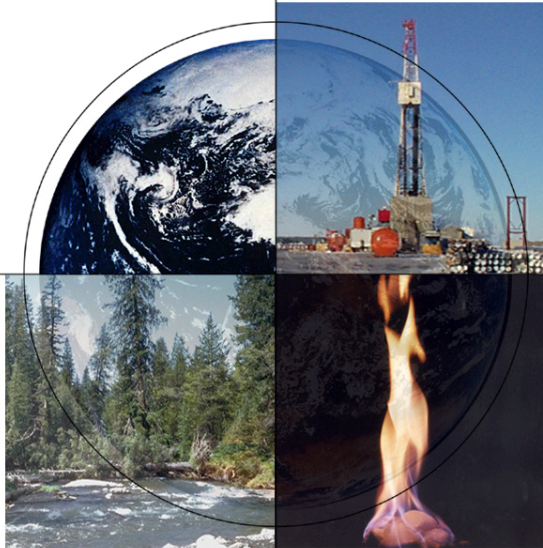


US Dept of Energy Oil & Gas Research



Ultra-Deepwater Advisory Committee Recommendations - 2007 Annual Plan

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Office of Fossil Energy



Federal Advisory Committee Recommendations for 2007 Draft Plan

- **All recommendations were accepted**
 - Incorporated into the final 2007 Annual Plan
 - Addressed in an otherwise appropriate manner
- **This review is designed to briefly re-state summarized recommendations and DOE's response. Detailed discussions should be deferred until later in the day.**



Ultra-Deepwater Advisory Committee Sub-Groups

- **R&D Theme Content**
- **Solicitation Process**
- **Environmental**
- **Access**



UDAC Recommendations for 2007 Plan

- **R&D Theme Content**

- Increase emphasis on Drilling and Completion; emphasize initiatives to reduce D&C risk and increase technology effectiveness (D&C topics were included in the 2007 solicitations)
- Emphasize R&D to achieve major breakthroughs, i.e., Grand Challenges (Three 2007 projects addressed Grand Challenge theme)
- Consolidate number of themes (Identified projects have been categorized into 5 development and operation challenges in the 2008 Plan)
- Increase emphasis on long-term versus short-term priorities (2007 Plan has a significant portion dedicated to long-term priorities, particularly the Complementary Plan. NETL has final approval of all awards and will make every effort to ensure this happens.)
- Increase emphasis on applied science vs. product development (Several projects identified for 2007 and 2008 focus on applied science)
- Prioritize on cross-cutting technologies vs. field-specific (13 of 17 projects identified for 2007 fall within the crosscutting categories)
- Select projects with broad industry support early in R&D process (All projects ideas selected required a majority vote of approval from the 11 operators in the RPSEA UDW PAC)



UDAC Recommendations for 2007 Plan

- **R&D Theme Content (cont'd.)**

- Under the met-ocean theme, structure initial projects to achieve broad support (One Met-ocean project has been identified in 2007 and 2008)
- Under the resource potential characterization theme, develop projects that build on past studies with objective of documenting potential to add new resources not currently open for access (NETL Complementary work will include R&D that will focus on studies that are in the national interest)
- Establish more aggressive targets for resource capture (Target was increased to 2% and could increase in future years based upon Complementary systems analysis work)
- Define leveraging technologies applicable to regions currently under access restrictions and potential resources obtainable (Addressed in 2007 Plan; DOE will work with MMS, Industry and other organizations to identify regional impacts)



UDAC Recommendations for 2007 Plan

- **Solicitation Process**

- Target R&D projects likely to achieve significant increase in value through cost reduction and technology effectiveness; select less than ten projects (Majority of projects identified are focused on larger, high value projects)
- Develop specific metrics for monitoring probability of project success (Stage/Gate process will be used to increase probability of project success)
- Design solicitation process to direct project ideas toward development of technologies that will have highest impact (Included in RPSEA process, only highest priority project ideas included in RFPS for years 1 & 2)
- Develop factors for proposal selection that include potential size of payout and probability of success (These factors are included in the RFPS evaluation criteria)
- Only issue RFP's for projects where RPSEA intends to award a contract (All RFPs will have an award)



UDAC Recommendations for 2007 Plan

- **Solicitation Process (cont'd.)**
 - Replace completed projects with pre-approved projects (Annual Plan will be updated and reviewed each year, project gaps will be identified and solicitations focused to fill the gaps)
 - For those R&D project proposals that are not selected, include them in public record for potential funding by other agencies (DOE will release information as allowed under procurement regulations)
 - Place more emphasis on R&D related to development of UDW discoveries (All projects identified are related directly or indirectly to ultra-deepwater field development)
 - Clearly state intellectual property and technology rights in RFPs (Addressed in RPSEA solicitation documents)



UDAC Recommendations for 2007 Plan

- **Environmental**

- Update existing studies with benchmarks by industry to reduce risks due to blowouts; prepare a grassroots study of environmental impacts of GOM infrastructure losses due to recent hurricanes; prepare a peer-reviewed analysis that demonstrates that UDW development can be managed at acceptable risk levels (Will be addressed in future plans)
- All funded proposals should include an assessment of potential benefits/impact of technology; both those related to the research itself and the wider application of the developed technology (Will be addressed as a task and deliverable for each selected project)
- Expand knowledge base in the deepwater met-ocean area (Met-ocean is a high priority theme area in the 2007 Plan and a project is scheduled for both 2007 and 2008)



UDAC Recommendations for 2007 Plan

- **Access**

- Assess applicability of all developed technologies to areas of offshore that are currently restricted, with estimates of potential increases in reserves from those areas (Taken under advisement. DOE will work with MMS and other organizations upon this item)
- (Minority Report) Initiate policy efforts that recognize growing need for domestic energy supplies and work to widen resource development in restricted areas; provide special expedited access for R&D demonstration projects in such areas; DOE to initiate an “Experimental memorandum of understanding” with DOI to implement expedited temporary access for R&D purposes (DOE-FE HQ to initiate discussions with DOI and other organizations on this item)

