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Enhanced Wellbore Gradient Modelling for CSG Wells

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Also, in this content we may refer to Shell’s “net carbon intensity” (NCI), which includes Shell’s carbon emissions from the production of our energy products, our suppliers’ carbon emissions in supplying energy for that production and our customers’ carbon emissions associated with their use of the energy products we sell. Shell’s NCI also includes the emissions associated with the production and use of energy products produced by others which Shell purchases for resale. Shell only controls its own emissions. The use of the terms Shell’s “net carbon intensity” or NCI is for convenience only and not intended to suggest these emissions are those of Shell plc or its subsidiaries.

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Shell’s operating plan and outlook are forecasted for a three-year period and ten-year period, respectively, and are updated every year. They reflect the current economic environment and what we can reasonably expect to see over the next three and ten years. Accordingly, the outlook reflects our Scope 1, Scope 2 and NCI targets over the next ten years. However, Shell’s operating plan and outlook cannot reflect our 2050 net-zero emissions target, as this target is outside our planning period. Such future operating plans and outlooks could include changes to our portfolio, efficiency improvements and the use of carbon capture and storage and carbon credits. In the future, as society moves towards net-zero emissions, we expect Shell’s operating plans and outlooks to reflect this movement. However, if society is not net zero in 2050, as of today, there would be significant risk that Shell may not meet this target.

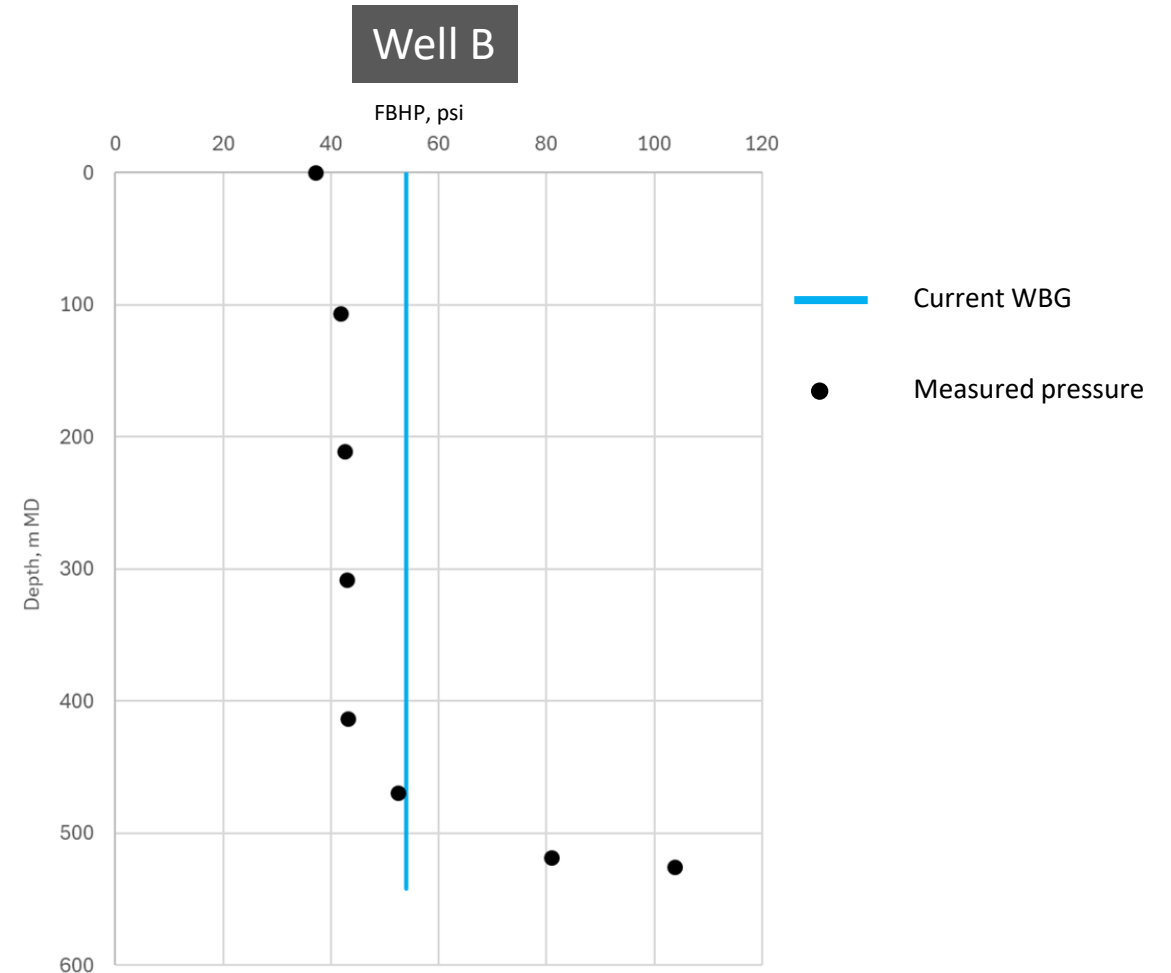
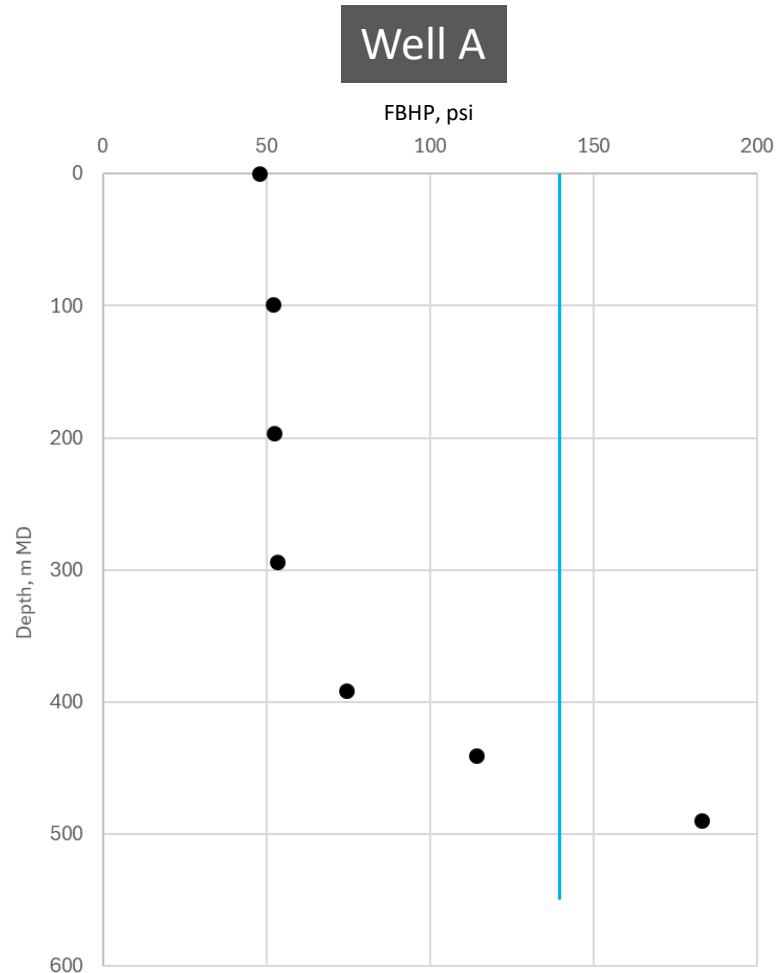
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This content may contain certain forward-looking non-GAAP measures such as adjusted earnings and divestments. We are unable to provide a reconciliation of these forward-looking non-GAAP measures to the most comparable GAAP financial measures because certain information needed to reconcile those non-GAAP measures to the most comparable GAAP financial measures is dependent on future events some of which are outside the control of Shell, such as oil and gas prices, interest rates and exchange rates. Moreover, estimating such GAAP measures with the required precision necessary to provide a meaningful reconciliation is extremely difficult and could not be accomplished without unreasonable effort. Non-GAAP measures in respect of future periods which cannot be reconciled to the most comparable GAAP financial measure are calculated in a manner which is consistent with the accounting policies applied in Shell plc’s consolidated financial statements.

