

**Exploration Task Force
Special Telephone Conference, 27 March 2020**

Attendees:

Nick Terrell (Chair) – Azinor	Jo Bagguley (OGA)
Nick Richardson (Chair) – OGA	Ben Hillier (Shell)
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)
Graham Turner (TGS)	Julie Branston (WesternGeco)
Andy Alexander (Siccar Point)	Graham Goffey (Soliton Resources Ltd)
Marian Bruce (OGA)	

Introductions & Welcome

- Nick Terrell (NT) thanked everyone for joining the call especially as it had been organised at short notice.
- NT welcomed Julie Branston (WesternGeco Ltd) and Graham Turner (TGS) they have joined the Exploration Task Force (XTF) and will represent the seismic community. They will be joining Rod Crawford on the Data priority.

Current Issues facing the industry

- NT advised that the industry is currently facing significant issues brought about by both the COVID 19 virus and the collapse in the oil and gas price. Companies are revising their business plans and reducing forecast expenditure.
- Exploration activity is often the first casualty of cuts, this impacts operators, joint venture partners and heavily impacts supply chain companies.
- All companies, trade associations and regulators are having to adjust to this rapid change in the UK market. Whilst it is hoped that there will be a rebound the industry has to plan for this to be for the longer term. This has been the lesson learned by many from the 2014/2015 industry downturn
- The XTF has a role to gather views from industry and to establish and communicate the main issues being faced. Also need to identify a list of solutions that can be shared across industry and with the OGA.
- NR highlighted the key messages that have been put on the [OGA](#) and [OGUK](#) websites including the message from [Andy Samuel](#).
- OGA will support industry where it can and will consider requests associated with licences on a case-by-case basis. The OGA will take a flexible approach

where appropriate. It is recognised that operations are uniquely challenged, and that drilling activity has already been impacted.

- NR highlighted the general support schemes that the government has introduced; further information on these can be found on the OGA [website](#). OGUK also have a summary of these on its [website](#).
- OGUK are currently having weekly operator council meetings a representative from the OGA will be invited to join these.

OGUK Update

- KH was asked what OGUK saw as the main challenges facing the industry were and to provide an update on the actions OGUK were taking to support the industry.
- KH advised that COVID19 was bringing challenges, but in the longer term the challenges facing companies would be the free-fall in the oil and gas price. Already OGUK was seeing some fallout from this. Companies are reviewing business plans, this will to some extent undermine the OGA's stewardship survey data collection from a forward-looking perspective.
- OGUK are in regular contact with the OGA and are aware that the OGA are speaking to operators about the immediate challenges they are facing.
- KH gave an update on work OGUK is doing around the immediate COVID 19 challenge and, through Step Change in Safety reassuring workforce. Many companies struggling to win hearts and minds. KH pointed them to OGUK's website for updates. Also mentioned they are carrying out a high level, low burden survey to look at 2020/2021 activity.
- OGA also looking at what might need to be done from a security of supply point of view.
- The OGA and OGUK are also doing work around the financial resilience of companies. Especially the effect the collapse in the commodity price will have on the supply chain.

Licensing

- Companies are having to make decisions on whether to postpone or delay projects and concerns were raised as to whether the OGA's case by case approach to licence extensions is logistically credible. It was felt that more clarity was needed from OGA on this. [see further points below]
- It was also highlighted that in some cases COP would be brought forward.
- NR highlighted that the OGA will be flexible but will remain robust where necessary.
- OGA highlighted that companies must do the right thing from a HSE perspective.
- OGA are working on providing information on the general approach to requests from Industry. This may include:

- Outline of OGA's approach to requests from industry in order to support activity, the supply chain and MER UK.
- A request for industry to approach the OGA as early as possible with any amendment requests. Requests must be supported by evidence.
- Each request to be considered on a case by case basis.
- Decisions will be prioritised based on situation.
- The OGA are committed to making the announcement for the 32nd licensing round awards as soon as possible, noting that some time always elapses before the legal process of licence documentation exchange is completed and licences start.
- It was agreed that the announcement should not be delayed as many exploration departments' staffing levels will be commensurate to activity to next 12-24 months.
- Company and licence positions can differ widely, and although extensions can be helpful for some companies, they can be counter-productive to investment and activity for other companies, including the supply chain. Hence the need for a case-by-case approach.

Workforce/Operations

- There was a shared concern that any activity needs to be in service of keeping the country running, at some point we may need to curtail production and it was felt that there is a need for clarity around what critical operations are. KH agreed that OGUK would look at providing guidance.
- Companies cannot currently bring staff from overseas which is adding to shortages offshore. The question was asked if there is a desire/need for operators to divert staff away from drilling activities and possibly share personnel with other operators who need support for sustaining-production related work? KH agreed to take this to OGUK for consideration.
- Concern was raised about the impact of manufacturing and construction being shut down in Scotland which would have an impact/knock on effect on the ability to proceed with development projects. OGUK to consider providing guidance to industry on coordination and prioritisation of offshore related resources. This should also include a definition of what is deemed 'Critical Operations' during the COVID-10 health crisis.
- It is also felt that one of the impacts could be a decline in the base which will open up a bigger gap in the energy needs of the future and the energy transition therefore future barrels will become even more important.
- There was general agreement that ongoing XTF Priorities must continue to be progressed expeditiously. Issues/opportunities around *Licensing, Data* and *Technology* are as critical as ever in order to facilitate *Opportunity Maturation*. The case for continued exploration must be made with respect to ensuring UK energy demand through the energy transition and in support of Roadmap 2035.

Actions arising from this meeting

Priority	Actions	Who	When
COVID 19/Low oil and gas price	OGUK to consider providing guidance to industry on coordination and prioritisation of offshore related resources. This should also include a definition of what is deemed 'Critical Operations' during the COVID-1- health crisis.	Katy Heidenreich	As soon as possible
Licensing	<p>OGA to provide information to industry to confirm further details on their approach and requirements regarding amendments to existing licence terms. This may include:</p> <ul style="list-style-type: none"> • Outline of OGA's approach to requests from industry in order to support activity, the supply chain and MER UK • A request for industry to approach the OGA as early as possible with any amendment requests. Requests must be supported by evidence. • Each request to be considered on a case by case basis. • Decisions will be prioritised based on situation. 	Nick Richardson	As soon as possible
Licensing	Initial 32 nd Round announcements of award not to be delayed beyond mid-2020 where possible, and OGA has already offered to speak to licence awardees at this time if they have queries or requests.	Nick Richardson	As soon as possible
Task Force Priorities	There was general agreement that ongoing XTF Priorities must continue to be progressed expeditiously. Issues/opportunities around <i>Licensing, Data and Technology</i> are as critical as ever in order to facilitate <i>Opportunity Maturation</i> . The case for continued exploration must be made with respect to ensuring UK energy	All priority co-leads	Ongoing

	demand through the energy transition and in support of Roadmap 2035.		
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Actions from previous meetings

<i>Priority</i>	<i>Actions</i>	<i>Who</i>	<i>When</i>
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