



a science group company

Proposal



Production Engineering Association

Proposal for Ongoing Project Management

Ref: 3035 Version: 01

1 Executive Summary

Oakland Innovation Ltd doing business as OTM Consulting (OTM) has pleasure in making this proposal for ongoing project management of the Production Engineering Association (PEA), a pan-industry operator network focusing on upstream oil and gas production technology.

This membership proposal follows ~20 years of successful PEA management by OTM.

OTM would be delighted to continue to work for the PEA and believes it can offer an increasingly competitive and value-adding service using current knowledge of the PEA requirements and the increased awareness of OTM's role and that of the PEA in the industry and supply sector. It is proposed that OTM would provide the ongoing management services detailed in this proposal. It is anticipated that the PEA membership could be around 20 therefore tremendous leverage is gained by each company for the small fee of £6,000 plus VAT per company per year. A rolling annual contract is proposed which will minimise member legal administration whilst maintaining full flexibility regarding future PEA management support.

A key objective for the PEA over the next year will be to maintain and increase membership.

1.1 PEA Objectives and Activities

The objective of the PEA is to improve access to and use of production technology on a worldwide basis through ongoing knowledge sharing and supply chain stimulation. The PEA will:

- Maintain a comprehensive network of operators, to provide a pan-industry focus for production technology in the upstream oil and gas industry
- Be focused on two main activities – the facilitation of main meetings/ technical workshops and the management of a powerful shared knowledge resource through a dedicated PEA website
- Promote knowledge sharing and lessons learnt regarding different technological approaches, applications and experiences amongst members
- Aggregate and prioritise members' technology needs and gaps
- Communicate prioritised technology needs to contractors and suppliers and invite them to participate in and to propose innovative solutions at workshops etc.
- Initially have a pan-European membership, with a worldwide technological focus
- Spawn a small number of niche technology forums in areas prioritised by members
- Be managed as a JIP at very low cost (6,000 pounds sterling plus VAT each per annum) for operator members

1.2 Benefits of OTM Continued Project Management

The benefits of the continued engagement of the services of OTM, an independent technology management consultancy, are many:

- OTM has undergone the set-up arrangements for the PEA administration and project management, and can offer a service devoted to the ongoing needs of the association
- OTM is now familiar with the workings of the PEA and knows the members, and more importantly perhaps, members know OTM staff and where to come for assistance and to have their queries answered
- Suppliers now recognise OTM as a focal point for enquiries and a route into the PEA, demonstrated by the increased number of project abstracts and other presentation offers submitted for each meeting

2 Objectives of PEA

The PEA will improve access to and use of production technology on a worldwide basis through ongoing knowledge sharing and supply chain stimulation. Its membership will comprise a comprehensive pan-industry network of oil and gas field operators.

To meet the objectives described above, the PEA will:

- Establish a comprehensive network of operators, to provide a pan-industry focus for production technology in the upstream oil and gas industry
- Promote mutual learning from different technological approaches, applications and experiences amongst members
- Catalyse an industry dialogue and information exchange on technology needs and gaps, experiences, and new products
- Promote liaison and relationships with contractors/ service companies and suppliers, through the continued development of an PEA supplier database and the involvement of contractors/ suppliers in workshops and other activities
- Stimulate technology suppliers to meet prioritised technology needs and promote a process through which new technologies can reach the market and be applied
- Maintain a dedicated website which will feature a public access area to promote PEA to non-members, and a private members area with a shared knowledge archive, production technology specific reference information (e.g. details on production engineering workshops/ meetings, JIPs, linked websites etc.)
- Be a flexible organisation so that it can be tailored to industry requirements at any given time
- Continue to spawn a small number of niche technology forums in areas prioritised by members. These can be initiated at any stage as market/ business demand dictates and continues as long as required.

