



PURPOSE: Drive tripartite action in support of MER UK and maximise UK value from the oil and gas industry as a whole.

REPORTS TO: The MER UK Forum

RELEVANT SUBGROUPS:

MEMBERS PRESENT:

Gunther Newcombe, (Co-Chair, OGA), Paul Goodfellow (Co-Chair, Shell), Dominic Macklon (Conoco Phillips), Mike Smith (Dong), Neil McCulloch (Enquest), John Warrender (Addax), Vince Graham (OMV), Peter Jones (Taq), Elisabeth Proust (Total), Mark Thomas (BP), Cory Loegering (Apache), Matt Nicol (Centrica), Andy Leonard (OGUK), Craig May (Chevron), Brenda Wyllie (OGA), Ben Taylor (by Telecom, Shell), Gunnar Olsen (Total)

Apologies: Morten Kelstrup (Maersk), Eric Marston (OGA)

Priority	Actions arising	Who	When
Undertake prioritised regional reviews to mitigate risks and facilitate delivery of opportunities	OGA Opportunity Matrix Review OGA Matrix and provide feedback.	Gunther Newcombe (Appendix 3)	1Q16
	Bridge to Future Review feedback from RDI board (Appendix 2) and develop framework for 2016 deliverables and/or KPI's.	Paul Goodfellow & Gunther Newcombe	1Q16
	WOS Task Group Request MD's expedite Confidentiality Agreement. Task Group outcome will be shared with all participants in WOS.	All MD's Brenda Wylie	1Q16 3Q16
	Fulmar Task Group Request to include J Block in study area – invite COP.	Scott Robertson/John Warrender	1Q16
Build on HM Treasury infrastructure workstream output to deliver an improved infrastructure access plan	Infrastructure Task Group Brownfield best practice more about comparison of projects and shared learning, more clarity required. Concern over quality of Solomon ask benchmarking capability, potential use of Energy Institute.	Eric Marston	1Q16
		Eric Marston	1Q16
Work with the Technology Board to reduce well costs and unlock value of discovered undeveloped resources	Small Pools Task Group Small Pools data required linked to PI request. Identification of critical infrastructure. Add WOS & Fulmar small pools to study.	Nick Richardson Eric Marston Brenda Wyllie	2Q16 2Q16 3Q16



Oil & Gas Authority

	Wells 50% Reduction Task Group Request MD's to supply resource to work group. Discuss input from IADC.	MD's Gunther Newcombe	1Q16 2Q16
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ALL OTHER ACTIONS STATUS **Not yet commenced / In progress / Complete**

Priority	Actions	Progress update/next steps	Who	When
			All	end 1Q16

PROPOSED FUTURE MEETINGS:

- 12th May 2016
- 8th September 2016
- 21st November 2016

CONTACT

For more information on all eight MER UK Boards and the MER UK Forum they report to, visit

<https://www.gov.uk/guidance/the-oil-and-gas-mer-uk-forum>

Email: oga.correspondence@oga.gsi.gov.uk

Appendix 1

OGA OPPORTUNITY MATRIX DISCUSSION:

Purpose

- Who are OGA trying to engage with the matrix, general public, industry, investors?
- Matrix is heavy on intervention, could raise questions that industry is failing (to investors), could be viewed as prejudiced, not all will succeed
- Has the matrix filled its purpose and OGA should focus on corporate plan?

Content

- Some items strategic others tactical; some specific others general
- Some link to MERUK Board priorities e.g. licence strategy, asset stewardship, decom costs others do not
- Some items link to corporate plan deliverables but many do not

Missings

- Contingency Planning
- Investor Engagement
- 2016 seismic acquisition

Appendix 2

BRIDGE TO FUTURE DISCUSSION:

Develop Existing Discoveries

- 50% well reduction
- Develop improved well cost structure for 2017 drilling
- Deliver scale & repeatability
- Multi-company multi-well development
- Reduce cycle time

Enable Asset Transfers

- Remove liability transfer barrier
- 2-3 assets transferred by end year
- COP extended/deferred

Increase Exploration Drilling

- Higher success than NOCS
- Need to monetize wells
- Accelerate ILX seismic group shoots
- Drill game changing exploration wells
- Industry rig club
- Fiscal terms to incentivize exploration

Develop Regional Plans

- Successful delivery WOS gas evacuation plan
- Remove blockers such as CA & CL from studies
- Deliver WOS, Fulmar & 3rd initiative

Reduce Cost & Improve Efficiency

- Deliver \$15/boe OPEX & 80% PE
- Understand cost drivers e.g. regulatory requirements
- Deliver standardized approach such as subsea tree
- Visibility of subsea & well costs to Supply Chain
- Compliant & engaged workforce
- Measure sustainable cost reduction
- Industry work differently & change behaviour

Appendix 3

OGA OPPORTUNITY MATRIX:

