

PRODUCTION OPTIMIZATION AND COST MANAGEMENT SOLUTIONS

DELIVER OPEX AND CAPEX BENEFITS FOR INDEPENDENT E&P

01 | CHALLENGE

Operating expenses,
capital efficiencies

An independent upstream oil and gas company wanted to reduce operating expenses and improve capital efficiencies to levels experienced four years prior. Several field acquisitions and many new well drilling projects had led to higher lease operating expenses and higher field development costs. Modernized decision tools and best practices needed for risk assessment and integrated planning, particularly regarding field infrastructure, had not yet been adopted. As a result, new well success rates and initial well production rates were lower than expected.

02 | SOLUTIONS

Production optimization, cost
management system implementation

Myrtle Consulting developed a change program, called “Making Growth Happen” and in collaboration with the client:

- *Designed and implemented a cost management system in each field to control lease operating expenses*
- *Optimized lease priorities, developed operator checklists and integrated field personnel and office engineers into teams responsible for continually updating well targets*
- *Improved surface equipment maintenance, developed an equipment spares forecasting tool and improved maintenance work order planning and scheduling*
- *Upgraded new well prospect screening and selection tools and installed integrated geoscience and drilling management system for development planning*

03 | RESULTS

\$55M

CUMULATIVE OPEX
AND BOEPD BENEFITS

The positive results realized by the client following the eight-month project were a direct reflection of the new best practices, procedures, and tools implemented during the project.

The cost-management system created visibility of spend and greater control over lease operating expenses, resulting in \$32 million annualized Opex savings. New well IP rates increased by 22% on average, with improved decline profiles. The total annualized production margin benefits were projected as \$45 million for the following year. Cumulative Opex and BOEPD benefits at the time of project conclusion were \$55 million.

“The magnitude and speed of results have been astounding. My people have a foundation to build upon for years to come.”

- President and General Manager