JIP33 moves into Phase 3: Further standardising procurement specifications

Talking about standards, BP Group Executive Director Bob Dudley said in his opening remarks at the recent IP Week in London: “I think the idea of everyone having their own designs will soon feel very old-fashioned.”

He was referring to the progress made by the IOGP-managed Joint Industry Programme (JIP) 33, dedicated to standardizing procurement specifications to enable upstream supply chain efficiency. “There is certainly room for improvement,” says Richard Mortimer, Chair of the JIP’s Steering Committee. “In recent years, 75% of large E&P projects exceeded budget by 50%, with scheduling over-runs of 40%. For the current and future success of our industry, that has to stop. Standardizing procurement specifications is the way forward.”

“Historically, each customer asks their supplier to deliver against a different set of requirements for each order – often hundreds of pages long. They are different even for projects for the same company, it’s incredibly inefficient for the supplier” says the JIP33 Project Director Adri Postema.

JIP33 began in 2016 with support from the World Economic Forum capital project complexity initiative. Following a Pilot of 4 specifications, Phase 2 kicked off in 2017 with the development of a further 12. “Each is now available online at www.iogp.org/jip33 for use by all operating companies, whether JIP33 members or not,” Richard says. “They should be applied as is, with no further supplements, to enable real standardization and maximize value.”

The LV switchgear specification, one of the first to be completed, has been adopted by a number of operators. User feedback shows the benefits are already being realised, with users already reporting a significant cost and schedule improvement.

Phase 3 of JIP33, launched on 31st January, is even more ambitious. The sustained commitment of resources from 12 major operators enables the first tranche alone to cover over 30 specifications. “We chose these in response to a survey that asked member operating companies to identify which would have the most value. These include subsea valves, air-cooled heat exchangers and diesel emergency generators.” says Adri.

Working together with suppliers, JIP33 will allow the procurement process to simplify, standardise and streamline for the whole supply chain.

“By the time we’re finished, procurement in our industry will be transformed,” Richard promises.
Making ourselves heard

At the February EGYPS Conference and Exhibition in Cairo, IOGP had a booth staffed by Committee managers Diana Khatun and Felicite Robertson. At the conference, one of the key messages was of course safety, and IOGP sponsored the HSE in Energy Forum and Award, attended by the Egyptian Minister of Petroleum, His Excellency Engineer Tarek El-Molla.

IOGP Safety & Security Director Chris Hawkes gave a presentation on IOGP’s Project Safira, our efforts to eliminate fatalities in the upstream oil and gas industry, including initiatives on the Life Saving Rules and adopting 5 Star Global NCAP rated vehicles (www.iogp.org/oil-and-gas-safety).

Chris also participated in a panel discussion about safety culture that concluded good safety cultures are driven by leadership and a demonstrable culture of care for the workforce. “Processes and procedures will never be effective without a strong safety culture driven by leadership”, Chris recalls. The panel also tackled the need to adapt safety processes and culture to incoming millennials.

Brussels Communications Manager Nareg Terzian was on hand to capture the activities at EGYPS – one of the key regional conferences IOGP has targeted to spread our message both to our members in the regions, as well as to potential new members who have been less exposed to our work.

Days later, IOGP Executive Director Gordon Ballard spoke on behalf of the Association at the prestigious IP Week in London. There, he participated on a panel that addressed the future of oil and gas in Europe.

IOGP also featured in a keynote address by BP Group Chief Executive Bob Dudley. In a talk titled Fit for the future, he cited two IOGP initiatives: the Life Saving Rules and the ground-breaking JIP33: Standardisation of equipment and packages. Links to both of these initiatives can be found on IOGP’s Website at www.iogp.org/life-savingrules and www.iogp.org/initiatives/jip33.

Energy realities: getting down to business

IOGP’s expanding programme to inform opinion leaders – present and future – about the continuing need for oil and gas extended to the London Business School (LBS). There, on 22 February, Global Engagement Manager Olaf Martins addressed the LBS Global Energy Summit, the flagship event of the School’s Energy Club.

This year’s theme was New Energy World: Surviving the Winds of Change and Olaf participated in the panel discussing the co-existence of renewable and traditional energy producers.

Commenting on the session, Olaf said it was “Another good opportunity to engage with future world leaders and together address the necessity for continuous investment in a diverse energy future that includes oil and gas alongside other energy sources.”.

Feedback, he added, was “very positive and the organizers promised invite IOGP to participate in the next Summit.”

IOGP welcomes two new members from Africa

Africa, where both production and demand for energy are forecast to grow, is the centre of operations for the Association’s two newest members – in both senses of the word.

Aker Energy joined IOGP at the end of January, just a year after it was founded to become ‘the offshore oil and gas operator of choice in Ghana’.

Aker Energy’s initial focus is the Pecan development project in the Deepwater Tano Cape Three Points block some 70 miles offshore Ghana. Pecan will be the fourth producing field in the region.

Aker Energy’s IOGP Member Representative is My Tran, the company’s Risk and Safety Performance Manager.

