



Oil & Gas
Authority

Stewardship Expectations

SE-10 Planning for Decommissioning
Implementation Guide

1. Objectives

The objective of this Expectation is:

- to ensure that licensees are commencing the planning for decommissioning at an appropriate time and are in a position to communicate the process, content and outcomes of this planning to the Oil and Gas Authority (OGA), if requested to do so
- to ensure that licensees are including, at the appropriate time, the development of the strategies for execution and contracting to support the planning and implementation of decommissioning projects
- to assist licensees meet their obligations contained within the Energy Act 2016 and the MER UK Strategy
- to increase the consistency with which planning and specifically cost estimating processes are designed and implemented with a view to facilitating the use of metrics and benchmarks
- to encourage licensee collaboration and cross company engagement

These objectives are designed to help minimise the cost of decommissioning across the UKCS and ensure that the industry is sharing and learning from the experience of others. This guide should be read in conjunction with the associated SE-10 Expectation, and is structured in the same way, addressing two sections of the Expectation, namely:

- A preparation plan for decommissioning in place no less than 6 years prior to Cessation of Production (CoP)
- A decommissioning execution and contracting strategy in place no less than 3 years prior to CoP

2. Indicators to assess delivery

The ability by licensees to demonstrate the following actions and produce the following deliverables will provide sufficient indicators that the Expectation is being met:

- Active engagement with the OGA is taking place in line with the OGA's role as Decommissioning Programme consultee. This engagement should have commenced no less than 6 years prior to CoP
- The licensee is submitting a full response to the OGA UKCS Annual Stewardship Survey, including scope, estimated costs, and dates currently being used to plan for decommissioning
- The licensee has a documented Basis of Estimate, using the Oil and Gas UK Work Breakdown Structure, in support of any decommissioning cost estimates
- The licensee is actively sharing good practice, precedents and experiences with the OGA and the industry
- The licensee as part of its planning process, is actively ensuring its plans are:
 - consistent with security of supply for the UK
 - aligned with and Joint Venture Hub Strategy (SE-01)
 - demonstrating collaboration and innovation where appropriate, and
 - examining opportunities for continued use, re-use and / or carbon capture and storage

3. Scope of the Expectation

The anticipated scope to be addressed by a licensee in satisfying this Expectation, and the topics to be addressed during licensee and OGA engagements is as follows:

Preparation Plan for Decommissioning

- Planned or indicative timing for the major elements of decommissioning. This will include, but is not necessarily limited to, well P&A, topsides cleaning and preparation for removal, topsides removal, substructure removal, and subsea infrastructure decommissioning
- A decommissioning Basis of Estimate, explaining how the cost estimates have been developed and prepared, including the scope, methods, outcomes and uncertainties associated with the estimate. The AACE recommended practice 34R-05 (2014) provides an example of how a robust Basis of Estimate can be prepared and what it should encompass
- A management plan for opportunities and risks identified by the licensee in its preparation of the plan, including how these risks and opportunities will be managed and mitigated
- The licensee's plan for Regulatory Engagement with regulators, including OGA, OPRED, HSE and others

Execution and Contracting Strategy

- The decision making process used by the Licensee in developing its execution and contracting strategies, including how alternatives are identified, evaluated, assessed and graded
- The execution and contracting strategies that have either been selected, remain under evaluation, or are planned to be examined, including Supply Chain Action plans, if any are available
- A management plan for opportunities and risks associated with the strategies selected or under consideration
- Any plans for collaborative initiatives and activities, including potential campaigning of work with others, that have been undertaken, are planned, or will be considered

In determining the satisfaction of this Expectation, the OGA recognises that the nearer the CoP dates are for facilities, the more mature the plans and strategies should be. It is anticipated the licensee will have plans and strategies for all elements of the decommissioning Work Breakdown Structure, again with the appropriate level of maturity as appropriate for timing.

4. OGA Analysis

The OGA intends to analyse the acquired information and discussions with licensees to:

- Assess licensees' level of preparedness for decommissioning, and share this opinion with the licensee
- Capture learning, good practice and experience of the licensee in its preparation for and execution of decommissioning work scope
- Share learning, good practice and experience of other licensees, whose agreement to share has been granted, in their preparation for an execution of decommissioning work scope
- Share with the licensee how its cost estimate, or actual costs compare to the aggregated and anonymised data of its peers
- Provide input to the assessment and evaluation of licensees' Decommissioning Programmes (DP), for onward transmission to BEIS (OPRED) in the OGA's role as a DP consultee

The OGA intends to acquire data through the licensees' completion of the OGA UKCS Annual Stewardship Survey, additional engagements with the licensee, and requests for documentation from the licensee relative to the Planning for Decommissioning and Execution and Contracting Strategy expectations as described above. There will be no need for the licensee to submit additional information, above the Annual Stewardship Survey data, unless requested to do so by the OGA.



Oil & Gas Authority

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