

## 2. The value of data to oil companies

***“Here, you see, it takes all the running you can do, to keep in the same place”***



Figure 1: Oil companies have to continually strive to keep relative position

<http://www.oilandgasuk.co.uk/datamanagementvaluestudy/>



Figure 2: CDA have published a study of data value in the oil industry

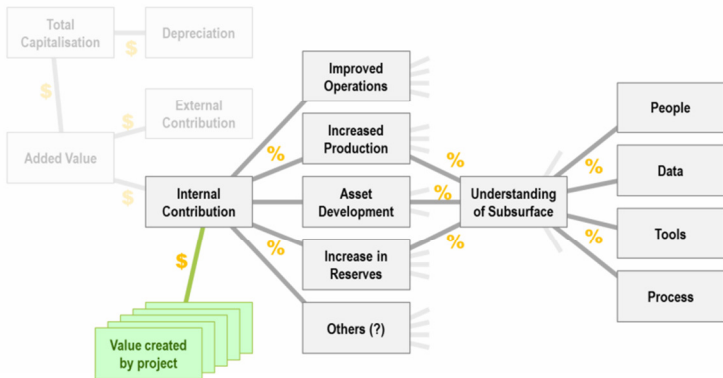
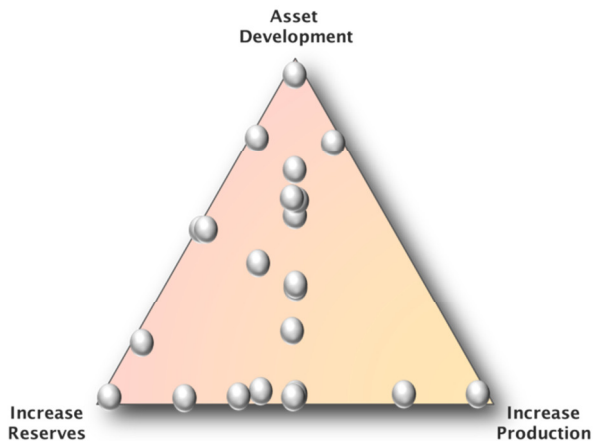


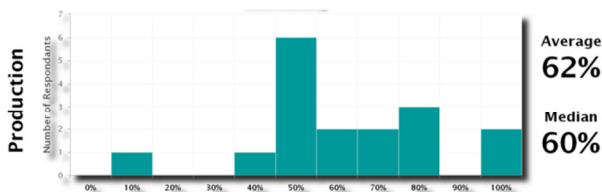
Figure 3: The simplified model used by the CDA study

- **Purchase of 50% interest cost £5M**
- **Spent £20M over 2 years**
- **Turned down offer of £100M for our stake**
- **Value created:  $(100-5-10)/2 \Rightarrow £42\frac{1}{2}M$  per year**
- **20 year drilling program to 2030**
- **400M barrels from 20 additional wells**
- **\$34M to drill each well**
- **FPSO - \$3.4B (\$170M / well)**
- **20M barrels @ \$40/bbl  $\Rightarrow$  \$800M**
- **Value created: \$696M per year**

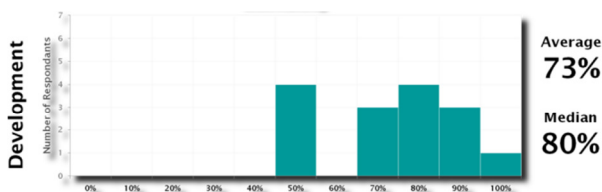
Figure 4: Calculating the value created by two example projects



