

# Exploration Task Force Meeting (Q3 2020)

## 1<sup>st</sup> September 2020

### Attendees:

Nick Terrell (Chair) – Azinor	Jo Bagguley (OGA)
Nick Richardson (co-Chair) – OGA	Ben Hillier (Shell)
Jenny Morris (Chrysaor)	John Underhill (Herriot-Watt University)
John Colleran (Neptune)	Julie Branston (Western-Geco)
Anne-Sophie Cyteval (Spirit)	Katy Heidenreich (OGUK)
Gillian White (OGTC)	Colin Percival (Athena)
Graham Turner (TGS)	Chrysanthe Munn (BP)
Mohamed-Amine Soudani (Total)	Carlo Procaccini (OGA)
Marian Bruce (OGA)	

### Introduction, Agenda & Review of Actions

- Nick Terrell opened the meeting and thanked those who had contributed to the preparations for the meeting.
- The actions from previous meetings were discussed and it was agreed that there were only two outstanding actions:
  1. Initial 32<sup>nd</sup> round announcements of award not to be delayed beyond mid-2020 where possible, and the OGA has already offered to speak to licence awardees at this time if they have any queries. (Nick Richardson) {Post-Meeting Note: The 32<sup>nd</sup> Round Offers of Award were announced on 3<sup>rd</sup> September 2020. See <https://www.ogauthority.co.uk/news-publications/news/2020/offer-of-awards-for-the-uk-s-32nd-offshore-licensing-round/>. On the same day, the UK Government **announced** it will review its policy on the future UK offshore oil and gas licensing regime as part of the wider aim of achieving net zero emissions by 2050.}
  2. OGA to provide data on uptake of phase 1 of the Petroleum Systems project (data/downloads) etc. (John Colleran) This requires the OGA data team to provide website/download statistics.

### Energy Transition: Exploration in a Low Carbon Future

- Jenny Morris provided an overview of the Energy Transition narrative currently being drafted. The purpose of the pack is to supply material to ensure people understand the importance of the net zero transition and the role that industry can play in support.
- Feedback was sought from the group as this is being developed on behalf of the Exploration Task Force, supported by Oil & Gas UK.
- Feedback received included:
  - Good pack, would communicate as soon as possible, right number of slides
  - Comprehensive pack, need to agree who the pack is for, could pick and choose which slides to use. Need to ensure that information does

not go out of date. Need to be confident with quality and scope of content.

- Pack is data driven, it needs to educate, may need to consider the order of pack.
  - Clear context at the start of the pack in terms of the split of world energy and the global need for oil and gas.
  - Consider summarizing the key messages at the start of the pack: 1) UK demand-supply gap, 2) Committee on Climate Change scenarios for oil and gas demand, 3) UK gas is less emissions intense than imports, 4) the oil and gas industry is required to support the energy transition and energy integration, especially CCS, 5) delivery of value and jobs to the UK economy. Consider including testimonials from companies – why are they still investing in the UKCS.
  - There may be an opportunity to share the pack at the Exploration Forum.
- Action Point: Additional feedback should be submitted by the end of the week.

## Energy Integration Report

- Carlo Procaccini gave an overview of the Energy Integration Report which was published by the OGA at the beginning of August. This is available on the OGA [website](#).
- The integration of offshore energy systems, including oil and gas, renewables, hydrogen and carbon capture and storage, could contribute to deliver approximately 30% of the UK's total carbon reduction requirements needed to meet the 2050 net zero target.
- The report also highlights the additional potential for offshore renewables (wind, wave and tidal) to contribute approximately a further 30% towards the UK's net zero target. This means the UK Continental Shelf (UKCS) could support, in combination with complementary investments in onshore energy infrastructure, around 60% of the UK's decarbonisation requirements.
- There are over 30 energy integration projects already underway across the UKCS, with more than 10 actively being engaged by the OGA alongside this study.
- The report also concludes that not only is the close co-ordination of these technologies' valuable in terms of energy production and cutting greenhouse gases, but that their integration would help technologies become economically more attractive.
- The findings of the report include:
  - Oil and gas platform electrification is essential to cutting sector production emissions in the near term, and critical to the industry's social licence to operate. Electrification can abate operational emissions by 2-3 MtCO<sub>2</sub> p.a. by 2030. This is the equivalent of reducing 20% of today's production emissions, rising to 40% by 2030.
  - Oil and gas capabilities, infrastructure and supply chain are crucial to energy integration, and can potentially support further offshore renewables expansion, including floating wind power.
  - Re-using oil and gas reservoirs and infrastructure can accelerate Carbon Capture and Storage (CCS), connecting to onshore net zero hubs and saving 20-30% Capex on specific projects.

