

# **Challenges and possibilities related to end of concession for a petroleum field**

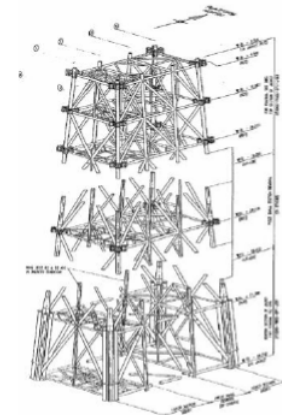
**Presented by  
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# Focus

- Concession system.
- How Government manages the end of concession, policy, law and regulations.
- Decommissioning versus extension of the production period.
- Case study and lessons learn.



# The Norwegian petroleum policy and legislation is based on;

- Hydrocarbons are State owned property
- Exploration and production shall benefit the entire Norwegian society,
- Long-term perspective.



# The Exploration License

- Licensing rounds announced. Companies may apply individually or in groups.
- The Ministry of Petroleum and Energy (MPE), established a group of companies for each licence based on their application.
- The license awarded is up to 10 years on the basis of objective, non-discriminatory and published criteria.

# The Production License

- The license awarded is normally 30 years for the development and operation phase. Extension can be applied for, normally up to 30 years and more than one time.
- Several activities under the license are subject to Government regulation and control;
  - Plan for Development and Operation
  - Pipeline License
  - Decommissioning Plan



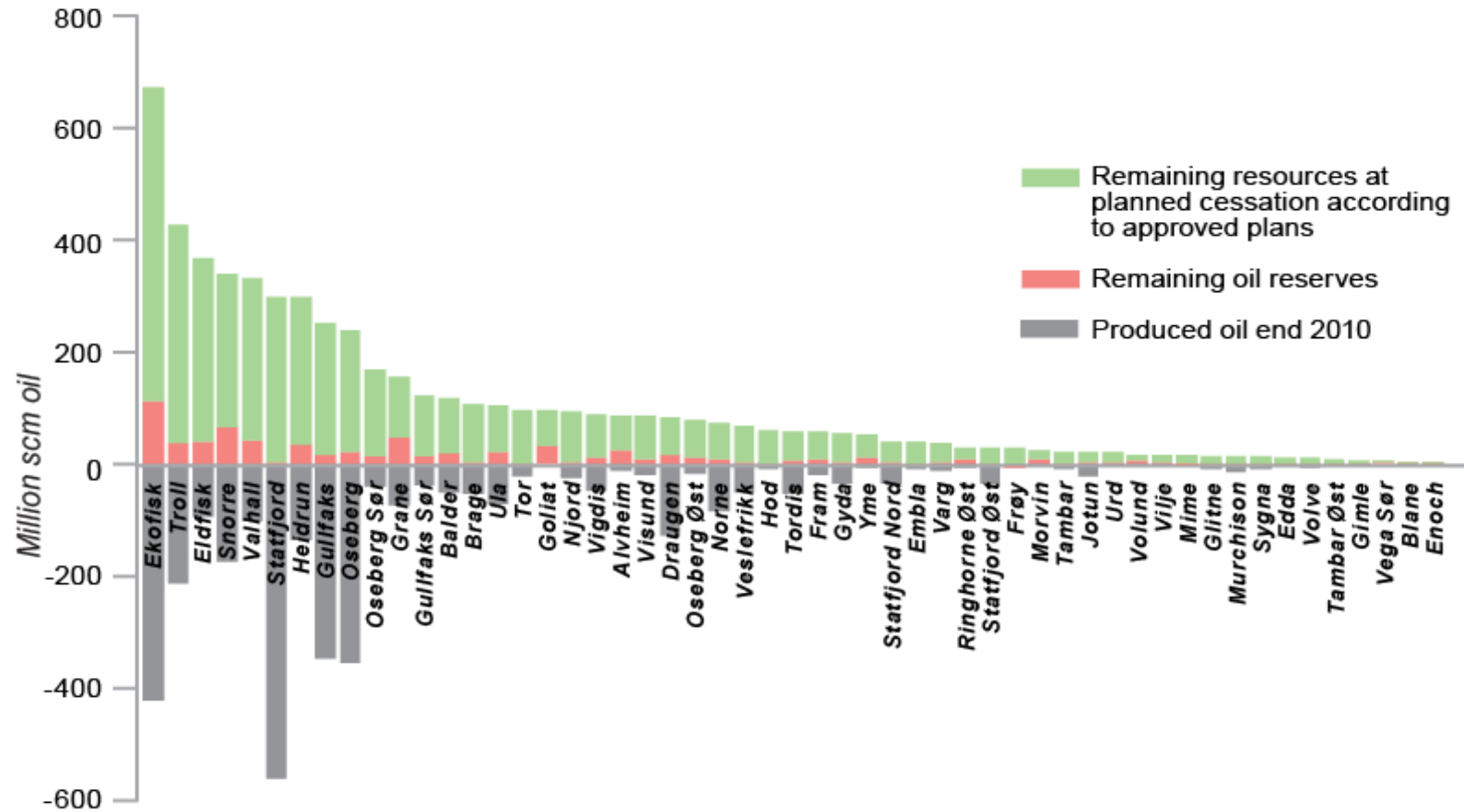
# Petroleum Act, 1996

## Section 4-1 Prudent production

- Production of petroleum shall take place in such a manner that as much as possible of the petroleum in place in each individual petroleum deposit, or in several deposits in combination, will be produced.
- The licensee shall carry out continuous evaluation of production strategy and technical solutions and shall take the necessary measures in order to achieve this.

