

## EXXONMOBIL SAKHALIN-1 PROJECT HOUSTON, TEXAS

### Size

Major Project

### Target Completion Date

2013

### Projected Project Cost

\$x,xxx,xxx,xxx

### Services

- Pre-Event
- Function Analysis
- Facilitated Value Engineering & Value Improving Practices Study

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**Pinnacle Results** conducted an Integrated Value Engineering and Value Improving Practices Study for ExxonMobil to assess options and potential for improvement for a proposed major Offshore field upgrade project. At the time of the studies, the project was in the Technology Selection phase of development. The Study focused on working with the team to improve the return on investment on the key components of the Production Facility project.

The Arkutun-Dagi development will produce oil and gas from the Arkutun-Dagi field, located approximately 25 kilometers off the northeast coast of Sakhalin Island, just east of the Chayvo field. The project plans include developing the field through a new offshore drilling and production platform, which includes a gravity base substructure and topsides facilities. Contributing to the high complexity and risk are challenges of resource uncertainty, managing cost pressures in a remote location, severe offshore design environment (seismic, metocean and sea ice).

The Study was conducted using a facilitated team approach and applying various tools and techniques to achieve the results. By incorporating a wide variety of tools and techniques, additional insights and knowledge were gained which assisted and benefited in the Analysis and Decision Process phases of this VE Study Workshop.

The workshops involved multiple teams of engineers and related experts. Team members were directed to focus on different aspects of the project, especially as it could impact reduction of capital expense, shorter project schedule and throughput capacity of the facility. Each team was coached in creatively brainstorming ways to improve the project based on the function model. Hundreds of ideas were generated and captured during the Creativity phase of the workshop.

As a result of the facilitated Value Engineering workshop, team members reported to management their proposals and recommendations. Summary reports were created and ideas were assigned for further evaluation and study moving forward. The potential savings and improvements to the project as a result of the ideas generated during the study ranged from tens of thousands to hundreds of millions of dollars.

The management of the ideas and generation of study reports were conducted in the *VIPNOW™* software.

*ExxonMobil announced that the Sakhalin-1 project has earned the Excellence in Project Integration Award from the committees and sponsoring societies of the International Petroleum Technology Conference (IPTC).*

*The award recognizes the project for successfully integrating geoscience knowledge; reservoir and production engineering; construction and facilities engineering practices; safety, health and environmental processes; human resources policies; community programs; and overall project teamwork.*

*"We are extremely proud of the Sakhalin-1 project achievements," said Mark Albers, senior vice president, Exxon Mobil Corporation. "The Sakhalin-1 project is one of the largest energy investments in Russia and is a testament to international cooperation to successfully execute this project in one of the most challenging artic environments in the world in a safe and environmentally responsible manner."*