

# Performance step-change in the Gulf of Mexico

An upstream industry giant, with help from Celerant, transformed its Gulf of Mexico operations to achieve \$120 million annualised savings and production increases close to 20 million barrels of oil equivalent

## THE SITUATION

The Gulf of Mexico accounts for more than 25% of the oil and 20% of the gas consumed by the USA.

Production in the Gulf's shallow waters has been declining for over a decade.

This decline has been offset to date by deepwater exploration and production successes. But operators have been hit hard in recent years by rising equipment and materials costs and a worsening shortage of qualified, experienced personnel.

With neither of these trends likely to reverse soon, one of the leading players in the Gulf recognised that staying ahead of the game meant taking radical action to improve as many aspects of its operations as possible.

"The enormous competitive advantage that Celerant consultants have is that they will not leave you with a report and then you struggle to implement - they work side by side with you until you have delivered the results"

Senior Asset Manager

## THE ASPIRATION

- 1 All the key measures of business success were targeted.
- 2 The operator sought to increase production, reduce costs and enhance productivity - while building a rock-solid foundation for future world-class performance.
- 3 Throughout any activities taking place, safety had to remain a top priority.

## Results

- Nearly 20 million BOE production improvement in first year following project completion
- Over \$120 million annualised savings
- Record run times (days without a platform shutdown) for a tension leg platform of 147 days
- Asset utilisation up from 92.6% to 99% within 40 weeks



## THE TRANSFORMATION

The operator initially commissioned Celerant to analyse a representative cross-section of its offshore assets in the Gulf of Mexico.

Several areas surfaced as ready for improvement.

Rather than simply delivering a report and leaving, Celerant's consultants worked side by side with the client's leadership and management to define a pilot improvement project.

The pilot introduced standardised processes and procedures and cost reduction measures for the assets included in the initial analysis.

Overwhelmingly successful in achieving its goals, the pilot was then extended across the operator's entire US asset base.

Joint client-Celerant teams conducted a phased year-long implementation across both onshore and offshore production operations.

The success of this phase, in its turn, led to a third and final challenge: bringing the operator's administrative staff in line with the new demands and ways of working of their production colleagues.

## THE RESULTS

The impact of the total effort has been profound.

- The new ways of working make it much easier to scrutinise costs and performance. Across the organisation, from day to day, people have the information they need – and the processes and procedures in place – to keep raising performance levels.
- Restructuring the office organisation in line with the transformation of production activities has created a world-class service organisation.



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*"We are ideally positioned to further excel and deliver excellent results, year after year"*

**Regional Production Director**