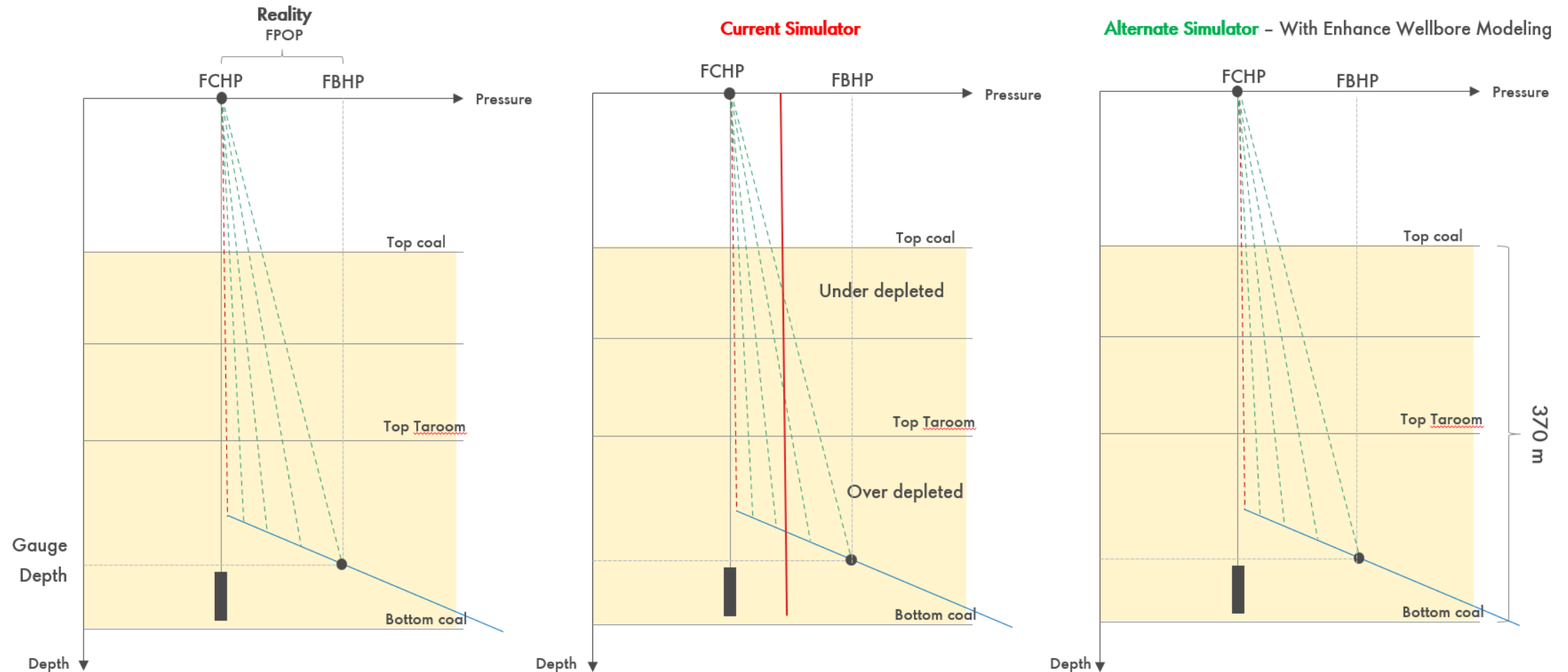
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Flowing Wellbore Gradient (WBG) in a CSG Well



