Offshore Network

The Wells Conference Gulf of America Review

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INTRODUCTION

The Gulf of America continues to be one of the world's most strategically important offshore oil and gas regions, producing approximately 1.8 to 2 million barrels of oil per day from deepwater assets. While much attention is focused on the next generation of ultra-high-pressure developments, another significant story is unfolding beneath the waves: the changing nature of well intervention and the growing decommissioning challenge associated with ageing offshore infrastructure.

Unlike previous decades, where exploration largely dictated vessel demand and expenditure, the Gulf today is characterised a little differently. On one hand, operators are pouring substantial funds into new deepwater developments capable of producing for several decades. On the other, hundreds of mature fields are approaching the end of their economic lives, creating unprecedented demand for P&A, subsea intervention and infrastructure removal.

Intervention campaigns are becoming increasingly focused on extending the productive life of high-value deepwater assets, while decommissioning contractors are tasked with safely retiring ageing wells that are no longer commercially viable. All the while, operators continue to seek efficient ways to reduce vessel time and lower the overall cost of maintaining mature assets.

Coinciding with these operational challenges is an evolving regulatory environment undergoing large-scale change. The proposed merger of the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM) into the Marine Minerals Administration signals a shift in which the industry will need to closely gauge whether the merger streamlines approvals or adds further administrative complexity to an already turbulent system.

Against this backdrop, the Gulf's intervention market is entering into a period of transformation, with new technologies and systems ready to create a new industry standard. High-pressure 20,000-psi developments are redefining intervention techniques, while riserless technologies are gaining ground as operators seek lower-cost alternatives, and AI is beginning to influence everything from maintenance planning to predictive asset management.

Taking all of the above into account, this report will highlight how the Gulf's intervention landscape will look distinctly different over the next decade from the one that has dominated over the past 20 years.

CURRENT WELL INTERVENTION MARKET

Unlike many mature offshore basins, the Gulf's intervention demand is heavily concentrated in deepwater developments where individual wells often cost around the US$100mn mark to complete. Protecting these investments through effective intervention methods has become critical to maximising production and extending field life.

Historically, the Gulf has generated a substantial proportion of intervention activity. Thousands of shallow-water wells required regular maintenance, workovers and recompletions. However, declining production from mature shelf fields has dramatically altered this landscape. Economic production has migrated into deepwater where larger reservoirs and longer production profiles justify investment. Consequently, intervention activity has followed the same trajectory.

Deepwater interventions are considerably more complex than those in shallow water. High pressures, extreme water depths and sophisticated subsea production systems require specialised vessels, remotely operated vehicles (ROVs), wireline technologies and advanced subsea equipment. Intervention campaigns that may have taken several days on the shelf can now involve months of preparation before offshore operations can commence.

One notable trend is the adoption of riserless intervention techniques. By removing the need for a full riser system during intervention activities, operators can reduce vessel costs while upholding operational flexibility. As service companies continue to improve riserless technologies, these methods are expected to become a common solution for inspection, maintenance and light intervention campaigns across mature subsea assets.

The industry's renewed focus on 20,000 psi reservoirs introduces another level of technical complexity. These ultra-high-pressure developments require new intervention outlooks, specialised completion equipment, and enhanced safety systems capable of operating under significantly higher loads than previous Gulf developments.

AI is also beginning to influence intervention planning. Rather than relying exclusively on scheduled maintenance programmes, operators are exploring predictive maintenance models that analyse production trends, sensor data and historical records to identify issues before production is affected. While still in its early stages, AI has the potential to reduce unplanned interventions, improve vessel utilisation and optimise maintenance expenditure across large offshore portfolios.

Despite these technological advances, the market itself remains challenging as reduced shelf activity has resulted in fewer routine campaigns, forcing many service providers to reposition rigs, liftboats and support vessels to other regions with stronger demand. This migration of offshore assets has tightened vessel availability for complex deepwater projects, while simultaneously reducing competition within the Gulf.

As intervention work becomes concentrated around fewer—but significantly larger—deepwater developments, operators are increasingly favouring long-term partnerships with intervention contractors capable of delivering integrated engineering, subsea execution and digital monitoring solutions.

THE NEXT GENERATION OF GULF DEVELOPMENTS

The Gulf's current wave of major deepwater projects illustrates how intervention requirements are progressing alongside increasingly complex field developments. While each project is at a different stage of maturity, collectively they demonstrate the industry's transition towards ultra-high-pressure production systems and longer-life assets.

Beacon Offshore – Shenandoah

Shenandoah has become one of the Gulf's most influential intervention projects after production began in mid-2025. The development has been widely viewed throughout the industry as the learning platform for future 20,000 psi operations. Operators have repeatedly highlighted that lessons learned during Shenandoah's planning and engineering phases are already informing other developments across the basin.

As every aspect of the field has been engineered around 20,000 psi technology, intervention methodologies are also being developed alongside production systems rather than as retrospective solutions.

This integrated approach is expected to establish engineering standards that future high-pressure developments will adopt throughout the Gulf.

