Baltic Hydrocarbon Exploration and Production Association

19 Vecpilsetas street, Riga, Latvia

Dear Ms. Sigita Pozhelaite,

I pay my respect and hereby confirm that in accordance with the Russian laws oil fields are considered to be ready for commercial production (besides the other conditions) if a production testing of wells or, if necessary, production testing of the deposit is being effected. The term of these works is up to five ears. One of the main objectives of production testing is evaluation of production characteristics of the pay zone and temporal changes of parameters under evaluation (for example, are being determined production index, absolute open flow, possible well interference areas and so on). In view of physical characteristics of Kuldiga deposit oil, - high content of resins and respectively high viscosity, time necessary for obtaining of above mentioned parameters, exploration period must be considerably increased.

To obtain objective data any long-term shutdowns of wells in this period certainly are excluded. As is known, when the well drills in and penetrates pay formation the overburden causes upraise of colmatage zone, which shortly damage collection properties of the formation; this zone begins to break down by initiated inflow and further drawdown. But this depending of quality under drill fluid changes takes a considerable time. Besides that, when formation fluid is moving to the bottom of well appears entrainment and redeposition of fine-dispersed mass in the pore volume of reservoir. Consequently, at testing and drainage the production horizon is being cleaned. That is precisely why is provided a long enough period of field development for commercial production. In case of shutdown or even suspension of wells inside the wells may happen irreversible processes. Non-cleaned colmatage zone due to solids clogging shall become a compression zone; redeposited fine-dispersed masses in oil reservoir also shall expedite degradation of collecting properties. If the well production contains oil-field water, it creates conditions for arising of emulsion.

In addition to the above I would like to provide an example from my personal experience in Kaliningrad oblast. Well No. 1 Krasnobor – the discoverer of oil in Kaliningrad oblast in 1968, with daily production rate 150 cubic meters. I have personally tested the well; later the well was suspended due to the lack of oil-production equipment. In 1972 a new-founded oil producing association put a well into production and obtained maximum daily production 30 cubic meters! In 1979 I, being a chief geologist of the above association, tried to restore production rate of 1968. But nor consolidated reperforation, neither acid treatment and inflow initiation at considerable drawdown had no results. Daily production didn't rise over 30 cubic meters!

Ex-Deputy Director General, Chief Geologist of Kaliningradneftegazprom Production Association

A.I. Houbldikov