

The 50 per cent drilling challenge

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The 50 Per Cent Drilling Challenge

What are the underlying challenges?

Where are the areas we can influence as an industry?

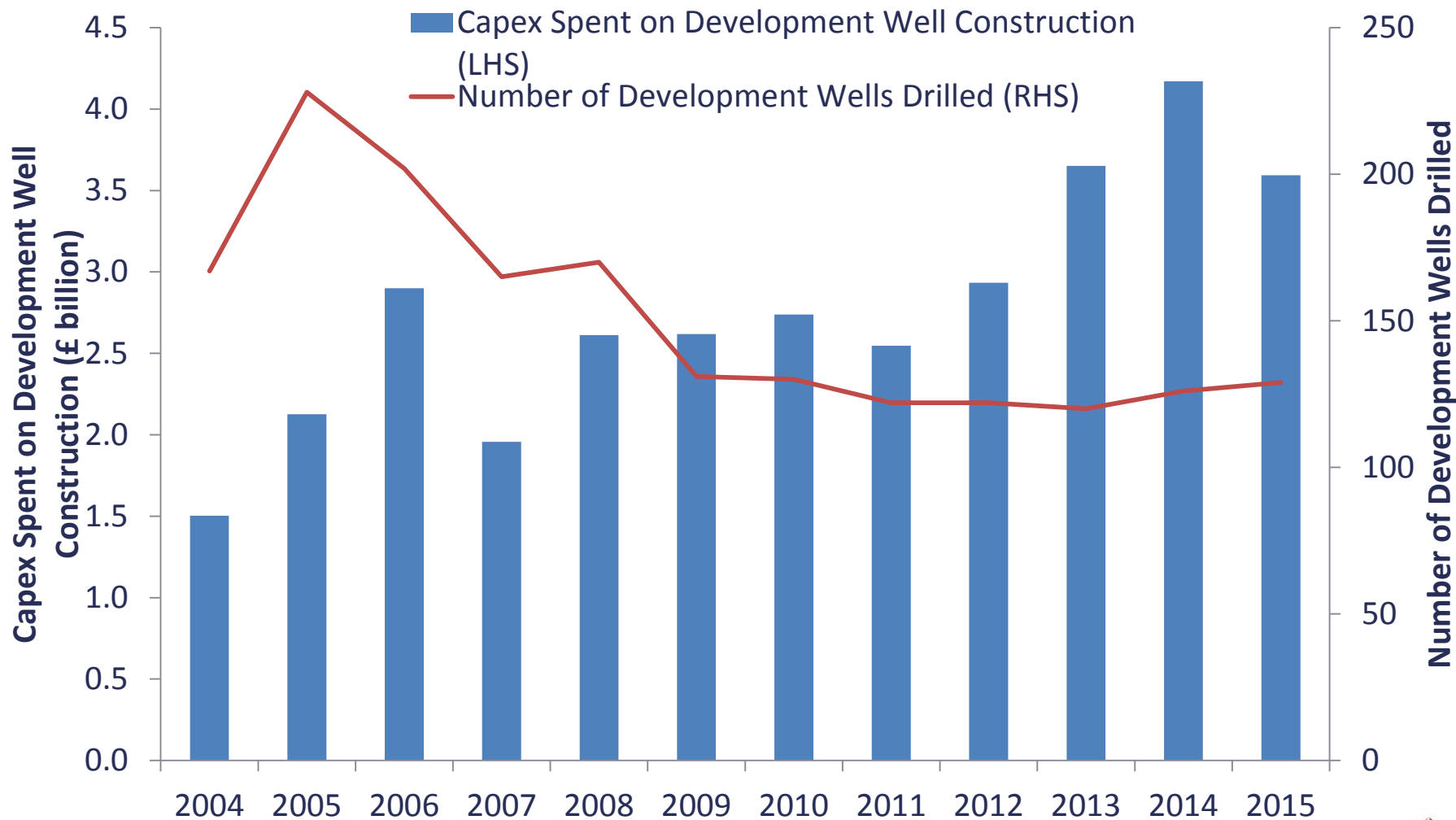


50% reduction

£

We are aiming for a 50% reduction in the cost of drilling a well on the UKCS by 2017

Underlying challenge – Drilling fewer wells and spending more on those in construction



A new co-operative approach is aligned with the OGA's MER UK Board

MER UK Board Priorities



The 50 per cent challenge

Enable
asset
transfers

Reduce
costs and
improve
efficiency

Develop
existing
discoveries

Increase
exploration
drilling

Immediate
Action &
Develop
regional
plans


Defining our challenge – a new, lower, sustainable cost of drilling

**We are taking
more time**



**We are taking longer to do
the same thing**

**We need to
get smarter**



**We need to get much smarter
about how we drill wells**

Addressing the challenge - Workshop

**Over
100 people**



The workshop involved over 100 people from 40 companies

20 per cent savings



15 to 20% of potential savings unlocked for just two wells

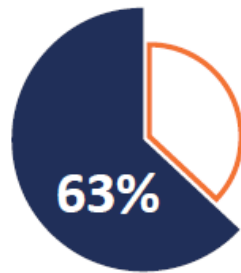
**Knowledge, design
and technology**



Savings were achieved through knowledge sharing; simplifying the design; and technology

Addressing the challenge - Workshop

**63% found help
with lowering the
cost of their wells**



63% of those who attended the workshop heard something that would help get their well back into company plans

**1/3 confident of
cost reduction**



31% of those who attended the workshop are confident the output will have a tangible impact



Where can we influence as an industry?

**Working
Better
Together**

**Drilling
Efficiency**

Well Design

**Sharing
Knowledge &
Experience**



2016 – Roadmap for change

Priority areas for 2016

- Work *together* to protect activity levels in UKCS
- Fit for purpose design
- Improved efficiency
- Lower overall well lifecycle cost
- Appropriate use of technology

Other areas

- Knowledge sharing
- Equipment sharing
- Standardisation
- Fit for purpose well design & delivery processes



Technology in the UKCS

