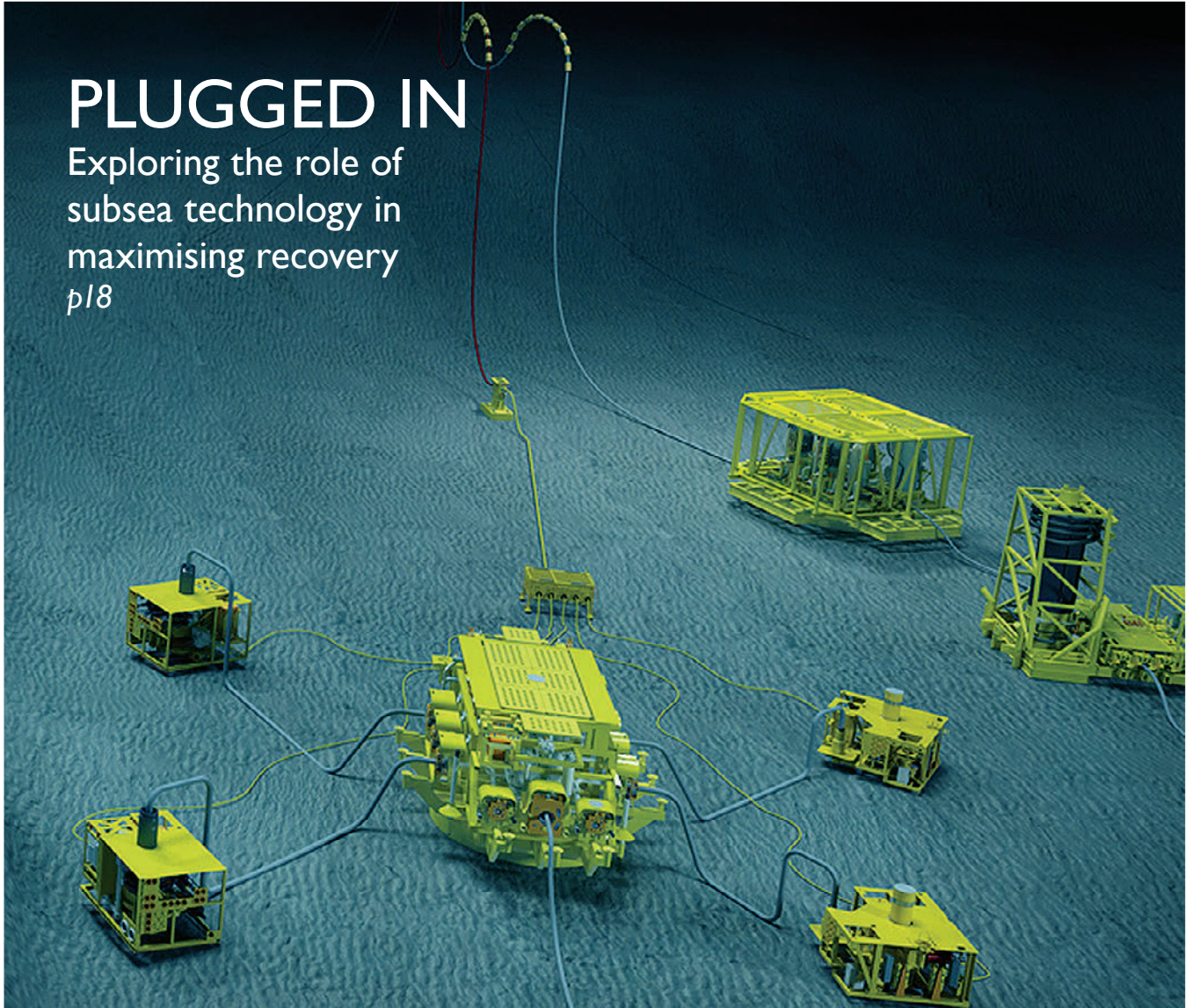


# WIRELINE

ISSUE 28 - SUMMER 2014

## PLUGGED IN

Exploring the role of subsea technology in maximising recovery  
p18



### **EXECUTING A VISION** p13

Insight from the Mariner and Cygnus teams as they steer these new developments towards production

### **CHAIN REACTION** p22 to p28

Mapping the breadth and diversity of a world-class domestic supply chain whilst striving for best practice in supply chain management

### **EMBRACING A NEW CULTURE** p32

Rachel McIntyre of Magma Products chats to *Wireline* as she settles in Aberdeen and learns the language of oil and gas



# Oil & Gas UK *Awards*



**OIL & GAS UK AWARDS 2014**  
THURSDAY 6 NOVEMBER  
ABERDEEN EXHIBITION AND CONFERENCE CENTRE

**NOMINATIONS LAUNCHING 1 JULY 2014**

FURTHER INFORMATION AVAILABLE ONLINE AT  
**[WWW.OILANDGASUK.CO.UK/AWARDS](http://WWW.OILANDGASUK.CO.UK/AWARDS)**



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### REGULARS

#### 5 News round-up from Oil & Gas UK

Includes news on the Civil Aviation Authority's review of helicopter safety, the transposition of the EU Offshore Safety Directive, Oil & Gas UK's demographics and well services reports, plus much more.

#### 9 Membership matters

Over 30 new companies join Oil & Gas UK's ever expanding professional network.

#### 11 Dates for your diary

Save the dates and book online for Oil & Gas UK's industry-leading events. You'll get the chance to network with industry colleagues and gain valuable knowledge on the sector's hot topics.

*"I decided to move to Aberdeen without a job, purely because I saw it was a robust economy... It's the oil capital of Europe." p32*

### FEATURES

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Rachel McIntyre has shown an appetite for venturing into the unknown and trying new things. The commercial co-ordinator at Magma Products chats to *Wireline* about "learning the language" of oil and gas.

#### 13 Executing a vision

With recent record levels of investment in greenfield and brownfield developments on the UK Continental Shelf, the teams behind two mammoth projects – Mariner and Cygnus – provide an insight into their execution.

#### 22 Chain reaction

Our industry encompasses a world-class UK-based supply chain. Fact. A new project that maps this sector for the first time now sheds light on its immense contribution to the British economy.

#### 30 Politician's corner – Iain Wright MP

Iain Wright, Labour MP for Hartlepool, shares his views on the UK offshore oil and gas industry.

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Subsea technology has a crucial role to play in maximising recovery from the UK Continental Shelf. Chevron and GE Oil & Gas talk about the challenges and opportunities ahead.

#### 26 Doing business better

*Wireline* explores the importance of strong and efficient working relationships between purchasers and suppliers.

#### 36 Spotlight on safety

The winners of the UK Oil and Gas Industry Safety Awards are announced, including the recipient of the new Health Award.





*“To date, British companies, or UK affiliates of overseas companies, have won the vast majority of the scopes of supply [for the Cygnus project]...It’s a huge success for the UK supply chain.” p13*

**O**n the surface, for those who are not engaged with our industry, the UK offshore oil and gas sector could well seem synonymous with the companies that operate the large platforms and rigs offshore. But it’s so much more. At its heart the industry is as much about the supply chain story as the production story. They are two halves of the same coin.

Fifty years of exploration and production operations in the UK have resulted in a domestic upstream oil and gas supply chain with an unrivalled range of products, services and expertise, honed in some of the world’s most physically and economically challenging offshore environments. It is defined by the sheer breadth of its reach and diversity of its capabilities.

The supply chain mapping study, conducted by EY, aims to quantify the economic contribution of this vital part of our industry for the first time

and, in doing so, represents an important milestone (p22). It reveals that the upstream supply chain generated £35 billion in turnover in 2012, much more than we originally thought. It also confirms that there are some 200,000 people throughout the UK directly employed by the contractor community to support operations on the UK Continental Shelf (UKCS).

This issue’s profile piece (p32) on Rachel McIntyre of Magma Products illustrates the dynamic career opportunities available in our world-class supply chain.

EY’s findings, the recommendations from Sir Ian Wood’s review of the UKCS (p6) and HM Treasury’s Fiscal Review are important springboards for industry and government action to secure the long-term future of the industry.

There are, after all, exciting times ahead, as exemplified by the two new field projects profiled in this issue (p13). Cygnus and Mariner are symbolic of the record

capital investment on the UKCS in recent years, the technological advances that are being made to maximise recovery, and the economic benefits of such projects for the UK supply chain.

Furthermore, as the UKCS enters a mature and more complex phase of development, subsea technology continues to have a vital role to play; Chevron and GE Oil & Gas provide the operator and supply chain perspectives on the opportunities and challenges ahead (p18).

However, we must not forget the human face of our industry. The Oil and Gas Industry Safety Awards ceremony on 30 April was a key date in the annual calendar, acknowledging the actions and efforts of individuals and companies to improve safety (p36). I salute their commitment, integrity and ingenuity.

**Malcolm Webb,**  
Chief Executive,  
Oil & Gas UK

**KEY FINDINGS – SUPPLY CHAIN MAPPING p22**

**QUICK LINKS**

Look out for this symbol in the magazine and scan the accompanying QR code with your handheld device for easy direct links to online material. Download the QR code reader from your app store.



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Seascape of subsea products.  
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## 1. CIVIL AVIATION AUTHORITY CHANGES TIMESCALES FOR OFFSHORE HELICOPTER SAFETY MEASURES

The UK Civil Aviation Authority (CAA) has announced changes to two of its requirements aimed at improving offshore helicopter safety. This follows discussions with industry, helicopter operators, representatives of the offshore workforce and pilots.

Firstly, the regulator has delayed its deadline for introducing seating restrictions on offshore flights from 1 June 2014 to 1 September 2014. These restrictions will mean that from September, unless improved emergency breathing systems (EBS) are provided, only passengers who are seated next to a push-out window exit can fly.

Deferral of the June deadline reflects evidence from industry that reducing helicopter capacity through seating restrictions would have had an adverse impact on safety critical maintenance planned for offshore installations over the summer, and that the first improved EBS units – which would remove the need for seating restrictions – wouldn't be available before mid-July. The second change is that the EBS will now be compulsory from 1 January 2015 instead of 1 April 2016.

Oil & Gas UK welcomes this news and hails it a significant step forward for offshore safety. Malcolm Webb, chief executive of Oil & Gas UK, says: "By adjusting the timescales to better align with the availability of the improved EBS, the CAA has facilitated the work of the annual turnaround season."

The industry, through Step Change in Safety, is now accelerating the introduction of the new EBS, accompanied with a significantly improved lifejacket for all passengers, and hopes to have the bulk of offshore workers equipped with these when flying offshore by September. Oil & Gas UK will continue to work collaboratively with the CAA on the introduction of the other recommendations and actions outlined in its safety review released earlier this year.

### FOR MORE INFORMATION

Please visit  
<http://bit.ly/CAAannouncement>  
and <http://bit.ly/OilandGasUKCAAREsponse>.

Please contact Robert Paterson on  
[rpaterson@oilandgasuk.co.uk](mailto:rpaterson@oilandgasuk.co.uk).



[www.caa.co.uk](http://www.caa.co.uk)



## 2. FORMAL CONSULTATION ON EU OFFSHORE SAFETY DIRECTIVE

A formal stakeholder consultation on the transposition of the EU Directive on offshore safety into UK law will be open from June until September. This follows extensive informal discussions between the industry, the Health and Safety Executive, and the Department of Energy & Climate Change on the prospective changes to UK legislation, due to be implemented by June 2015. Industry will continue to work closely with the regulators during this transposition period.

For more information, please contact Robert Paterson on  
[rpaterson@oilandgasuk.co.uk](mailto:rpaterson@oilandgasuk.co.uk).

