

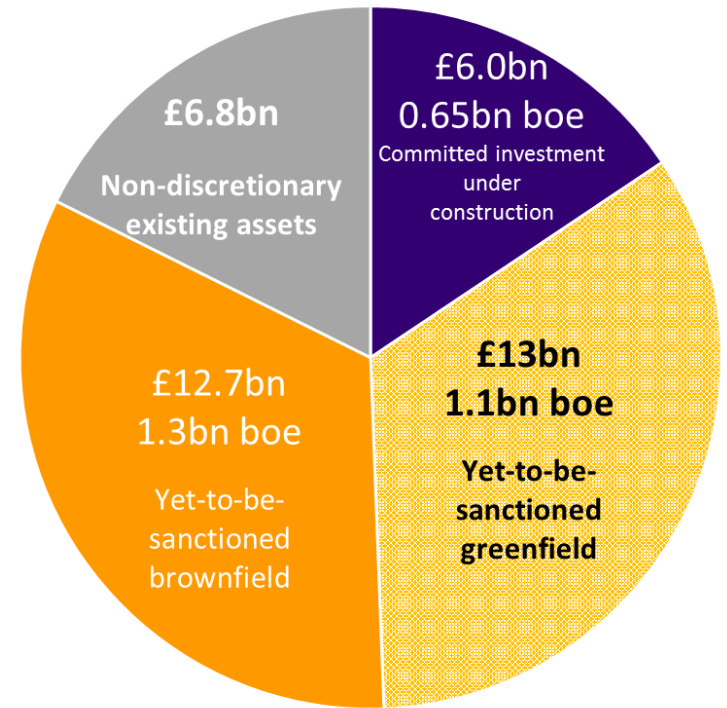
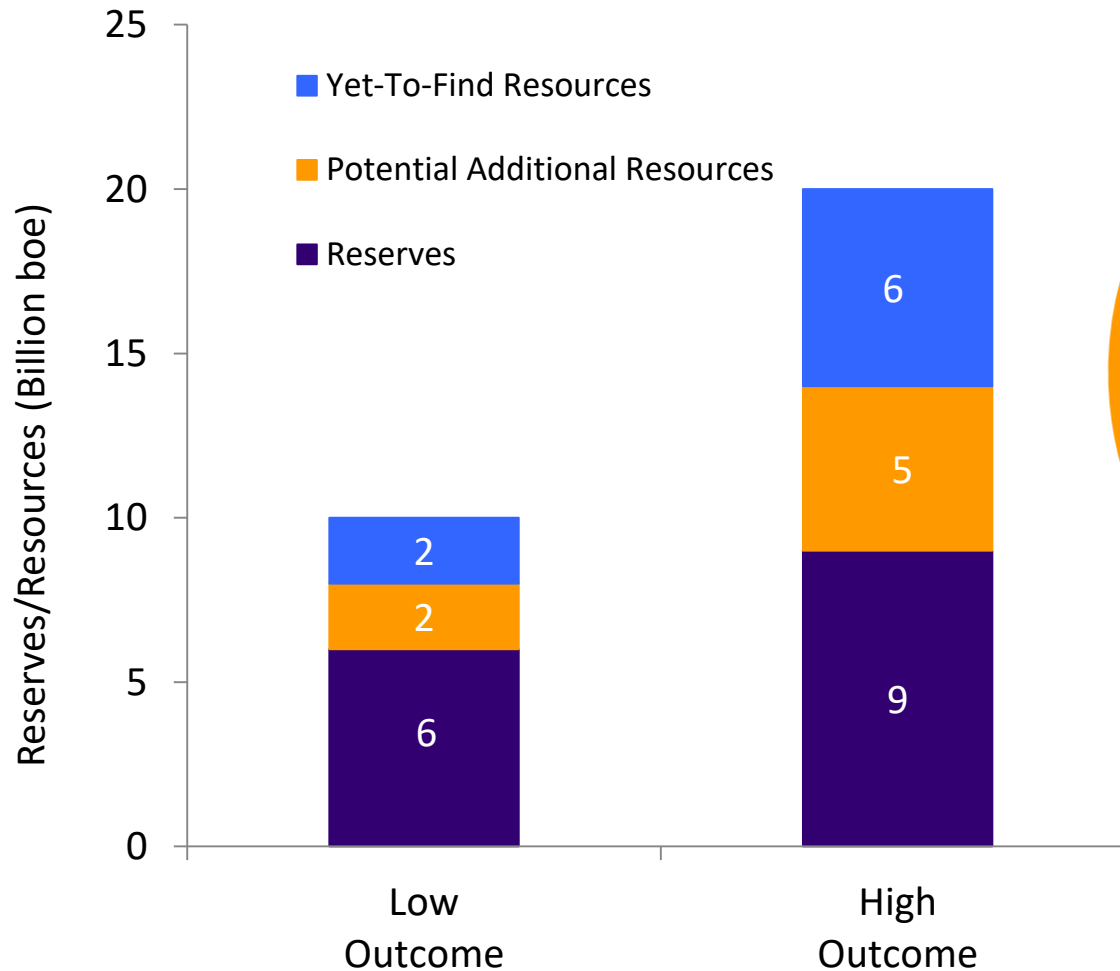
## Maximising Economic Recovery

