



RESULTS STORY

World Wide Center of Excellence in Well Abandonment



Real Results!

TL for Abandonments Adding Rigor to AFE Determination

A major operator has been striving for a number of years to develop accurate and meaningful techniques of calculating AFE for well abandonment operations on the GoM shelf. Up until this point that objective was not met and targets were being set based on engineer experience, having no historical data available for comparison. With this in mind, The REACH Group set about in assisting the team in finding a solution to help accurately set AFE targets through the use of historical data based on in depth performance analysis on a number of complexity levels.

Accurate historical data is required to assist the Abandonment Project Managers to accurately plan their wells for submission for AFE approval. Although, approvals were rarely denied, it became evident that a more methodical approach was required if well abandonment costs were to be minimized. To help meet this requirement, historical data was collected and an in depth analysis conducted by the Technical Limit Coordinator on a wide variety of completed wells (a total of 40 wells which included wells abandoned prior to the commencement of the Technical Limit Methodology on the project) and with in depth discussion and cooperation from each of the operator's Project Managers, well abandonment complexity matrices were developed to facilitate accurate well performance comparison. In addition to this, real time performance analysis was performed and continues to be conducted while retrospective complexity scoring continues to add to the data set.

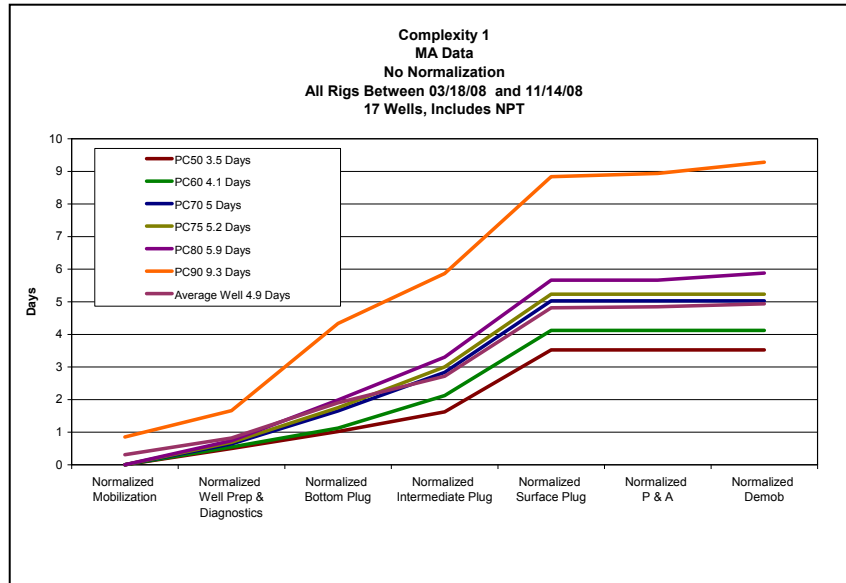
Results:

Through the implementation of the Technical Limit Process, learning from previous operations and from using Reach History Analyzer (RHA) as the program of choice during the Implementation phase, both the time and cost element of well abandonment decreased, allowing for an extension of the well abandonment program beyond the current projection. The operator is able to abandon more wells, creating a sustainable business model well into the future, delivering and exceeding the customers expectation and achieving it's goal of being the 'Worldwide Center of Excellence' in well abandonment.

Percentile Ranking

Average Well = 4.9 days					
PC 90 = 9.3 days					
PC 80 = 5.9 days	Possible AFE with Contingency of 20% - AFE with Contingency cost of \$392,515				
PC 75 = 5.2 days					
PC 70 = 5.0 days	Possible Trouble Free AFE - AFE cost of \$325,988				
PC 60 = 4.1 days					
PC 50 = 3.5 days	Possible TL Time - 70% of PC70				

Modular Analysis



Keys to success:

Extensive analysis of historical cost and time data

The use of RHA for performance analysis and percentile ranking.