The consultation document will be available at  
[www.hse.gov.uk/offshore/directive.htm](http://www.hse.gov.uk/offshore/directive.htm) from late June.

## 3. AGEING AND LIFE EXTENSION SEMINAR LAUNCHES FINAL HSE REPORT

The Health and Safety Executive's (HSE) Key Programme 4 ageing and life extension (ALE) inspection project has concluded and a final report was released on 28 May at Oil & Gas UK's seminar in Aberdeen. Over 200 people attended the event, which gave details on the key findings in the final report and expanded on the industry's position on ALE. Susan Mackenzie and her colleagues from the HSE provided the regulator's perspective on KP4 and offered suggestions for the industry's long-term management of ALE. In addition, BP, ConocoPhillips and Nexen shared good practice for managing ageing assets and life extension.

The full report is available to download at [www.hse.gov.uk](http://www.hse.gov.uk).  
Presentations from the seminar are available to download at  
<http://bit.ly/KeyProgramme4>.

Oil & Gas UK has published three new guidelines on ALE management which are available to download at  
[www.oilandgasuk.co.uk/ageing\\_and\\_life\\_extension.cfm](http://www.oilandgasuk.co.uk/ageing_and_life_extension.cfm).



Susan Mackenzie, director of the Health and Safety Executive's hazardous installations directorate, expanded on the findings from its Key Programme 4 report at a seminar on 28 May in Aberdeen



#### 4. UK SUPPLY CHAIN: CHAMPIONS OF A £35 BILLION INDUSTRY

A government and industry-funded project to map the UK upstream oil and gas supply chain resulted in the release of two seminal reports in Aberdeen on 23 April. The first, *The UK Upstream Oil and Gas Supply Chain – Economic Contribution*, reveals that the domestic supply chain is a £35 billion industry with strong national and international markets. Growth within supply chain segments is also illustrated. The second report, *The UK Upstream Oil and Gas Supply Chain – Market Intelligence*, focuses on the size and composition of three selected sub-sectors: engineering, operations, maintenance and decommissioning; drilling and well equipment design and manufacture; and marine and subsea contractors and equipment.

Oil & Gas UK, with the support of the Department for Business Innovation & Skills, the Department of Energy & Climate Change and the Scottish Government, commissioned consultants EY to carry out the study.

Gordon Ballard, Chairman of the Oil and Gas Industry Council and UK Chairman of Schlumberger, notes the significance of the reports: “£35 billion in turnover marks a real achievement for our industry. This is the most thorough piece of work ever undertaken to quantify the economic contribution of the oil and gas supply chain to the UK and provide the market intelligence behind it.”

*The reports are available to download at [www.oilandgasuk.co.uk/knowledgecentre/economic-contribution.cfm](http://www.oilandgasuk.co.uk/knowledgecentre/economic-contribution.cfm). Also see p22 of this issue to find out more about the project and its key findings.*



#### 6. NEW STUDY TO DEVELOP A 21ST CENTURY EXPLORATION ROAD MAP

Oil & Gas UK has launched the first phase of a project to stimulate exploration by promoting new and existing plays on the UK Continental Shelf (UKCS). SLR Consulting has been commissioned to complete a three-month preliminary study on the way forward for developing a 21st century exploration road map – a digital version of the printed *Millennium Atlas* on the petroleum geology of the UKCS.

The road map, a PILOT Exploration Task Force (ETF) initiative, will take advantage of recent technology advances for a more dynamic digital resource that can be continually updated, encompassing the latest information on new areas and reserves. The first phase will enable SLR Consulting to define the prospective content, timing and phasing of the project which is scheduled for delivery by the end of 2015.

*If you wish to participate in the preliminary study, please contact SLR's technical director, Hamish Wilson, on [hwilson@slrconsulting.com](mailto:hwilson@slrconsulting.com).*



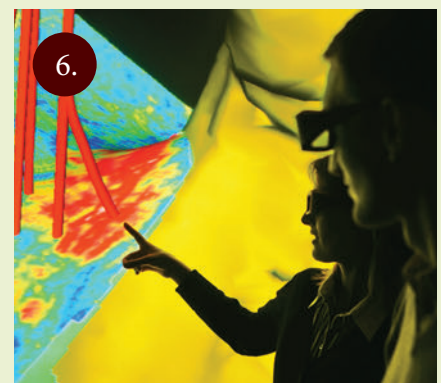
Sir Ian Wood (left) elaborated on the findings of his review into the UK Continental Shelf at Oil & Gas UK's events on 27 March and 8 May in Aberdeen and London, respectively. Over 900 delegates attended

#### 5. WOOD REVIEW EVENTS EXPLORE PROPOSALS FOR MAXIMISING ECONOMIC RECOVERY

Sir Ian Wood expanded on his recommendations for Maximising Economic Recovery from the UK Continental Shelf (MER UK) at two sell-out Oil & Gas UK events on 27 March in Aberdeen and 8 May in London. Over 900 delegates attended these events to hear from Sir Ian following the release of his findings in February from an independent review into the UK Continental Shelf (UKCS).

The *Wood Report* heralds a period of great change for the industry and calls for government and industry to take a fresh approach, working more closely to maximise recovery from the UKCS whilst being supported by a new, independent, arms-length regulator. This is an ambitious report which lays out suggested strategies for the new regulator to help revitalise exploration, improve asset stewardship and encourage a more coherent approach to regional development. The events provided a platform for delegates to hear more and ask questions about the opportunities and challenges for industry and the new regulator.

*The report from Sir Ian Wood is available to download at [www.woodreview.co.uk](http://www.woodreview.co.uk). Also see the spring 2014 issue of Wireline for a Q&A with Sir Ian Wood at <http://publ.com/zgaOEPu#24>.*



The 21st Century exploration road map will provide a digital atlas of the UK Continental Shelf's geology with the aim to stimulate exploration





The *Well Services Contractors Report 2014* reveals record levels of investment in the sector in 2013 and a strong degree of confidence in its future

## 8. DIGESTING ULTRA HIGH PRESSURE HIGH TEMPERATURE FIELD ALLOWANCES

A breakfast briefing was held in Aberdeen on 3 June on the potential impact of the proposed tax allowance for ultra high pressure high temperature (uHPHT) oil and gas field clusters.

Announced in the 2014 Budget, the new field allowance could be a game-changer for operators of technically challenging prospects on the UK Continental Shelf. At the event, industry leaders from TOTAL E&P UK, Maersk Oil UK and BG Group discussed the challenges and successes associated with uHPHT developments, the possible impact of the new field allowance on future production, and its contribution to stimulating exploration and development in new areas.

The presentations can be downloaded at [www.oilandgasuk.co.uk/events/archive.cfm](http://www.oilandgasuk.co.uk/events/archive.cfm).

Webcasts from the event can be viewed at [www.oilandgasuk.co.uk/news/webcasts.cfm](http://www.oilandgasuk.co.uk/news/webcasts.cfm).



The proposed tax allowance for ultra high pressure high temperature oil and gas field clusters was announced by George Osborne in his 2014 Budget statement in March

## 7. WELL SERVICES CONTRACTOR SECTOR REPORTS ROBUST PERFORMANCE

On 20 May, Oil & Gas UK released the *Well Services Contractors Report 2014*, providing an insight into this sector's performance. The report revealed gross revenue of \$3.2 billion (£2.06 billion) in 2013 and the highest level of capital investment since 2008 at \$212.5 million. The sector also provided employment for over 15,000 people last year.

Oonagh Werngren, Oil & Gas UK's operations director, says: "The report reveals that despite declining exploration activity, well services contractors continue to provide significant levels of investment, revenue and jobs to the UK offshore oil and gas industry. The sector has increased gross revenue by 45.5 per cent since 2010 despite a marginal decrease in 2013. It comprises an important proportion of the £35 billion (\$54.7 billion) supply chain outlined in the reports published by Oil & Gas UK and EY in April (see page 6). The sector's resilience is due, in part, to the breadth of services it provides across the life cycle of well operations including drilling, completion, testing and maintenance."

Levels of optimism among well services companies were high in 2013 and are expected to remain within the positive territory despite a forecasted decrease in 2014. Overall, there is a strong degree of confidence in the future of the UK well services contractor sector given the high levels of activity on the UK Continental Shelf and the belief that the Wood Review will result in operational improvements across the basin and an increase in exploration rates.

The full report is available to download at [www.oilandgasuk.co.uk/knowledgecentre/well\\_services.cfm](http://www.oilandgasuk.co.uk/knowledgecentre/well_services.cfm).



Robert Faulds, Laggan-Tormore project director at TOTAL E&P UK (left), and Mark Thompson, managing director of EPEUS Group, shared their experiences of managing complex projects on the UK Continental Shelf at a briefing on 21 May in London

## 9. PLANNING FOR SUCCESS: MANAGING COMPLEX PROJECTS

Delegates at Oil & Gas UK's breakfast briefing in London on 21 May turned out to hear how complex projects on the UK Continental Shelf are managed and what approaches can be taken to ensure success.

In 2013, just 15 exploration wells were drilled, but investment was at an all-time high of £14.4 billion. With continuing high levels of capital expenditure in the UK projected, the profile of major projects has increased. Due to the scale of investment required, the impact on both financial performance and corporate reputation can be linked to the successful delivery of these projects, which are complex in nature. Representatives from TOTAL E&P UK and EPEUS Group shared their experiences at the briefing.

The presentations can be downloaded at <http://bit.ly/complexprojectsbreakfast> and webcasts from the event can be viewed at [www.oilandgasuk.co.uk/news/webcasts.cfm](http://www.oilandgasuk.co.uk/news/webcasts.cfm). Also see p13 for insight into the *Cygnus* and *Mariner* projects.





10.

The report, released on 13 May, reveals that the number of core workers who spend over 100 nights per year offshore has grown to almost 28,000 and the total numbers travelling offshore is nearly 62,000. These are the highest figures recorded since the data were first analysed in 2006

## 11. SUPPORTING THE NEXT GENERATION IN OIL AND GAS

Oil & Gas UK kicked off a new series of 'Next Generation' events on 1 May at Regent's University London.

Nearly 90 graduates and students attended the evening seminar to hear more about the industry from Oil & Gas UK's chief executive Malcolm Webb.

This is part of a new series of briefings in which potential new recruits to the industry, or those who have recently joined the sector, can hear from industry leaders, operator companies and the wider supply chain in an informal environment.

These events also allow the next generation to learn from those already carving out a successful career in the industry and build their professional network.

*If you would like to get involved, either by attending an event or sharing your experiences, please contact Clare Rees on [crees@oilandgasuk.co.uk](mailto:crees@oilandgasuk.co.uk).*

11.



## 10. GROWTH IN OFFSHORE WORKFORCE

The annual *UKCS Offshore Workforce Demographics Report* was released on 13 May, providing useful insights into the profile and composition of the offshore workforce. It reveals that a total of 61,892 personnel travelled offshore in 2013, representing an increase of 8.6 per cent from 2012 and the highest number since data were first recorded in 2006.

Offshore workers in the 24 to 29 age group recorded the highest percentage growth at almost 14.7 per cent (see box below for more details on the key findings).

Dr Alix Thom, Oil & Gas UK's employment and skills issues manager, says: "This is all good news for the industry, but must be considered against the eight per cent reduction in production in 2013 and the fact that there has been a slight drop in the proportion of female employees relative to the total offshore population. Given the current level of demand for skilled employees and the high level of investment on the UK Continental Shelf, it is in the industry's interest to increase its focus on tackling this lack of gender diversity as it represents a significant, but not fully utilised, pool of talent."

