

Decommissioning is demystified

Decommissioning North Sea facilities is projected to cost £35 billion over the next two decades with £1 billion spent by UK producers last year, according to Oil & Gas UK. The rate of decommissioning activity is accelerating and rising costs against the backdrop of a low oil price is impacting further.

Next year will see the culmination of a decade of planning as Shell's Brent Delta platform topsides is removed. The industry is discussing the best way to further collaborate to drive efficiencies.

International energy consultancy Xodus Group believes that with proper planning, assets can be grouped together to help deliver supply chain efficiencies. The company has applied similar principles to its delivery of more than 50 decommissioning projects for North Sea operators and understands the challenges that the removal of subsea and topsides infrastructure presents.

Caroline Laurenson, consultant engineer, leads decommissioning projects that integrate input from all technical areas. Prior to joining Xodus in 2011 she was part of the Shell team that defined the concept selection for decommissioning the Brent Alpha, Bravo and Charlie platforms and was the lead process engineer for the Brent

Alpha platform front end engineering and design study (FEED).

"We are looking at new ways to streamline decommissioning projects to drive efficiencies, she said. "Xodus provides operational support across the North Sea including maintenance and integrity. Our engineers are skilled at finding new ways to enhance production efficiency and extend field life.

"The knowledge gained in this stage of an asset's life can provide the basis of data and understanding for reducing the risk and uncertainty around decommissioning. We also feel that the operational phase of an asset presents the greatest opportunity for streamlined decommissioning planning, delivered in a manner which is not at odds with the ongoing production philosophy."

The Aberdeen-headquartered consultancy's team of multi-discipline engineers and technical specialists help clients to manage the regulatory minefield as well as taking the stress out of concept selection, strategy planning and permitting – ultimately reducing risk as an asset transitions from operational to retirement phases.

Of the four decommissioning permits submitted to the Department of Energy & Climate Change (DECC) last year across the industry, the only two approved were prepared by Xodus. Both were for Brent



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Delta with one involving a chemical permit for flushing of the oil export line to Brent Charlie along with topsides scopes. The other was for a marine licence for debris removal and redistribution of cuttings from the storage cells at the base of the platform.

Laurenson continued: "We pride ourselves on having our finger on the pulse when it comes to latest regulation and legislation and have been responsible for more than a decade for the on-going maintenance of the Oil & Gas UK legislation guide.

"As a process engineer by trade, I can see how all of the different elements need to come together. There is still some confusion, despite DECC launching its streamlined programme templates last year and part of our role is demystifying that for our clients and giving them confidence and independent verification ahead of submissions."

The Xodus approach is 'decommission one, decommission many' which means that there is a sliding cost efficiency scale to follow-up assets where attention is drawn to identifying differences and opportunities. This could be taken a step further with greater industry collaboration and standardisation.

The company is hosting a client event this summer, sharing lessons learned and guidance on delivering best value through the DECC templates.

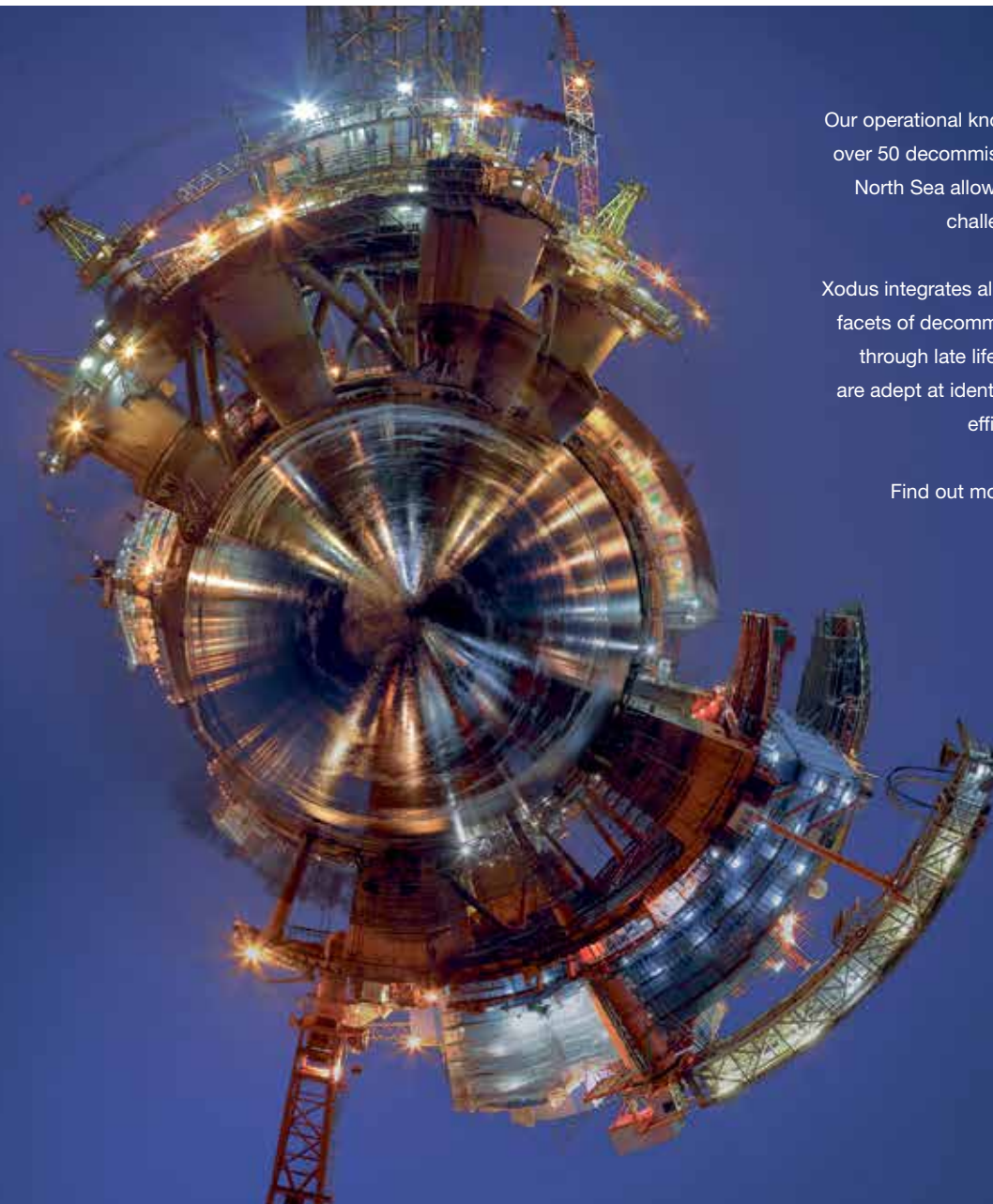
Laurenson added: "Decommissioning should not be a daunting task, nor should it be put off, as it is proven that early decommissioning planning can reduce costs.

"Rather than approaching asset retirement as a separate project, or as something complex and new, the opportunity should be taken to build on asset and industry knowledge. Lessons can also potentially be learned from other areas such as the nuclear industry where projects have been delivered through joint partnerships."

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Our operational knowledge and involvement in over 50 decommissioning projects across the North Sea allows us to focus on the unique challenges posed by each asset.

Xodus integrates all engineering and legislative facets of decommissioning to support clients through late life operation and beyond. We are adept at identifying opportunities for cost efficiencies and risk reduction.

Find out more about how we demystify decommissioning at xodusgroup.com/decom

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