



JAMIESON
GROUP

Client Success

OIL & GAS

\$7 million ANNUAL benefit to client

Background

Our Client is a vertically integrated energy company engaged in the business of oil and gas. Activities include exploration, production, transportation, refining, and marketing of gas and petroleum products.

The oilfield operates through a series of complex contractor relationships; Our Client controls areas such as planning, scheduling, directing, authorization and validation whilst the resources on the rigs are under the control of several drilling contractors.

The Challenge

Our Client had already achieved some operational improvements over the past 2 years through the application of Lean waste elimination methods and techniques and was now looking to focus on increasing rig productivity.

Alignment between our Client and their contractors on improvement initiatives was problematic; Each would understandably focus on the areas that are within their control and provide most immediate benefit for them. Focussing on increasing rig productivity provided a timely opportunity to work on the interfaces between the Client and their contractors.

The outcomes our Client wanted to achieve were to:

- Establish a foundation for performance excellence
- Engage the company leadership and staff
- Improve the areas that the company controls
- Improve the interface between the company and drilling contractors by focusing on those processes that overlap
- Reduce non-productive time (NPT) in drilling operations
- Generate immediate results and show how Lean is an effective problem-solving technique that can be applied in other drilling areas

Project at a Glance

REGION

North America - United States

INDUSTRY

Oil & Gas

PROJECT FOCUS

- Reduce non-productive time (NPT) in drilling operations
- Align the Company and Contractors goals and initiatives

KEY ACHIEVEMENTS

- \$7 million US annual benefit

The Approach

During the first two weeks of this project - and especially during the Managers Lean Overview (MLO), we assessed the situation on the ground to establish a more detailed schedule and targets for the remainder of the Project. Several standard techniques were used including:

- Value Stream Mapping — Tells us how assets and information flows
- Focus Interviews — Provides insights about where the major problems are
- Direct Observation and Data Collation

The next step in the Project was Leadership Engagement. An Executive Steering Committee (ESC) was established which consisted of both Client and Contractor personnel. The ESC will meet weekly for one hour and is accountable for steering the course of the improvements, prioritizing activities consistent with commitments and directing resources to secure results.



Following this we then utilised Rapid Improvement Events (RIE) and workshops as a way to solve problems within the client teams. These events aligned the organization, identified those accountable for actions required and informed leadership of solutions to known and identified problems. Each workshop had a planning and follow-up phase.

In addition to developing the engagement and involvement that leads to long-term success, in the near-term we improved some issues recognized as obstacles to performance.

These were identified and prioritized during the assessment and help to clearly “cash the check” on the Project. These are targeted as priorities identified in the MLO and included:

- Drilling: Operational issues such as well policy and control, prioritization and planning, maintenance and equipment and resource availability.
- DTM: Planning and coordination. This is an area where the interface with drilling contractors and equipment transport had many opportunities.

The Success

Our client reduced NPT by shortening the cycle of rig down, rig move and rig up (also known as Demobilization Transport Mobilization [DTM]) by 25%. This equates to an additional US\$7 million revenue per year which is the equivalent of 5 additional vertical wells with the same resources.

As is paramount with all Jamieson Group projects the focus on ‘knowledge transfer’ saw a team of three (3) Lean Leaders established and trained. This will ensure sustainability of the improvements and provide the Client with the internal capability to uncover and implement operational improvements in the future.

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