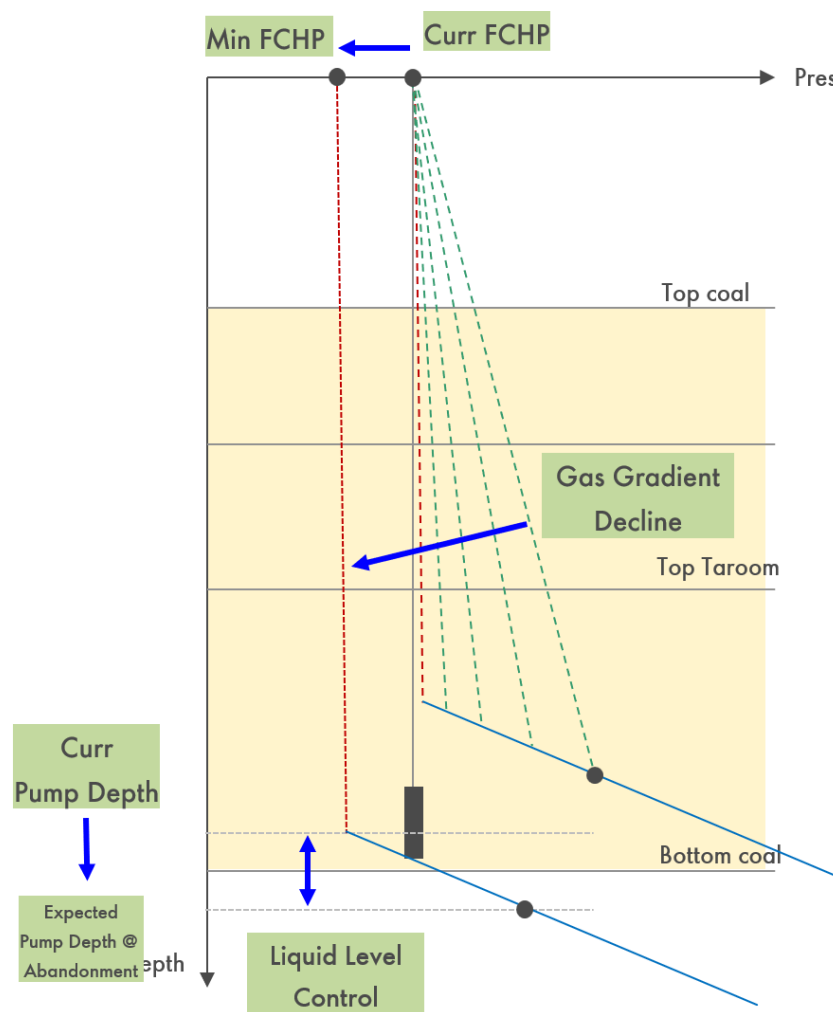
Problem Statement: Flowing Wellbore Gradient in a CSG Well



Avg density of produced fluids based WBG model leads to overestimation of drawdown in deeper coals and vice versa in the shallower coals

Enhanced Wellbore Model better represents dual phase flow in a well over its lifetime

