

Category: Management

Panel Title: Project Management

Project Management in E&P Projects

Elina Bagheri

Head Of Planning in Drilling Department
Pars Oil & Gas Company



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Iran **E&P** 2018

CONTENT

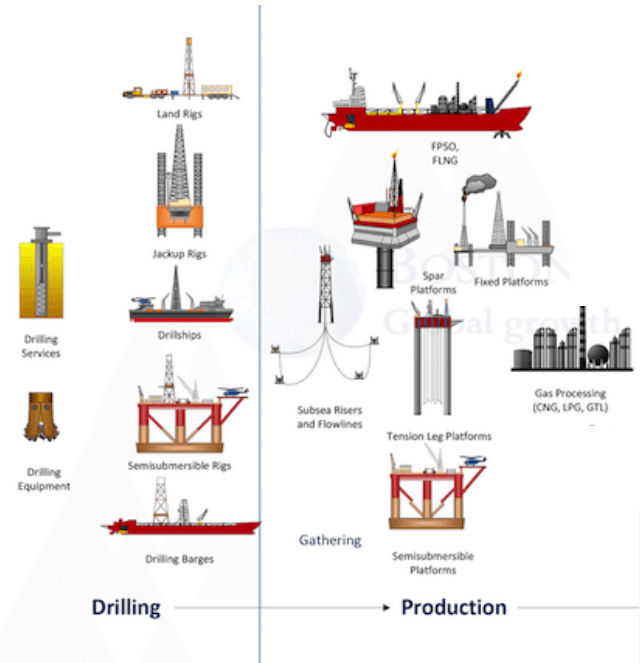
- E&P Philosophy
- EPC VS. E&P
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- E&P Lifecycle
- Product VS. Project
- Contractor Governance level
- Critical Knowledge Area
- Solution
- Conclusion



E&P Philosophy

poor performance in EPC(Development) due to lack of contractual flexibility, poor quality of front end design engineering and production start up delays.

- Goals Alignment
- More Contractor Liability and less client control
- Exploration, Development and production integrity
- Interface management
- Contract flexibility (Iteration)
- **High Risk and High Reward**
- long-term sustainable development (diversity)
- Max Value



EPC VS. E&P

Area	EPC	E&P
Life cycle	Project	Product
Scope	Development	Exploration, Development & Production
Duration	Short term (4-5 years)	Long term (20-25 years)
Contract type	EPC , Buyback	IPC, PSC ,...
Focus	Efficiency	Efficiency & Effectiveness (Economy is more important)
Governance level (Contractor)	Delivery	Investment, Execution , Delivery
Critical Knowledge Area	Scope , Quality	Integration, Risk, Cost
Uncertainty & Complexity	High	Very High

