

Case study

Supporting a client transition to asset Operatorship

Support to Serica Energy as they transitioned to becoming a new North Sea Production Operator.



Challenge

Following the acquisition of assets, Serica did not have the capability and capacity required to undertake the transition and required support to achieve this.



Solution

ADIL established a cross discipline transition team to develop the organisation and management systems needed for Serica to operate the acquired assets.



Results

ADIL put in place the systems and contracts needed for the operation and maintenance of a major North Sea installation for a new Production Operator and helped Serica achieve a successful transition.

Project details

 **Start date** Dec 2017

 **End date** Nov 2018

 **Location** UKCS

Overview

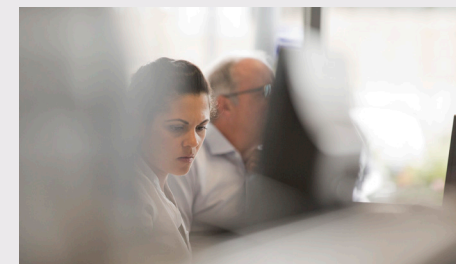
ADIL had successfully undertaken due diligence on Serica's acquisition of BP's interests in the Bruce, Keith and Rhum (BKR) assets in the North Sea in 2017. The assets account for up to 5% of UK gas production.

Following the acquisition, Serica had to undertake the business and structural transition from non-Operator to Operator of the BKR assets. Serica also needed

to satisfy the regulatory requirements to obtain all the licenses needed to become the Duty Holder and Operator of the facilities.

Having had only a small organisation prior to the acquisition, Serica did not have the capability and capacity required to undertake the transition of the assets. Although Serica had previously operated several exploration licences, drilling programmes and a development project it had never previously been a Production Operator or Duty Holder in the UK.

Serica approached ADIL to manage the transition on their behalf, to build their in-house expertise, and perform knowledge transfer from the existing Operator, allowing them to become a Production Operator and Duty Holder within the required timescale.



ADIL approach

ADIL utilised their experienced staff, most of who have worked for Operators, to understand early the issues that the size, age and culture of the BKR assets would present and would need to be addressed in the transition. ADIL advised Serica on the most appropriate Operator model for them and established a cross discipline transition team to develop the organisation and management systems needed for Serica to become the Operator.

The scope was divided into 12 workstreams, all of which were managed by ADIL:

Delivered by ADIL:

- Health, Safety and Environment
- Operations
- Engineering
- Maintenance
- Contracts and logistics
- Drilling and wells
- Document management

Coordinated by ADIL:

- HR
- IT and systems
- Subsurface
- Finance and tax
- Commercial and legal

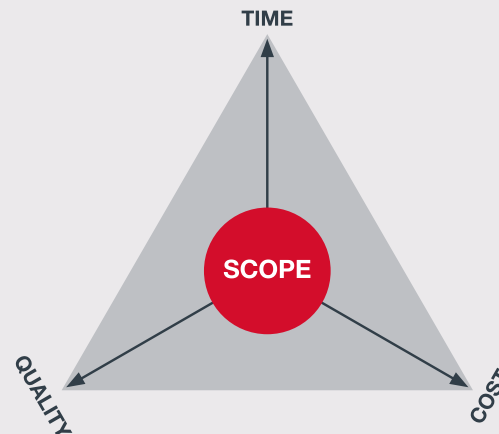
The workstreams were led by experienced personnel, supported by project engineers.

ADIL focused on two different aspects of the transition management:

Project management

A lean project management concept was used to manage the transition. This methodology concentrates on making solid, efficient decision making and solving issues

in the best possible way in the least possible time by striking the right balance between time, cost and quality.



Technical management

ADIL managed the technical scopes and all the interfaces – internally and externally – on behalf of Serica to deliver all the transition elements. By doing so, ADIL removed the requirement for Serica to directly manage external contractors.

Deliverables

ADIL give confidence and assurance to Serica by demonstrating their cross-discipline experience of managing transition scopes and understanding of the integration required between all stakeholders. ADIL understood

what should be in the transition scope and what should be in the transformation scope. This allowed ADIL to deliver the project on time, within budget and without incident and with asset performance maintained.

The project built Serica's in-house expertise and performed the knowledge transfer from the existing Operator, allowing Serica to take over the management of a large offshore installation. The structured approach adopted during the transition guaranteed a smooth handover to Serica with no disruptions to the asset performance. This will help Serica to operate the assets at a lower operating cost and at a higher level of efficiency.

ADIL developed the processes and systems to ensure the capability and competency of Serica and demonstrated this to the regulators and joint venture partners. All the required permits, licenses, notifications and consents were obtained and approved in time for the transition date.

ADIL also managed the creation of all the operations and maintenance procedures, the building of a new Maximo maintenance system, the award of over 100 contracts and the coordination of all other activities, including IT and HR.

The ADIL team understood what was needed to provide the procedures and systems for a new Operator and project

managed the overall transition. This allowed the project to be delivered on time, within budget, without incident and with asset performance maintained.

The following was delivered by the team throughout the transition:

- 5,000,000 ERP data points managed
- 1400 Operations Management System (OMS) documents reviewed and transferred
- 150 software applications put in place
- 120 contracts put in place