



equinor

Barnacle:
the 2-million barrel oil field



Context

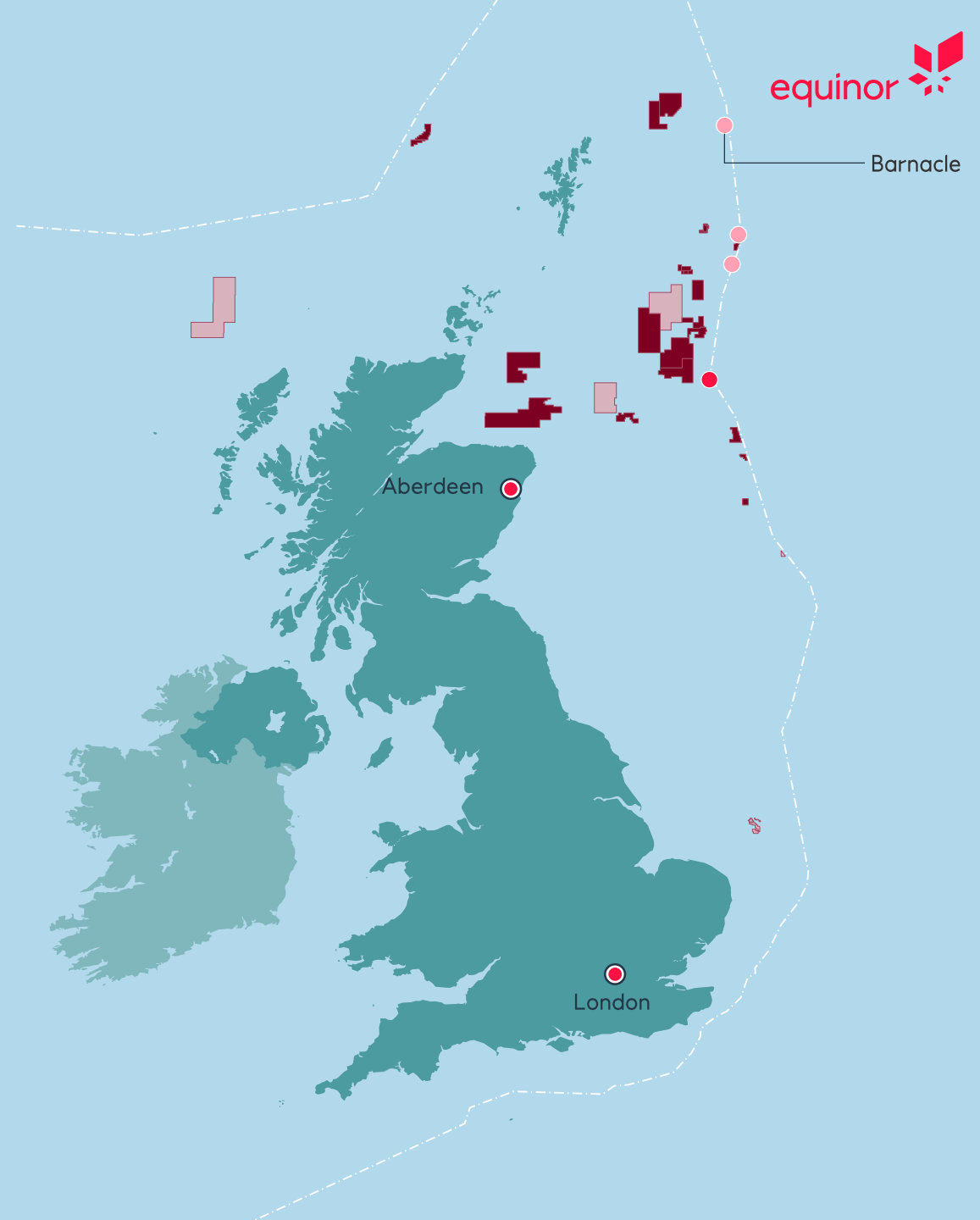
Part of Equinor UK Cross/Near Border portfolio

In Production: Barnacle and Utgard

Pre-sanction: Frigg, Laphroaig, Peik

Cross border developments

- Delivering stranded resources to aging infrastructure
- High value, low carbon assets
- Close cross company stakeholder collaboration



Value proposition



Value over volume driven



Produce otherwise uneconomic resource



Aligned with Equinor strategy



Background

- Located south of the Statfjord Field
- Discovered in 1992 by Shell (well 211/29-10Z)
- Appraised in 2007 by Aurora (well 211/29-D73)
- Development well 2019
- The Barnacle licence is located on the UKCS - 2km from the UK/Norway median line.
- On 1st October 2018, as part of the UK 30th Licensing Round, Equinor and partners (Esso Exploration and Production UK Limited (ExxonMobil) and Spirit Energy Resources Limited (Spirit)) were awarded the production licence - P2460.