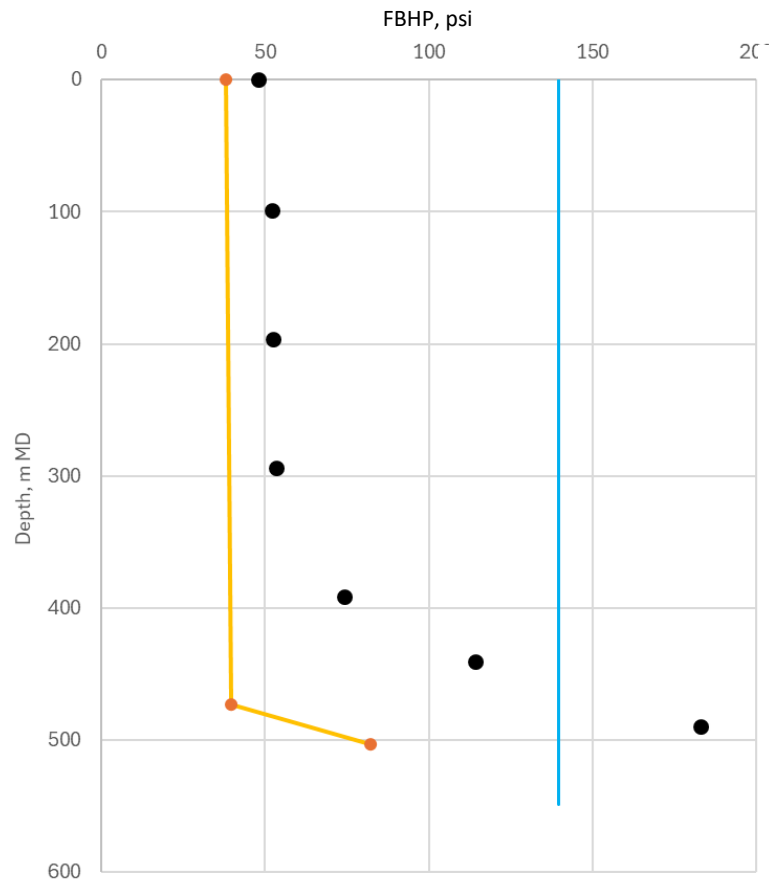
Methodology: Enhanced Wellbore Gradient Model in History



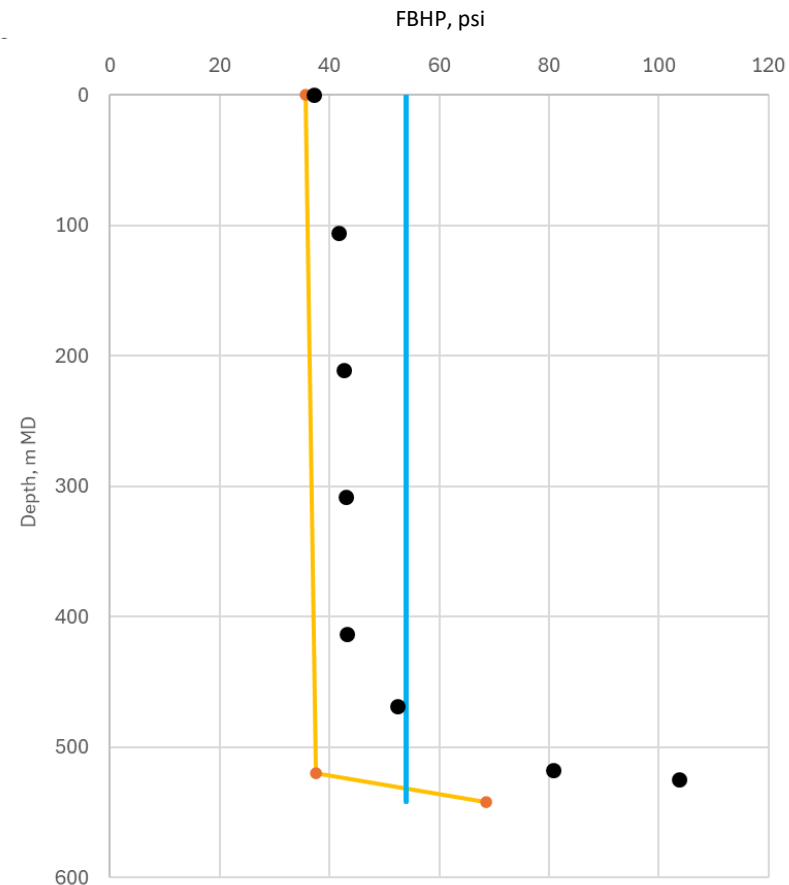
- Wellbore Gradient Control Model (workflow) was implemented using Python
- Historic wells are operated under reservoir voidage or gas rate control. Pump set depth changes due to workovers are accounted for
- Monthly well-level FCHP data is an input to the wellbore gradient control workflow
- The simulator adjusts FBHP at reference depth to match well-level gas guide rates.
- During FBHP updates, the workflow dynamically adjusts the mixed fluid gradient above the liquid level as well as liquid level height.
- With known near-wellbore permeability, reservoir engineers can track historical changes in liquid level and mixed gradient while honouring FCHP and guide rate constraints.

