

OTC2000 explores the changing face of the global offshore industry and emphasizes deepwater

John Kennedy, Contributing Editor

AS USUAL, THIS year's Offshore Technology Conference, 1-4 May in Houston, has something of value for anyone involved in offshore oil and gas exploration and development.

IADC is an Endorsing Organization of the 32nd Offshore Technology Conference and will exhibit at Booth 2246.

"Drilling contractors play an obviously critical role in the global offshore industry," remarked IADC President **Dr Lee Hunt**. "Without them, the industry could not even exist. For example, **Kerr McGee**, this year being honored with a well-deserved Distinguished Service Award, began life as an offshore drilling contractor."

Besides exhibiting, IADC will participate in a Monday morning news conference, at which IADC Chairman **John R Irwin**, President/CEO of **Atwood Oceanics** will discuss issues of importance to the offshore drilling industry. The event will also feature leaders of PESA and NOIA.

As OTC2000 approached, offshore oil and gas explorers and developers were feeling less pressure—at least for the moment—from oil and gas markets. But they have learned not to abandon their focus on cost reduction, efficiency gains, and risk management.

Offshore professionals, managers, and executives come to the Offshore Technology Conference each May to find ideas, answers, partners, and customers.

In 49 sessions built on 340 technical papers, OTC2000 provides information on everything from seismic to decommissioning, from gas hydrates to project management. Even ocean-floor mining is included. There are special luncheons where a diverse group of industry leaders focus on strategic and business issues facing offshore explorers, producers, and support companies.

And of course, there are the exhibits where 2,000 companies offer every tool, service, and expertise needed to exploit petroleum resources from beneath the floor of the world's oceans.

OTC2000 is diverse, comprehensive, and international. Last year, 10 international delegations attended and international oil and gas professionals represented 17% of the audience.

There is, however, a subject that gets special emphasis in this year's program and is of special interest to many attending this year's event. That subject is deep water.

DEEPWATER EXCITEMENT

Discussions of deepwater technologies, projects, and strate-

gies reflect the excitement that industry has for the challenge of deepwater and the faith that explorers have in its potential.

When **Salomon Smith Barney** surveyed the industry recently, more than 80% of the respondents named the US Gulf of Mexico as the region with the most exploration potential.

The **US Minerals Management Service** reports that there are almost 3,000 active leases in the Gulf in water depths greater than 1,000 m.

A focus at OTC2000 on offshore West Africa and the US Gulf of Mexico confirms that those current deepwater hot spots are judged to have great potential. They have much in common: large fields have been found, discovery rates are good, large markets are available, and there may be much yet to discover.

The attraction in both regions is similar, but the challenges are not.

In the Gulf of Mexico, field development in water depths up to 10,000 ft demands innovation in technology and project management, and the sharing of financial risk. In West Africa, there are added challenges that center around political instability and the lack of infrastructure.

Topical luncheon speakers, keynote speakers, and technical presentations at OTC2000 will detail current deepwater

activities, report on projects, and explore new solutions and techniques.

OFFSHORE'S CHANGING FACE

The drive into ever-deeper water, while exciting, is not the only change under way in the global offshore oil and gas business. In 2 General Sessions, offshore oil and gas industry leaders will discuss "The Changing Face of the Offshore Industry." The first panel on Tuesday will take a global perspective; the panel on Wednesday will focus on the Gulf of Mexico.

Among issues to be raised by these discussions are:

- What will it take to compete?
- What will be the future role of national governments?
- What will be the impact of megamergers?
- Who will develop the technology needed to reduce costs?
- Is there a place for regional companies?

FPSOS IN THE GULF?

Among the field development options available for deepwater



IADC is proud to be Endorsing Organization for OTC2000, the preeminent event for the offshore industry. IADC will exhibit at Booth 2246.

discoveries, the floating production/storage/offloading (FPS) structure is getting special attention by Gulf of Mexico operators.

Two comprehensive Technical Program at sessions on the subject at OTC2000 reflect that interest.

A key advantage of an FPSO is its fast-paced construction schedule. The early production that this feature makes possible can be an important factor in project economics.

However, FPSOs have not yet been approved for use in the US Gulf.

The MMS is currently preparing an environmental impact statement on the possible use of FPSO systems in the Gulf. The EIS will assess the environmental effects of the use of a hypothetical FPSO with a 1-MM bbl storage capacity. A system with 2.3 MM bbl of storage capacity will also be examined.

After public comment on the draft, a final EIS is scheduled for fall 2000.

As a Technical Session on "FPSO Operational Experience" confirms, the FPSO solution is a proven concept. Several are in service around the world. A second Session will focus on "FPSO Integrity: Design, Loading, and Inspection." Operators, regulators, and representatives of certification bodies will participate in this session.

A W A R D S

The traditional OTC Awards Luncheon again honors an individual and a company for contributions to the advancement of offshore technology.

The Distinguished Achievement Award for Individuals will be presented to **William S French**, "...considered the father of modern 3D seismic technology." In 1993, he placed the first massively parallel computer on board a 3D seismic vessel using software developed under his direction. It was the first time 3D survey had been processed exclusively on a ship, and the change dramatically reduced the turnaround time for 3D surveys. French served in executive positions with **Tensor Geophysical Service Corp** and **Petroleum Geo-Services**.

The Distinguished Achievement Award for Companies and Organizations will recognize Kerr-McGee for the FPS Neptune Project, "which featured the first use of spars for offshore production processing and operations and gave birth to a new generation of floating systems." The spar was installed in 2,000 ft of water and is held on station by a 6-point taut-leg mooring system. First production on 10 March, 1997, came only 45 months after the concept was introduced.

Sir John Browne, Group Chief Executive of **BP Amoco plc**, will give the keynote address at the Awards Luncheon. ■