Life-Cycle Oil Production Optimization

The oil research community has invested much effort into computer aided optimization to enhance oil recovery. While simulation studies have demonstrated the potential of model-based technology to improve industrial standards, the largely unknown geology of subsurface reservoirs limits applications to commercial oil fields. In particular, uncertain model descriptions lead to risks of profit loss. To address the challenges of geological uncertainty, this paper proposes offset risk minimization. As opposed to existing methodologies of the oil literature, the offset approach minimizes risk of profit loss relative to industrial standards. A numerical case study compares the offset approach to a representative selection of current state-of-the-art methodologies. The results show that the offset approach offers the overall lowest risk of profit loss relative to industrial best practices. This suggests that it may be more relevant to consider offset risk minimization than conventional ensemble-based methods for the purpose of life-cycle production optimization.

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