

Exploration Task Force Meeting 5 March 2020

Attendees:

Nick Terrell (Chair) – Azinor	Jo Bagguley (OGA)
Jenny Morris (Chrysaor)	John Underhill (Herriot-Watt University)
John Colleran (Neptune)	Rod Crawford (Zennor)
Anne-Sophie Cyteval (Spirit)	Chrysanthe Munn (BP)
Gillian White (OGTC)	Mohamed-Amine Soudani (Total)
Colin Percival (Athena)	Katy Heidenreich (Oil and Gas UK)
Dave McKinnon (Total/OGA)	Ian Furneaux (OGA – notes)

Introduction and XTF Overview

- Nick Terrell (NT) welcomed everyone to the meeting.
- NT noted a number of changes to the membership:
 - Ian Edwards and Dave Lewis have retired
 - John Colleran and Gillian White have been appointed
 - A further representative from IAGC will also be appointed in time for the Q2 meeting

Energy Transition

- All present agreed that Energy Transition was of paramount importance – and how future exploration takes place on the UKCS must be viewed through the prism of Energy Transition/carbon reduction.
- In high level terms it was noted there is a significant and growing nervousness in the community as exploration is seen as being the most at-risk area – and it is therefore vital that convincing counter arguments are developed
- Katy Heidenreich (KT) then shared the business case that Oil & Gas UK (OGUK) are developing – making the case for future exploration on the UKCS - KT explained that this was one of the 5 priority themes OGUK have identified under Roadmap 35, and each are sponsored by an OGUK Board member (Ariel Flores – ‘meeting the UK future energy needs’)
- In high level terms KT stressed R35 volumes will not be remotely achievable without future exploration activity and successes.
- KT noted that they are now at the stage of reflecting on whether the actions they have identified make sense – and are industry making the requisite progress – she explained they are working to a very ambitious target and by end of March aim to have undertaken a mapping exercise to identify all the key stakeholders (including those who will challenge the sector) and identify the activities they are undertaking – and thereafter will identify any possible gaps in the landscape.

- KT highlighted that developing the necessary metrics to measure progress was also required.
- A healthy discussion followed – with a real recognition that sector cannot lose sight of social licence to operate implications. A number of other points were made:
 - Could net zero and emissions information be incorporated into the next Licensing Round (**Action** XTF to consider how carbon emissions could be incorporated into future Licensing Round assessments) – although it was noted that the FDP stage may be more appropriate.
 - Value was likely to be seen as more important by ‘the man/woman on the street’ rather than volumes
 - Discoveries that can easily use existing infrastructure are likely to be easier to justify on carbon emission grounds over those requiring significant new infrastructure to be installed
- **Business Outlook** – KH then provided an early view of OGUK’s Business Outlook data – which again highlighted the critical importance of the sector to the UK economy and the nation’s energy security (through reducing reliance on imports that may also be higher carbon).
- It was noted that the Climate Change Committee report recognised the role that domestic resources will play in the journey to net-zero – all agreed this was a very helpful point that should be referred to often and cascaded widely.
- KH highlighted that significant resources are being allocated into providing a ‘message book’ to help everyone in the sector defend/make the case for the sector – it was hoped to share this at the meeting but it is not quite ready. KH asked the XTF for help in developing strong/convincing lines on the need for exploration – **Action** KH to circulate draft ‘message book’ with key messaging in support of continued exploration to XTF for comment/input
- Pace of discovery through to production was also noted – currently this is ~25 years and this must be shortened significantly – near field opportunities were highlighted as critical in this regard

Opportunity Maturation

- It was noted this was one of the 4 priorities identified by the Mentee survey
- John Colleran (JC) highlighted that the task delivery group have held a couple of sessions discussing the 2 key initiatives:
 - Support sustainable hubs and implemented area plans
 - Support collaborative regional exploration
- It was noted that there is generally a lack of details on what the hubs are and what is covered by Area Plans. It was noted that the OGA likely have these details and it was asked if they were able to make public details about when key discussions (such as on COP which may result in infrastructure being removed) take place. **Action:** OGA to consider if information can be provided to industry on hubs/Area Plans