Katy Heidenreich

Operations Optimisation Manager

29 November 2017

# There is £26 Billion investment yet-to-be sanctioned... and potentially much more that we cannot yet see



Source: OGA, Oil & Gas UK

# Maximizing Economic Recovery (MER) UK Forum Governance

## MER UK Forum

Smaller, focused membership with industry chairs, ministers and officials, and OGUK & OGA leadership, with others invited according to the agenda

## MER UK Steering Group

Focus of this group will be to steer the 6 Task Forces, discuss & review key strategic issues such as industrial strategy, collaboration & OGA/Industry interface. The MER UK Steering Group will meet at least twice per year (prior to the MER UK Forum)

### Exploration

Exploration Task Force

### Asset Stewardship

Asset Stewardship Task Force

### Efficiency

Efficiency Task Force

### Technology

Technology Leadership Board

### Decommissioning

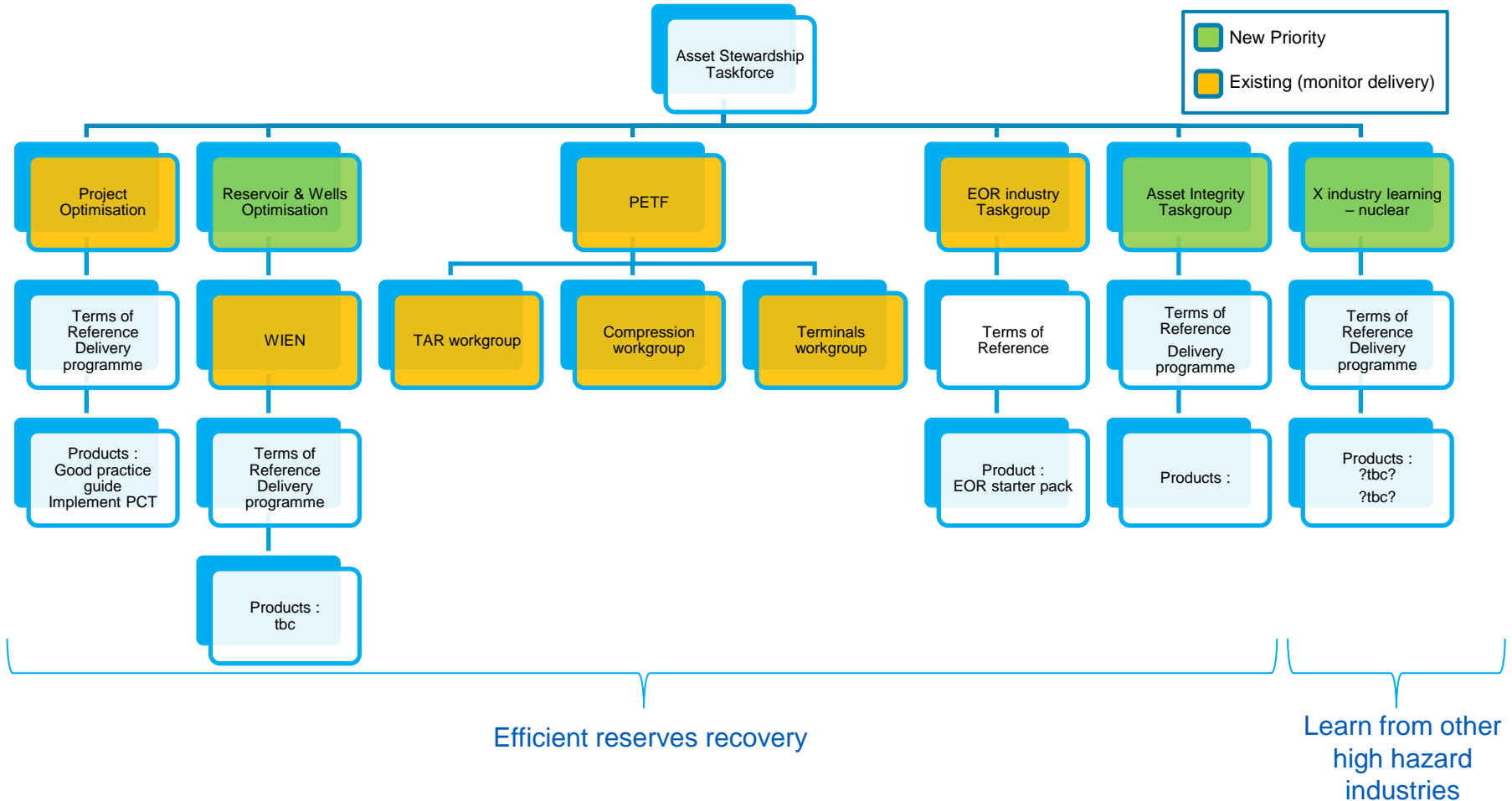
Decommissioning Task Force

### Supply Chain & Exports

Supply Chain & Exports Task Force

The Regional Development and Infrastructure Board will be disbanded. Work will continue in six core areas with appropriate leadership. It is suggested that nomenclature is changed from 'Boards' to 'Task Forces' except perhaps in areas with established brands (e.g. Technology Leadership Board)

# ASTF 2017 Priorities



- Existing taskforces : monitor/ support (PETF, Project Optimisation, EOR)
- New taskforces : establish, shape deliverables, monitor/ support 2017 delivery

# The UKCS has a significant opportunity...

- Recovery factor remains at 43%
- Recovery Factor hasn't changed since 2004
- Reserves replacement ratio is declining (13% in 2016)
- 30% of wells are shut in
- 10% well intervention rate
- Focus remains on restoration/safeguarding

# Reservoir & Wells Optimisation Goal: Add 200 million boe above the baseline by 2021

Raise the potential of existing fields & wells – where we can influence