Benchmarking: Flowing Wellbore Gradient in a CSG Well

Well A



Well B



● Measured FBHP

— Current WBG

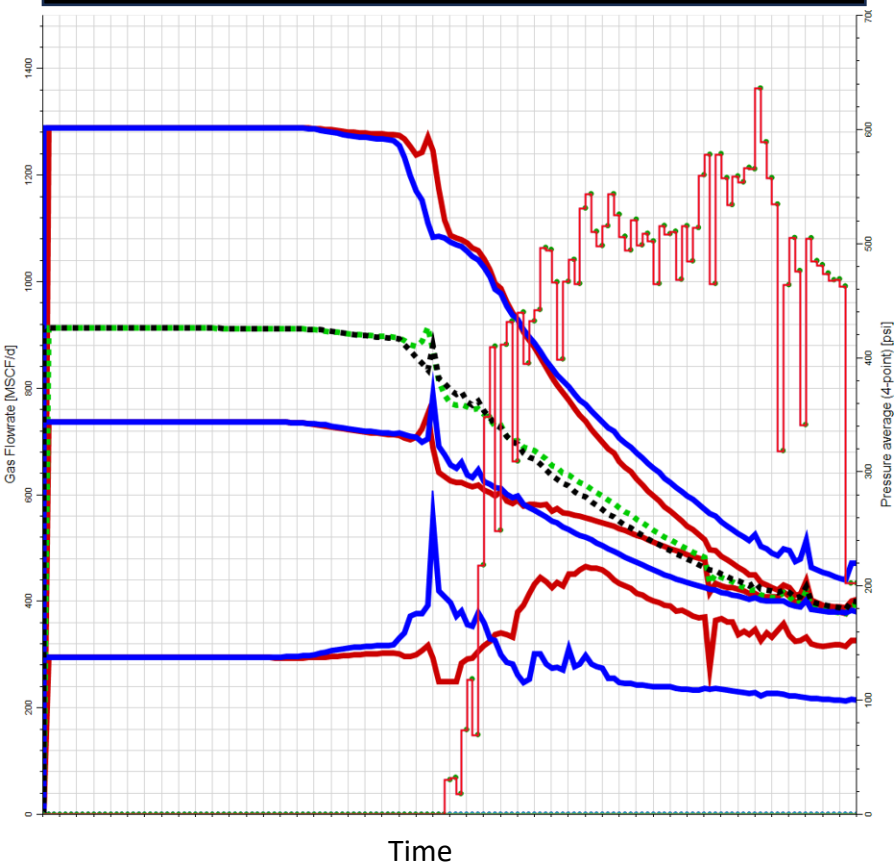
— Enhanced WBG*

* Match will be further improved with history matching

The enhanced WBG model provides improved benchmarking and more accurately captures dual-phase flow behaviour in wells

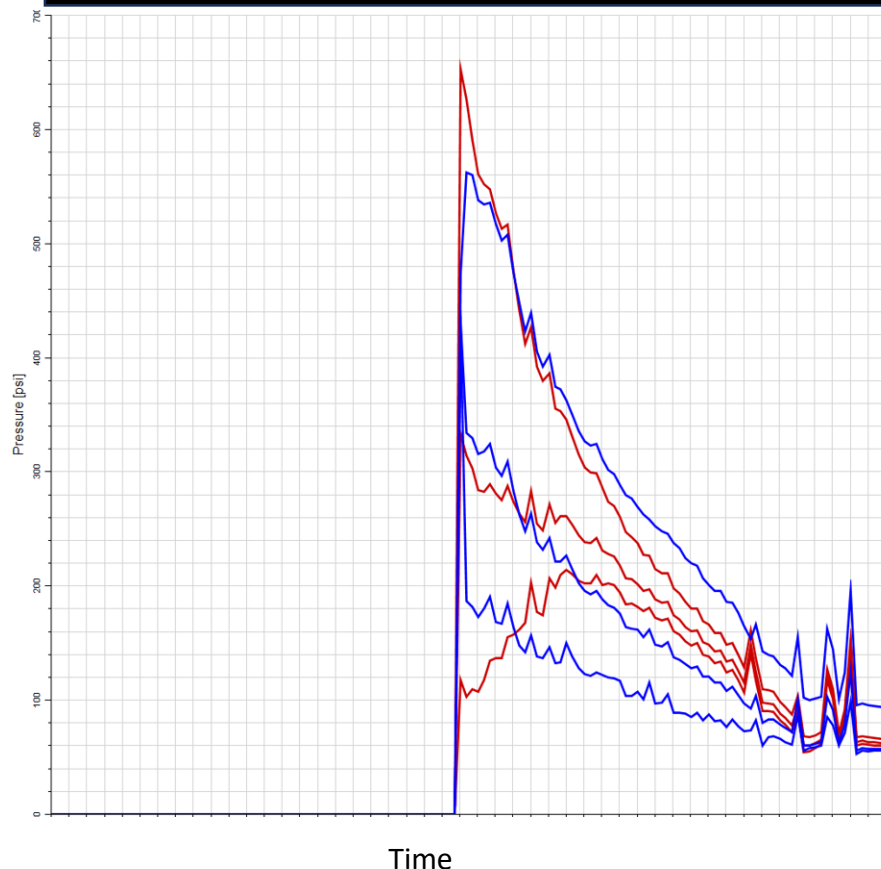
Enhanced Wellbore Gradient (WBG) Model in History