Partnership

ExxonMobil

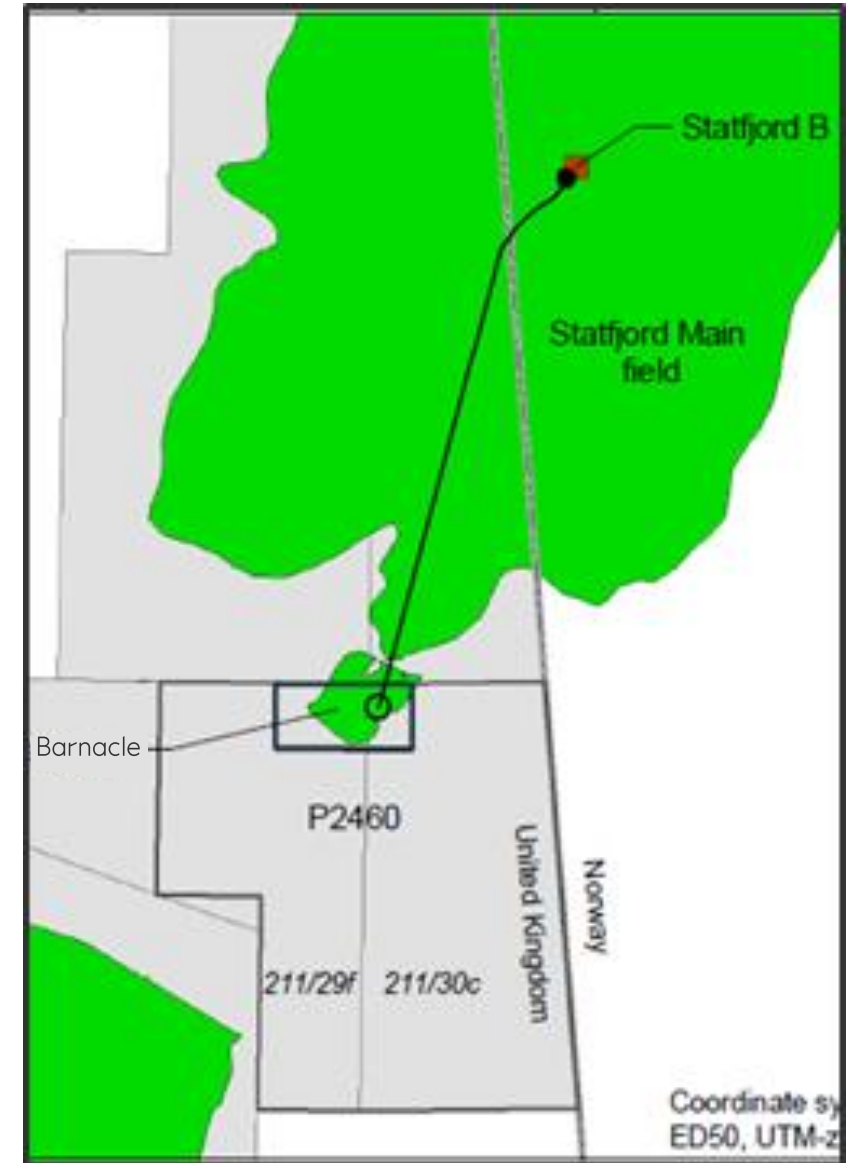
Esso Exploration and Production UK Limited
21.367%



Spirit Energy Resources Limited
34.296%



Equinor UK Limited
44.337%



Development

- A single extended reach well to access the Barnacle reserves and develop the field via the Statfjord B platform.
- LOF initially planned for 5 years of production - limited by COP at Statfjord B
 - SFB now extended by 10 years
- In line with Equinor's always safe high value low carbon strategy

Value



2 months

Payback time



<1

USD per boe
2020 Unit Production Cost



<2

Kg/boe

CO2 intensity full field



Extension of Statfjord field life

- Equinor and its partners in the Statfjord area approved plans to extend production from the field towards 2040.
 - Statfjord A was scheduled for decommissioning in 2022, the field life will now be extended to 2027.
 - Statfjord B and C will be extended beyond 2035
- Plans to keep CO₂ emissions as low as possible throughout the late life period, to ensure that Statfjord is operating well within the limit of Equinor's new NCS climate ambition.

