Analysing Plug and Abandonment Operations' Costs

Estimating Costs Best Practices for Project Planning, Liability Provisioning, and Efficient Well Abandonment Cos

Introduction

When decommissioning oil and gas production assets, well abandonment is typically the region with the highest spending and the highest cost overruns. Because of the potential step change impact of technical decisions and regulatory restrictions, estimating the abandonment costs near the end of a well's life presents some special issues for both the engineer and the cost estimator.

It has only been in the last few years that decommissioning, and especially abandonment, has been recognised as strategically important. This is because of the increasing influence on company balance sheets and the potential for large cost overruns that are currently being discussed in many businesses. Recent industry experience can teach us a few things, with high-quality estimation techniques at the core of making sure the right plans can be put in place to reduce the impact on the environment now and in the future.

The following will be covered in this Course N Carry training session on Analysing Plug and Abandonment Operations' Costs:

- The strategic significance of comprehending the magnitude of potential abandonment obligations
- The best estimation practices now in use and how they should be used for well abandoning
- The connection between accuracy and quality of data
- Typical well abandonment cost overrun risks and strategies for mitigating them
- How improved cost control is facilitated by best practices
- Benchmarking's importance

Objectives

The Course N Carry Analysing Plug and Abandonment Operations' Costs training course offers a thorough understanding of best practices for cost estimation, how well abandonment fits into these standards, and the strategic significance of adoption for cost management and financial planning.

Participants in this Course N Carry training course will have the following skills at the end:

- Make a distinction between the two cost estimation methods and estimate classes.
- Create an extensive Basis of Estimate by applying GIPA (Good Industry Practice).
- Recognise accuracy levels and the ramifications of them.
- Determine the typical risks of well abandonment cost overruns and how to handle them.
- For the same work scope, create a probabilistic estimate and contrast it with a deterministic strategy.
- As a cost control strategy, use cost estimation.

Training Methodology

In order to highlight important lessons and make sure the application of basics is thoroughly understood, this Course N Carry Analysing Plug and Abandonment Operations' Costs training course will be given via brief introduction lectures, followed by classroom discussion and debate. The instructor will highlight the main ideas and the possible consequences of both excellent and bad management with a variety of hypothetical and real-world situations. Every topic will be covered with an instructional activity that can be done in small groups or alone. The influence of different approaches will be demonstrated by a discussion and comparison of the responses and conclusions.

Organizational impacts

It is common to undervalue the strategic significance of controlling future well abandonment and decommissioning obligations for operators of oil and gas assets. With their newfound understanding, participants will be able to provide efficient technical and financial management of future abandonment liabilities.

- Participate in the strategic financial planning of future obligations related to well abandonment.
- Identify and estimate the potential financial obligations associated with well abandonment in a timely and efficient manner.
- Early cost reduction opportunities should be identified to maximise their applicability and impact.
- Take the lead in implementing sound cost estimation techniques across the company.

Personal Imapct

After gaining a comprehensive understanding of cost estimation best practices and how to apply them to well abandonment workscopes, attendees will be able to:

- Improved project management for upcoming projects and possible abandonment liabilities
- Show that you are a technically competent cost estimator.
- Set oneself up for involvement and greater accountability in a developing industry
- Take the lead in creating and implementing good practices inside their company.

Who should attend?

This course will be beneficial to everyone involved in well abandonment planning, cost provisioning, or execution management who wants to enhance or maximise their role in the well abandonment process.

A wide range of professionals can benefit from this Course N Carry training course, but the following are particularly noteworthy:

- Engineers for Wells
- Managers and team leaders in charge of abandonment design
- Future decommissioning obligations are managed and identified by finance and technical cost estimators.
- Engineers for Project Execution
- Managers and team leaders in charge of providing properly abandonment workscopes

Course Outline

Day 1

Methods for Cost Estimation and Their Relevance to Well Abandonment

- Different Estimate Types and Their Constraints
- Estimate Classifications and Their Use
- Recognising Correct Accuracy
- Current Work Experience in the Industry
- What Determines Costs of Abandonment?
- The Optimal Set of Data

Day 2

Basis for Calculating Best Practices

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- Data Collection
- Comparing and Consolidating
- Using a Risk Registe to Manage Risks

Day 3

Probabilistic Approximation

- Approaches and Best Practices
- Benefits
- Steer Clear of the Pitfalls
- Relevance

Day 4

Controlling Expenses and Using Acquired Knowledge

- Common Reasons for Well Abandonment Cost Overruns
- Mitigation of Risk
- Project Development
- Maintaining Records
- Possible Repercussions of Recording and Using Learned Lessons

Day 5

Integration

- Worth and Significance of Accurate Cost Estimating
- Techniques and Where They Are Useful
- Important lessons learned

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