Chevron – Anchor

Chevron's Anchor development represents a major milestone as the first commercial deepwater project to successfully deploy 20,000 psi technology at production scale. Since entering production in 2024, Anchor has demonstrated that ultra-high-pressure reservoirs can be developed safely and commercially, producing approximately 75,000 barrels of oil per day.

Despite Anchor being the first producing field, Shenandoah is frequently regarded within the industry as the "first mover" from an intervention and technology development perspective. This distinction reflects the extensive engineering collaboration surrounding Shenandoah, where operators, equipment manufacturers and service companies have collectively developed many of the design approaches expected to underpin future developments.

Shell – Sparta

Shell's Sparta project demonstrates the long development timelines now associated with major deepwater investments. The project remains in its preparation phase, with offshore installation activities expected to accelerate during 2027 ahead of targeted first production in 2028. Much of the engineering work has already translated into substantial contract awards across the offshore supply chain, including major packages for TechnipFMC, Subsea7 and Seatrium.

Although intervention activity will initially focus on commissioning and production assurance, Sparta is expected to generate sustained demand for subsea inspection, integrity management and life-of-field intervention services throughout the coming decades.

BP – Kaskida and Tiber

BP's Kaskida and Tiber developments illustrate the next phase of Gulf investment. Announced as part of a programme expected to accumulate approximately US$10bn in capital expenditure, the two projects remain several years away from first production, with Kaskida anticipated around 2029 and Tiber following approximately one year later.

Although production remains some distance away, these projects are already forming future intervention markets. Service companies are investing in new pressure-control technologies, subsea equipment and digital monitoring systems specifically designed to support the next generation of high-pressure offshore developments.

Collectively, Shenandoah, Anchor, Sparta, Kaskida and Tiber prove that while the Gulf's mature shelf may be declining, deepwater investment remains robust. The intervention market is therefore becoming smaller in terms of the number of producing assets, but significantly more sophisticated in both engineering complexity and technological capability.



Source: Offshore Network

DECOMMISSIONING OVERVIEW

While much of the industry's attention is still focused on the next generation of developments in the Gulf of America, an equally prosperous opportunity is emerging at the opposite end of the asset lifecycle. Thousands of wells drilled during the Gulf's exploration boom of the 1960-1990s are now approaching, or have already reached, the end of their economic lives. As a result, decommissioning has become one of the fastest-growing sectors within the offshore services market.

The Gulf contains thousands of offshore platforms and many more wells requiring eventual P&A services. For operators, these are not optional activities that can be deferred indefinitely. Once a field ceases commercial production, operators remain legally responsible for safely plugging wells, removing production equipment, and restoring the seabed in accordance with federal regulations.

This financial reality has fundamentally changed how operators approach end-of-life asset management. Rather than undertaking individual abandonments as assets become uneconomic, companies are steadily adopting campaign-based decommissioning strategies. By combining multiple wells, platforms and subsea assets into larger projects, operators can improve vessel utilisation, reduce mobilisation costs and negotiate more competitive pricing.

Well intervention companies are becoming increasingly

integrated into this process. Many of the same vessels, engineering teams and subsea specialists used during production are now supporting well suspension, tubing recovery and pre-abandonment operations before P&A can begin.

Technology is also reshaping decommissioning efforts, as improvements in barrier verification, digital well records, ROVs, and intervention tools are reducing offshore time while improving confidence in well integrity activities. Likewise, riserless intervention methods are beginning to play a greater role in preparing wells for abandonment, particularly where conventional drilling rigs are no longer commercially viable.

The growth of decommissioning is also changing contractor business models. Companies that previously relied on exploration or production support are diversifying into abandonment services, recognising that the retirement of offshore infrastructure represents a long-term source of work.

Nevertheless, the market continues to face several difficulties. Labour shortages, vessel availability and supply chain bottlenecks all have the potential to delay abandonment programmes. Furthermore, operators must balance increasing decommissioning liabilities with ongoing investment in new production projects, often making difficult decisions regarding investment allocation.

THE IMPACT OF OIL PRICE VOLATILITY

The global oil market has experienced considerable volatility throughout 2026, driven by geopolitical tensions in the Middle East. Following the start of the war earlier this year, the Strait of Hormuz was placed firmly in the global spotlight as concerns over the security of the Strait—through which approximately one-fifth of global oil supply typically passes—triggered a sharp rise in crude prices. Brent crude briefly exceeded US$100 per barrel during the height of the crisis before easing as negotiations reduced the immediate threat to global supply routes.

Despite this, the market remains highly sensitive to developments in the region. At the time of writing, Brent crude oil is sitting at US$83 per barrel, with the average forecast predicted in the US$80-85 per barrel range for the remainder of the year. While prices remain below the peak experienced during the start of the conflict, they are still substantially higher than pre-war levels, due to the continuous uncertainty surrounding exports in the region.

On the one hand, sustained oil prices above the US$75 per barrel range predominantly strengthen the commercial case for well intervention campaigns, as the additional production recovered through interventions delivers a stronger return. Consequently, many operators have continued to prioritise intervention programmes aimed at extending field life and maximising recovery from high-value deepwater assets.

