



Oil & Gas
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MER UK Forum Steering Group Meeting

21th June, 2017

Chevron House, Aberdeen

Meeting Attendees:

Andy Samuel, Co-Chair, MER UK Steering Group,
Greta Lydecker, Co-Chair, MER UK Steering Group
Nick Richardson, Co-Chair, Exploration Task Force
Ray Riddoch, Chair, Asset Stewardship Task Force
Gunther Newcombe, Operations Director, OGA
Steve Phimister, Chair, Cultural Change, MER UK Steering Group
Terri King, Chair, Decommissioning Task Force
Paul White, Chair, Technology Leadership Board
Deirdre Michie, Chief Executive, Oil & Gas UK
Neil McCulloch, Co-Chair, Oil & Gas UK
Terry Savage, Co-Chair, Oil & Gas UK
Neil Sims, Chair, Supply Chain & Exports Task Force
Susan Gair, Secretariat, OGA

Apologies:

Walter Thain, Chair, Efficiency Task Force
Stephen Marcos-Jones, Co-Chair Efficiency Task Force
Phil Kirk, Chair, Exploration Task Force

Welcome & Opening remarks

- Andy and Greta opened the meeting and thanked everyone for providing the pre-read and attending.

Task Force Updates

Supply Chain & Exports – Neil Sims

- Neil provided an overview of the one page pre-read.
- Task Force has refreshed priorities to focus on supporting MER UK and enabling exports.
- The benefits of Supply Chain Action Plans (SCAP's) were discussed. It was noted that SCAP's were to be linked to field development plans and decommissioning plans to allow early assistance and intervention. There was a request to investigate if SCAP's could be shared. It was noted that this would assist transparency, however

confidentiality would potentially prevent sharing specifics. Insights and strategic trends will be published by the OGA.

Technology Leadership Board – Paul White

- Paul provided an overview of the one page pre-read and the additional paper.
- Workshop in May was well attended and there is general agreement on principles of membership and focus areas. ToR's are to be updated and proposed at September Steering Group.
- There was a request for clarity of specific roles and responsibilities of each of the organisations working in the Technology area to provide clarity to the industry.
- The TLB is investigating areas of potential funding to support events. One member of the steering group did not feel that funding was a requirement for the TLB as it does not hold the responsibility to implement events. Concern was expressed regarding industry being requested to fund another body.

Action Point: Susan to speak with Carlo to assist providing simple communication of technology organisations roles, responsibilities and ToR's prior to September as currently intended.

Asset Stewardship – Ray Riddoch

- Ray provided an overview of the one page pre-read which highlights revised priorities to ensure no duplication between task forces.
- Ray noted the high quality of the conversations and contributors within the Task Force.
- The OGA noted that the Task Force is vital to assist industry to understand MER UK obligations.

Decommissioning – Terri King

- Terri provided an overview of the one page pre-read.
- Regulatory guidance tool will be road tested and learning's shared.
- Workshops are planned throughout the year to share cost saving information.
- The Opportunity Tool is to be developed with Genesis study data to allow interrogation and review without confidentiality issues.
- A small group, meeting monthly, will identify pilots (not case studies) of new approaches to decommissioning to knowledge share and test in the Opportunity Tool to identify potential value add.
- The OGA shared that it is hearing of innovative service provider solutions and requested that industry encourages the uptake of these.

Cost & Efficiency – Deirdre Michie on behalf of Walter Thain

- Deirdre provided an overview of the one page pre-read highlighting the launch of the Efficiency Hub to bring together industry efforts on all activities related to efficiency.
- It was noted that the Roadshows are going well and OGUK request that industry promotes these.

- OGUK confirmed that it will be re-running the McKinsey Sustainability Report and the Deloitte Collaboration Survey.

Action Point: OGUK to confirm timings of report and survey

Exploration – Nick Richardson on behalf of Phil Kirk

- The Task Force is stable and is focussing priorities on Yet-to-Find.
- There is a general fear of job losses when discussing Machine Learning. A technical workshop is being scheduled to explore as could free up time for employees to engage in intellectual thinking and use of data rather than focussing on data management.
- The group discussed the need for drilling activity to increase and funding of regional exploration studies per the 21st Century Exploration RoadMap to underpin future drilling activity.

