Making Decisions with Engineering: Subsea Field Abandonment Strategy

Joe Wightman, P&A Project Lead joe.wightman@zenith-energy.co.uk

www.zenith-energy.com



Who are the key Stakeholders?



"Engineers aim to fulfil functional objectives and requirements while considering the limitations imposed by practicality, regulation, safety and cost" Minimum scope possible based on well architecture and subsurface setting

Defined vessel requirement per phase

Partner buy-in

Contractually achievable

Subsea Field Abandonment: Technical Approach

Credible plan per well based on current technology

Highlight equipment required to campaign P&A - £MM commitment

Clear, logical time basis using field offset

Agreed cost models applied

Why does it cost so much?

A boat then a rig then another boat?

But A.N Other operator abandoned their field for half that!

Supply chain will answer the problem when we tender

Subsea Field Abandonment: Challenges to Expect

Can't we abandon wells using new technology? Why can't we bullhead everything, not just a handful of wells?

Why do we need to buy all this equipment?

Deferring the work delays the spend, so we'll do that

In Conclusion, Subsea P&A:

- Must be done sounds obvious, but is often dismissed/softened without basis
- Can be deferred, but what is the counter plan?
- Is a key offshore activity we're in the business of executing operations
- Requires significant investment for no return we're limiting outgoings not maximising profit
- ► Has a wide-range of Stakeholders with different opinions and experience
- Is significantly different per field, and often per well
- Must use external third-parties to provide the vessel/rig, subsea equipment etc

Why Decision Making is Crucial





- Decisions provide firm foundations to progress; indecision creates waste and increases cost
- Projects need bounds and fixed points to produce meaningful output
- Decision points create deadlines: motivating engineers to conclude their findings and enabling stakeholders to address them in a collaborative manner

What are the Decisions to make?

- What is the base-case workscope? And how much WoW and NPT is added to that? And what scope change events do you expect to encounter? And how frequently will you encounter them? And which type of vessel will complete each aspect? And when will you do it? And how will you schedule the work? And what will it cost when we do it? And what happens when it doesn't go to plan? And what do you want to set the ARO/DSA at to cover it? And what equipment do we need to connect to the well? And what contingency equipment will we use? And is it available now?

What is the Engineering Challenge?

"Don't tell people how to do things, tell them what to do and let them surprise you with their results" Phil Knight, Nike Founder

- Demonstrate how realistic the plan is share findings and be open with what you have learnt
- Understand what your client wants everyone is different
- Have confidence and belief in what you're proposing
- Anticipate challenge and strive for lowest possible cost we're in demolition not construction
- Ultimately: build trust with stakeholders to help them understand why they can decide based on your work

Realism vs Opportunity vs Optimism

- Delivering lowest possible cost is vital for successful Project Management regardless of discipline
- Does banking on a change to "givens" that we're not in control of make financial sense?
- What could be coming:
 - New technology
 - Relaxation in regulation
 - Reduced vessel rates
 - Change in taxation/cost base
- This type of decision represents one of the biggest challenges in terms of approach and ideology between engineers and stakeholders

Zenith Energy: Engineering-Driven Decisions

- Framed the project at initiation agreed assumptions and items in and out of scope
- Compiled well data, then screened it efficiently to output minimum-scope P&A designs
- Assessed campaign-critical items: mooring patterns, VXT tooling, diver requirement
- Evaluated the leading equipment concept to undertake the entire scope
- Benchmarked actual field and operator offset timings and cost bases
- Iterated well sequencing scenarios ranked them using key criteria and trusted the data
- Issued technical notes to pace the sharing of information and conclude sub-projects
- Delivered a complete field P&A assessment to the client, keeping them in control