*The publication is available to download at <http://bit.ly/demographicsreport2014>. For more information, please contact Alix Thom on [athom@oilandgasuk.co.uk](mailto:athom@oilandgasuk.co.uk).*

### SPOTLIGHT: OFFSHORE WORKFORCE PROFILE

#### KEY FINDINGS – 2014 DEMOGRAPHICS REPORT

Oil & Gas UK's *UKCS Offshore Workforce Demographics Report 2014* reveals that the number of core workers who spend over 100 nights per year offshore has grown to almost 28,000. The total numbers travelling offshore is nearly 62,000.

These are the highest figures recorded since the data were first analysed in 2006. Of the total workers who travelled offshore in 2013:

- The average age was 40.8 years, down from 41.1 years in 2012.
- 3.6 per cent (2,237) were female, a decrease of almost 0.2 per cent from 2012.
- The number of employees aged 23 to 28 grew by 14.7 per cent compared to 2012, with a nine per cent increase in personnel aged 60 to 65.
- Over 80 per cent were of British nationality.

*The full report is available to download at <http://bit.ly/demographicsreport2014>.*



12.

Alix Thom, Oil & Gas UK's employment and skills manager, addresses the delegates at the 3Rs – Recognition, Reward and Retention seminar on 23 April

## 12. RECOGNITION, REWARD AND RETENTION: THE THREE Rs FOR INDUSTRY SUCCESS

'The 3Rs – Recognition, Reward and Retention' were the focus of an employment and skills seminar in Aberdeen on 23 April.

This all-day event covered a range of topics, including the business imperative of getting these right; the latest data on reward practices in the UK and the oil and gas industry in particular; the challenges of retention for an SME; developments in the executive labour market; and the impact of a day-rate culture.

*The presentations are available to download at <http://bit.ly/3Rsseminar>.*



### 13. MICHAEL FALLON MP VISITS SCHLUMBERGER'S DRILLING AND MEASUREMENT CENTRE

On 23 April, coinciding with the launch of the supply chain mapping report (see p6), the minister for business and energy, Michael Fallon MP, visited Schlumberger's Drilling and Measurement Centre in Dyce, Aberdeen. He received an overview of the operations, with a specific focus on seismic activity, and toured the shop floor, viewing directional drill and well placement tools before moving on to the operations support centre to view live field data.

*These visits are important to raise awareness of the vital economic contribution made by the UK offshore oil and gas sector. Oil & Gas UK members that are interested in hosting a political site visit should contact Jenny Stanning on [jstanning@oilandgasuk.co.uk](mailto:jstanning@oilandgasuk.co.uk) or Ashley Shackleton on [ashackleton@oilandgasuk.co.uk](mailto:ashackleton@oilandgasuk.co.uk).*



Minister for business and energy, Michael Fallon MP (second from right), toured Schlumberger's Drilling and Measurement Centre ahead of Oil & Gas UK's supply chain mapping report launch on 23 April

#### MEMBERSHIP MATTERS

##### NEW MEMBERS JOIN OIL & GAS UK

We are pleased to welcome the following companies which have joined Oil & Gas UK since the last issue of *Wireline*:

A&P Tyne Limited, Access Partnerships, ActivityMix, Aeroassurance Ltd, Alcumus Holdings Ltd, Babcock International Group, Bank of Scotland, BENNCON Limited, Berwin Leighton Paisner LLP, Biardo Survival Suits Limited, Briggs Environmental Services Ltd, Brown Shipley, China Petroleum & Chemical Corporation Sinopec UK, Crionach Consultants Ltd, Cyberhawk Innovations Ltd, D8 Ltd, Dynamic Equipment Company Limited, Frazer-Nash Consultancy, Fibracon, FrontierMEDEX, GSE Systems Limited, Intertek, Kudos Financial Services, Mayer Brown, McKinsey & Company Inc. UK, MOL Energy UK Ltd, Ocean Science Consulting Ltd, OTM Consulting, RLG International Limited, Sharecat Solutions Ltd, Simply Joined Consulting Ltd, Strategic Decommissioning Consultants Limited, Toward Ltd and Wikborg Rein LLP.



*Membership manager, Eddy Winters, is committed to ensuring that Oil & Gas UK membership is carefully tailored to members' needs so please contact him on [ewinters@oilandgasuk.co.uk](mailto:ewinters@oilandgasuk.co.uk) with any queries.*

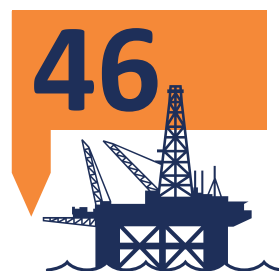
### 14. VANTAGE POB SYSTEM REACHES TEN-YEAR MILESTONE

2014 marks the tenth anniversary of the Vantage Personnel on Board (VPOB) system, now managed by Oil & Gas UK's subsidiary, LOGIC. VPOB is a shared online resource for tracking personnel transport arrangements, supporting emergency response mechanisms, checking personnel training and competencies, as well as meeting on-site muster requirements.

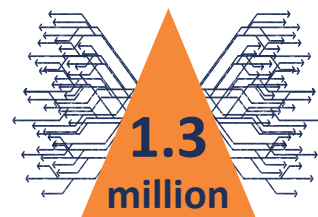
Paul Dymond, managing director of LOGIC, says: "Over the past decade, VPOB has proved a cost-effective tool for the industry, providing a consistent, low cost and high standard of service for improving offshore personnel tracking and recording industry safety training and competencies. The system has since been adopted by operators for use in Trinidad, Angola, Indonesia and Alaska."

For more information, visit [www.logic-oil.com/vantagepob](http://www.logic-oil.com/vantagepob).

14.



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ELCAS armed forces funding is available for this course; centre number 3243



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# Dates for your diary

Raise your company's profile and be better informed about the important issues of the day by attending Oil & Gas UK's industry-leading events and training courses. For more information, please visit [www.oilandgasuk.co.uk/events](http://www.oilandgasuk.co.uk/events).

## BOOK ONLINE



## EVENTS

7 to 9 October

### Offshore Decommissioning Conference

Aberdeen

Organised by Decom North Sea and Oil & Gas UK

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5 November

### PILOT Share Fair

Aberdeen

6 November

### Oil & Gas UK Awards

Aberdeen

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## SEMINARS

2 September

### Security Seminar

Aberdeen



18 September

### Supply Chain Seminar

Aberdeen

7 October

### Occupational Health Seminar

Aberdeen

19 November

### Environmental Seminar

Aberdeen

## MEMBERS-ONLY EVENTS

23 September and 16 October

### Members' Speed Networking

Aberdeen and London, respectively



## TRAINING COURSES

10 September

### Supply Chain Solutions

Aberdeen



16 and 18 September

### Infrastructure Code of Practice

London and Aberdeen, respectively

30 September to 1 October

### Fundamentals in Oil and Gas

Aberdeen

7 October

### Effective Use of Master Deed

Aberdeen

## BREAKFAST BRIEFINGS

### Aberdeen Breakfast Briefings

- 28 August
- 1 October
- 2 December

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### London Breakfast Briefings

- 9 September
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The 2014 installation campaign for the £1.4 billion Cygnus project in the southern North Sea got under way this spring and involves the Cygnus Alpha wellhead platform deck and three jackets, as well as the export and infield pipelines. Pictured is the subsea isolation valve

## Executing a vision

The UK Continental Shelf has seen record investment in recent years in greenfield and brownfield developments, with long-term benefits to the wider economy and energy security. *Wireline* talks to the teams behind two mammoth projects – Mariner and Cygnus – to gain an insight into their execution as they are steered towards production.

**R**e-evaluation has redefined the prospects for the Mariner and Cygnus projects. First discovered some decades ago, it has taken steely determination and advanced geophysical work to get these fields where they are today.

For project leaders Ingolf Søreide and Ian Conacher, the journey is only just

beginning. As vice-president for project management at Statoil UK and asset manager at GDF SUEZ E&P UK, respectively, they are at the helm of two of the most exciting new developments on the UK Continental Shelf (UKCS).

“Quite a few operators tried to make Mariner work – it’s been a journey to get it to commercial field development,”

explains Ingolf. This was primarily down to the challenges associated with such a heavy oil project and the lack of available technologies, until now, to make it commercially viable.

Ingolf heads up the team that is now turning the Mariner discovery in the northern North Sea into production reality. The £4.5 billion project, with >

partners JX Nippon and Dyas, is Statoil's first on the UKCS as an operator and is acknowledged as one of the biggest offshore developments in UK waters for over a decade. The company used advanced broadband seismic acquisition and processing technology to create a clearer picture than ever before to map the reservoirs in a field that was first discovered in 1981.

Meanwhile, Cygnus is the sixth largest gas field in the southern North Sea (SNS) by remaining reserves and one of the most significant undeveloped fields in that region. Discovered in 1988, it wasn't until 2001 that GDF SUEZ, having spotted its potential, began the painstaking process of bringing it to fruition. The company has transformed a small discovery into the largest gas development in the SNS over the last 25 years.

"GDF SUEZ applied for the licence on the basis that, using analogues from its Netherlands acreage, there was a good chance that the Cygnus prospect was a 'missed pay' opportunity," says Ian. "Previous drilling in the late 1980s had yielded ambiguous log results and doubts over commerciality also meant that those wells were never flow tested or even sampled."

He explains: "After award of the licence, GDF SUEZ shot a long offset 3D seismic survey. At the time, in 2003, this survey was the most advanced of its kind in the SNS. In turn, it formed the technical foundation of the subsequent appraisal drilling programme from 2006 to 2010, which confirmed Cygnus as the major gas field we know today."

The programme of drilling appraisal wells steadily unveiled the scale of the discovery. "Every time the subsurface experts evaluated new information, they found more hydrocarbons," describes Ian. "It's a great story because if they

*"Every time the subsurface experts evaluated new information, they found more hydrocarbons. It's a great story because if they hadn't pursued the approach they did, Cygnus would probably have remained uneconomic."*

hadn't pursued the approach they did, Cygnus would probably have remained uneconomic." These efforts were bolstered by a tax relief for shallow water gas field developments announced by HM Treasury in June 2012.

GDF SUEZ is now the operator of a £1.4 billion development project, with partners Centrica and Bayerngas UK.