Well A: Gas rate and Coal Seam Level Reservoir Pressure

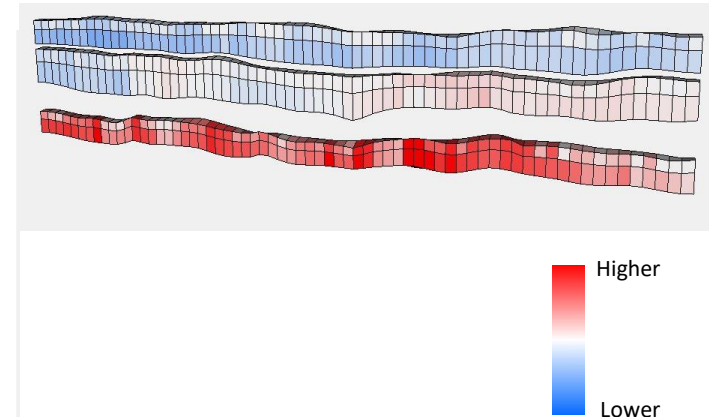


- Old WBG Model
- Advanced WBG Model
- - - - - Reported Avg for the Well

Well A: Coal Seam Level FBHP

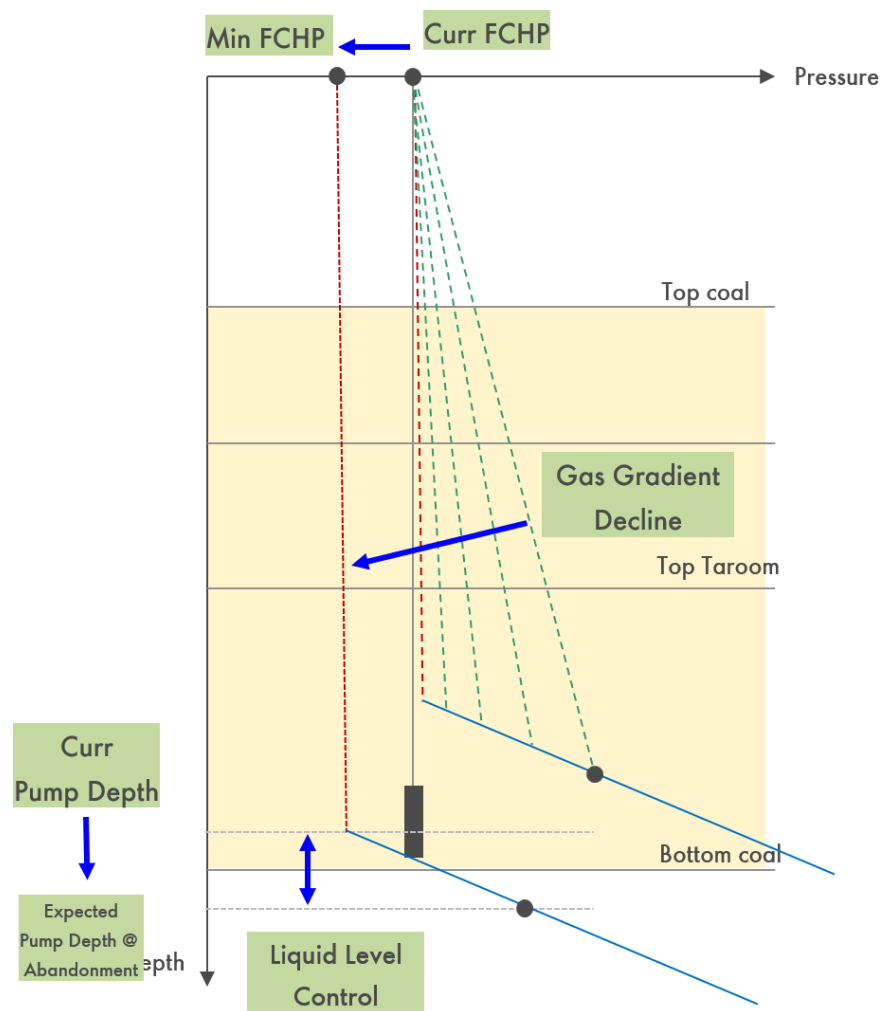


Zonal Pressure Difference @end of history (EOH)