- To reach the CCS scale in support of net zero, the UK needs to develop around 20 individual CO<sub>2</sub> stores for a total capacity of over 3GtCO<sub>2</sub> by 2050 (with large CCS projects featuring multiple stores)
- Blue hydrogen (produced from natural gas) has the potential to decarbonise around 30% of the UK natural gas supply by 2050, potentially supporting circa half of CCS expansions in the same timeframe.
- Green hydrogen (from renewables) can support and enable the significant expansion of offshore renewables in the 2030s and beyond, providing an efficient storage and energy transportation solution. Reducing the costs of the technology involved (electrolysis) would be needed to support the faster uptake of this technology.
- It was questioned if a single offshore energy regulatory body that makes the judgements between whether an area goes ahead for oil or gas, offshore wind or CCS would be in the best interests of the UK tax payer.
- The response was that this may not be necessary since the most important thing is to ensure regulators, government and industry work closely together.
- The OGA are looking at carbon stores across the UKCS as part of its role as the regulatory body for carbon storage licences and permits. Crown Estates are the leasing body for carbon storage and windfarms, so they also have a role in evaluating which activities are the best option for an area.

## Technology

- Gillian White provided an overview of the technology priority projects.
- The tasks for this priority are:
  - Support OGTC in delivery of NNS Machine Learning project
  - Support progression of OGTC Exploration call for ideas project
  - Ensure progression of the TLB Challenge for short and medium-term priorities.
- The NNS Machine Learning project is close to completion:
  - The batch 5 conditioned dataset has been issued.
  - Batch 6 should be available in October.
  - Two webinars have been held and both were very well attended and successful. The webinars were recorded and are available on the OGTC website.
  - Analysis from all three developers has been made available to the participants and feedback is being received. OGTC will compile the feedback and it will be included in the close out report.
  - An abstract is being prepared for PETEX 2020 (delayed to 2021 due to COVID-19).
  - A one-page lessons learned document is also being prepared.
- There are two short-term and two long-term technology priorities for the task force. There are projects which have been approved or have been delivered.

## Licensing

- Colin Percival gave an overview of the Licensing priority.
- The main tasks being undertaken are:
  - Review of the standard JOA – current JOA doesn't reflect the innovate licence.

- Review and recommend improvements to LARRY and facilitate training.
- Licensing of offshore wind vs oil and gas – establish issues, this was reported back at the last meeting.
- Licence award and stewardship process – ensure collaboration is key part of process.

#### Standard JOA

- The group have liaised with two committees, the Commercial Managers Forum and the Operators Legal Committee. It was agreed that the changes to reflect the innovate licence will be undertaken.
- Additional points, such as financial responsibility and anti-corruption/bribery, have been raised for consideration regarding the JOA, however these will only be addressed if there is a wider review of the JOA undertaken by industry

#### LARRY and the Marks Scheme

- For LARRY and the marks scheme a questionnaire was sent out. 17 responses were received from a diverse range of company types. The results have been compiled.
- The results are under discussion with the OGA to implement the changes and update guidance.
- The question was asked how a points system might apply to a CCS licence and if this was out of scope for this project? This has not yet been considered.
- The OGA are intending to publish updated guidance for permit and licence applications for carbon storage.

### **Opportunity Maturation Priority**

- Anne-Sophie Cyteval gave an update on the Opportunity Maturation Priority.
- The aim is to develop a set of guidelines by Q4.
- The group has 3 tasks:
  - Promote OGUK Reserves Progression Self Verification Tool to explorers.
  - Work with the Asset Stewardship Task Force to identify data sharing improvement opportunities on infrastructure and hosts.
  - Launch scaled down version of Phase 2 of Petroleum System Project, following industry commitment of c.£500k.
- The group has initially focused on Area Plans.

#### Area Plans

- There is existing guidance on the OGA website on the use of area plans, the group have focussed on the communication of these.
- Interviews have been carried out with companies who have experience in area plans to identify good practice. There are further interviews planned and if any task force members would like to take part please get in touch with Anne-Sophie.
- Interviews will be completed by Q4 and it is planned then to develop recommendations.
- Discussions have taken place with the OGA. The feedback from the OGA included:
  - There is no one way to do an area plan, needs a pragmatic approach.

