



OTC 14001

Getting Deepwater Development Right: Strategies for the Non-Operator
Robert D. Jeffrey and David H. Johnston/Shell Exploration and Production Co.

Overview

The strategy for a non-operator to increase project value consists of six main steps:

1. Understand and align (to extent possible) the corporate business drivers that underpin the day-to-day behaviors of the project teams.
2. Reach agreement on project objectives, including stakeholder relations and HSE principles.
3. Clearly understand your rights under the Joint Venture Operating Agreement (JOA).
4. Identify the key value contributors and risks in the project.
5. Objectively assess the strengths and weaknesses of the operator and other partners.
6. Focus your project participation on the high value and/or high-risk areas where you have a strength or the operator has a weakness (the critical activities).
7. Agree with the operator on how to manage formal technical reviews (or gates) to minimize duplication and timing disconnects.