3 Benefits of PEA

The benefits of membership of the Production Engineering Association are as follows:

3.1 Knowledge/ experience sharing and lessons learnt

- Providing an industry focus for production technology, both through workshops and website
- Access to 2 main meetings/ year. Each meeting has two back-to-back forums
- Access to specific technology forums (currently artificial lift, digital oilfield and data management, Geomechanics, Enhanced Oil Recovery (EOR), water and gas shut off (WGSO), flow assurance, tight gas/ tight oil, and “sand management, formation damage, and acid stimulation”)
- Sharing of lessons learnt through case history presentations
- Understanding of best practice/ industry ‘benchmarks’ through focused discussion topics
- Identification and prioritisation of knowledge and technology gaps (for subsequent dissemination/ discussion with contractors/ suppliers – as agreed by members)
- Access via website member areas to PEA shared knowledge archive, including an up to date database of past projects and abstracts submitted, a complete searchable contacts listing and document/ presentation archive
- Access via the PEA public website to a database of other production networks and their ongoing activities, and production specific reference information
- Accelerated field application of new technologies
- Informal networking with other members and with invited contractors/ suppliers at workshops and meetings

3.2 Supply chain stimulation

- Engagement with broader range of innovative technology suppliers
 - Ongoing development of an PEA database of technology suppliers, with an opportunity for suppliers to self-register via the PEA website
- Access to presentations of high quality, historical R&D proposals and ‘technology updates’, which might include, for example, updates on technologies already applied/ ready in the marketplace or proposals for field trials
 - Identification of knowledge and technology gaps
 - Communication of PEA members’ prioritised technology needs and issues to contractors and suppliers
- Increased percentage of high-quality technologies reaching market
 - Increased number of field trial opportunities. Knowledge sharing, and understanding of lessons learnt by a range of other operators in their application of similar technologies, enables individual operators to reduce the perceived risk of field trialling specific new technologies which in turn helps asset teams to host field trials
 - Suppliers provided with presentation guidelines, participation agreement guidelines, benefits etc. via the PEA website

4 Scope of Work

OTM will provide dedicated resources for the PEA, headed up by an experienced project manager who will provide the single point of contact within OTM for all PEA enquiries and instructions. The project manager will be of consultant level and will be supported by the full range of OTM competencies.

4.1 PEA Forums

The PEA will meet for two times per year; each meeting will consist two back-to-back forums and be hosted by a PEA member.

4.1.1 Content

A discussion period will be programmed into the day to encourage interaction between the operator members and supplier presenters regarding a key topic. The day would finish with PEA steering committee business and updates on any ongoing PEA work.

A database of PEA presentations will be maintained on the PEA website. This will be updated by OTM to reflect the current status of these projects. The requirement for ongoing updates will be included in the presenter guidelines and their importance to members will be emphasised.

4.1.2 Administration

OTM will liaise with the designated host at least 6 weeks before the meeting to confirm the arrangements for the upcoming meeting and to obtain venue and travel details. OTM will prepare meeting materials such as agenda, name badges, attendee list, maps and joining instructions and will produce minutes of each PEA meeting, including the presentation slides and project interest sheets and distribute these to members and mount on the website.

OTM will develop and maintain standard administration documents including technology update submission guidelines, presenter guidelines, host guidelines and project interest sheets, all of which will be available via the website.

4.1.3 Hosting

The member company hosting the meeting will be expected to provide a room with space for seating up to 30 people, presentation facilities (OHP, flipchart and digital projector) and refreshments during the meeting hours. They will also be responsible for making a block booking at a convenient local hotel for up to 20 people. There will be a dinner on one evening during the meeting for all meeting attendees held at a local recommended restaurant.

4.2 Website

The dedicated PEA website (www.peajip.com) will be maintained with a public-access area and members-only area protected by password. This website, outlined in figure 1, was developed by OTM and provides:

- Promotion of the PEA, stimulating membership (public-access)
- Encouragement and guidance for suppliers to submit innovative proposals (public-access)
- Details of forthcoming meetings (public-access)
- Central searchable PEA shared knowledge archive (members-only access)
- Central searchable database of members with contact details (members-only access)