**Figure 5: Balancing between different project types**



**Figure 6: How important subsurface understanding is to production projects**



**Figure 7: How important subsurface understanding is to development projects**

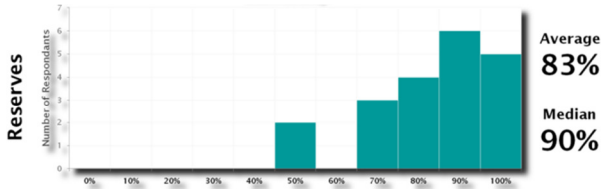


Figure 8: How important subsurface understanding is to reserves projects

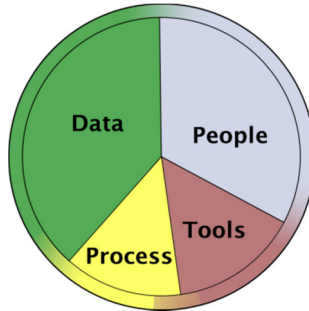


Figure 9: Contribution of components to subsurface understanding

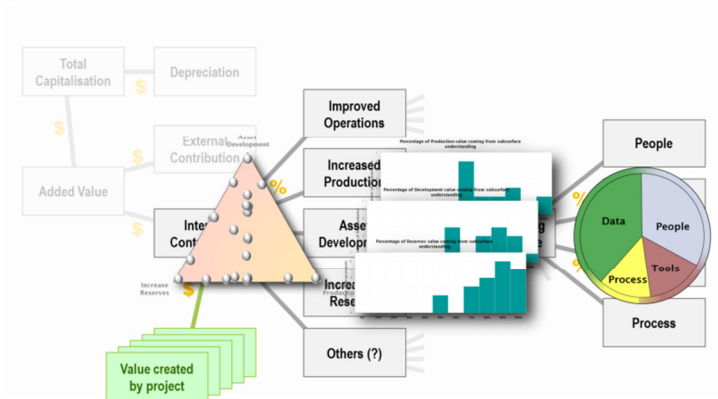
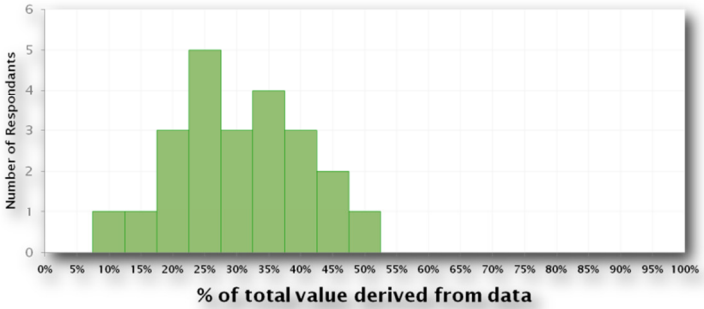
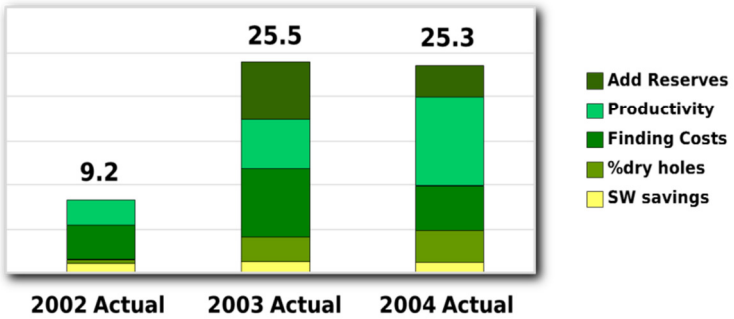


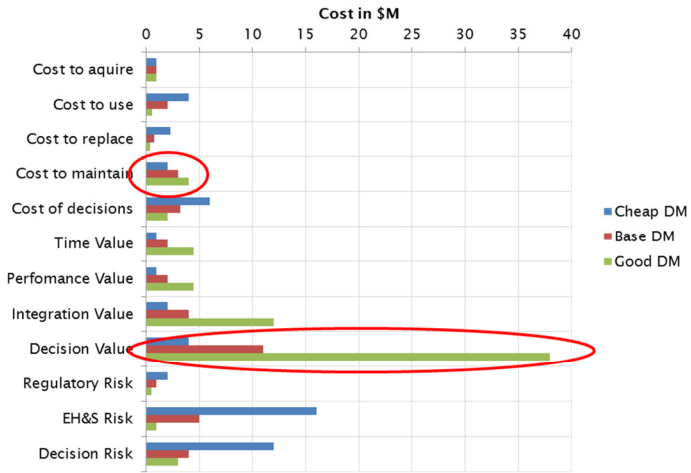
Figure 10: Combining the various components



**Figure 11: The contribution of data to oil company results**



**Figure 12: The impact of rationalizing process**



**Figure 13: Using a model to estimate the impact of data management**