Increasing value and extending Statfjord





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HOME | PRODUCTION

Equinor targets 20-year life extension for North Sea Statfjord field

Equinor and its partners have approved plans to extend production from the Statfjord field in the Norwegian North Sea out to 2040.

Jan 9th, 2020




The Statfjord A platform in the Norwegian North Sea.
(Courtesy Equinor)

Offshore staff

OSLO, Norway – Equinor and its partners have approved plans to extend production from the Statfjord field in the Norwegian North Sea out to 2040 by drilling new wells and upgrading the platforms.

They plan to extract more value from the field and to defer Statfjord A platform, which had been planned for 2022, until 2027.




Equinor and partners to extend Statfjord field life till 2040

By NS Energy Staff Writer 10 Jan 2020

OIL & GAS | UPSTREAM | OFFSHORE

The Statfjord field is said to have generated NOK1600bn (\$180.27bn) gross income to its owners and the Norwegian society through the 40 years of its production



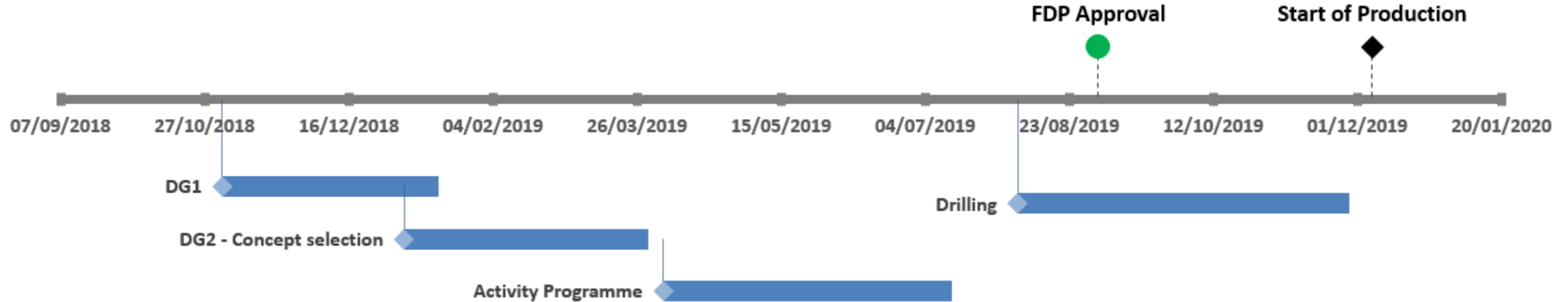
The Statfjord A platform has been producing from the Statfjord field since 1979. (Credit: Equinor ASA)

Equinor and its partners have decided to extend the production life of the Statfjord field in the northern North Sea till 2040 by drilling new wells and upgrading the platforms.

The Norwegian oil and gas company said that a new business plan in this regard will make sure that there is a higher use of resources and more value extracted from the offshore field.