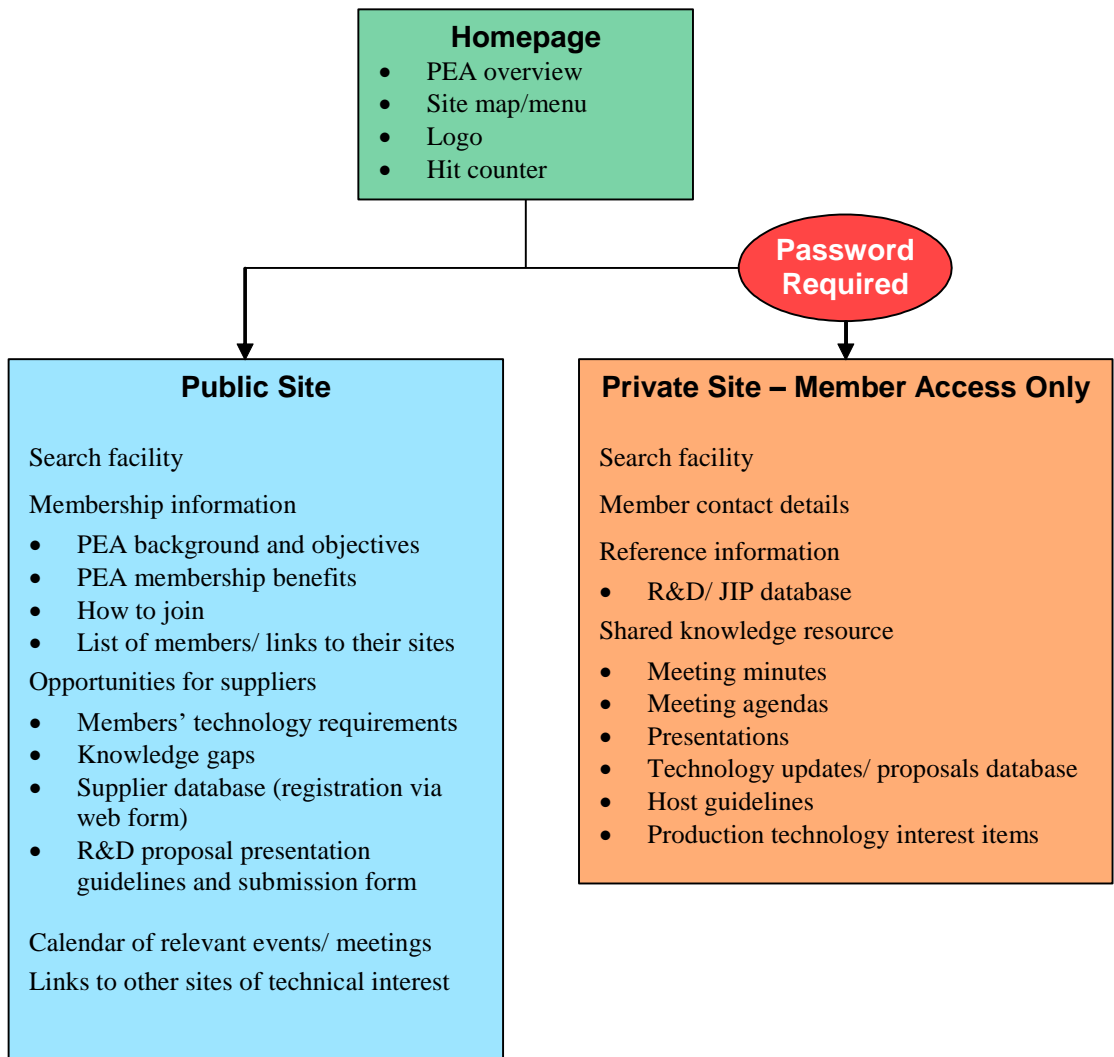


Figure 1: Overview of the PEA Website

4.3 Communication with contractors/ suppliers

Communication with existing and new contractors and suppliers to develop improved relationships with them and to encourage them to come forward with innovative technology updates/ proposals to meet agreed technology needs, is an important element of the PEA.

4.3.1 Communication with Contractors/ Suppliers

The database will also be used for communicating with suppliers, notifying them of PEA aggregated/ prioritised technology needs and encouraging them to engage with PEA activities and to submit proposals for presentation at PEA meetings.

