



Natural Selection

CHOOSING THE RIGHT RIG FOR A SINGLE PROJECT INVOLVES MULTIFACETED CONSIDERATIONS. WHEN OUR CLIENT NEEDED TO PICK THE BEST RIG TO OPERATE ON TWO WILDLY DIFFERENT PLATFORMS, THEY NEEDED HELP UNRAVELLING THE OPTIONS.



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"We're scoping out a new rig," said the caller. "It's complicated."

The voice belonged to a field operator, and they wanted an independent view to ascertain the type of rig best suited to their development project in Italy. In any drilling project the decision-making process is complicated, but this one was especially so.

Their existing platform had been built in the 1980s but a reservoir study had shown that the optimum reserves were now located 6km away. It was facing shutdown within five years if it couldn't produce as anticipated, so they needed to tap in.

The plan was to build a second platform over the reserves. The new little sister, though much smaller, was a significant investment and had the potential to extend the production life of the field by 20-25 years, generating a target of 8,000 barrels of crude oil per day.

The rub was that the field operator wanted to use the same drill rig on both the old and new platforms to keep costs down, which meant choosing a rig setup that was compatible with both a new platform and the existing one—already one of

the oldest in the Med at more than 30 years old.

To get the green light—and justify the investment—our client needed to weigh up the options from both technical and economic perspectives. The team had already ruled out several possibilities, including extended reach drilling, subsea completed wells and modular drilling, but were going round in circles trying to align the best technical case with a compelling business case.

Aside from the technical and cost considerations, there were regulatory restrictions and availability limitations to factor in.

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A jackup rig was the most technically demanding and expensive solution, and less vulnerable to weather-related downtime. But of the rigs that met the technical requirements, most were committed to lucrative long-term contracts in the North Sea. Three of the five available in the specified time frame had been built speculatively by companies with no previous drilling experience. It was risky.

A semisubmersible tender assist drilling (TAD) was the cheaper option with significantly lower day rates but had never operated outside West Africa or Asia. The bureaucracy involved in 'Italianising' the rig type could be costly and significant, while the scope of the upgrade work required to operate in Europe was unknown.

We were called in to help unpick the options and assist with their due diligence by supplying a full risk analysis of each of the drilling rig options before offering final recommendation.

So what?

Under pressure, the team had been getting frustrated and emotional, overcomplicating the problem. We provided a quick, independent assessment of the options available, which both validated and debunked the assumptions that were muddying the decision-making process.

Our experienced team quickly brought clarity to a complex, challenging and high-value project. Within three weeks, we had a report on our client's desk which connected our market knowledge with a clear and concise overview of the project, along with a robust recommendation as to which rig type to choose.