



# SPE Aberdeen Well Decommissioning *Qualification and Verification – Past, Present and Future*

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Wells Task Force, Well Decommissioning Work Group

Identifying value potential – Reducing removal costs by at least 35% from current norms



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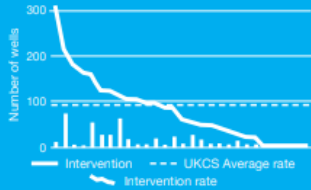
# Wells Insight Report 2018

## Key Insights

### from existing wells



Well integrity and water production issues account for **62%** of shut-ins



**Intervention rates are too low:**

**8%** surveillance rate      **14%** intervention rate

**OGA will**

- Develop a new Wells Strategy to support industry
- Establish a new Asset Stewardship Expectation focused on well management
- Publish a report detailing Wells lessons learned



### Well abandonment

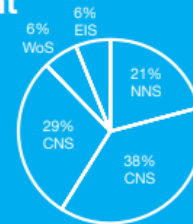
240 open water suspended E&A wells

Average age of 27 years, raising the issue of mechanical integrity

All require to be permanently abandoned

12 operators hold 70% of the wells

Further 28 operators hold the remaining 30%



Suspended E&A wells by area

Well abandonment activity has increased four-fold since 2016

Over 150 wells per year expected to be P&A'd

More wells being plugged and abandoned than drilled

P&A costs account for ca. 45% of the total decommissioning cost: Cost reduction is happening

2016: £402 million was spent on 76 abandonments

2017: £446 million spent on 163 abandonments

**OGA work with industry to promote**

- Information sharing on scope and abandonment plans
- Sharing P&A execution experience/ lessons learned
- Campaigns to achieve economies of scale, through higher rig and crew utilisations, fast learning curves and continuity of crews
- Visibility of future rig and service demand profiles to help supply chain to plan
- Novel and efficient contracting models

### on drilling

**Significant resource potential** remaining

**Decline:**

Declining trend in average discovery size

Development drilling has fallen 50% from 2015 to 2017



...with non-productive time (NPT) making up >15% of cost

**Deliver MER UK:**

Improve well abandonment planning



### Huge value

**In 2017**

Safeguarded 21 million boe production through interventions

Added 22.5 million boe production (by improving underperforming wells and/or reactivating shut in wells)

**But...**

33 million boe were not achieved as a result of well losses



**Around 600 wells shut in** with significant remaining reserves: **30% of existing active well stock**



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UKCS Wells Data*						
Well Status	Exploration	Appraisal	Dev Platform	Dev Subsea	Combined Development	Totals
Operating			1056	622	2128	2128
Shut-in			386	310	696	696
Plugged			224	43	267	267
AB1 & AB2	239				409	648
AB3	2345	1145			645	4135
Totals	2486	1373			4015	7874



\* Source OGA Wells Insight Report 2018



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# NST Forum

## NSTF Steering Group



MER UK Wells Task Force



Right Scoping Group  
Ian Ferguson  
Shell



Waste Removal Group  
Claus Vissing-Jorgensen  
Total



Improved Partnerships Group  
Martin White  
Halliburton  
Pete Wilson  
Valaris



Reservoir and Wells Optimisation Group  
Doris Reiter  
BP



Decommissioning Group  
Alan Quirke  
Repsol-Sinopec



Established to implement OGA Wells Strategy



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- **Wells Decommissioning Challenges**

- Rethinking P&A - Risk management
- Benchmarking current methods
- Enabling new approaches/technologies
- Demonstrating efficiencies

- **Opportunity**

- Collaboration / knowledge sharing
- Reshaping guidance (introduce standardisation)
- Redefine contractual relationships
- Promoting change

- **Benefits**

- Develop fit for purpose techniques
- Lower removal costs
- Stimulate activity



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## Objectives

- Assist in the development of a **Technology Roadmap**
- Support development of revised or new **Guidance**
  - Management of plugged and suspended wells
  - Well Decommissioning
  - Future use - CCS suitable reservoirs.
- Support cross industry **optimisation of Well decommissioning activity** on the UKCS.
- Develop an improving understanding of 'well removal' **environmental impact**.



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# Thank you

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