- The OGA can be an enabler – different levels of engagement needed, but success needs openness and collaborative behaviours from all parties.
- There are different drivers behind area plans, but in all cases achieving the prize demands collaboration between companies, assets, JV's and the OGA.
- A common understanding of the opportunity set/size of the prize is key – need to find ways to ensure confidentiality is not a barrier. The task force view is that disclosure of area plans needs to get beyond high-level overviews and focus on utility.
- Existing and new Area Plans will need to take a much more holistic approach to support the energy transition.

### **Data Priority**

- Julie Branston provided an overview of the work being done on the data priority, the main initiatives for the group are:
  - Facilitate data release.
  - Support development of the best in class National Data Repository (NDR).

### **NDR**

- New service provider is being sought by the OGA.
- The ITT has closed.
- Contract has not yet been awarded, bids are still being evaluated.

### **Seismic Data**

- Released proprietary 3D seismic data sets are increasingly available through the NDR.
- Access to vintage multi-client 3D data sets is currently largely possible only through the original vender. There is an ongoing public [consultation](#) on geophysical data to seek industry views on the supplemental disclosure guidance for legacy survey data and its subsequent availability to industry.
- The OGA consultation is still ongoing, once results from this are known a way forward may be identified. Task force members stressed the need to close this consultation and provide certainty of position.
- Katy Heidenreich offered to discuss the issues offline with the seismic representatives and the OGA.
- Beyond the consultation, the next steps would be to identify what else could be done to drive seismic data quality and availability going forward and define the key issues that could be addressed.

### **AOB**

- It is hoped to announce the date for the next Exploration Managers Forum in the next couple of weeks, once the 32<sup>nd</sup> Round results have been announced.
- Nick Terrell shared and discussed a draft agenda for the forum.
- It was agreed that as the meeting would be virtual, the attendees could be broadened, however attendees should continue to come from the exploration/geoscience community.
- The Q4 meeting (Wednesday 2<sup>nd</sup> December 2020) will be pushed back to start at 1pm.
- More contributions are needed for PROSPEX - get in touch with Julie Branston or Colin Percival.

- The SPE Seismic Conference will be a virtual conference w/c 14<sup>th</sup> September, more information can be found on the [website](#).
- The Chairman thanked everyone for their contributions and closed the meeting.

### Action from this meeting

<b>Priority</b>	<b>Actions/Update</b>	<b>Who</b>	<b>When</b>
Energy Transition: Exploration in a Low Carbon Future	Addition feedback on the Energy Transition pack should be submitted to Jenny Morris	All Task Force members	4th September
Seismic Data Release	Katy Heidenreich to discuss with seismic representatives and the OGA.	Katy Heidenreich	Q4
MER Exploration Forum	Agenda to be finalised and virtual session to be scheduled and publicised	Nick Terrell and Nick Richardson	Late September/early October

### Actions from previous meetings

<b>Priority</b>	<b>Actions/Update</b>	<b>Who</b>	<b>When</b>
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	Closed
Licensing	OGA to provide information to industry to confirm further details on their approach and requirements regarding amendments to existing licence terms. This may include: <ul style="list-style-type: none"> <li>• Outline of OGA's approach to requests from industry in order to support activity, the supply chain and MER UK</li> <li>• A request for industry to approach the OGA as early as possible with any amendment requests. Requests must be supported by evidence.</li> <li>• Each request to be considered on a case by case basis.</li> </ul>	Nick Richardson	Closed

	<ul style="list-style-type: none"> <li>Decisions will be prioritised based on situation.</li> </ul>		
Licensing	Initial 32 <sup>nd</sup> 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	Closed Announced 3 <sup>rd</sup> Sept
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 demand through the energy transition and in support of Roadmap 2035.	All priority co-leads	Closed
Energy Transition	XTF to consider how carbon emissions could be incorporated into future Licensing Round assessments	Colin Percival	Closed
Opportunity Maturation	OGA to provide data on uptake of Phase 1 of the Petroleum Systems project (data/downloads) etc.	John Colleran	Ongoing Nick R and Jo B to seek data from OGA IM team
Licensing	Katy Heidenreich to ask OGA how subsurface uncertainties are being considered in small pools – 3/6 Katy/Gillian to discuss with OGA	Katy Heidenreich Gillian White	Closed