

PILOT INITIATIVES TO BOOST INVESTMENT IN UKCS

Two new initiatives, which aim to speed up the development of marginal oil and gas fields, have been announced. If successful, these initiatives could lead to significant new development investment.

The PILOT Undeveloped Discoveries Workgroup are championing a process to find new ways of bringing together the licence owners of adjacent discoveries to explore new ways to enable their development. A screening study has been completed with several potential development "clusters" identified and contacts initiated with the licence holders to identify the most promising of these for further work. There are approximately 315 undeveloped discoveries on the UKCS. Some 21 clusters have been identified and it is hoped that 2 or 3 might prove actionable in the near term.

Meanwhile Amerada Hess, BP Amoco and Shell, working with the Undeveloped Discoveries Workgroup and LOGIC, plan a complementary "Satellite Accelerator" initiative. The intent is to open a number of opportunities for industry collaboration, inviting innovative

proposals from the industry at large.

The Satellite Accelerator initiative concept will be developed further over the coming months. It will involve the setting up of data rooms that will allow access to information on undeveloped discoveries. This will encourage creative solutions to the issues blocking individual developments. If successful, it is expected that other operators will embrace the initiative.



Helen Liddell, the Minister for Energy, commented, "These initiatives will help the industry to find creative and innovative solutions to enable the next phase of difficult developments. There is a real sense of optimism that we are close to unlocking the door to development for some of these marginal fields.

"Industry co-operation initiatives will help to foster the sort of inventive ideas,

including the sharing of risk and reward, necessary to allow the acceleration of basin development."

Updates will be posted on the PILOT and LOGIC websites.

LOGIC Supply Chain Management Seminars Sell Out

LOGIC has launched its series of 2 day seminars comprising a taut but highly interactive introduction to the process of analysing an organisations supply chains. Courses for the Summer have already been sold out.

However these courses will continue on a monthly cycle in Aberdeen on 20/21 Sept, 26/27 Oct, 16/17 Nov and 12/13 Dec.

Bespoke courses spanning companies across an individual organisation's specific supply chain can also be arranged and have already brought real benefits to a number of companies.
www.logic-oil.com

LOGIC Seminar at Aker Oil and Gas

Aker Oil and Gas Technology recently hosted a two day seminar on Supply Chain Management at Bridge View which was attended by representatives from LOGIC, Enterprise Oil, Pierce Production Company, AOGT, Alstom Power and Rigblast.

LOGIC (Leading Oil & Gas Industry Competitiveness) is a new Industry organisation that works with companies throughout the Industry to stimulate collaboration and radically improve competitiveness. The seminar was part of the LOGIC initiative to optimise supply chains within the Oil & Gas Industry.

The most commonly asked question is "what is a supply chain?" - the seminar response is: "A supply chain is a network of activities through which services, products, money, information, etc. are moved all the way across a single process."

On day one delegates learnt about the LOGIC supply chain methodology, market analysis and the key tools involved. They were then given the opportunity to try out these tools in lively syndicate groups tackling a case study based around a fictitious conservatory business.

On the second day, delegates addressed the reality of a complex supply chain surrounding Pierce operations by conducting an in depth analysis of the routine maintenance process. By bringing together representatives from each link in the

chain, ten initiatives were identified and ranked for presentations to be reviewed by PPC management. At the same time AOGT will consider how to bring the benefits from the exercise to other parts of the business. See page 1 for details of future courses.



LIFT is Helping to Move Assets

Are They Yours?

LIFT (Licence Information For Trading) continues to establish itself as the resource for those wishing to offer or acquire assets on the UKCS.

Over 100 assets are posted on the site at the time of writing, but much more pertinent is that almost all have been removed.

Tim Reggione, UK Lift Project Manager, says, "This is a good time to remind those with assets on our site that they should keep the details up to date as we are getting more visitors all the time.

We have some 1500 registered users. Those that haven't joined LIFT and posted assets that they have available, are missing opportunities."





ITF Connects

The Industry Technology Facilitator (ITF) was set up by the Oil and Gas Industry Task Force last year.

Technology development is vital to the continued prosperity of the oil and gas business, particularly in mature sectors such as the UKCS. ITF, owned by 17 North Sea operators with additional support from the DTI, facilitates technology development by matching the needs of its members with technological solutions that innovative companies can provide.

ITF aims to:

- Provide its oil and gas companies with innovative, cost saving technologies, developed from the latest advances in science and engineering.
- Support technology suppliers by providing a clear understanding of the Industry's technology needs and a route through which relevant projects can be funded.
- Stimulate dialogue between all players to ensure that the Industry as a whole is working on the technologies needed to extend the economic life of the UKCS.

During 2000 the ITF will seek to commit £4m of new investment for technology development on behalf of its member companies. In addition it will launch 16 new joint industry projects that will enhance existing field production or make new, small fields economically viable. The key technology areas of facilities, sub surface and wells are the main focus for ITF and each has a dedicated member of staff.

Facilities: Richard Tanner.

Sub surface: Duncan Anderson.

Wells: Allan J Dick.

Phone: 01224 853 400

Website: www.oil-itf.com

LOGIC Shares Well Decision Navigator

LOGIC have launched a Well Decision Navigator and made it available free of charge to the Industry.

The Navigator offers a decision framework for doubling the value of development wells in line with industry objectives.

It aims to guide a team to think of all possibilities, triggering the questioning

process by navigating the decision framework, and advising when an option appears not to have been considered or a relevant question not asked. It does not, indeed cannot, provide any answers directly, as these will vary from context to context. Access to supporting information, background details and supply chain companies who can help at a particular point is facilitated by a link attached to each question.

The group that worked on the project believe the aid is a catalytic opportunity

to share indepth thinking around the decisions which increase development well value. It is a potentially powerful way of maintaining and disseminating best practice. In addition it can act as a stimulus for attracting creative ideas for as many companies as possible in the development wells supply chain.

The Well Decision Navigator is available free from: www.logic-oil.com/projects/drilling/dvdw.html

DEAL LAUNCHES INTERNET ONE STOP SHOP FOR UK OIL AND GAS DATA

The contract to develop a comprehensive internet-based exploration and production data service that will save the UK Oil and Gas Industry millions of pounds a year has been awarded to BGS (British Geological Survey) in partnership with web technology specialists ESRI (UK) Limited. The contract is worth over £300,000 per annum for the next three years.

DEAL (Digital Energy Atlas and Library) will reduce the time taken to search for data and eliminate duplication in data storage, freeing up industry specialists to look for new investment opportunities. It is the latest initiative to emerge from PILOT, the Government industry partnership spearheading change in the UK oil and gas sector.

The focus of the project will be a public website (www.ukdeal.co.uk) offering the definitive index database for exploration and production activities in the UK - a "virtual shop window" for information and geo-scientific data on the province. This data is currently held in repositories all over the world - DEAL will allow users to track it down and obtain it quickly. This may involve purchase if the user is not already "entitled" to see the data.

Helen Liddell, Minister for Energy and Chair of PILOT, said: "DEAL will exploit the Internet and e-commerce to provide, for the first time, a single "virtual repository" for UK data. Information may be stored, accessed, distributed and traded. With other PILOT initiatives, DEAL will promote competitiveness and encourage activity on the UKCS at maximum cost-effectiveness."

www.pilottaskforce.co.uk

Key Contacts

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Jargon Buster

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