



Removal: topsides decommissioning in the US Gulf of Mexico Photo: FIELDWOOD ENERGY

# Making the most of the life cycle

Fieldwood Energy reaps the benefits from strategy focused on buying ageing fields from larger players

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Some might say the process of decommissioning is hardly the most appealing act when it comes to the lifecycle of an oil and gas project.

Or that the plugging, abandonment and disposal of old kit cannot hold a candle to the excitement of exploring a new field or targeting a previously untapped formation.

But plugging and abandonment is an integral part of being an operator in the US Gulf of Mexico, Fieldwood Energy chief executive Matt McCarroll says.

"I think there are a lot of misconceptions about P&A in general," McCarroll tells Upstream.

"I think there are a lot of people from a number of positions that make it out to be larger than it is. From us, it's an understood, expected and managed part of our everyday business."

Fieldwood has gradually bought up the historic fields of larger players in the US Gulf with an eye to revitalising production, and touted a fine-tuned decommissioning programme it has developed to address the backlog of plugging and abandonment obligations. It is now the fifth-largest US Gulf operator.

Since the company was formed in 2013 it has spent about \$1.2 billion decommissioning 285 platforms, 964 wells and 310 pipelines. It has also reduced net asset retirement obligations by about \$1.5 billion.

"We don't have some secret sauce," McCarroll says. "It's just focused planning and hard work."

Around 700 employees and more than 2500 contractors work for Fieldwood, which has more than 500 platforms across 2 million gross acres, representing production of about 75,000 barrels of oil equivalent per day. "Because of the size of our asset base in the Gulf of Mexico, we own more wellbores and platforms than anyone else in the Gulf, and so based on that we have a lot of P&A obligations that go along with that number of fields," McCarroll says.

## **Favourable contracts**

The company's size allows it to negotiate favourable contracts and award a significant amount of decommissioning work.

It has also reaped efficiencies through consistency and continuity of work, says John Seeger, Fieldwood's senior vice president of decommissioning and deep-water operations.

"For example, we have two derrick barges that have worked for us for the past four years, consistently," Seeger says.

"They can remove a platform a day or two less than anybody else because they have that continuity and that efficiency. That's what's going to save us money and it's going to make the contractor money as well."

In addition, the company built up the internal capacity to tackle its well abandonment activities three years ago.

McCarroll says the move has been successful.

"We went out and bought our own equipment, we hired our own employees to do the work," he says.

"We bulk purchased cement and plugs and consumables that are used in that work, because we made the decision that we can do that work more safely and more efficiently than the contractors that were available.

"We don't do that as a profit centre, we don't do that as a service provider to other operators," McCarroll adds.

"We just do it for ourselves and it's turned out to be a very successful change."

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