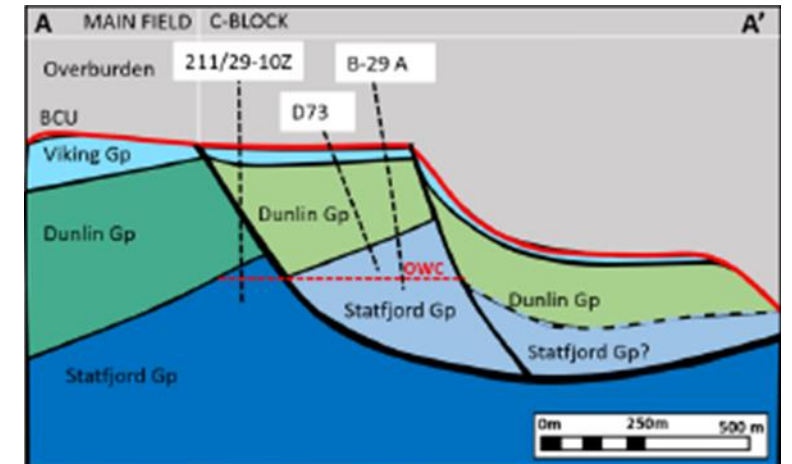
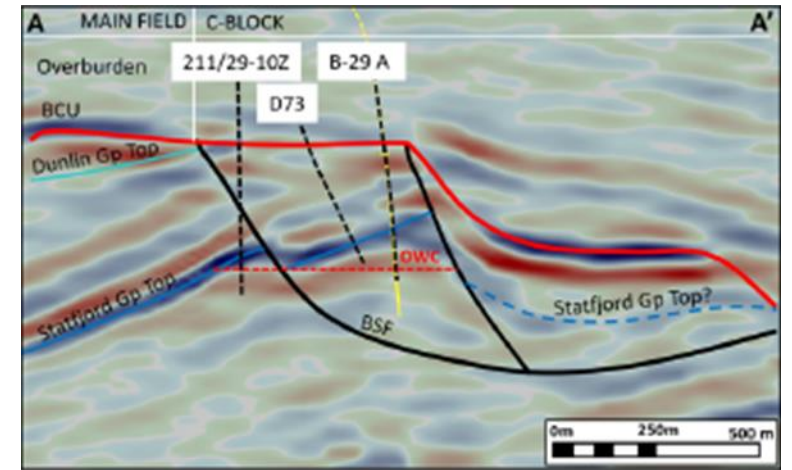
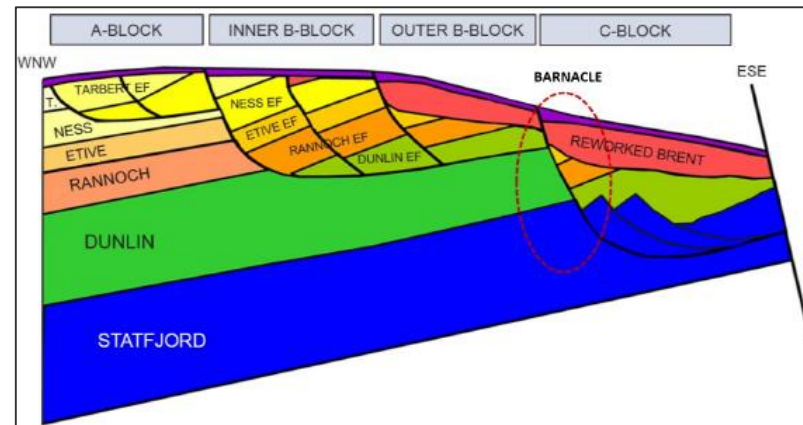
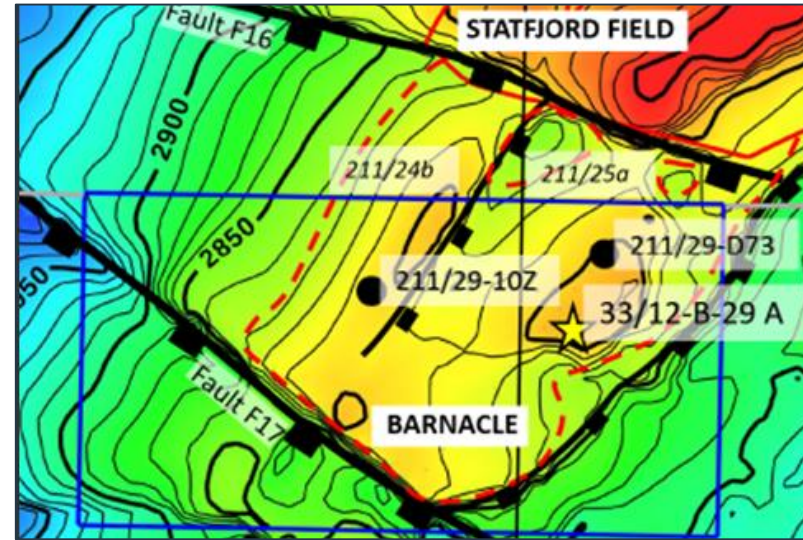
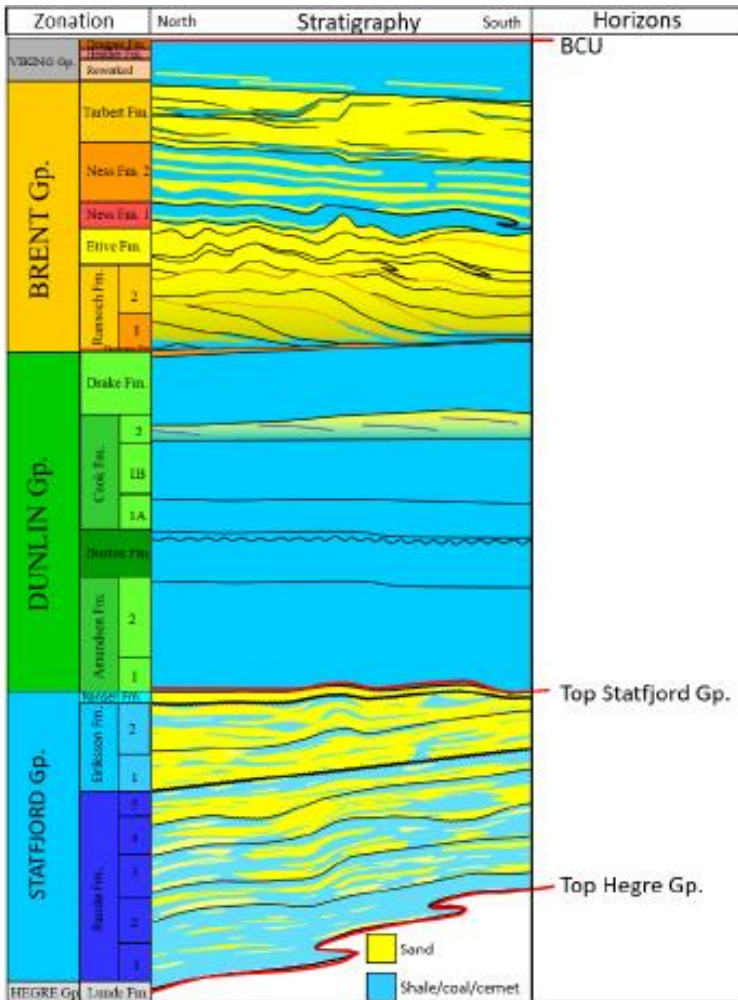
The Statfjord main field and satellite fields are part of the plan, which will involve maturing new reserves for recovery and making the required upgrades to the production platforms to boost field activity.