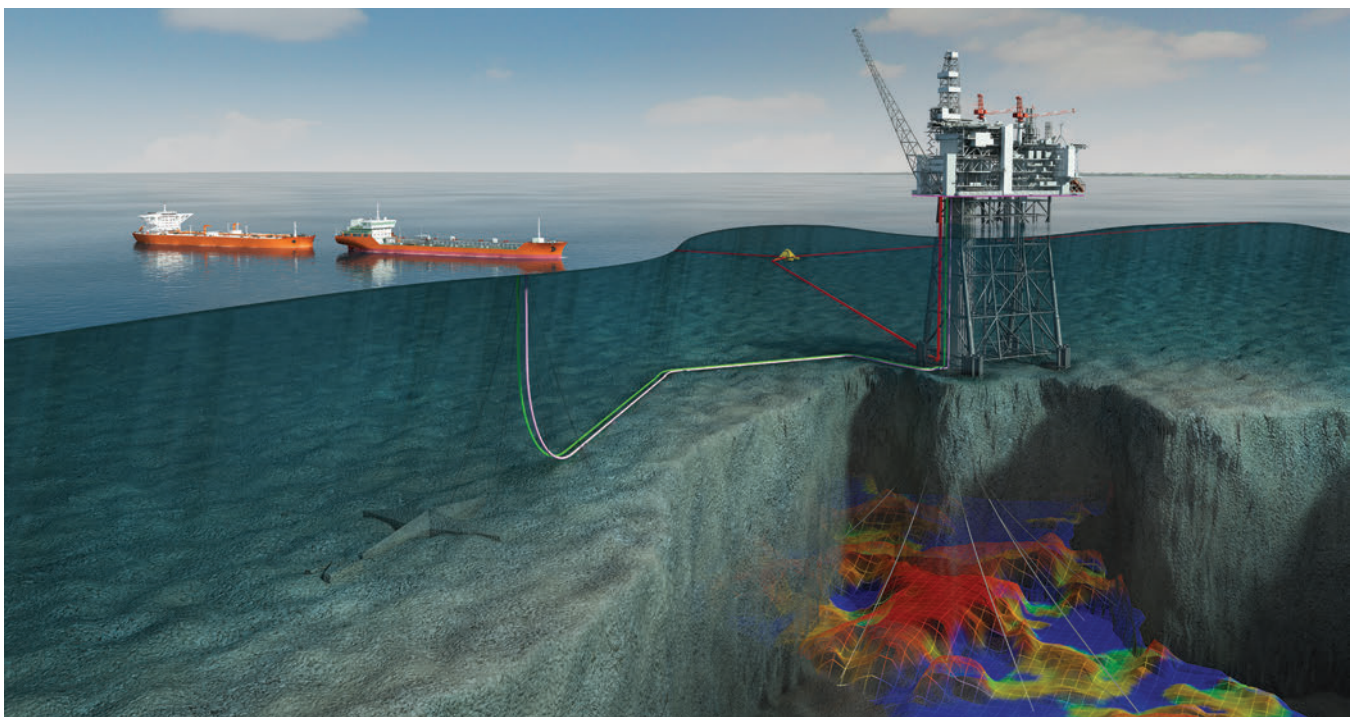
## Spreading their wings

Due to the shallow water and large area of the Cygnus field, it was difficult to formulate a workable commercial development concept. The team settled on a "two-centre solution" that allows them to target the breadth of the field. "It's roughly equivalent to one-third the size of Paris!" says Ian.

This concept is now being implemented ahead of anticipated first gas towards the end of 2015. It comprises two drilling centres, seven kilometres apart. One is a network of three bridge-linked platforms (Cygnus Alpha) hosting the central production, processing and accommodation facilities, while the other is a tied-back satellite wellhead platform.

The 2014 installation campaign – a prelude to an even bigger programme next year – got under way this spring and involves the Cygnus Alpha wellhead platform deck and three jackets, as well as the export and infield pipelines.

"One of the upsides of this extensive offshore infrastructure is that it possesses the capacity to take on board further production in the area in the future," notes Ian.



The Mariner heavy oil project in the northern North Sea is technically challenging, requiring multi-lateral (multiple branch) wells to achieve greater reservoir reach; advanced geosteering to secure better well placement; and autonomous inflow control valves to enhance oil flow



*“We’ve taken small steps forward in several technical areas and brought those together to create this exciting project.”*

### Pumping away

For Statoil, the Mariner heavy oil field presented its own distinct challenges which had to be met with innovative technological solutions.

Heavy oil is typically characterised by low oil production rates, because of low flow rates and early water break-through, as well as high production costs due to the need for multiple and complex wells.

Statoil’s international track record of heavy oil developments has helped to equip the project team to take on Mariner. However, “there are many challenges associated with heavy oil that are more acute given the scale of this project”, notes Ingolf. “In effect, we’ve taken small steps forward in several technical areas and brought those together to create this exciting project.”

Statoil’s development plan includes – but is not confined to – multi-lateral (multiple branch) wells to achieve greater reservoir reach; advanced geosteering to secure better well placement; and autonomous inflow control valves (developed by Statoil) that reduce the inflow of water into wells and in turn enhance the oil flow.

The project team is also considering polymer chemical injection, an enhanced oil recovery technique, which effectively increases water viscosity and improves the reservoir ‘sweep’.

The development concept centres on a production, drilling and quarters platform based on a steel jacket with 50 active well slots, and a separate floating storage unit of 850,000 barrels capacity. Design and construction work is under way and production is expected to start in 2017.

A specially commissioned jack-up drilling rig will support operations for the first four to five years of field life and around 140 reservoir targets for production or injection are planned.

### CYGNUS BY NUMBERS

**£1.4 BILLION**

THE VALUE OF THE CAPITAL INVESTMENT

**110 MILLION BARRELS**

OF OIL EQUIVALENT OF ESTIMATED RESERVES

**5 PER CENT**

CONTRIBUTION TO UK GAS PRODUCTION AT ITS PEAK, EQUIVALENT TO MEETING THE GAS DEMAND OF 1.5 MILLION HOMES

**4,000 JOBS**

DURING DEVELOPMENT, DIRECTLY AND INDIRECTLY, ACROSS THE UK SUPPLY CHAIN

**100 JOBS**

TO BE CREATED OFFSHORE DURING PRODUCTION, WITH AN ADDITIONAL 50 IN THE OPERATIONAL HEADQUARTERS IN ABERDEEN

### MARINER BY NUMBERS

**30 YEARS**

THE ESTIMATED LIFESPAN OF THE PROJECT SO FAR

**£4.5 BILLION**

THE VALUE OF THE CAPITAL INVESTMENT

**250 MILLION BARRELS**

OF EXPECTED RECOVERABLE RESERVES

**55,000 BARRELS PER DAY**

THE AVERAGE PRODUCTION ANTICIPATED DURING PLATEAU YEARS OF 2017 TO 2020

**700 JOBS**

DIRECT EMPLOYMENT DURING OPERATION (SUPPLIERS NOT INCLUDED)

*“What we do with Mariner will be important for us going forward. Our learnings and experiences could be applied to future UKCS heavy oil developments.”*

### High profile

With such complex developments comes the need for highly skilled project management teams and a strong supply chain. And, of course, there is also the prospect of huge rewards in terms of the longer-term benefits for the UK economy (see box-out overleaf).

At present, Statoil’s team in Aberdeen comprises around 100 people, broadly working across the key areas of petroleum technology, operations planning, drilling and wells, and procurement/administration, whilst a similar number

of colleagues are working in London with around 1,000 contractors on various aspects of engineering design. The Aberdeen team, which is essentially focused upon preparing for operations, will continue to grow over the coming months.

“It is important to have people on board who are committed and can work closely together,” notes Ingolf. They need to have “good awareness and be able to anticipate risks”.

He believes the work will have wider implications for the company in the >

long term. “This is our only ongoing operated offshore field development outside of Norway, so for us it’s very high profile. What we do with Mariner will be important for us going forward. Our learnings and experiences could be applied to future UKCS heavy oil developments.”

### Procurement in practice

GDF SUEZ has chosen an ‘unbundled’ supply chain strategy for Cygnus. Rather than appoint a partner in engineering, procurement and construction, the company is contracting most of the main elements – engineering, fabrication, drilling, installation and construction – directly.

*“To date, British companies, or UK affiliates of overseas companies, have won the vast majority of the scopes of supply... It’s a huge success for the UK supply chain.”*

“We wanted to go fast track, which meant we wanted to run a lot of the elements in parallel, recognising the interlinked nature of the component parts,” describes Ian. “That would not normally be a feature of a bundled contracting environment. It’s an unusual approach.”



Left: Major contracts for the Cygnus project have been awarded to UK contractors. GDF SUEZ E&P UK has taken an ‘unbundled’ approach to supply chain management, choosing to contract most of the main elements directly

Right: At present, Statoil’s team in Aberdeen comprises 100 people focused on preparing for Mariner’s operations. Statoil plans to create a new operations centre in the city by 2016 with more than 200 positions onshore and 500 offshore during the field’s production. Image courtesy of Ross Johnston, AP/Statoil

Ian has personally visited the provider of every critical project package, which has paid off in terms of forging good professional relationships and securing delivery. “Some of the companies haven’t had such a direct approach before, in the sense that they are normally sub-contractors to a fabricator, who is sub-contracted to an installer, and so on. It can be quite a lengthy chain and they might be a few steps removed from the main customer.”

The project management team comprises around 100 employees and the structure broadly reflects the work breakdown, with sub-teams focused on engineering,

construction, subsea and drilling, alongside other key disciplines such as commercial activity.

For Ian, the scale increases the excitement and passion from everyone involved. He enthuses: “It’s a tremendous project. I’ve been doing this kind of work for more than half my life and these projects don’t come along every day – it’s a big greenfield job.”

*For more information, please visit [www.statoil.com/en/about/worldwide/unitedkingdom/pages/mariner.aspx](http://www.statoil.com/en/about/worldwide/unitedkingdom/pages/mariner.aspx) and [www.gdfsuezep.co.uk/our-operations/cygnus.aspx](http://www.gdfsuezep.co.uk/our-operations/cygnus.aspx).*

## ECONOMIC CONTRIBUTION

### HOME ECONOMICS FOR CYGNUS AND MARINER

Ingolf Søreide, vice-president for project management at Statoil, anticipates that about 60 to 70 per cent of the £4.5 billion capital spend on Mariner in the northern North Sea will ultimately be in the UK. There’s already high local content, for example, contracts have been awarded to Subsea 7, Odfjell and Noble in Aberdeen, as well as Saipem, SNC Lavalin, Chicago Bridges and Iron (CB&I), and RDS (the engineering division of KCA Deutag) in London. Statoil will continue to procure a significant level of UK support as the project moves forward. This will be in disciplines such as logistics, operations and maintenance, and drilling and well services. An Aberdeen-based procurement team has therefore been set up.

The ongoing operational support required in Aberdeen over the project’s estimated 30-year lifespan will also bring longer-term economic benefits. The company plans to have a new operations centre in the city by 2016, with more than 200 long-term and full-time positions onshore and 500 offshore.

Meanwhile, GDF SUEZ E&P UK expects to award around 80 per cent of its Cygnus project spend to UK-based companies, supporting an estimated 4,000 direct and indirect jobs across the supply chain. Major contracts have already been awarded to the likes of AMEC, Saipem and EnscO in London; Heerema Fabrication Group’s Hartlepool Yard; Genesis in Aberdeen; Isleburn in Invergordon; and Burntisland Fabrication in Fife. The project is set to create 50 additional posts in the company’s operational headquarters in Aberdeen as well as 100 offshore jobs when production starts.

“To date, British companies, or UK affiliates of overseas companies, have won the vast majority of the scopes of supply – and they’ve done so through a competitive tendering process. It’s a huge success for the UK supply chain,” says Ian Conacher, asset manager at GDF SUEZ E&P UK.



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Photographs courtesy of Dow Corning, BP Statoil, Total and JT Ltd.



GE's Broadfold Road and Brent Avenue sites in Aberdeen are primarily responsible for manufacturing subsea production trees and components such as master valve blocks (MVBs), before the equipment is installed across projects in the North Sea and worldwide.  
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## Subsea solutions

Subsea technology has a crucial role to play in maximising recovery from the UK Continental Shelf. *Wireline* catches up with Chevron and GE Oil & Gas to find out more about the challenges and opportunities ahead.

“Historically, technology has repeatedly extended industry’s capabilities into new frontier areas and enabled developments that were previously uneconomic,” notes Craig May, managing director of Chevron Upstream Europe. This vital role of technology stands true today, not least in the subsea arena, as the UK Continental Shelf (UKCS) enters its next, more complex, phase of development.

“The offshore oil and gas industry has been applying subsea technology since the mid-1970s and the UK is widely regarded as occupying a world-leading position in experience and innovation,” explains Craig. “Much of this has been developed by necessity so that currently more than 40 per cent of the UK’s oil and gas comes from subsea developments.”

With the average field discovery size decreasing and the industry venturing into

deeper, harsher, more remote environments, Craig believes, “subsea technology will play an even greater role in extending the production life of the UKCS”.