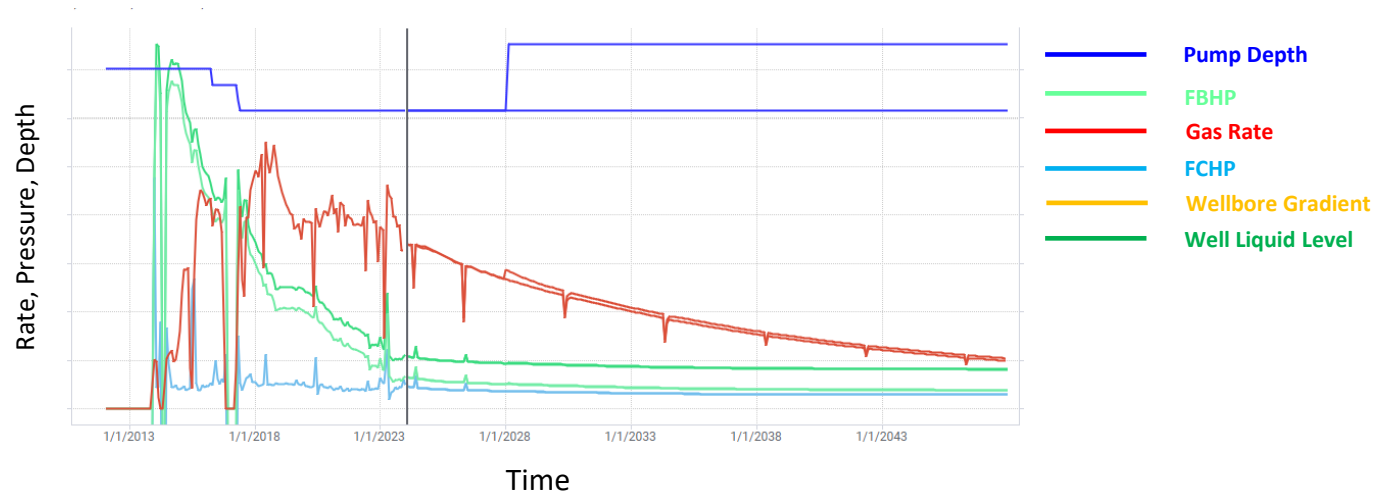
At the EOH Shallower Coals are observed to be under-depleted with the deeper coals over depleted in the old WBG Model

Enhanced Wellbore Gradient Model in Forecast

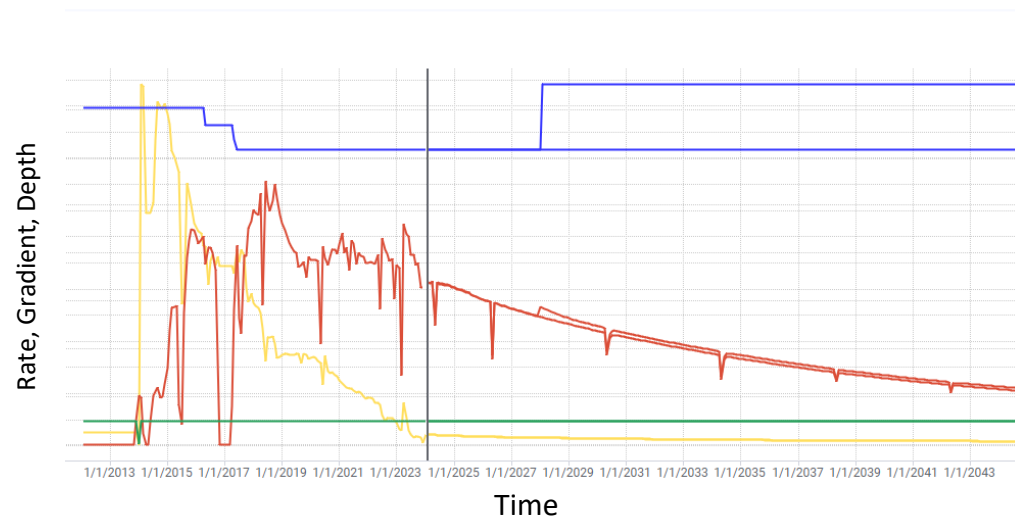


- In prediction mode, well is on FBHP control, but this FBHP is calculated based on the EWBG model inputs using Python logic
- Engineer can manually or using automated logic modify 4 parameters:
 - Flowing Casing Head Pressure
 - Depth of the pump
 - Liquid level above pump
 - Mixed fluid gradient above liquid level
- All these parameters will affect FBHP at the reference depth, and hence produced gas rate
- Ability to control these 4 parameters in prediction allows to explicitly model well interventions, such as liquid level optimization, deep setting of the pump, or installation of the well head compression

