



Oil & Gas  
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# Cessation of Production (COP)

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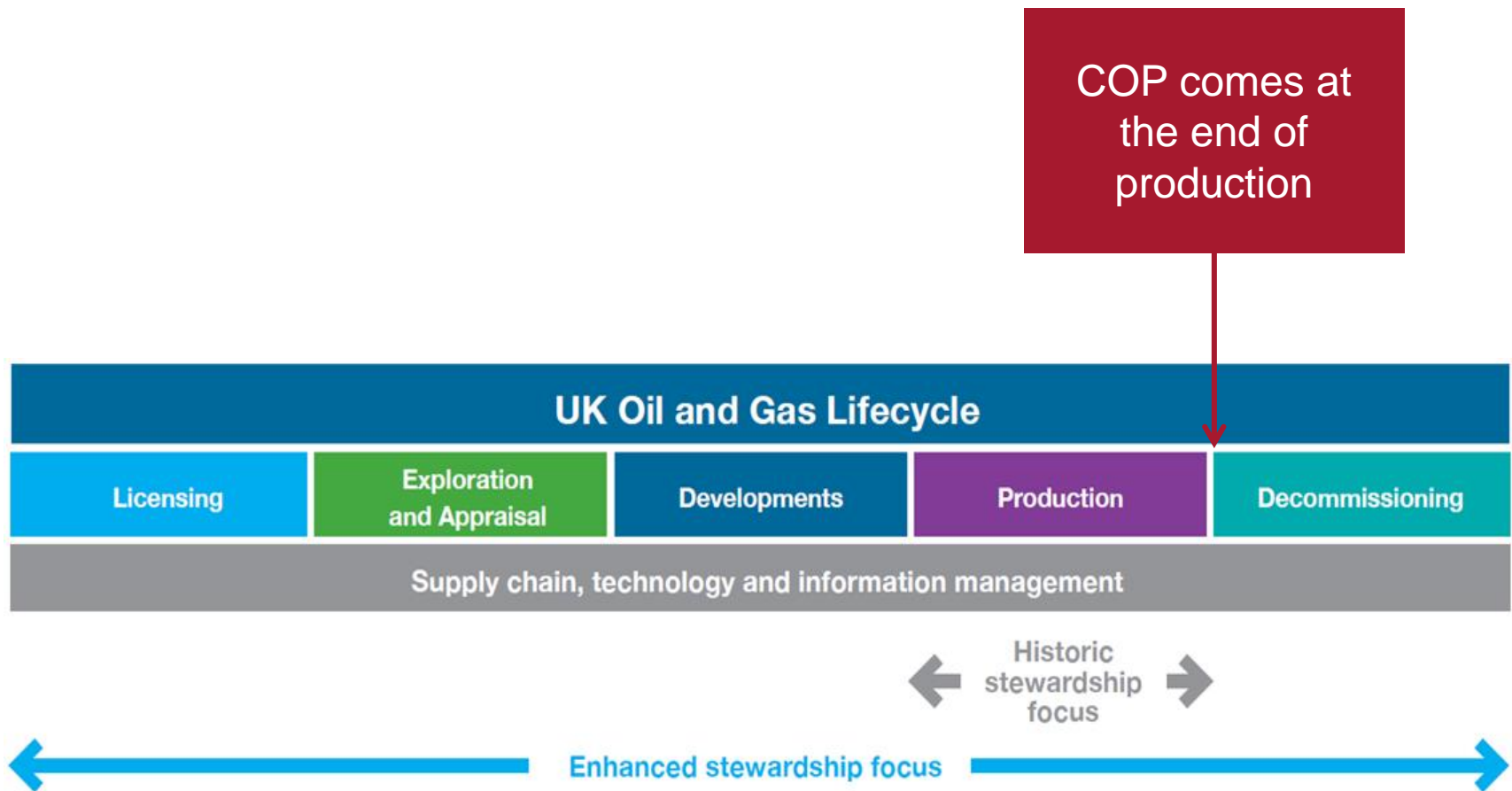
The OGA's objective is to maximise the economic recovery of hydrocarbons from the field