Suppliers will be provided with clear guidelines for R&D proposal submissions and presentations via the website.

4.4 Technology forums

Four technology forums are currently managed within the PEA in 2021; (1) Enhanced Oil Recovery (EOR), (2) Artificial Lift, (3) Flow Assurance, and (4) Digital Oilfield. These forums provide focus on technical areas of current high interest and a 1-day workshop per year is held (for each forum) and have a dedicated section within the PEA website. These forums will be continued as long as members find them beneficial and new forums will be initiated in response to member requirements.

4.5 Network management

Specific network management activities will be:

- Organisation of workshops, including planning, pre-meeting mail-outs, development and management of all issues relating to venue, local travel, agenda, provision of meeting secretariat, facilitation, recording of minutes and subsequent drafting and circulation.
- Management of all PEA documentation/ databases and their delivery to members, including updating of document register, uploading of documents to website members' area, and e-mail notification/ distribution of electronic document copies to all participants.
- Maintenance and management of PEA website, including ongoing site design, passwording, site updating, responding to queries received, resolution of IT queries received from users.
- Research to populate members' reference information area in the website, including development and maintenance of the JIP database, calendar of events and links to other sites.
- Maintenance of the supplier database.
- Promotion of the network, both to gradually increase membership numbers and to attract contractors/ suppliers to engage with the PEA.
- Providing a secretariat for the PEA Steering Committee.

5 Deliverables

All PEA deliverables will be supplied to members via meetings or electronic communication (website and e-mail). The deliverables for all members will be:

- Dedicated PEA website (www.peajip.com) with public-access and members-only areas
- Technology forums – currently 8, some are held annually while others are held biennially
 - Artificial Lift
 - Digital Oilfield and Data Management
 - Geomechanics
 - Enhanced Oil Recovery (EOR)
 - Flow Assurance
 - Water and Gas Shut Off (WGSO)
 - Sand Management, Formation Damage, and Acid Stimulation
 - Tight Gas and Tight Oil
- Production engineering reference information resource via the website, including:
 - Production technology JIP database
 - Calendar of events
 - Links to other sites of interest
 - Database of complementary networks/ organisations
- Searchable shared knowledge archive
 - Workshop minutes
 - Workshop presentations
 - Historical R&D proposal submission and presentation database

5.1 Membership Fees

The Production Engineering Association (PEA) will continue to use a simple JIP (joint industry project) mechanism with Oakland Innovation Ltd doing business as OTM Consulting (OTM) acting as the JIP contracting entity. The JIP will be run on an annual rolling contract which minimises member legal administration whilst maintaining full flexibility regarding future PEA management support.

Operators may become members of the PEA by joining the JIP, signing a simple membership agreement, and paying the membership fee of £6,000 pounds sterling per annum per member, plus VAT.

This membership fee is for the current membership year and is calculated on the assumption that the number of members in the PEA shall be twenty (20) in number. If the total number of PEA members is less than 20, then the Steering Committee may decide to increase the Participation Fee or to reduce the scope of the work described in this proposal accordingly.

5.2 Payment

New participants to the PEA will be invoiced on joining the PEA. The payment terms will be 30 days net. Subsequent invoices will be issued in January each year.



About OTM Consulting

OTM Consulting is an international energy and chemicals technology advisory consultancy. With over 25 years' industry experience, we help oil & gas, energy, petrochemical and chemical companies to maximise the value from their investments in R&D and technology.

Our services help you understand market & technology opportunities, trends & risks and to decide which technologies to invest in and how; accelerating product and technology commercialisation for faster market access. With a team of cross-industry specialists, the ability to access industry practitioners & opinion leaders, we have science and technology at the core of everything we do. We are committed to delivering insight and innovation and are passionate about enabling R&D to serve our industry.

Partnering with OTM Consulting provides you with a powerful engine to accelerate and stretch your innovation impact and capability.

OTM Consulting is a Science Group company, part of the Technology Advisory Division

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info@sciencegroup.com
www.sciencegroup.com