### In the pipeline

This is exemplified by Chevron’s ongoing Alder field project, a technology-led, 28-kilometre subsea tieback to the Britannia platform in the central North Sea. The high-pressure, high-temperature (HPHT) gas field was discovered in 1975 but it’s only



now, thanks to technological advances, that it has been deemed economically viable to develop. Production is expected to start in 2016.

Chevron opted for a subsea tieback solution because of the technical challenges involved in using a floating, production, storage and offloading (FPSO) vessel, including the need for HPHT flexible risers and a tie-in to an existing gas export system to bring the gas onshore.

The Alder project's tieback solution showcases many innovative features.

***“All high-pressure, high-temperature gas developments face pressure and temperature management challenges. As a result, there's been a lot of focus on flow assurance analysis.”***

“All HPHT gas developments face pressure and temperature management challenges,” describes Craig. “As a result, there's been a lot of focus on flow assurance analysis, including the use of computational fluid dynamics for cooling systems.”

For Alder, the subsea manifold is equipped with a high integrity pipeline protection system (HIPPS) and cooling loop. The temperature of the produced fluid is reduced from approximately 135 degrees Celsius at the wellhead to 115 degrees Celsius at pipeline entry. As the fluid travels the length of the highly insulated 28-kilometre pipeline (a reeled pipe-in-pipe system, whereby the production pipe is sleeved and protected by an outer pipe for insulation), it continues to cool to 85 degrees Celsius before arriving

at the host facility for processing. The system is designed to control the flowing temperature and pressure throughout, thereby managing the flow assurance and other design challenges.

Craig adds: “In addition, lessons learnt from Macondo, applied at a corporate level, have resulted in the selection of a vertical mono-bore tree designed for deep water use.”

The project encompasses several technical firsts for Chevron. These include the cooling loop, the HIPPS, a ring pair corrosion monitor (for real-

time internal pipeline monitoring) and the reeled pipe-in-pipe system. “The vertical mono-bore tree is also a first for our UK contractor in the North Sea,” says Craig.

“Overall, balancing the requirements of flow assurance, offshore operations, the availability of existing technology and the qualification of new technologies has been key,” notes Craig. “To meet these challenges, we've used a small, focused, fully integrated project team to work closely with similarly focused contractors.”

To date, Chevron has awarded over £300 million worth of contracts for the Alder project, including those related to subsea equipment, to UK based

companies and it is estimated that 75 per cent of project spend will be in the UK.

### Technology talks

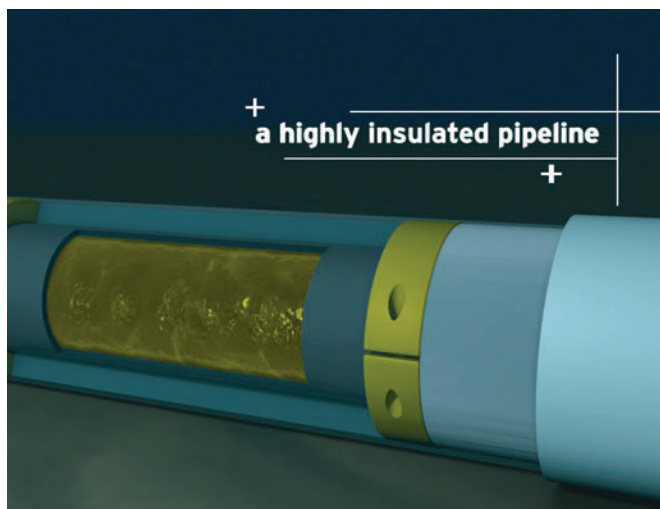
GE Oil & Gas' subsea technology director Paul White notes that many of the subsea technologies in use globally today were originally developed in the UK.

Based at the company's global headquarters for subsea systems in Aberdeen, he says: “In the early days of the North Sea, there wasn't a lot of subsea technology around. Much of it was first developed here and it's since been applied globally in areas such as West Africa, Australia, Asia and the Gulf of Mexico.

“Of course, technology has been developed and continues to be developed in many other regions, but the North Sea played a big part in defining some of the early subsea building blocks.”

He believes the UK has a great opportunity to retain its status as a hub of subsea excellence due to the extensive pool of expertise that already exists and because technology will play a key role in maximising economic recovery of the up to 24 billion barrels of remaining reserves estimated on the UKCS.

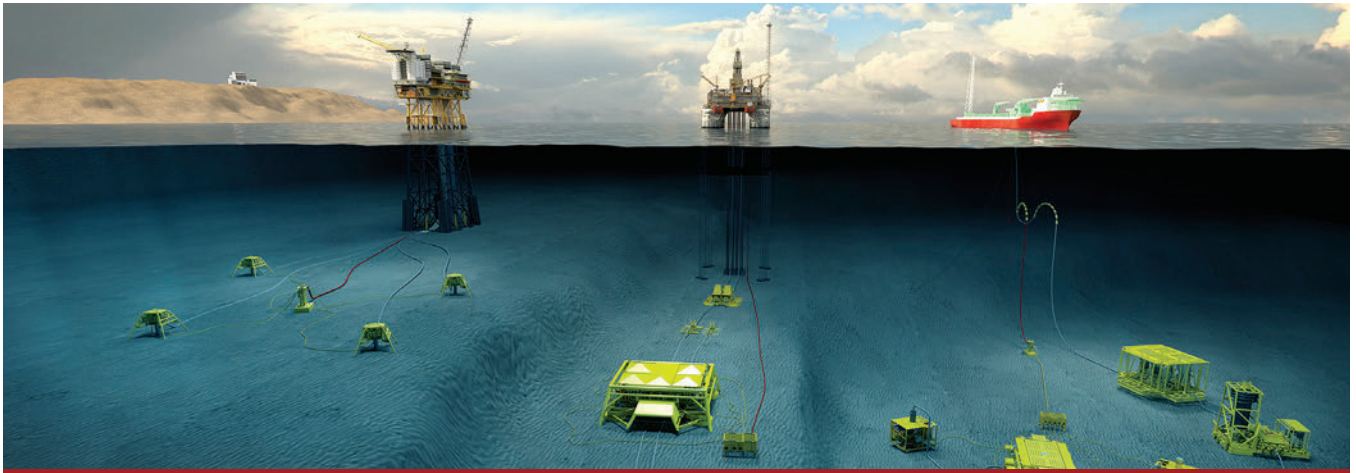
He explains: “If we don't make maximum use of technology, we'll struggle to reach the upper range [of recovering reserves]. It's not just about developing technology... you have to deploy it to make a difference.” Paul believes that success lies in the timing – in matching technology delivery to real opportunities. >



Chevron is developing the high-pressure, high-temperature Alder gas field as a subsea tieback to the Britannia platform in the central North Sea. The fluid will travel the length of the highly insulated 28-kilometre pipeline, cooling to 85 degrees Celsius before arriving at the host facility ready for processing



Craig May, managing director of Chevron Upstream Europe, spoke at the Technology Showcase in Aberdeen on 5 March about the technical challenges to unlock the remaining reserves on the UK Continental Shelf. He touched on the need for longer subsea tiebacks to existing infrastructure



GE Oil & Gas' subsea technology director Paul White notes that the building blocks of many of the subsea technologies in use globally today were originally developed in the UK. © General Electric 2014 – All Rights Reserved

Last September, E.ON Exploration and Production was the first company to deploy GE's next generation Shallow Water Vertical Xmas Tree (SVXT) on the UKCS; the system was installed in the shallow waters of the southern North Sea's Johnston field. The tree, manufactured at the company's Broadfold Road plant in Aberdeen, is designed to run from a jack-up rig operating in water depths of around 100 metres.

The design merges horizontal and vertical tree technology, reducing size and weight significantly. The system is designed to be deployed from relatively low cost jack-up rigs and does not require remotely operated vehicles or dive operations for installation, decreasing installation time and therefore cost.

Whilst this March, GE introduced a new design for the multiple quick connector (MQC), the FLX360, with the aim to make subsea installation and maintenance faster, easier and more reliable.

After working closely with its customers to identify the requirements, the company redesigned the traditional MQC by removing the screw threads usually used to attach hydraulic lines and other equipment in subsea production systems. This reduces the problems caused by corrosion of these threads over time in the harsh sea environment and the potential seizure of hydraulic flying leads onto host structures. The FLX360 instead adopts a mechanism comparable to that seen in a bayonet fitting on a light bulb.

### Good for business

This symbiotic relationship between technology development and business requirement is endorsed by Chevron. Craig asserts: "The key for any organisation is to integrate technology development into

the business lifecycle to achieve a timely intersect between technology maturity and project maturity." Chevron's Global Technology Centre in Aberdeen, for example, is active in developing technologies for the company's European assets as well as for its global portfolio of projects.

Paul agrees and believes the industry as a whole needs to recapture some of the dynamism that characterised the years when subsea solutions first came to the fore. "Getting good technology into the field then was never a challenge – it was the only means of leveraging some of the opportunities," he adds.

***"As we move into this more mature period on the UKCS we need to get back to being more proactive in the deployment of technology to make sure we do maximise recovery."***

"As we move into this more mature period on the UKCS we need to get back to being more proactive in the deployment of technology to make sure we do maximise economic recovery."

Paul and his colleagues note the importance of advancing technology in three subsea areas:

- Enhanced oil recovery – securing additional production through the application of, for example, new pump or gas compression technology
- Asset integrity – using advanced sensing and analytics tools to create a better understanding of how assets are performing

- Production efficiency – using technology to monitor individual pieces of production equipment and anticipate failures, in essence, creating a predictive maintenance regime that puts operators on the front foot and minimises potential downtime

GE's subsea experts in the UK and globally are routinely working on a range of new technologies. The business supplied one of the world's longest remote control production systems for the Snøhvit field in the Norwegian North Sea. The subsea production pipeline is 145 kilometres (km) (90 miles) from shore, with the associated subsea controls system considered one of the longest-distance tiebacks on record, with a total offset capability of 220 km (136 miles).

This reflects the industry's capabilities to link subsea production systems directly back to the beach and reflects the growing need to communicate data over longer distances as developments enter deeper waters.

For an operator like Chevron, subsea tiebacks have an important contribution to make to the field life extension agenda on the UKCS. Craig foresees the demand for longer tiebacks to existing infrastructure with the need to address the resulting flow assurance challenges and the complexity of brownfield modifications for the host platform.

