



Oil & Gas
Authority

MER UK Forum Steering Group Meeting

18th April 2018

Meeting Attendees:

Andy Samuel, Co-Chair, MER UK Steering Group,
Greta Lydecker, Co-Chair, MER UK Steering Group
Deirdre Michie, Chief Executive, Oil & Gas UK
Neil Sims, Chair, Supply Chain Task Force
Steve Phimister, Cultural Change Champion
Nick Terrell, Chair Exploration Task Force
John Warrender, Asset Stewardship Task Force
Terri King, Chair, Decommissioning Task Force
Bill Dunnett, Chair, Technology Leadership Board
Gunther Newcombe, OGA
Trevor Garlick, Sector Deal
Jenny Stanning, Oil & Gas UK
Marian Bruce, OGA, Secretariat

Apologies:

Ray Riddoch, Co-Chair O&GUK
Phil Simons, Chair, Efficiency Task Force
Jon Graham, Chair, Asset Stewardship Task Force

Welcome & Introductions

- Greta Lydecker opened the meeting, welcomed everyone and thanked them for their attendance.

Sector Deal – Trevor Garlick

- The Sector Deal proposal was submitted to the minister for consideration on 2nd March, prior to this team members had met with Clair Perry, Minister of State for Energy and Clean Growth.
- Formal feedback has not yet been received.
- The Sector Deal team has continued to engage with government, particularly around how to approach the items that will require funding.
- The team has also met with BEIS to find out more about the energy innovation funding available. Feedback given was that they should apply for funding through the Industrial Strategy Challenge Fund for Transformational Technology and Underwater Engineering.
- Two bids have now been submitted, one under the OGTC and the other under Subsea UK. Decisions are expected in September.
- Scottish Enterprise have offered support for Underwater Engineering, however it may need additional support or another group to be set up to take this forward.
- The Minister was very interested in the Decommissioning Centre of Excellence and projects centred around reducing the cost of decommissioning.
- There was also interest in skills and the future skills work being undertaken by OPITO and RGU.
- The proposed funding model will be match funding, which could be money or 'in kind'.
- CCUS and industry involvement was discussed.
- The Sector Deal team was thanked for all the work they have undertaken to get the Sector Deal to this stage.

Industry OGA Feedback – Greta Lydecker

- Greta Lydecker provided feedback on the OGA that she had gathered from industry.

Going Well and/or Keep doing:

- Exploration - Very positive and impactful – positive call out for OGA staff
- Innovate Licence – well received – stimulating activity
- Central Graben area plans – OGA framed 'Kick off' meeting well – appropriately challenging without imposing views – pragmatic use of meetings
- MER UK Task Forces – Industry involvement – driving improvement, sharing best practices - PETF, NDR, Benchmarking
- Tier Zero meetings - Open Data and benchmarking

- Positive reflection on OGA leadership and work environment - OGA staff consistent - key enabler in driving relationships and deepening knowledge of assets and opportunities

Improve and/or Stop:

- Clarity around timing of rounds (opening, closing and awards)
 - The intention is to have a licence round every year, some of the timings are reliant on parliamentary processes and environmental reports
- Keen to better understand OGA's relative emphasis on new exploration vs recovery from existing assets
 - OGA will share more information at upcoming Tier zero meeting.
 - Important for industry to share positive stories.
- OGA Facilitation – Improve effectiveness/efficiency by gaining deeper understanding of relevant issues in commercial context
 - Commercial Manager Forum could pick this up
 - Discussion on the use of standardised contracts
- Stop publishing new and supplementary guidance
 - OGA agreed to look at this further
- Commercial behaviours – more positive feedback
 - OGA publishes success stories on their website and encourages industry to share stories with them and each other. It was requested that if a company has success stories that they send them to Marian.bruce@ogauthority.co.uk

Industry Cultural Change – Steve Phimister

- A draft of the Industry Behavioural Guidelines for Creating Quality Area Plans was sent as pre-read.
- The Steering group was asked for input on how these guidelines should be implemented.
- Four actions have been taken forward
 - Area Plans Behavioural Guidelines – this work has been completed and is about to move into implementation
 - More open and transparent sharing of data using CBQT and Deloitte survey
 - Sharing of best practice
 - Develop Vision 2035
- It was agreed to look at phasing, as concern was expressed by the OGA about the number of meetings that may require industry leaders' attendance.
- It was advised that Chevron and ConocoPhillips have used the CBQT and would be willing to share their experience.
- The Behavioural Guidelines are currently being reviewed by industry and feedback is being gathered this week.

- These guidelines are intentionally written through a behavioural lens and have been through competition lawyers. The guidelines are complementary to the OGA guidance. These guidelines have been written by industry for industry.
- Suggestions for roll out of the document were discussed.
 - It was highlighted that there would be users, supporters and other external stakeholders for this document. It was important during rollout that the right form of the document was targeted at the different audiences.
 - The document can be distilled through different channels; Asset Stewardship Task Force, Efficiency Task Force, CMF and through OGA interaction with area planning groups. It was important that the initial focus was on the end user.
- Feedback was invited from the Steering group on how this could be implemented.
- It was suggested that the members of the task and finish group could act as champions.
- It would also be important for MD's to lead by example and perhaps put it on team performance contracts.
- It was suggested that it could be piloted first before complete roll-out, West of Shetland was given as an option.
- Steve and his team were thanked for the work they had undertaken.

MER UK Task Force priorities

- Task Force priorities for 2018 were shared as pre-read for the meeting. The Steering Group was asked if the right priorities were being worked on.
- A question was raised around KPI's and if all the task forces had them. Andy advised that there are a number of KPI's and these could be shared with the Steering Group as a pre-read at the next meeting. Andy also advised that he would like help from the group to establish refined KPI's going forward as part of the OGA's Corporate Plan update.
- Clarification was given on the Supply Chain Task Force priorities; key areas of the Sector Deal will be picked up by this task force and a meeting will be held next month to establish which areas.
- A question was asked about leadership support for one of the Asset Stewardship Priorities. It was explained that this had been secured, but support would be needed for workshops they were planning to hold.
- It was asked if the Exploration Task Force had seen any evidence of industry being willing to provide funding to support exploration studies. There is currently a test case with the Petroleum Systems Project, which is being well supported by the task force members. One of the priorities for the Exploration Task Force will be to get tangible deliverables and get this project up, running and delivered.

AOB

Agenda topics for next Steering Group Meeting

- MER UK Task Force updates – half yearly update – key highlights
- OGA Feedback on Industry performance
- Agenda items for MER UK Forum meeting

For future meetings also consider discussions on KPI's, Guidance, Standardisation and Resource progression

MER UK Annual Report

- The MER UK Annual Update is almost finalised
- It will be circulated to the Steering Group before being published on the OGA website.

Date of next meeting:

17th July 2018

Time: 2pm – 4pm

Venue:

Chevron North Sea Limited,
Chevron House,
Hill of Rubislaw,
Aberdeen,
AB15 6XL