# Distribution of oil resources and oil reserves in fields

(Source: Norwegian Petroleum Directorate)



# How to get more out of the fields ?

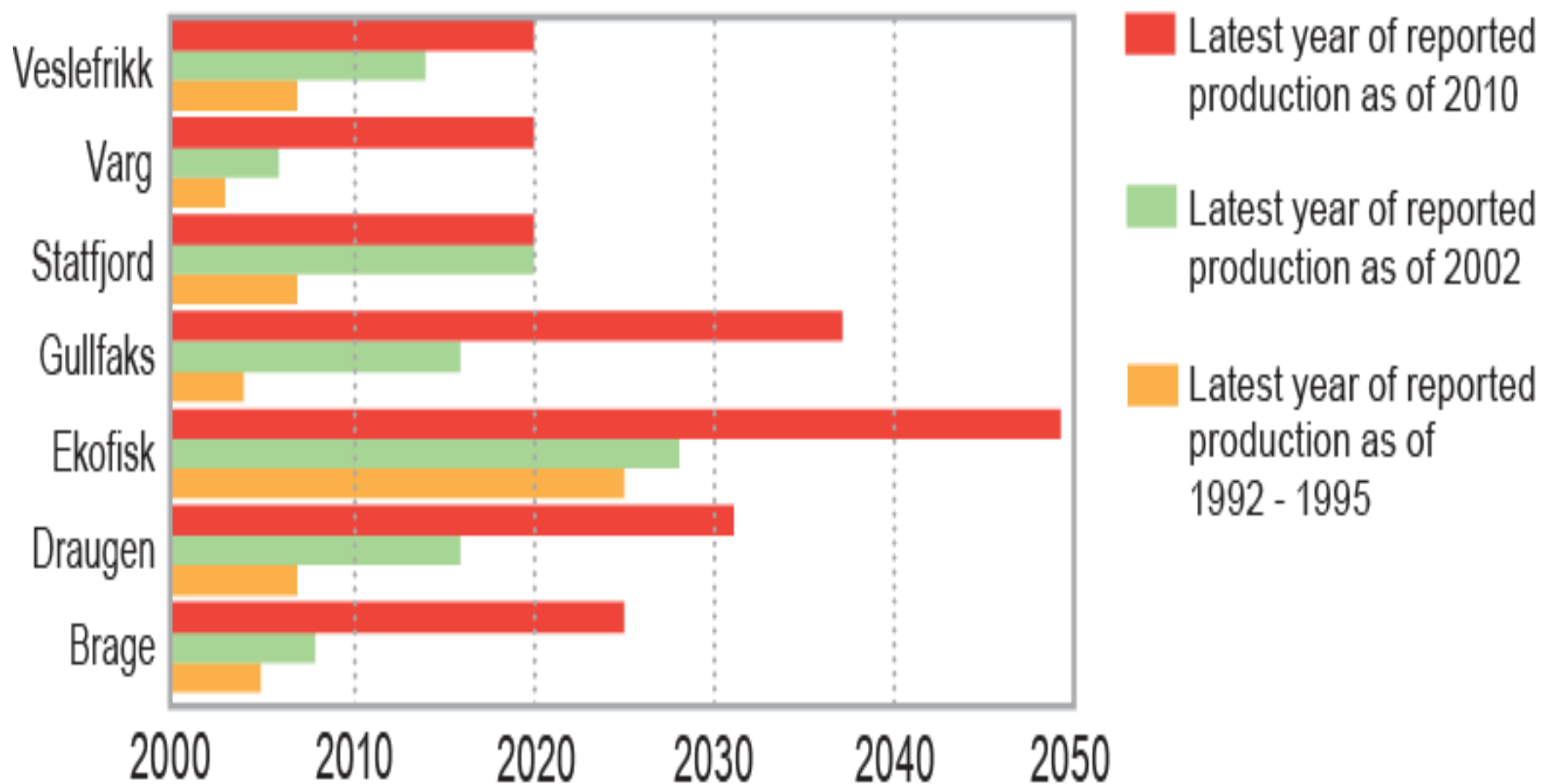
- Improved recovery
- Improve the efficiency of operations.
- Efficient utilization of infrastructure





# Lifetime for selected fields

(Source: Norwegian Petroleum Directorate)



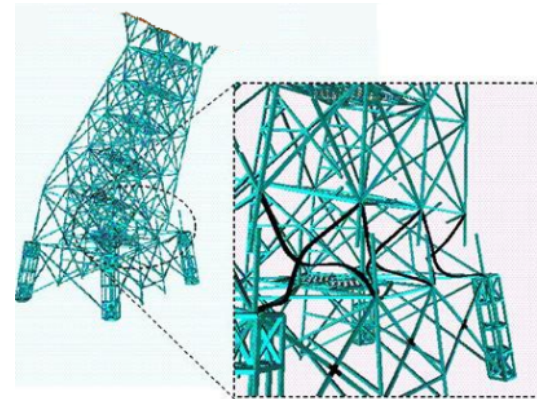
# Stimulation of late life field – delay decommissioning.

- Improve Net Present Value (NPV)
  - Increase income
  - Reduce costs



# Governments late life policy

- Predictable extension of license period for production licenses.
- Follow-up of late-phase fields
- Third-party use of facilities



# Life Extension of Ageing Petroleum Facilities

**Challenge;**  
**Technical and operational integrity** of ageing installations beyond their **initial design life.**



**How is the linkage between operations, maintenance, life extension and decommissioning ?**

