

# HALLIBURTON

## Halliburton's Sperry-Sun Commended by BG For Innovation of Its Geo-Pilot Rotary Steerable System

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BG Group Chief Executive's Technology Innovation Awards

HOUSTON--(BUSINESS WIRE)--Jan. 23, 2003--Sperry-Sun, a product service line of Halliburton Energy Services, the leader in drilling technology and reservoir deliverability, has been recognized with an elite energy industry award. Halliburton Energy Services is a business unit of Halliburton (NYSE:HAL). Sperry-Sun received the honor at the inaugural BG Group Chief Executive's Technology Innovation Awards ceremony. The award was given in recognition of the Geo-Pilot(R) second-generation 3D rotary steerable system used by the BG Group in the Blake Field development in the UK North Sea. The Geo-Pilot system was developed in collaboration with JNOC (Japan National Oil Company).

The BG Group Chief Executive's Technology Innovation Awards are designed to recognize teams that demonstrate unique applications of technology to realize material business benefits and provide a new platform to showcase examples of technological development. They underline the importance of this area to the future growth of the sector and are given for winning submissions from both the upstream and downstream sectors of the business.

"BG is delighted to be presenting this award to Halliburton Sperry-Sun for their innovative drilling tool. The Geo-Pilot system has made a major impact on our work on the Blake Field, saving us time and money and providing us with significantly improved drilling efficiency," said Derek Hudson, BG Group vice president, North Sea (NSW).

Designed for use with Halliburton's Security DBS product service line's extended-gauge PDC or roller cone FullDrift(TM) bits, the Geo-Pilot system minimized the non-constructive bit behaviors caused by sidecutting bits. The FullDrift bits used on the Blake project included additional new features specifically designed to overcome a known directional problem in these highly unconsolidated reservoir sands.

The Geo-Pilot system allows rotation of the drillstring while steering the wellpath to the desired location. It not only extends the length of reservoir sections but also places the wellbore in the optimum position, thus enhancing production while minimizing gas coning and water production.

"Halliburton's Sperry-Sun continues to be at the forefront of developing ground-breaking technologies aimed at cutting costs and increasing efficiency," said Mel Fitzgerald, vice president, Halliburton UK. "It is Halliburton's goal to demonstrate vision, innovation and determination, and we are proud to accept the BG Group Chief Executive's Technology Innovation Award."

Added benefits that the Geo-Pilot system brought to the Blake Field include operational savings in excess of (pounds)2 million (\$3.2 million) over five wells, rig time savings estimated at 37 days, and vastly improved drilling efficiency - 1.4 days per 305 meters (1000 feet) of horizontal section, compared with 3.6 days using conventional technology. The horizontal sections were drilled within a very tight (+/- 0.7 meters (2 feet)) true vertical depth tolerance. By maintaining a flat horizontal drain hole, frictional pressure losses and the potential for water sumps were minimized and production was maximized.

Halliburton, founded in 1919, is one of the world's largest providers of products and services to the petroleum and energy industries. The company serves its customers with a broad range of products and services through its Energy Services Group and Engineering and Construction Group business segments. The company's World Wide Web site can be accessed at [www.halliburton.com](http://www.halliburton.com).

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