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# Oil and gas life cycle



# Stewardship Expectations

- Ten documents published by the OGA in October 2016
- Some of these refer to how COP should be managed

SE-01	Joint Venture Hub Strategy	SE-06	Production Optimisation
SE-02	E & A Subsurface Programmes	SE-07	Information Management
SE-03	Optimum Use of Subsurface Data	SE-08	Technology Plans
SE-04	Licence Activity, Decisions Points and Milestones	SE-09	Collaboration
SE-05	Robust Project Delivery	SE-10	Planning for Decommissioning

# Starting the COP process

Around **6 years** before Cessation of Production operators need to start dialogue with the OGA by meeting to outline their plans.

Field life extensions - options investigated

Additional development status including third party

# Field life extension

## Subsurface options investigated

- New seismic or re-processing
- Infill wells
- Re-completions
- Development of undrained horizons / fault blocks

### **Quote from SE-06 Production Optimisation**

The operator should have a systematic approach in place to deliver production optimisation for each producing field. It should include appropriate processes, systems and personnel and also ensure that both production protection and production growth are addressed.

# Field life extension

## Facilities options investigated

- Increased gas / water / oil handling facilities
- Increased injection facilities
- Artificial lift
- Gas compression
- Gas import / export and utilisation
- Power import / export
- Maintenance regime
- Reduced manning

### **Quote from SE-06 Production Optimisation**

The operator should have a systematic approach in place to deliver production optimisation for each producing field. It should include appropriate processes, systems and personnel and also ensure that both production protection and production growth are addressed.

# Additional developments status including third party

- Potential satellite fields
- Reserve estimates
- Possible development scheme
- Impact of life extension on host
- Blockers
- How can it be promoted and accelerated?

## **Quote from SE-01 Joint Venture Hub Strategy**

Each hub should have a fit for purpose Hub Strategy that is developed and documented by the operator in conjunction and in agreement with all Joint Venture partners.

# One year before COP document requirements

1. Executive Summary
2. Field economic limit criteria
3. Final field status including third party production
4. Field life extensions- options investigated
5. Additional development status including third party
6. Conceptual decommissioning plans





**Field economic limit** - when the value of the hydrocarbons produced no longer covers the true costs of production

Operator presents their view of the field's economic limit .

OGA carries out its own economics.

Considerations

Cut-off rates and timing

Cash flow to economic limit and beyond

Residual value and leasing costs

Abandonment costs, do these affect the timing?

**Result: not-before-date for COP**

# Final field status

## Field surface layout

platforms, wells, subsea wells/manifolds, intra-field flow lines, pipelines or offshore loading

## Production and injection profiles

with projections through to economic limit and 2 years beyond.

## Remaining oil-in-place maps

## Third party production

How will this be handled in future?

- Decommissioning plans are approved by the BEIS Offshore Decommissioning Unit
- The OGA is a statutory consultee

## **Quote from SE-10 Planning for Decommissioning**

The operator should have a Preparation Plan for Decommissioning in place for each asset, no less than six years prior to Cessation of Production (CoP). This Preparation Plan should be kept current from that point forward and be made available to the OGA on request. The operator should supplement the Preparation Plan with decommissioning execution and contracting strategies no less than three years prior to CoP. The execution and contracting strategies should also be kept current and made available to the OGA on request.

# Data archiving requirement for licensees to keep records

## **SE-07 Information Management Plan mentions:**

- Organisation for managing data and samples
- Compliance with PON 9 and Energy Act obligations
- Administration and IT including costs
- Best practice, opportunities and problems



# Oil & Gas Authority

The Oil and Gas Authority is not minded at this present time to enforce the Licensee obligations to carry out any previously consented production programme upon permanent cessation of production from the field on or after 1st June 2017



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# Thank you

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