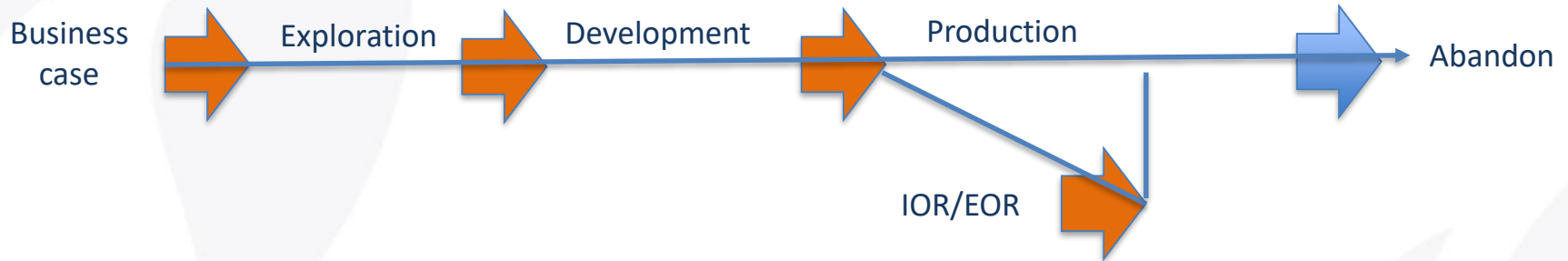


Project Definition

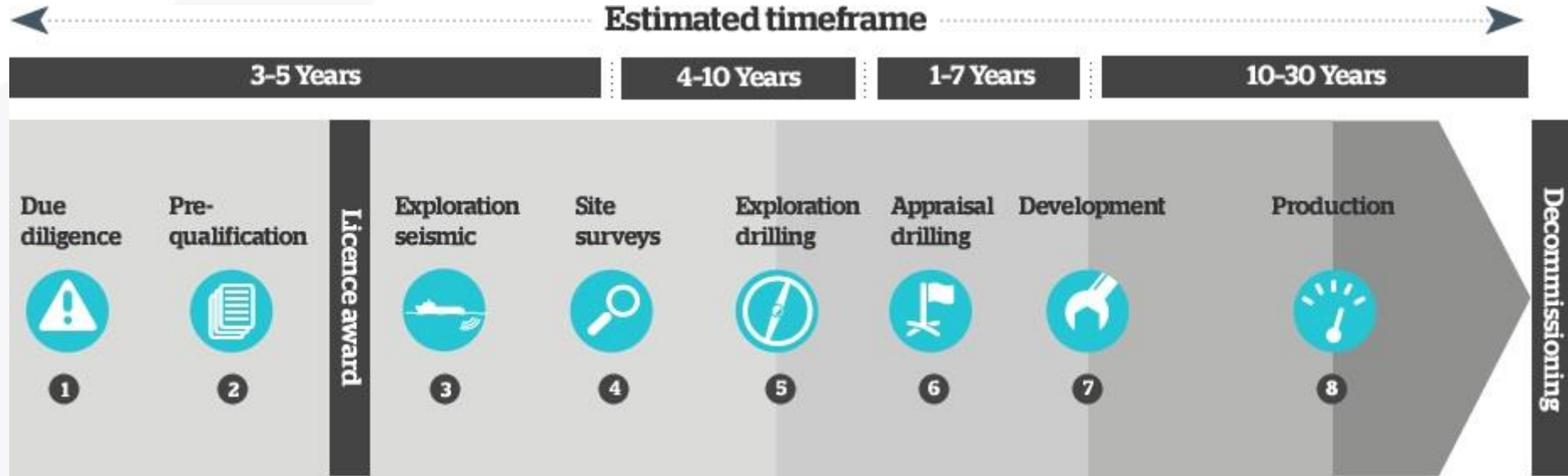
- Temporary endeavor
- **unique product or service**
- Progressive elaboration



Product life cycle
Program



E&P Lifecycle



Product VS. Project

Project

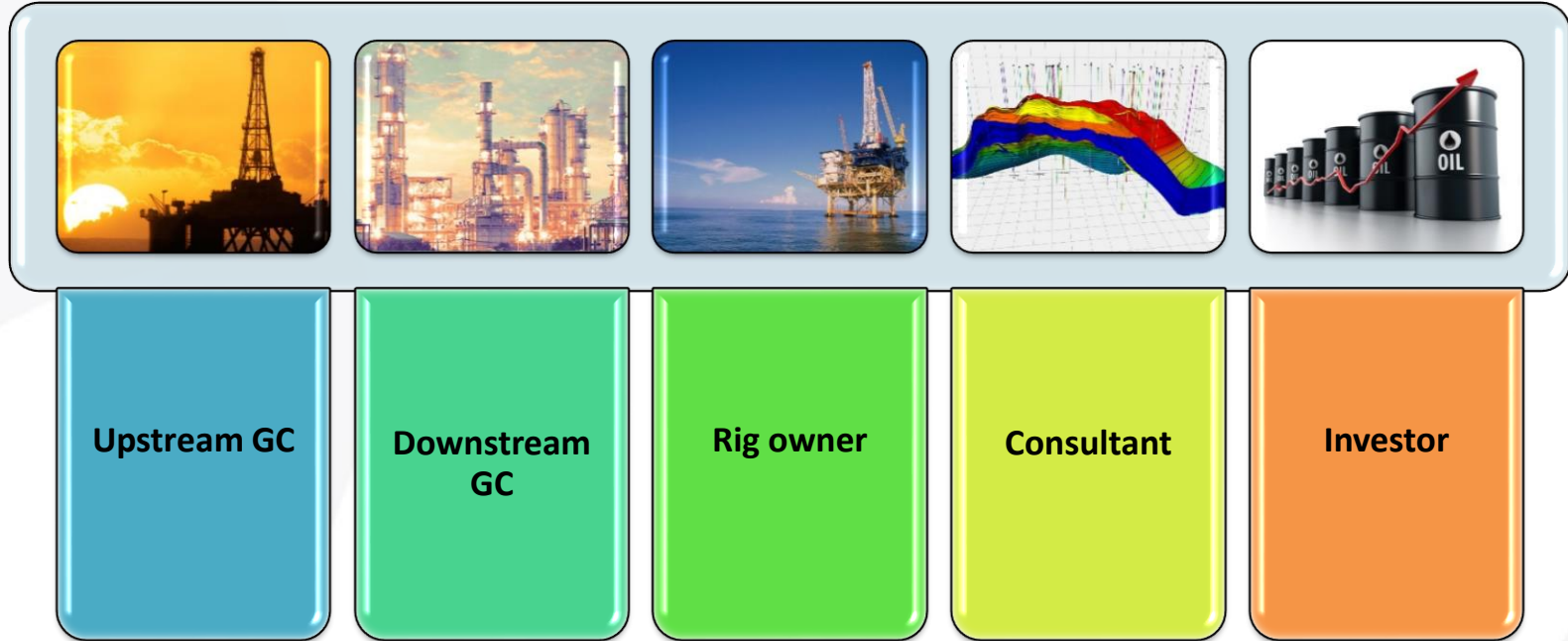
- Result (Output)
- Doing things right
- EPC , Buyback
- Short term (5 Years)

