

2023 DECOMMISSIONING AND ABANDONMENT ASIA PACIFIC CONFERENCE 2023

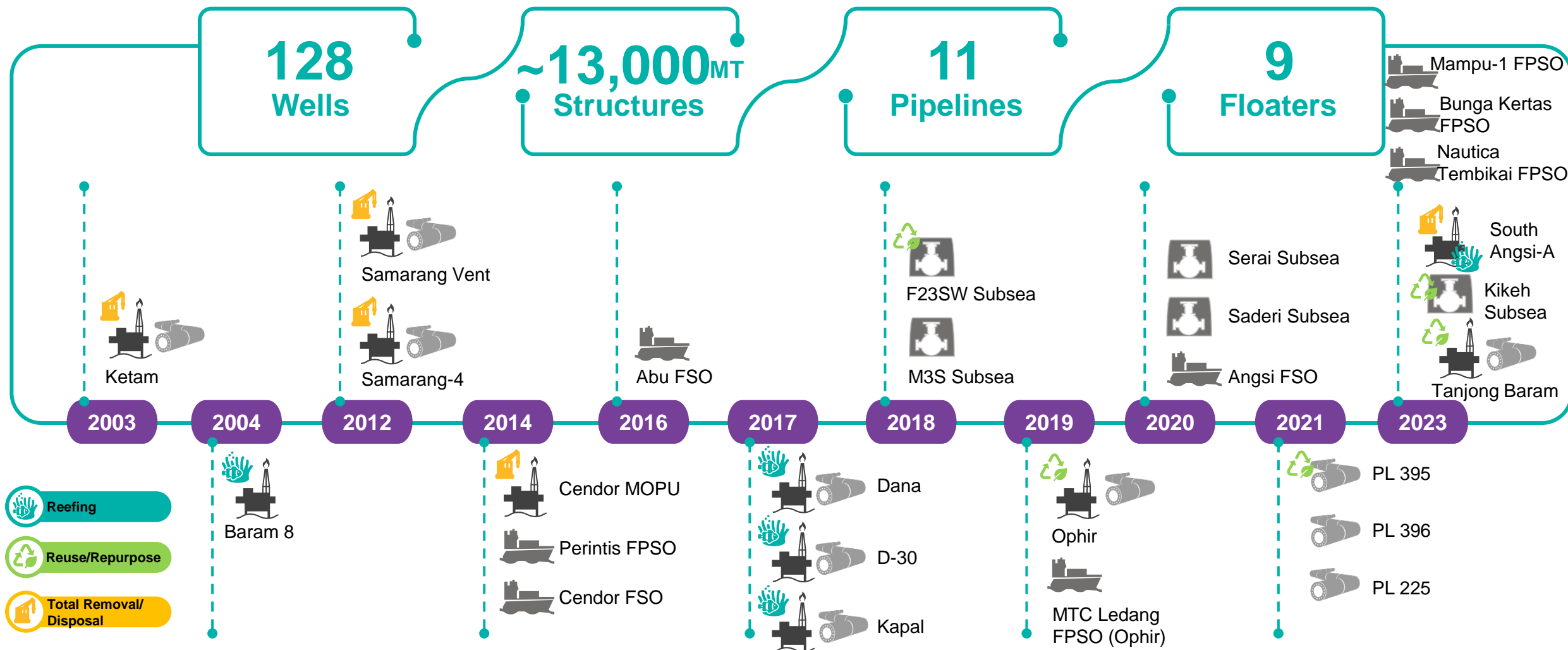
Managing Floaters Decommissioning In Malaysia