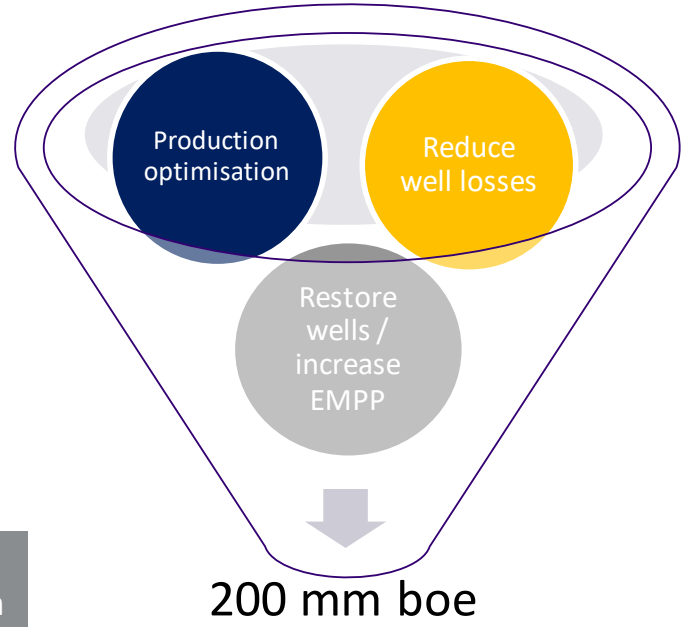
-  **Increase economic well activity**
-  **Compelling, competitive business case**
-  **Innovative, cost effective solutions**
-  **Appropriate use of technology**
-  **Promote industry collaboration**

Industry focus areas

- Develop best practice for identifying & ranking opportunities
- Find solutions to unlock opportunities

Share knowledge, inspire ideas

- Establish special interest group to engage & consult industry
- Leverage industry networks to share insight and promote good practice



Restore shut in wells

Increase Production Optimisation contribution

200 mm boe

Industry defined focus areas, using a data driven approach, to unlock high-impact opportunities

# Reservoir & Wells Optimisation 2017/2018 Goal: Identify priority areas, establish & implement good practice



## Identifying & Ranking Opportunities

**Problem:** Low intervention rate, poor line of sight on opportunities, what is optimum ranking/budgeting approach?

**Deliverables:** i) issue Best Practice? (4Q17)  
ii) quantify 2017 annual lost opportunity (1Q18) ?

**Sponsors:** *Fraser Elliot (BP)*  
*Ben Tier (ConocoPhillips)*



## Fracturing & Stimulation

**Problem:** Could Operator/Supply Chain collaboration deliver economic fracturing / stimulation solutions?

**Deliverables:** i) generate cost savings ideas (4Q17)  
ii) issue roadmap to deliver savings via Supply Chain, technology development, etc (1Q18)

**Sponsors:** *Mike Hartley (Engie),*  
*Marie Morkved (Maersk)*



## Strengthen Industry Networks

Promote open & transparent cross industry learning to unlock barrel adding opportunities

Progress cross industry initiatives

Help to accelerate what industry can do on its own.



Review progress monthly (Well Optimisation Task Group) and quarterly (Stewardship Task Force)