



Oil & Gas
Authority

Stewardship Expectations

SE-02 Exploration and Appraisal Subsurface
Work Programme Implementation Guide

1. Objectives

The objectives of this Stewardship Expectation are to ensure that licensees deliver work programmes on a timely basis, that they identify and exploit the full suite of prospectivity on all licences, and that they provide the OGA with sufficient information to allow the performance of the UK's exploration and appraisal (E&A) portfolio to be evaluated. The processes within this expectation will allow forecasting of activity that will inform the national budget, assist with assessments of remaining resources, and enable recommendations to improve E&A performance and technical evaluations to be shared with industry.

2. Indicators to assess delivery

Delivery of this Stewardship Expectation is demonstrated through the performance of the following two key elements:

1. An annual subsurface work programme
2. Exploration and appraisal pre-, syn- and post-well evaluations

2.1 Scope and definition

The OGA's annual Asset Stewardship Survey will collect updates to prospect inventories and E&A work programmes through submissions by the operator of each licence to the OGA. The survey will also gather information on drilling results and costs for the prior year, constraints to future drilling plans, and estimates of overall projected expenditure. Anticipated changes in equity ownership should also be identified in addition to any potential acquisition and divestment activity (see Expectation SE04).

Operators should undertake the following actions in support of this expectation:

- a. Submission of the E&A component of the annual Asset Stewardship Survey
- b. Participation in subsequent Tier 2 and Tier 3 reviews as requested by the OGA
- c. Provision of additional relevant information at key points in a licence work programme upon the OGA's request

2.2 E&A well evaluations

E&A well evaluations may be required at the following points in the licence lifecycle:

- a. Well investment
- b. Pre-drill
- c. During well operations
- d. Post-well

Where requested, risk and resource evaluations, together with associated spatial and subsurface data, should adhere to the prevailing OGA standards and guidelines. Licensees should demonstrate the link between technical evaluations and the underlying datasets (see Expectation SE03).

2.2.1 Well investment evaluation

It is good practice to make well investment decisions no later than 18 months prior to the relevant licence deadline to enable well planning and operations to be completed within the required licence timeframe. Operators should proactively give the OGA advance notification of well investment decisions, and should acquaint themselves with their statutory obligation to inform the OGA of certain joint venture meetings Under Part 2, Chapter 4 (Meetings) Of The Energy Act 2016. See the OGA website for the latest guidance.

Upon request from the OGA, operators should provide the best technical assessment of their target opportunities at the point of well investment. This evaluation should be undertaken notwithstanding the operator's intention to apply to the OGA to drop a discretionary well, or seek a transfer of a contingent or firm well commitment.

In the case of a decision to progress with drilling, the operator should provide P90/P50/P10 conceptual development schemes and economic inputs (production profiles and cost schedules only).

If an application not to drill is agreed with the OGA, a standardised dataset should be provided on relinquishment of the licence, including a relinquishment report which the OGA may publish.

2.2.2 Pre-well evaluation

Once licensees have obtained internal approval for drilling, the OGA should be kept fully informed of well planning activities. This should occur prior to finalisation of well plans and at least 3 months prior to the anticipated spud date.

The OGA should be provided with a copy of the operator's well proposal documentation, laying out in full the supporting technical work, rationale and objectives for the well, well-design, high-level costings, data acquisition programme and key decision-points. The OGA may request a meeting with the operator to discuss and clarify this material.

Well proposal documentation should include:

- a. Summary of well investment evaluation (project approval) including risk and resource assessment
- b. Confirmation that licence commitments are being met, including total depth (TD) criteria
- c. Selection of bottom hole location(s)
- d. High level well design and cost estimates
- e. Copy of the authorisation for expenditure (AFE) and its approval status within co-venturers
- f. Geological prognosis
- g. Drilling hazards, including site survey and pore pressure prediction
- h. Rationale for data gathering programmes
- i. Rationale for key operational decision-making (eg. decision trees)
- j. Confirmation of material to be submitted to WONS
- k. A plan relating to communication of well operations information to the OGA

2.2.3 Well operations

Following spudding of the well, the OGA expects to be kept up to date on well operations by receiving copies of weekly well operations reports (and on specific request daily reports). Communications with the OGA on E&A well operations should be sent to Offshore.Well.Operations@ogauthority.co.uk. Specific additional information should be supplied:

- a. Notification of spud
- b. Notification on reaching top reservoir
- c. Notification on reaching TD, and where relevant agreement with OGA that well commitments have been met
- d. The initial draft analysis of the reservoir and its hydrocarbon content
- e. A draft log interpretation (CPI) as soon as available
- f. Notification of any major deviations from the well plan

2.2.4 Post-well evaluation

The operator should routinely provide the OGA with well results, including information regarding the presence of hydrocarbons or shows, logging responses, sample analyses, assessment of prognosis, reservoir presence and quality, pressure and temperature conditions, fluid properties, and all other information that may be pertinent to an evaluation of the well result.

- a. Within 1 month of finishing drilling operations, an initial evaluation of well results in the form of a data-pack, including CPI and geological interpretation of results, should be provided to the OGA
- b. Within 6 months of finishing drilling operations, a full post-well review, including a standard set of End of Well Reports (Composite Log and Completion Report) and in the case of a discovery, a volumetric assessment of resources, should be provided to the OGA
- c. In the case of a potentially commercial discovery, within 12 months of finishing drilling operations, a written appraisal plan should be provided to the OGA

2.2.5 Suspended E&A wells

Suspended wells should only be kept where a future use is endorsed by the OGA, and an application through WONS should be made to request suspension.

- a. All suspended wells should have a plan lodged on WONS detailing a bullet point P&A programme, indicative cost, the mechanical status and Oil and Gas UK categorisation of the well
- b. Where an operator wishes to suspend a well, they should demonstrate that they have the means available to re-enter and make that well safe. This is typically the cross over to the specific well head or other equipment installed on or in the well
- c. It is expected the operator will make efforts to collaborate with other operators when abandoning suspended E&A wells



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