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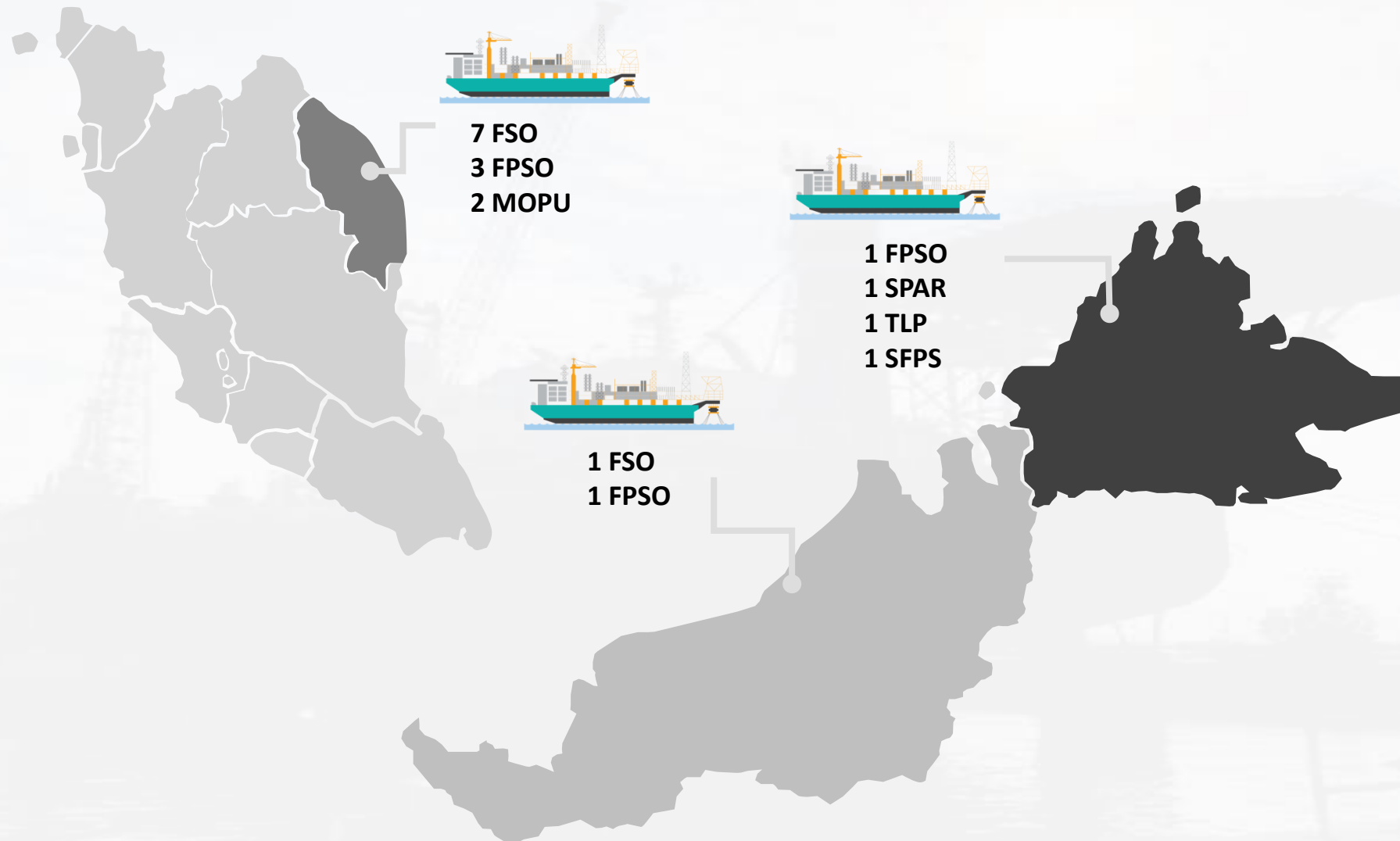
Malaysia Petroleum Management (MPM)



For the past 20 years, Malaysia has executed various decommissioning projects, including 9 floaters



Our asset dimension also includes 18 active floaters of which 9 floaters had been decommissioned



Each floater decommissioning project was considered on a case-to-case basis due to varying contract arrangement, which adds to the complication in managing such projects

FLOATER 1

Contractual requirement: Return to owner per initial pre-hire condition

Urgent demobilization following a water ingress incident

Changed strategy/scope

- execute tank cleaning offshore against the initial plan to have tank cleaning at yard
- Twice the amount of schedule waste handled compared to anticipated
- Additional scopes to manage risks from water ingress incident
- Separate campaign to retrieve floater's chains and risers

Cost was much higher than initial estimate

FLOATER 2

Contractual requirement: Return to owner with CLASS

Demobilization upon challenges related to integrity and CLASS issue.

Changed strategy/scope

- Chains and risers left in-situ against the initial plan to retrieve and return to owner
- Diver-less underwater cutting
- 2 phases of demobilization to cater for complete removal of chains & risers from turret
- Separation of yard scope from decommissioning scope

Cost for demobilization was higher than initial estimate.

FLOATER 3

Contractual requirement: Demobilization scopes by floater's owner

Demobilization upon field's cease-of-production.

Paid a lump sum amount to owner

The challenges in managing floaters decommissioning in Malaysia



BBC CONTRACT

- ❑ Contracts vary for:
 - Decommissioning party
 - Hand-over location
 - Condition during return to owner
 - Other obligations while executing decommissioning scopes



HUMAN RESOURCE

- ❑ Limited available competent talents
- ❑ Prolonged projects may impact talents' focus and motivation



SUPPORT VESSELS

- ❑ Limited availability of marine support resources
- ❑ Managing the price escalation of marine resources against the planned cost estimate



ASSET INTEGRITY

- ❑ Aging assets with integrity concerns
- ❑ The need to perform repairs before executing decommissioning projects, increase in cost and time



HC PROPERTY

- ❑ Different hydrocarbon properties have different impact on execution strategy, costs and schedule

Moving forward, the below are being implemented to improve floaters decommissioning execution

- Increased emphasis on BBC contracts with higher clarity on decommissioning obligations
- For deviation to BBC contracts, alignment of decommissioning scope shall be agreed much earlier prior to actual decommissioning execution between owner and lessee
- Ring-fencing decommissioning scope per PETRONAS' decommissioning definition
Decommissioning means "the removal and abandonment of Petroleum Facilities as approved and/or directed by PETRONAS that are disused or no longer required for Petroleum Operations to restore the affected Contract Area to a safe and environmentally stable condition"
- More cost-efficient and effective ways for cutting execution and technologies to be explored
- To work with in-house experts on developing more representative decommissioning cost estimates for floaters, complete with cost benchmarking
- Operators are being steered to ensure integrity of the floaters are upkept for safe demobilization
- To work with relevant industry players on managing challenges related to attracting and retaining talents

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ANY QUESTION

ANY SHARE OF THOUGHT

WHAT WAS YOUR EXPERIENCE

THANK YOU
HAVE A GREAT DAY AHEAD