However, market volatility creates uncertainty for all. While elevated prices support intervention spending, rapid swings in commodity markets can encourage operators to delay discretionary projects until greater price stability returns. Rather than committing to large-scale intervention campaigns based on short-term price spikes, many companies have adopted a more disciplined strategy to financial allocation. Intervention programmes are therefore increasingly selected based on measurable production uplift, asset integrity and long-term economic value, rather than taking advantage of temporarily favourable oil prices.

The current market has further strengthened the importance of the Gulf's newest deepwater developments. Projects such as Anchor, Shenandoah, Sparta and Kaskida remain economically robust despite market fluctuations, ensuring continued demand for sophisticated intervention services throughout their operational lives.

However, mature shelf assets remain under increasing economic pressure. For these older fields, sustained volatility can accelerate decisions to cease production altogether, shifting activity away from production interventions and towards P&A and decommissioning campaigns.

High oil prices continue to incentivise investment in technologically advanced deepwater intervention, while the prolonged decline of mature shelf production is simultaneously creating one of the world's largest decommissioning markets. In this sense, crude oil prices no longer dictate whether work exists in the Gulf, but

rather determines which segment of the intervention lifecycle receives the greatest investment.

REGULATORY OUTLOOK

Regulation has always played a central role in shaping offshore activity within the Gulf, and recent developments indicate that further change may be on the horizon.

In April 2026, the US Department of the Interior announced plans to reunify the BSEE and the BOEM under a newly created Marine Minerals Administration. The objective is to improve uniformity across offshore regulation while reducing repetition between agencies responsible for leasing, permitting, inspections and environmental oversight.

Although transition activities are expected to begin over the coming months, little detail has been provided regarding timelines or operational changes.

For operators, there is growing uncertainty pertaining to a lack of communication from all parties. Several industry stakeholders have observed that regulator-operator engagement has become fragmented over recent years. Delays in permitting, reduced dialogue and alternative administrative priorities have complicated project planning.

If implemented effectively, the merger offers an opportunity to streamline regulatory processes and reduce administrative complexity. A single organisation responsible for the full offshore lifecycle could improve coordination between leasing, development approvals, intervention activities and decommissioning.

CONCLUSION

Unlike previous decades, when exploration dominated industry activity, the coming years will be defined by optimisation, longevity and asset retirement. The market is increasingly characterised by two trends: growing investment in technologically advanced deepwater developments, and an expanding requirement to decommission ageing offshore infrastructures.

Key projects such as Anchor, Shenandoah, Sparta, Kaskida and Tiber demonstrate that operator confidence in the Gulf remains strong. Collectively, these developments represent high-stakes investment and will require sophisticated intervention support throughout their operational lives. Meanwhile, thousands of mature wells continue progressing towards abandonment, creating a continuous pipeline of decommissioning work extending into the 2030s and beyond.

Success will increasingly depend on technical capability, and high-pressure intervention technologies, riserless systems, digital engineering, and AI are likely to become competitive commodities over the next decade.

Although oil price volatility will inevitably impact investment cycles, the long-term outlook for intervention and decommissioning continues to be positive. Mature assets will always require maintenance, while abandoned infrastructure will always require safe retirement.

The Gulf's future will not be defined by a wave of new reservoirs, but by how effectively the industry manages those it already possesses. Extending the productive life of deepwater assets while responsibly retiring ageing infrastructure will become the twin pillars of offshore activity, ensuring that well intervention and decommissioning remain at the heart of one of the world's most important offshore energy regions for decades to come.

TWC GOA 2026

The oil and gas community will gather at the upcoming Wells Conference, Gulf of America, to discuss the challenges facing the industry today and chart a path forward to make the most of the opportunities presented.

From 10-11 November 2026, current projects, future endeavours, new innovations and strategies, and the latest technological advancements will be discussed as leading stakeholders gather in Houston, Texas. Key topics in focus include:



Regulation and Strategy

Navigating oil price volatility and shifting investment priorities; understanding the implications of the evolving federal offshore regulatory landscape; and addressing the growing decommissioning liabilities and long-term shift from shelf assets to deepwater developments.



Unlocking Opportunity

Exploring the next generation of 20,000psi technologies; examining operational risks across drilling, completions, production and intervention in extreme environments; and learning from case studies which delivered high-pressure wells and managed challenges.



More with Less

Evaluating riserless intervention and rigless completion in reducing dependence on constrained markets; improving planning and execution through integrated campaigns; and assessing emerging open-water systems and low-footprint technologies.



Breakthrough Technologies

Maximising production and extending well life using next-generation intervention tools; exploring how AI, analytics, and real-time data are improving decision-making and execution; and gaining insight from Gulf-based intervention campaigns which deploy innovative tools.



P&A Challenges

Addressing the growing backlog and plugging and abandonment across the region; evaluating campaign-based approaches and cost-efficient abandonment strategies; and reducing long-term liability through improved measures.

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