West Bakr Petroleum Company, operating in the onshore Eastern Desert area of Egypt, first established production in 1980. In 2013, TransGlobe Energy acquired the rights to the concession operated as a joint venture company on behalf of the Egyptian General Petroleum Company and TransGlobe Energy.

West Bakr’s focus is on projects that aim to increase production and recoverable reserves from the concession.

West Bakr’s IOGP Member Representative is QHSE General Manager Adel Fahmy Mohamed.
Workshop looks at “Our future climate – understanding the spread of physical risk for the oil and gas industry”

IOGP joined forces with the Joint Technical Commission for Oceanography and Marine Meteorology (JCOMM) – founded by the World Meteorological Organization and UNESCO’s Intergovernmental Oceanographic Commission – and the World Climate Research Program (WCRP) to hold a cross-disciplinary workshop on the physical risk for the oil and gas industry of a changing climate.

The three-day event, one of the most highly-regarded of 2018, took place at BP’s UK Upstream Learning Centre. It attracted leading academics and over 40 IOGP members from operators around the world. It was the first such gathering for a decade.

IOGP Executive Director, Gordon Ballard, who welcomed the participants, stated that “If you accept climate change as a reality – as IOGP does – it makes sense to prepare every aspect of your operations for all that implies. I’m happy to see that your workshop agenda reflects this, running the gamut from ice coverage to tropical storms, drought to flooding.” Gordon went on to stress the importance of identifying practical steps that he hoped would emerge from the workshop to help operators meet the challenges ahead. “Our employees, contractors, shareholders and wider society – all of whom will continue to rely on oil and gas for decades to come, are counting on such solutions”, he said.

A key workshop objective was to understand how the climate science has evolved over the past decade.

The workshop concluded that the potential physical risks that the oil and gas industry needs to focus on are associated with projections for:

- Increases in air and sea temperatures that may impact production rates [due to reduced cooling] and exposure of personnel to an increased risk of heat stress
- Increases in the risk of inundation for coastal facilities due to sea level rise, storm surge events and precipitation
- Localised increases in extreme waves because of changes to storm tracks, frequency and intensity
- Increases in extreme precipitation in some areas that may have impacts on industry supply chains and operations
- Localised increases in the risk of drought due to poleward migration of drier areas, increased duration between rainfall events and changes to water policy.

Oliver Jones, IOGP Metocean Committee member and Climate Change Workshop Task Force Chair, further emphasised: “A good portion of the workshop discussion focused on identifying the most appropriate tools available for quantifying different climate risks. It was highlighted that the use of large multi-member ensembles of historical and future climate scenarios, coupled with long observational datasets (where available) and non-stationary extreme value statistics, represented a state-of-the-art solution to assessing potential changes to future design and operating conditions. This suggests that the development of even larger, high-resolution ensembles of future (and historical) climate is where game-changing advances in climate projections could be achieved, and where we should be concentrating our support through academic partnerships.”

IOGP’s Metocean Committee is currently reviewing the workshop material to identify areas of particular risk (or uncertainty) that can be further understood through working groups and future joint industry projects.

The Association is pleased to announce that the workshop generated ratings of 95-100 percent in the ‘excellent and good’ categories for content, speaker selection and organization. We would like to thank all who contributed to this success.

More information about the workshop including all presented material can be found via the following link: www.iogp.org/our-future-climate, which includes an executive summary.
IOGP to convene in Copenhagen

Denmark’s picturesque capital will be the site of IOGP’s next Annual General Meeting (AGM) on 8 May. A key agenda item will be Member Representatives’ endorsement of the election of the Management Committee (MC), following the ballot that closed on 8 February. The Association’s auditors have since verified and signed off on the results.

Subject to AGM endorsement, those companies serving on the MC for a two-year term will be:
- BP
- Chevron
- ConocoPhillips
- Eni
- Equinor
- ExxonMobil
- Shell
- Total

Schlumberger will continue as the Associate Member Representative. Two national oil companies will also be invited to join the MC.

Following the AGM, IOGP will stage an Industry Day focussing on innovation. Prominent among the guest speakers will be Total’s Michael Borrell, Senior Vice President, North Sea & Russia, who serves on IOGP’s MC and has arranged for his Company to be the Association’s host in Copenhagen.

The city-centre Hotel Skt. Petri will be the main venue for the AGM and Industry Day and will also provide accommodation. As part of the Industry Day, attendees will have the opportunity to tour the Danish Hydrocarbon Research and Technology Centre, which aims to identify new methods and develop new technologies to boost oil and gas recovery in the North Sea.

For more details about the Copenhagen AGM and Industry Day, IOGP Members should contact their Member Representatives or Dianne James on dj@iogp.org.

Meetings Calendar

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Standards - Offshore Structures Specifications TF

EU - Transparency TF

Environment Com 2-3

Geomatics Com 2-3

Standards - Material and Corrosion SC 2-4

Security Com 3-4

EU - Energy Market SC 11

Standards - Information Standards SC 24

Meeting types are abbreviated as follows:
Committee (Com)
Skype (Sk)
Subcommittee (SC)
Task Force (TF)
Teleconference (Tel)
Webex (Wb)
Working Group (WG)

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