Action Point: OGUK to raise at OGUK Board.

Industry Cultural Change Culture Change – Steve Phimister

- Steve provided an overview of the pre-read which details plans to address industry cultural change and behaviours required in order to deliver MER UK. The group agreed that industry culture needs to change.
- There was agreement that this must be industry lead and requires strong leadership at MD level and requires the whole industry to be actively engaged. It was suggested that industry leaders set the expectation and deliver the messages personally to the rest of the industry to engage all levels and organisations.
- Caution was noted at the word ‘culture’ and whether it is too broad and should it be defined into three areas; Company Commercial, Supply Chain and Technology behaviours.
- The conversation noted the need for pace and highlighted that the proposed timeline was too lengthy and support from the group was offered in order to assist a shorter timeline.
- There is a need to understand if culture is not changing due to a person or an organisation.
- One method of engagement could be to quantify the size of the prize, translate cultural change into value that can be realised and what success looks like and publicise specific successes to illustrate. The helpful link to Vison 2035 both on articulating the size of the prize and also on joint engagement was made.

Action Point: Steve to circulate a revised note, plan and timeline. Commence conversations in organisations to highlight the issue, potential value and identify gaps.

Well Cost Reduction initiative update – Steve Phimister

- Steve provided an overview of the one page pre-read.
- The team are driving the agenda successfully. Steve suggested that perhaps a Chair with a wells background would be most appropriate.
- It was noted that this Task Force should connect to Asset Stewardship, Exploration and IADC.

Action Points: Deirdre to discuss at OGUK board to request nominations for a chair.

Industry Feedback on the OGA and Industry – All

- The OGA's involvement to enable distillation of thought regarding the Supply Chain has been invaluable.
- The Steering Group forum is critical for industry delivery.
- The OGA are vital to managing the connection with Government, setting the Post-Wood agenda and driving investment.
- The OGA provides stability.
- Concern regarding how the OGA is going to manage Area Plans. The OGA shared that it is consciously moderating the pace of new activity as it has been moving fast and there is a risk of miss-stepping. In addition the industry will benefit from time to catch up on the publications, guidance and tools that have been launched. Great value will be realised when the industry can collaborate and maximise value without the OGA driving. The OGA's Area Plan guidance will be published in July.
- It was noted that collectively all members should evaluate pace of organisational activity and prioritise.
- The OGA shared that they see data transparency as a key enabler.
- The OGA can still see and has frustration of slow pace regarding company commercial behaviours causing significant value erosion.
- Industry bodies, fora and task forces can take a large commitment of time from participants and there should be an ongoing review and focusing.
- Should the Group consider a lessons learned evaluation as we are now over 2 years into delivery?

MER UK Forum

- Minister could be available as early as mid-July.
- Andy requested that each of the facilitators prepare to lead their agenda item.
Action Point: Susan to update Agenda and circulate with changes. Area of concern roundtable conversation to be facilitated by Deirdre and Sector Deal will be facilitated by Deirdre if Trevor Garlick is unavailable. Ensure Data Regulations covered as part of the agenda items.
Action Point: Greta to follow up with the group for a Main Course discussion topic.

Close

- Andy thanked everyone for their attendance and contributions and closed the meeting.
- Greta requested feedback on the session.

Table of Actions

#	Action	Who
1	The OGA Head of Technology to assist providing simple communication of technology organisations roles, responsibilities and ToR's prior to September.	Susan Gair
2	OGUK to confirm timings of McKinsey Sustainability Report and the Deloitte Collaboration Survey.	Deirdre Michie
3	OGUK to raise funding of exploration studies at OGUK Board.	Deirdre Michie
4	Circulate a revised note to Steering Group members and commence conversations in organisations to highlight the issue, potential value and identify gaps.	Steve Phimister
5	Deirdre to discuss Well Cost Reduction initiative at OGUK board to request nominations for a chair.	Deirdre Michie
6	Update MER UK Forum Agenda and circulate.	Susan Gair
7	Each member to prepare to lead allocated agenda item	All
8	Follow up with the Steering Group and set the Main Course discussion topic.	Greta Lydecker