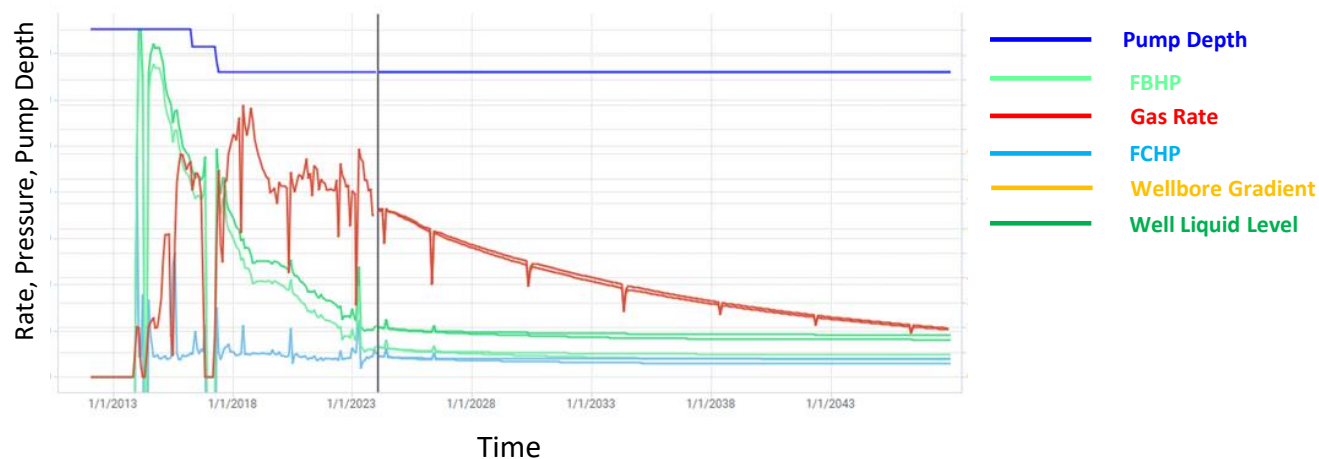
Enhanced Wellbore Gradient Model in Forecast: Pump Deep set



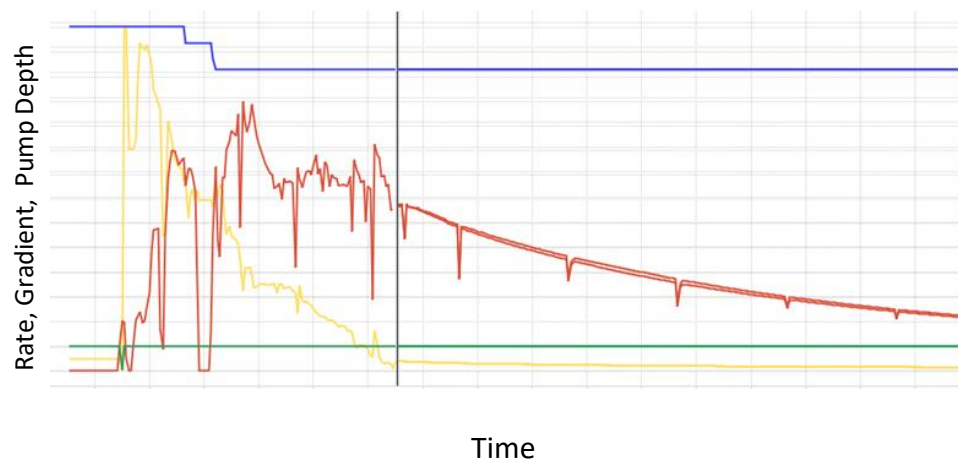
- Deep Setting of the pump is modelled explicitly by lowering the pump depth
- This increases drawdown on the deepest coals, without affecting shallow coals
- Well availability impact of the deeper pump is also modelled explicitly



Enhanced Wellbore Gradient Model in Forecast: Compressor Curves



- As gas rates decline over a well's life, compressors can operate at lower inlet pressures, reducing FCHP and backpressure on coal seams.
- The Enhanced wellbore model explicitly captures these dynamics, enabling more accurate simulation of pressure behaviour and its impact on reservoir performance and ultimate recovery of the field.



Conclusions

1. As the Surat Basin CSG assets mature and approach end-of-field life, accurately modelling backpressure on coal seams at varying depths becomes increasingly critical.
2. The enhanced wellbore gradient model allows for dynamic control of wellhead pressure, pump depth, water column height, and the expected mixed gradient, all tailored to actual operating conditions.
3. This eliminates the need for proxy abandonment FBHP values currently used in late-life simulations, enabling more realistic dual-phase flow representation, improved reservoir management, and more accurate estimation of recoverable volumes.
4. By leveraging advanced reservoir simulation technologies and Python-based automation, the QGC Subsurface Team is well-positioned to make confident, data-driven decisions in managing complex field development and late-life production strategies.

Acknowledgments

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