He adds: "New challenges directly prompt focus on new technologies, but those same new technologies can also open new business opportunities for operators and within the wider supply chain." <sup>(1)</sup>

*For more information, please visit [www.chevron.com](http://www.chevron.com) and [www.ge-energy.com/about/oil\\_and\\_gas.jsp](http://www.ge-energy.com/about/oil_and_gas.jsp). Also view Chevron's video about the Alder project at [www.youtube.com/watch?v=vp-TQXAnfXc](http://www.youtube.com/watch?v=vp-TQXAnfXc).*





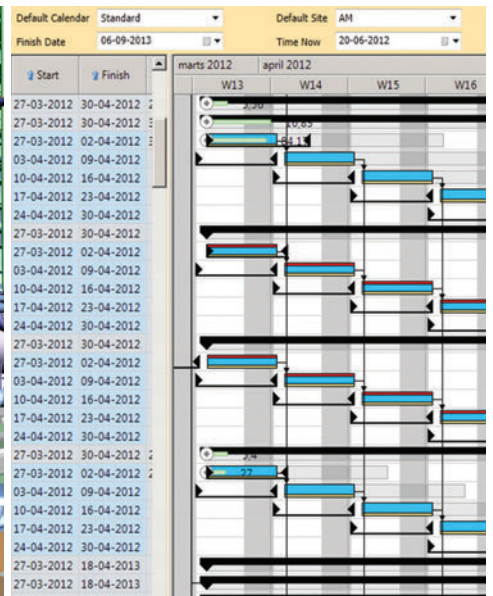
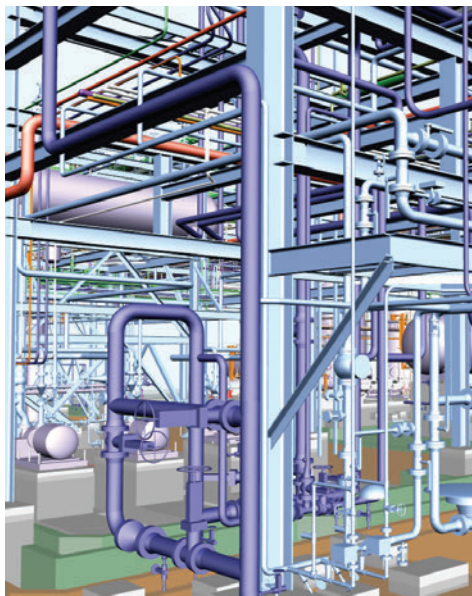
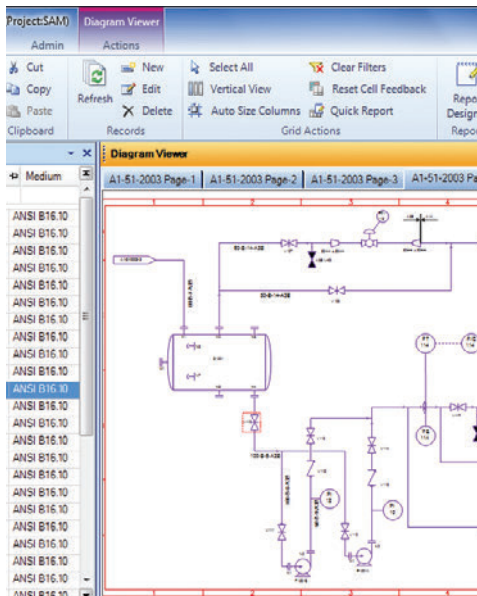
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# Chain reaction

Our industry encompasses a world-class UK-based supply chain. Fact. A new project to map this sector now sheds light on its immense contribution to the British economy. *Wireline* catches up with Oil & Gas UK's business development director Stephen Marcos Jones to find out more.



## Q: Can you tell us about the objectives of this project?

A: It is one of the key outputs of the industry-government Oil and Gas Industrial Strategy launched in March 2013 to maximise economic production of the UK's offshore oil and gas resources; to sustain and promote growth of the UK supply chain; and to promote purposeful collaboration across industry and between industry and government.

Offshore oil and gas has made an immeasurable contribution to the British economy. The industry remains the country's largest industrial investor, paying more tax into the Exchequer than any other corporate sector and with the potential to deliver continued economic benefits over the coming decades.

Despite these facts, the economic contribution of the thousands of companies in the supply chain that support the industry is not well understood.

Oil & Gas UK, with the support of the Department for Business Innovation & Skills (BIS), the Department of Energy & Climate Change (DECC) and the Scottish Government, commissioned EY to quantify the supply chain's economic importance and its potential for growth.

*“The completion of this project is a real milestone, as the first ever piece of work to quantify the economic contribution of the oil and gas supply chain in the UK.”*

decommissioning contractors; drilling and well equipment design and manufacture; and marine and subsea contractors and equipment.

The completion of this project is a real milestone, as it is the first ever piece of work to quantify the economic contribution of the oil and gas supply chain in the UK.

EY has produced two reports, the first measures the sector's economic contribution based on 2012 figures, while the second is a market intelligence report providing additional information on the size and composition of three selected sub-sectors, namely: engineering, operations, maintenance and



The EY reports on the UK upstream oil and gas supply chain were released on 23 April at an event in Aberdeen. Presenters included Mike Tholen of Oil & Gas UK (far left), with the panel comprising (L-R) Alex Milward of EY; UK business and energy minister Michael Fallon MP; Gordon Ballard of Schlumberger and Chairman of the Oil and Gas Industry Council; and Scottish Energy Minister Fergus Ewing MSP





**£35 billion**

The UK upstream oil and gas supply chain generated turnover of more than £35 billion in 2012



**£11.4 billion**

Turnover in the supply chain increased by £11.4 billion between 2008 and 2012



**290+**

The number of companies in the supply chain increased by 290 from 2008 to 2012



**£13 billion**

Growth in the supply chain is being driven by strong investment on the UK Continental Shelf (UKCS). £13 billion is forecast to be invested in 2014, following a record £14.4 billion in 2013



**42 per cent**

In 2012, exports made up 42 per cent of turnover in the upstream supply chain



**UK's largest industrial investor**

The UK offshore oil and gas industry remains the country's largest industrial investor, paying more tax into the Exchequer than any other corporate sector

### Q: How did you go about starting this project?

A: We started by looking first at the 3,000 companies or more that are directly involved in the supply chain using a variety of sources such as Companies House, the FPAL supply chain database and other Trade Associations' membership lists. EY then narrowed these down to just over 1,500 companies that derived 50 per cent or more turnover from this sector in 2012, on which the reports are then based.

### Q: How would you summarise the findings?

A: The UK upstream oil and gas supply chain generated more than £35 billion of turnover in 2012. That's not only significantly more than we had previously anticipated, but data also show that turnover rose by £11.4 billion between 2008 and 2012.

This growth was driven by strong capital investment on the UK Continental Shelf (UKCS), which stood at £11.4 billion in 2012, and was at the time, the highest for three decades. This trend seems set to continue with record investment in 2013 of

£14.4 billion and a forecast for 2014 of £13 billion. The number of supply chain companies that derive 50 per cent or more turnover from oil and gas increased by 290 from 2008 to 2012.

*“This growth was driven by strong capital investment on the UK Continental Shelf.”*

In addition, UK businesses have secured a strong export market. In 2012, upstream supply chain exports accounted for 42 per cent of turnover, a percentage which has remained fairly constant over the last five years.

### Q: What does this mean for jobs?

A: The number of people employed by the supply chain in the UK increased significantly between 2008 and 2012, with some 200,000 people directly employed in the UK to support UKCS operations.

The majority of companies EY spoke to are based in Aberdeenshire (578) or the rest of Scotland (211). We are also seeing very strong regional hubs, in particular, in the east and the north east of England, which are centres of excellence for the southern North Sea and fabrication, respectively. >

*“Both the Scottish and UK Governments recognise that to remain a global hub for supply chain services, we must continue to work together to promote our advantage and expertise in the sector and increase exports, helping to create jobs and growth.”*

**Q: Do any areas of the supply chain stand out for you?**

A: We’re seeing strong growth right across the board. Continued high oil prices and the demand for better seismic analysis have seen turnover grow in the reservoirs segment of the supply chain by £0.5 billion from 2008 and 2012, reaching £1.2 billion. Similarly, the wells category has seen turnover increase by £1.5 billion to nearly £7.6 billion.

The facilities segment increased turnover by £3.2 billion between 2008 and 2012, rising to £11.8 billion. This was driven by an increase in brownfield activity and increased investment on the UKCS from 2011 to 2012. Meanwhile, the marine and subsea segment enjoyed revenue growth for the fourth consecutive year rising to £8.8 billion in 2012.

The support and services discipline has also seen year-on-year turnover growth, with the IT, communications and recruitment sub-segments all doubling from 2008 to 2012.

**Q: How does this fit in with the industrial strategy for oil and gas?**

A: Both the Scottish and UK Governments recognise that to remain a global hub for supply chain services, we must continue to work together to promote our advantage and expertise in the sector and increase exports, helping to create jobs and growth. Using this report as a springboard, Oil & Gas UK will focus its efforts on supporting UK oil and gas businesses to seize opportunities both at home and abroad.

To operate successfully, a stable fiscal environment is key. The Oil and Gas Industry Council, which is steering the industrial strategy and is made up of government and industry representatives, will continue to work with the Fiscal Forum to maintain an open dialogue with the UK Government on fiscal policy. The industry is also working closely with the Scottish Government following the publication of its strategy for the oil and gas sector last year.

Ultimately, there is an important task ahead, as people rely on the products of our industry to run their homes and businesses and to keep the country on the move, in addition to the clear fiscal benefits of the UK’s upstream oil and gas supply chain. ☺

*To download the reports, please visit [www.oilandgasuk.co.uk/knowledgecentre/economic-contribution.cfm](http://www.oilandgasuk.co.uk/knowledgecentre/economic-contribution.cfm)*





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PILOT Share Fair is held annually in Aberdeen and provides a major networking opportunity for operators and contractors

## Doing business better

A recent report from EY highlights the breadth of the UK upstream oil and gas supply chain and its significant economic contribution, bringing into focus the importance of strong and efficient working relationships between purchasers and suppliers. With a report measuring industry performance in this crucial area soon to be released, *Wireline* explores the influential role of the PILOT Supply Chain Code of Practice.

“We actively invite – and in fact positively encourage – feedback from our suppliers, using contract performance management scorecards and regular performance review meetings,” says Stephen Duncalf, head of supply

chain management at Talisman Sinopec Energy UK. “The scorecards include key performance indicators that help us monitor how we, the customer, work with our suppliers to deliver their best possible performance. This way, the expectations of both parties are fulfilled.”

*“With the UK supply chain generating £35 billion in turnover, it is vital to maintain and grow the capability of this substantial industrial asset.”*



*“We actively invite – and in fact positively encourage – feedback from our suppliers, using contract performance management scorecards and regular performance review meetings.”*

As one of the winners of an Award of Excellence in 2013 for compliance with the PILOT Supply Chain Code of Practice (SCCoP), Talisman Sinopec has high standards in supply chain management.

PILOT, the joint government-industry forum, introduced the SCCoP in 2002 to help the UK offshore oil and gas industry improve supply chain efficiency, streamline the procurement process, and ensure a sustainable long-term future for the sector by seeking to eliminate unnecessary costs and boost competitiveness.

The voluntary code of practice aims to achieve these objectives by improving behaviour at three key stages of the commercial process:

- **Plan** – transparent planning of contracting activity by major purchasers to improve supply chain capability
- **Contract** – streamlining pre-qualification, tendering and negotiation processes to reduce bidding costs, eliminate waste, add value and increase competitiveness
- **Perform and pay** – increasing feedback dialogue and shortening payment cycles to improve performance

Signatories include major purchasers (operators and principal contractors) and suppliers (companies providing goods and services). All signatories should be registered on FPAL (First Point Assessment Limited), the oil and gas supply chain database, which allows purchasers to identify, select and manage current and potential suppliers. There are currently 159 signatories to the code comprising 42 purchasers and 117 suppliers.

Ken Cruickshank, Oil & Gas UK’s operations manager, says: “It is important to champion collaborative industry



Technip holds an annual event in Aberdeen focused on building supplier relationships and performance management

initiatives like the SCCoP. While there was significant investment on the UK Continental Shelf (UKCS) in 2013, our sector continues to face challenges on many fronts, including rising costs and the need to improve capital efficiency. Oil and gas producers on the UKCS rely on the supply chain for an unrivalled range of products, services and expertise. The SCCoP provides an important tool to enhance the efficiency of the procurement processes.”

*“Our team is encouraged to specialise in managing specific aspects of the supply chain such as diving systems, remotely operated vehicles, survey, trenching, fuel and lubes, hydraulic and electrical packages, pipe and coatings.”*

### Cracking the code

The SCCoP tiered award scheme allows suppliers to rate their clients for compliance with various aspects of the code, including speed of invoice payments, transparency of forward work planning and the use of standard contracts. Purchasers are rewarded with awards in the following categories: bronze, silver, gold or excellence (those who have received gold award status for three years or more).