Product

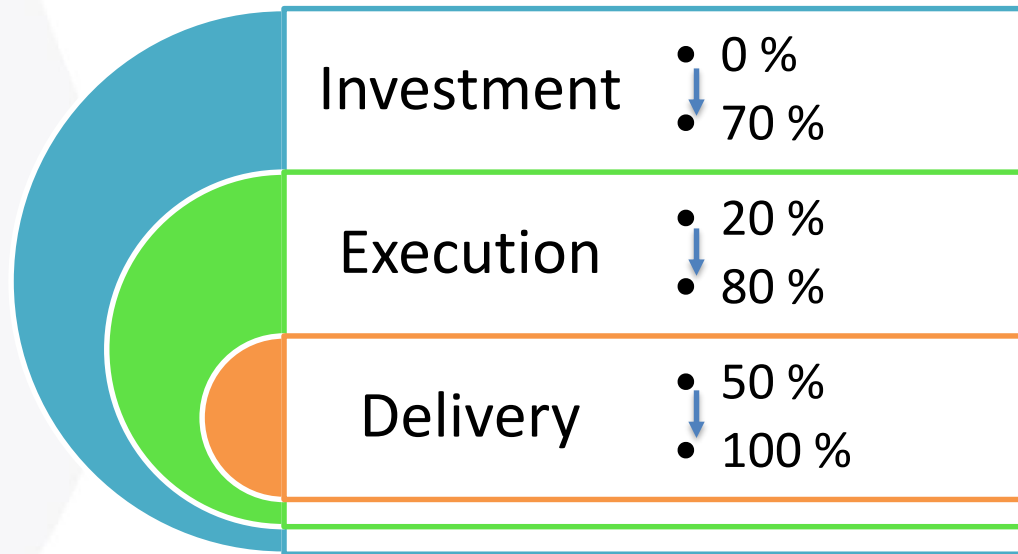
- Benefit (Outcome and Impact)
- Doing the Right things
- IPC , PSC
- Long term (25 Years)



Iranian E&P Com.

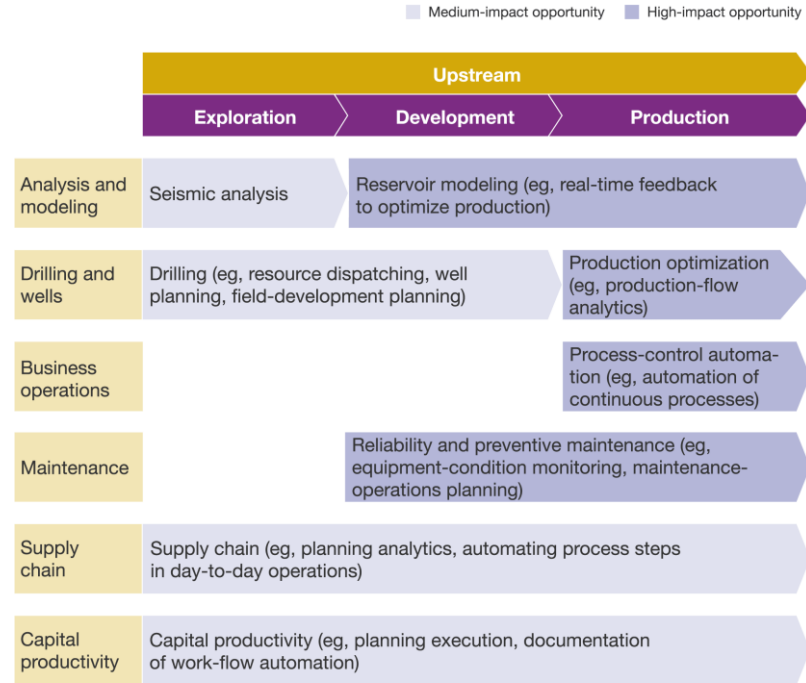


Contractor Governance level



EEF & OPA

- High Uncertainty and complexity → EEF & OPA is critical
- OPA need Infrastructure
- Big Data & Digitalization



Source: Expert interviews; McKinsey analysis



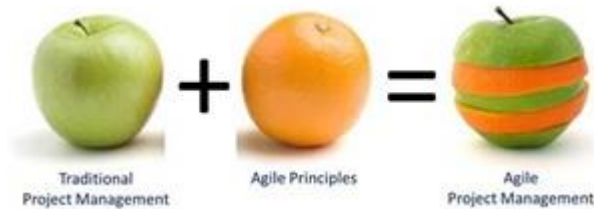
Critical Knowledge Area

- Integrity (vertical & horizontal)
- Cost (Capex & Opex)
- Risk (Management , Political , Financial) in all level
 - 1. The uncertainty associated with commercial parameters (e.g., product prices, costs, well deliverability, etc.).
 - 2. The exposure of the project to the fiscal, political, and business environment



solution

- Uncertainty & complexity → Different Tools & techniques
- Portfolio Management (Operation & Nonoperation)
- Agile PM tools & techniques
- strategic Planning



Conclusion

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Author Biography

Petroleum Engineering , MBA , PMP , RMP



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