14 months from license award to production



- Fast development
 - Straight to second term (i.e. no exploration and appraisal phase).
 - Barnacle licence partners/equities were the same as Statfjord unit
 - Innovative commercial agreements
- Regulatory requirements
 - Early and active stakeholder engagement with authorities
- Challenge
 - Fast track nature of the project meant that FDP was approved after drilling commenced

Subsurface



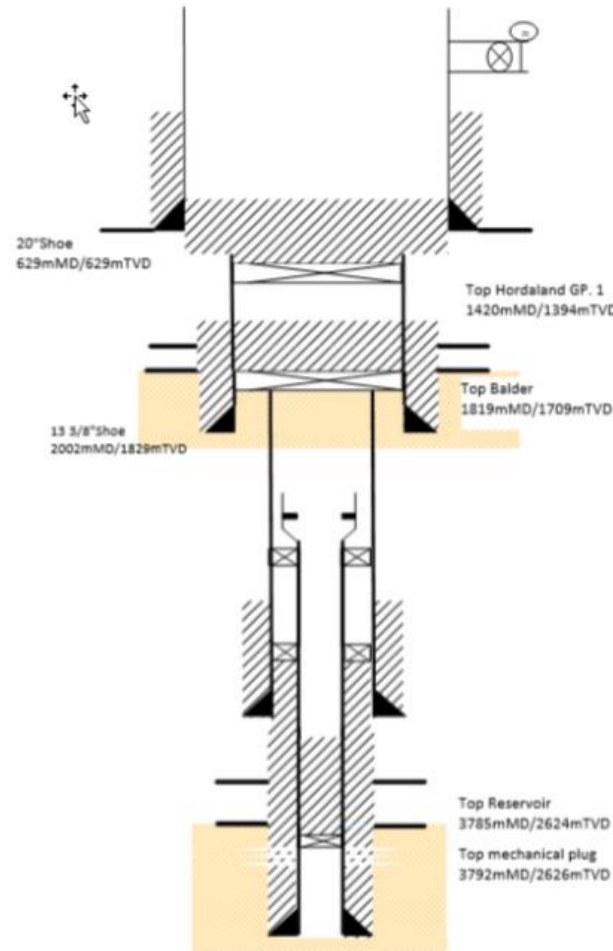
Drilling

Objective

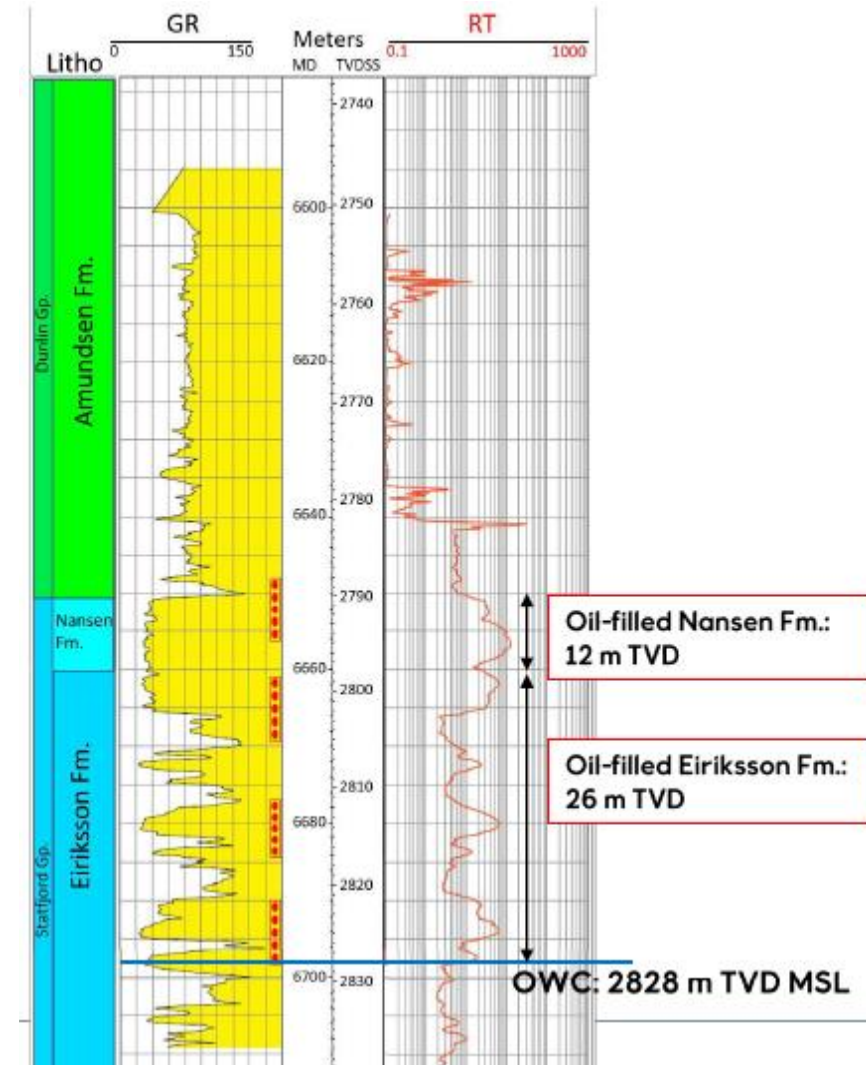
Produce oil from the Lower Jurassic Statfjord group in the Nansen and Eriksson formations of the Barnacle structure.

Results

- Top reservoir was encountered 4m TVD shallower than prognosed.
- TD was set 16m TVD below OWC
 - Total length ~ 6714 m
- The well was successfully completed with 4 EHS screens
- Production started up 06.12.2019



Well Drilling schematic



Real time data CPI log

Summary

Key Success Factors

- Why it works
 - Partner collaboration
 - Early stakeholder engagement with authorities
 - Pragmatic commercial agreement
- What it brings
 - Value for a stranded asset
 - Volumes to a late life field
 - Maximises economic recovery – low cost and timely
 - Low CO₂ footprint

Value



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CO₂ intensity full field



THANK-YOU

Barnacle: the 2 million barrel oil field

ExxonMobil



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