Many companies are demonstrating their commitment to continual improvement in supply chain management at the highest level with 13 companies receiving the Award of Excellence last year (see box-out overleaf).

### Two-way street

Caroline Bennett, Technip’s contracts manager, explains that her company

strongly backs the principles of the code, and, in doing so, was also one of the recipients of the Award of Excellence in 2013.

“In line with SCCoP guidance, we focus on regular, open and honest interaction with suppliers throughout each contract and encourage a readiness to engage with new as well as existing suppliers,” explains Caroline. “This includes audits and site visits, supplier forums, early

supplier involvement on projects, and, of course, two-way feedback, which we are proactively encouraging, along with the take up of standard invitation to tenders (ITTs) and LOGIC standard contracts.”

LOGIC is an Oil & Gas UK subsidiary dedicated to improving competitiveness throughout the oil and gas sector. Its standard contracts are designed to help the industry avoid duplication and reduce the cost of contractual procedures.

Caroline adds: “Our team is encouraged to specialise in managing specific aspects of the supply chain, such as diving systems, remotely operated vehicles, survey, trenching, fuel and lubes, hydraulic and electrical packages, pipe and coatings.”

As a major contractor, Technip has to manage its relationships with not only its sub-contractors but also with >

*“Oil and gas producers on the UK Continental Shelf rely on the supply chain for an unrivalled range of products, services and expertise. The Supply Chain Code of Practice provides an important tool to enhance the efficiency of the procurement processes.”*

its clients. Debbie Wyness, Technip’s supply chain manager, says: “Combining SCCoP principles, Technip’s processes and procedures (to ISO 9001 standard), and Chartered Institute of Purchasing and Supply certification contributes to the overall strategy and standard of management of supplier activities and helps us support the delivery of projects to our clients.”

Talisman Sinopec, meanwhile, expanded its supply chain management team last year, adding a full-time senior staff member to design and implement a process for managing both contract performance and supplier relationships.

Stephen explains: “Essential to success is having clearly defined expectations and accountability for both parties.”



Stephen Duncalf (centre), head of supply chain management at Talisman Sinopec Energy UK, received the Award of Excellence for compliance with the Supply Chain Code of Practice at PILOT Share Fair 2013. He is pictured with Oil & Gas UK’s operations director, Oonagh Werngren, and chief executive Malcolm Webb

### Step by step

To earn awards in the SCCoP’s tiered compliance scheme, purchasing companies must participate in the annual SCCoP compliance survey, demonstrate support for the annual PILOT Share Fair event and submit to an in-depth analysis of how they comply with the code from the perspective of their suppliers.

Ken adds: “It takes time for companies to work through the grades towards full compliance but becoming a signatory to

the code is the first positive step, in that it indicates a willingness to perform better, which can only be for the overall good of the industry. With the UK supply chain generating £35 billion in turnover, it is vital to maintain and grow the capability of this substantial industrial asset.” <sup>Ⓜ</sup>

*For more information, visit [www.oilandgasuk.co.uk/knowledgecentre/SupplyChainCodeofPractice.cfm](http://www.oilandgasuk.co.uk/knowledgecentre/SupplyChainCodeofPractice.cfm).*

## AWARD WINNERS

### REWARDS IN BUILDING RELATIONSHIPS

Twenty-three operator and contractor companies received awards in last year’s tiered compliance scheme for the PILOT Supply Chain Code of Practice. The tiered award scheme allows suppliers to rate clients for their compliance with various aspects of the code.

The companies who achieved an Award of Excellence in 2013 were Aker Solutions, AMEC, BG Group plc, BP, Centrica Energy, Chevron North Sea Ltd, ConocoPhillips (U.K.) Limited, Petrofac, Shell U.K. Limited, Talisman Sinopec Energy UK, Technip UK Limited, TOTAL E&P UK Limited and Wood Group PSN.

Gold awards were presented to AGR Well Management Limited, Apache North Sea Ltd, EnQuest and Fairfield Energy, while Halliburton, Marathon Oil U.K LLC, Nexen Petroleum, RWE Dea UK and Taqa Bratani Limited received Silver Awards. Bibby Offshore Ltd scooped the Bronze award.

The awards were presented at the PILOT Share Fair event in 2013. The annual Share Fair, which this year will be in Aberdeen on 5 November, provides delegates the opportunity to hear about the latest future work plans from operators and contractors and gain valuable insights into the procurement processes of individual purchasers.

*Find out more about PILOT Share Fair by watching last year’s highlights video at [www.oilandgasuk.co.uk/events/pilot\\_share\\_fair\\_film.cfm](http://www.oilandgasuk.co.uk/events/pilot_share_fair_film.cfm).*



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## Politician's corner – Iain Wright MP

Wireline asks Iain Wright, Labour MP for Hartlepool, for his views on the UK offshore oil and gas industry.

**Q: What are your thoughts on the contribution and significance of the UK offshore oil and gas industry and its supply chain to the UK economy as a whole and, in particular, your constituency?**

The UK oil and gas industry is a hugely important part of the economy, providing highly-skilled, well-paid jobs for tens of thousands of people, as well as investing in productivity and efficiency on a vast scale – more than any other industrial sector – and having, through its exports, a vital and positive part to play in Britain's balance of trade. The UK trade deficit would be in a much worse position were it not for the £50 billion positive trade balance provided by the sector.

In the north east of England, in general, and in my constituency of Hartlepool in particular, we have an association going back longer than most. SS Murex, the world's first bulk oil tanker to pass through the Suez Canal, was built for Shell by the William Gray Company in West Hartlepool in 1892. We are still proud to provide the skills and technology for the oil and gas sector in the modern age. Seventy per cent of the oil platforms for the North Sea were built in Teesside. Firms like Heerema in Hartlepool are providing wellhead topsides for the Cygnus Alpha project, providing 700 much-needed engineering-related jobs for my constituency.

My region is also particularly strong in the subsea sector, providing innovative technology within the supply chain which can help to maximise or search for alternative reserves. Britain leads the world in this technology and there are further export opportunities with subsea that will provide further jobs and prosperity.

For such an important part of the economy, it is vital that industry and government work closely together to consider the long-term needs of the sector. That is why the Oil and Gas Industrial Strategy, properly implemented, can provide the framework for industry to plan and invest for the long-term.

**Q: What do you think are the major issues for oil and gas companies in your constituency?**

Hartlepool has huge strengths and potential in the oil and gas sector. We retain strong engineering capabilities. However, we also face real problems with high unemployment, and youth unemployment in particular. I have been working with industry and will continue to press government in Parliament to ensure that the oil and gas sector marry up the huge potential with the need for jobs, skills and training within the industry. Hartlepool and the wider north east has the ambition and strength to be a leading centre for energy in the UK, including oil and gas, and I want government and industry to ensure that young people get the chance to secure a good apprenticeship, training or graduate opportunity and then enjoy a rewarding, highly-skilled, well-paid and secure job. The shops and businesses in Hartlepool always say that they can tell when Heerema has an order in, because economic activity rises in the town – it's that crucial for Hartlepool.


This needs certainty and predictability for the industry to plan for the long-term. North Sea oil and gas has been blighted by U-turns and flip-flops in government policy. The tax raid on small and medium-sized operators in the 2011 Budget was reversed several years later, but this does not provide industry with the confidence to plan for decades in advance, leading to training and career opportunities and supply chain companies emerging. The Industrial Strategy has to provide that long-term policy certainty.

A continued and strengthening focus on health and safety is essential. By its nature, the industry, in the hostile environment of the North Sea with dangerous hydrocarbons, is dangerous. In addition, some assets in the North Sea are now 40 years old, leading to questions about asset integrity and safety. Every single worker should be expected to return home safely at the end of their shift. The helicopter incident last year, where four people lost their lives, was tragic and shows the need and importance of a well-regulated and safe industry and supply chain. We should never compromise on health and safety.

**Q: What has surprised you about the UK offshore oil and gas industry?**

I don't think it is necessarily a surprise, but when I think of the oil and gas industry I think of the passion, commitment and pride of the people that work in the industry. The industry is important to my constituency and to my region, but I have visited Aberdeen thanks to Oil & Gas UK and seen the pride and professionalism in all parts of the industry.

The oil and gas industry is an important strength in the British economy. We in the Labour Party have Agenda 2030, a platform to build on the strengths of the UK economy. This involves an active industrial strategy, working for the long-term: liberating the talents of all, ensuring we have the skills and supply chain strength in the UK to compete; solving tomorrow's problems today, with the priority of innovation as a means of enhancing our competitive edge in leading sectors; and being open with the rest of the world, emphasising our export opportunities.

It strikes me that the oil and gas sector can embrace all the principles of Agenda 2030, working in collaboration with government to plan with certainty for decades to come, prioritising the need for a skilled workforce and innovative technology, and reaping the rewards of a thriving export market with the rest of the world. I am very keen to continue to work with the oil and gas industry to ensure that those strengths and potential are realised. 





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Working as part of a small growing company, Rachel McIntyre, commercial co-ordinator at Magma Products, is being exposed to high-level activity early on in her career. She would advise others to explore the opportunities available in the upstream oil and gas supply chain

## Embracing a new culture

Rachel McIntyre has shown an appetite for venturing into the unknown and trying new things. After all, not many people would move to a new city with no job. *Wireline* chats to the now commercial co-ordinator at Magma Products as she “learns the language” of oil and gas.

Following a year out travelling across 11 countries in Europe, Rachel McIntyre might not have moved too far from her hometown in Fife when she settled in Aberdeen, but the move still marked a departure into new territory for the 26-year-old. As with all the challenges she has taken on so far, she reasons “you’re only young once!”

Rachel returned home to Scotland in 2013 and zeroed in on Aberdeen as the place to start her career. “I decided to move to Aberdeen without a job, purely because I saw it was a robust economy,” she says. “I only had to read the papers to confirm the economy’s status. It’s the oil capital of Europe, with the oil and gas sector the main employer and bringing opportunities

for many other businesses to thrive off the back of its success.”

The gamble paid off. After three months she spotted and secured an opportunity in August 2013 to work at Magma Products, a specialist offshore commissioning and start-up services company. The role of commercial co-ordinator complemented



the law graduate's knowledge of contract and company law.

She describes: "My role is rich, varied and challenging. I could be liaising with an engineer, reviewing staff contracts, or sorting out IT suppliers for our new office in Houston, USA. No two days are the same and I'm learning all the time."

At the moment she is focused on contracts that are introducing her to key clients and are helping her to gain a holistic overview of the projects Magma is working on. Rachel feels that she is already gaining a lot

Last summer, the firm moved to new headquarters at the Spires Business Park in Aberdeen to accommodate its expansion and is also opening new sites in Great Yarmouth and Houston this year. The Great Yarmouth operation, encompassing a 6,000-plus square foot facility, will deliver complex brownfield, greenfield and ongoing maintenance projects with the potential to create 30 new jobs in the local area.

"I feel I am part of something at Magma," enthuses Rachel. "We may be small in the wider scheme of things but everyone here

*"I decided to move to Aberdeen without a job, purely because I saw it was a robust economy... It's the oil capital of Europe, with the oil and gas sector the main employer and bringing opportunities for many other businesses to thrive off the back of the industry's success."*

of experience by being part of a small but rapidly growing company.

Magma has grown from six employees in 2011 to an 85-strong team today.

is pulling in the right direction. I've played quite a significant role in the incorporation and opening of our US office and company Magma Products US Inc. It's been quite a learning curve but one that I am enjoying."