- It was highlighted that Area Plans were considered as giving an excellent joined up view of what is happening in an area and whether they could be made mandatory (by the OGA).
- In terms of what makes a good hub strategy the question of whether a Champion could be appointed was raised.
- NT noted that the background is that a number of explorers don't have a feel for what is going on around local hubs – with these hubs being potential tie-back opportunities for discoveries.
- On collaborative regional exploration projects, JC stated that there was clear appetite from industry for a Phase II of the Petroleum Systems Project, albeit on smaller scale version. It was suggested that the OGA provide feedback on uptake/utilisation of Phase I of the Petroleum Systems Project which was release through the NDR in 2019. Has it been used by industry in their 32nd Round applications? **Action:** OGA to provide data if available

Licensing

- Colin Percival (CP) noted that the LARRY system is generally considered to be working well (after a poor start)
- Suggested improvements on LARRY were relatively minor – aimed at reducing repetition and John Underhill (JU) felt more standard questions could be included which would result in more consistent applications.
- NT said that there was a lot of repetition between LARRY and the Appendix B document that must be submitted as part of an application. There is a strong case to simplify and migrate the Appendix B into LARRY.
- In terms of the marking scheme for applications – it was again noted that carbon emissions should be considered (earlier action refers).
- Regarding the standard form JOA, the latest updated version was put in place before the Innovate Licence was developed – and thus requires amendment.
- CP stated it would be good if uptake of the standard form JOA could be made mandatory – as happens in other jurisdictions.
- KH stated that there were a lot of stakeholders in the JOA and that careful consideration should be taken in enacting a revision to the standard. KH confirmed that OGUK would support CP in delivering these changes. **Action** KH to arrange call between CP, Ben Hillier (BH) and other key stakeholders to progress this amendment.
- The need for a collective solution to 'small pools' was raised at this point and KH agreed to take an action to discuss with OGA regarding how subsurface uncertainties are being looked at. **Action** KH to ask OGA about subsurface uncertainties with small pools.

Technology

- The NNS Machine Learning Portfolio project timeline was discussed. Gillian White (GW) noted that 9 operators are involved in the study.
- GW highlighted that the OGA have agreed to host the outputs on their digital web platforms.
- Mohamed-Amine Soudani (MAS) stated that releasing the data without a QC from the sponsors and subject matter experts would be a huge missed opportunity. Also a strong narrative to industry should be provided.

- Dave McKinnon (DMc) noted that QA/QC of the results was vital – and that it was the XTF role to determine the best way to achieve this – for example by identifying relevant subject matter experts who could undertake this task
- DMc concluded that ultimately the question that needs answering is ‘Has the project made a difference’? and only subject matter experts could answer this
- Jo Bagguley (JB) noted that OGA do not have the resources to QA/QC the project but can help getting the outputs out on the right platforms.
- It was agreed that the OGTC/Project Steering Committee would help to package the story for the outside world. **Action** MAS to coordinate development of a plan to deliver the final steps of the NNS Machine Learning project t. OGTC/Project Steering Committee to assist in developing a convincing narrative
- It was agreed the XTF would ultimately be responsible for making a recommendation to the OGTC as to whether this project has been useful or not and a recommended direction of future travel. XTF to provide ultimate recommendation on usefulness of project

Actions from this meeting

Priority	Actions	Who	When
Energy Transition	XTF to consider how carbon emissions could be incorporated into future Licensing Round assessments	Colin Percival	Ongoing
Energy Transition	Circulate draft ‘message book’ with key messaging in support of continued exploration to XTF for comment/input	Katy Heidenreich Jenny Morris	When the draft is ready to share
Opportunity Maturation	OGA to consider if information on hubs/Area Plans can be provided to industry – XTF to clarify questions then approach OGA	John Colleran	By next meeting
Opportunity Maturation	OGA to provide data on uptake of Phase 1 of the Petroleum Systems project (data/downloads) etc.	John Colleran	By next meeting
Licensing	Katy Heidenreich to arrange call between Licencing Priority (CP & BH) co-leads and other key stakeholders to progress JOA amendment process	Katy Heidenreich	By next meeting
Licensing	Katy Heidenreich to ask OGA how subsurface uncertainties are being considered in small pools	Katy Heidenreich	By next meeting
Technology	Coordinate development of a plan to deliver the final steps of the NNS Machine Learning project t. The OGTC/Project Steering Committee to assist in developing a convincing narrative	Mohamed-Amine Soudani	By next meeting