### Learning the law

The opportunities available to develop her career in the oil and gas supply chain are a far cry from the uncertainty Rachel felt throughout her education. "I was academically inclined at school but for some reason no particular career path clicked with me. It was a little frustrating when many of my friends knew exactly what they wanted to do," she recalls.

After achieving nine Highers, she instead completed the Teaching English as a Foreign Language course and headed off to Shanghai to teach young people, before exploring China and its neighbouring countries. The experience certainly developed her ability to adapt to new environments.

"Shanghai is an amazing city and marked a massive culture change from my home village of Newport-on-Tay in north east Fife," she says.

By the time she returned home, Rachel had made a decision to attend Dundee University and study law. Why law? "Any vocational degree is a springboard to a career," she explains, though it was her enjoyment of English, Modern Studies and languages at school that prompted her to choose the subject. >



Rachel McIntyre was confident about the prospects of finding employment when she moved to Aberdeen with no job and no specific career plans in 2013. The city's position at the heart of the UK offshore oil and gas industry offers a robust economy in which to find employment

*“I feel I am part of something at Magma. We may be small in the wider scheme of things but everyone here is pulling in the right direction... I feel I’m valued and part of a team contributing to a company’s ongoing success.”*

But even then she was not certain about her career aspirations. She admits: “I never wanted to be a solicitor but I thought a law degree would stand me in good stead for a variety of roles.” After graduation “many of my fellow graduates found it difficult to find traineeships due to the backlog caused by the 2008 crunch. I opted for London for two months with an internship at RBS before deciding to travel again”.

Taking a year out to travel through Europe gave Rachel the opportunity to meet new people and make contacts, providing her with a confidence that is proving valuable in her new career in oil and gas. When she finally landed in Aberdeen, it was thankfully only a matter of time before the opportunity at Magma came up and she went for it.

#### **Settling in**

For Rachel, working for a small but growing company has many benefits as there is plenty of scope to develop as the company expands. She explains: “My work extends through all commercial and contractual areas of the business, and, as such, I have been exposed to every aspect of the projects.” This could involve looking at contracts, tenders, as well as the progress reports.

“As the business grows and I take on further responsibilities, the plan is for me to handle projects on my own,” she adds. She’s certainly excited about that prospect.

“There is more opportunity and a shorter path to senior management,” notes Rachel. “I want to grow with the company. I feel

I’m valued and part of a team contributing to a company’s ongoing success.” She also has a personal mentor to enhance her professional development.

Rachel believes that her own path into the oil and gas sector proves the diversity of backgrounds that can be accommodated within the industry and that there are a broad range of roles that can offer a long and satisfying career.

“I would encourage other people, and in particular women, to enter the industry,” she says. She advises potential recruits to look beyond the major operators or contractors as “some of the smaller, nimbler companies are just as dynamic in their outlook and approach”.

And “if Sir Ian Wood’s plan for the future of the industry is embraced, there is a bright future for a long time to come”, insists Rachel. “The experience and expertise I’m gaining now will stand me in good stead.” <sup>W</sup>

*For more information, please visit [www.magmaproducts.co.uk](http://www.magmaproducts.co.uk).*



Pictured with Magma Products’ managing director Paul Rushton, Rachel McIntyre sits in on meetings with key clients overseeing contracts, tenders, as well as progress reports for projects. She has also played a significant role in the incorporation and opening of the company’s new office in Houston, USA, and the company Magma Products US Inc



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The UK Oil and Gas Industry Safety Awards ceremony was held on 30 April in Aberdeen and attended by 500 workforce representatives, safety professionals and industry leaders

## Spotlight on safety

The UK Oil and Gas Industry Safety Awards once again shone the spotlight on the top safety performers. *Wireline* reports

The winners of the UK Oil and Gas Industry Safety Awards were announced at an awards ceremony in Aberdeen on 30 April, where around 500 people – including workforce representatives, safety professionals and oil and gas industry leaders – gathered to celebrate and pay tribute to the finalists.

Jointly organised by Oil & Gas UK and Step Change in Safety, the awards were established in 2010 to celebrate

the outstanding people and companies helping to create safer offshore working environments – whether through innovative new processes or exceptional individual enthusiasm and personal commitment.

This year the Services to Safety Award was presented posthumously to Steve Walton, a leader in the industry who truly understood the importance of people in the safety equation. “Steve played a pivotal role in introducing



*“Our winners today represent the very best of the best in our industry.”*





The 2014 finalists of the UK Oil and Gas Industry Safety Awards

countless safety measures, and as one of the first elected safety representatives to sit on the Step Change in Safety Leadership Team, he played his part at the highest level. He is a great loss to the industry and we remember him because of the difference he made," says Les Linklater, team leader of Step Change in Safety. The award was presented at the ceremony to his wife Marie.

The 2014 awards also saw the launch of a new category, the Health Award, to reward an individual, team or company which has actively improved the health of its workforce. In addition, the Ideas in Safety prize returned for a third year, with a cash prize of £5,000 for an individual or team which has come up with an original idea to prevent hydrocarbon gas leaks.

Awards were also given out on the day to recognise safety leadership, safety representatives, up-and-coming professionals in the field of safety and companies which have established clever safety processes or techniques.

The keynote address was delivered by The Hon Sir Charles Haddon-Cave, who is recognised as one of today's leading commercial silks in the fields of aviation, shipping, insurance, travel law and arbitration. Sir Charles also led the Nimrod enquiry and spoke at the Piper 25 Conference in 2013.

Robert Paterson, Oil & Gas UK's health and safety director, says: "With

a very high standard of nominations this year, our judges had a difficult time compiling the list of finalists – our winners today represent the very best of the best in our industry."

Les adds: "Offshore safety has improved significantly over the last decade and these awards are all about showcasing those steps forward. In addition to celebrating our achievements in the field of health and safety, these awards have also given us the opportunity to pause for reflection and are a reminder that the sector must continue to be ever vigilant."

### The winners

- **Well Track by Sodexo** won the first ever **Health Award**, sponsored by AMEC (see box-out overleaf).

- **Bronson Larkins**, intervention engineer at BP, picked up the prestigious **Ideas in Safety Prize** and a cheque for £5,000 (see box-out overleaf).

- **Paul Craig**, safety manager at North Star Shipping, won the **Award for Safety Leadership**, sponsored by ABB Consulting, for proactively seeking to get the safety message across using different tools and communication channels. The 'Boots on Deck' initiative, for example, enhanced communication between shore-side personnel and the crew by encouraging the former to spend more time on the vessel.

- **Bob Egan**, trade foreman at Petrofac Limited, scooped the **Award for Safety Representative of the Year**, sponsored by Chevron North Sea Limited. A role model for safety leadership, he has been at the vanguard of Maersk Oil's incident-free campaign and has earned the unwavering respect of his peers, constituents and managers, raising the profile of safety representatives.

- **Derek Smith**, rigger/deck crew – Clyde with Wood Group PSN, Talisman Sinopec Contract, received the **Award for Preventative Safety Action**, sponsored by BG Group. During a routine crew change flight on Clyde platform's helideck, Derek noticed oil on the underside of the fuselage in the tail section of the helicopter. His actions prevented the oil loss from worsening and causing a potentially emergency situation.

- **Ruth Pirie**, QSHE advisor at Fisher Offshore, picked up the **Award for Most Promising Individual**, sponsored by Petrofac. Having studied internal communications at university, Ruth places great importance on achieving support and buy-in from the workforce. She played a key role in creating a new and animated health, safety and environment training pack.

- **The North Sea Production Company** won the **Award for Innovation in Safety**, sponsored by Draeger Safety UK Limited. The company developed a new technique which uses remotely operated vehicles to conduct ballast tank inspections instead of a physical team, which reduces the risks associated with working at height and in confined spaces.

- **Andy Nolan and the HSE&A Department**, Talisman Sinopec Energy UK, scooped the **Award for Workforce Engagement**, sponsored by Fairfield Energy Limited. Through strong promotion of the workforce engagement survey across the business, Andy and his team have achieved one of the highest participation rates (55 per cent) of operators on the UK Continental Shelf in 2013.

Feedback has been used to develop a range of workforce sessions at all levels, create site-specific action plans and enhance communication. >

## AWARD FOR HEALTH

**WINNER – WELL TRACK BY SODEXO**

The Health Award is for an individual, team or company that has taken active steps to improve the health of its workforce.

In an effort to promote a healthy lifestyle among offshore personnel, Sodexo developed Well Track, an interactive online tool which encourages workers to make better informed health choices. By logging their gym sessions and healthy meals, participants earn points when personal goals and objectives are reached. These points are added to their accounts and can be redeemed from an online sports catalogue. The programme also offers regular contact with a coach to provide advice on a healthy lifestyle.

Having run a one-year trial on an installation, Sodexo has concluded that investing in worker well-being has positive impacts on health costs, turnover, absenteeism, morale and job satisfaction. The pilot resulted in some impressive results: the number of male workers with high blood pressure reduced by over half, job satisfaction improved by ten per cent, and participants lost a combined 150 kilogrammes.

In addition, points were accrued towards a donation, resulting in £870 being gifted to the ARCHIE Foundation to date.



Ian Russell, managing director of Sodexo, received the Award for Health on 30 April

## THE IDEAS IN SAFETY PRIZE

**WINNER – BRONSON LARKINS, INTERVENTION ENGINEER AT BP**

This award is for an individual or team which has an original idea for reducing or preventing hydrocarbon leaks. This can be an invention, a new method or process, or even an unproven idea with great potential.

Bronson led a project to develop a new product, the 'gripper sub', to address the risks of managing snapped wires during wireline operations.

Historically, in such scenarios, the blowout preventer (BOP) valve is closed, pressure is bled above the BOP, the lubricator pipe disconnected and a bar-type wire clamp is installed on the BOP to temporarily fix the damaged wire so it can be retrieved to the surface. But on BP's Clair platform, a single strand of broken wire coiled into a tangled knot and became stuck within the surface pressure control equipment rig-up. If the lubricator was lifted to access it, there was a risk that the wire would strip through the BOP seals, compromising their integrity. At that time, the solution was to activate the shear seal BOP, cut the damaged wire, and drop the wire and downhole tools into the well for retrieval; this is costly and time consuming.

The 'gripper sub' works by closing two gripper rams around the damaged wire so that the lubricator can be lifted without stripping the wire through the BOP.

The £5,000 prize money that Bronson received as part of this award has been added to a pot of money he and a team of fundraisers are raising for four charities. This will culminate with a trek up Mount Kilimanjaro in November 2014, and the proceeds will be split between Kilt Walk, Friends of Anchor, Sands and The Aila Coull Foundation.



Bronson Larkins (centre), winner of the Ideas in Safety Prize, is presented with his cheque for £5,000







## A global leader in subsea well intervention

Helix Well Ops UK will increase its fleet of well intervention assets in late 2016 with the introduction of Q7000, a DP class 3 semisubmersible.

The heavy intervention, work-over and well decommissioning rig will expand the firm's service and capabilities in Europe and Africa, and enhance the service offering of its existing fleet of mono-hull light well intervention vessels – MSV Seawell, Well Enhancer and Skandi Constructor.

Helix Well Ops UK is committed to providing E&P operators with non-MODU based solutions for heavy well intervention, well work-over and end of field well decommissioning. Efficiency and operational excellence are at the centre of this.

Q7000 is a purpose-built unit with modular handling systems. Key features include dedicated wireline and coiled-tubing units for well intervention, which maximises efficiency in operations. This means that Q7000 will offer between 30-60% time savings over a conventional MODU when performing similar tasks, additionally, without the costs of towing/anchor handling, supply and stand-by vessels.



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