JUPITER PRIME

Consulting • Training • Advisory

جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Plug and Abandonment Cost Analysis Training Course

19 – 23 July 2027
Dar es Salaam

jupiterprime.uk

info@jupiterprime.uk

Registered in the United Kingdom and Saudi Arabia

Plug and Abandonment Cost Analysis Training Course

Ref: 1867_68676 **Date:** 19 – 23 July 2027 **Location:** Dar es Salaam **Fees:** 5300 GBP

Plug and Abandonment Cost Analysis is a 1-week training course for well decommissioning cost engineers, finance analysts and asset managers who build a P&A campaign cost estimate with P50 and P90 ranges. Ageing well stocks, tighter rig markets and growing abandonment liabilities on balance sheets make credible estimates a board-level concern. Jupiter Prime Training offers this course on plug and abandonment cost analysis.

Why Plug and Abandonment Cost Analysis Matters Now

Three forces shape abandonment costing today: large inventories of wells reaching end of life, volatile day rates for rigs, vessels and specialist crews, and auditors and partners asking for defensible decommissioning provisions. An operator that estimates well can batch wells into efficient campaigns, choose rigless methods where barriers allow and fund the liability on a realistic schedule. One that estimates poorly faces overruns, restated provisions and disputes with joint venture partners. The course rests on deterministic and probabilistic estimating, work breakdown structures WBS and Monte Carlo simulation for cost and time ranges.

Who Gains Most from Plug and Abandonment Cost Analysis

- Cost estimators preparing well-by-well abandonment estimates and campaign budgets
- Finance analysts measuring and updating decommissioning provisions
- Asset managers deciding when and in what order wells are retired
- Well engineers defining barrier requirements and abandonment scopes
- Contract specialists pricing rig, vessel and service agreements for campaigns

Late-life asset teams gain most when estimators, well engineers and finance staff attend together and leave with one shared cost basis.

Plug and Abandonment Cost Analysis Capabilities

Participants turn well data, barrier designs and market rates into estimates that engineering and finance both accept.

- Classify wells by abandonment complexity and cost driver — campaign sequencing
- Build a WBS-based estimate for rig, vessel, materials and services — budget approval
- Compare rig-based and rigless abandonment options on cost and duration — method selection
- Calculate P50 and P90 ranges with Monte Carlo simulation — contingency setting
- Translate campaign estimates into discounted decommissioning provisions — financial reporting
- Communicate cost risk and batching savings — partners and senior management

Key Plug and Abandonment Cost Analysis Terms

- Plug and abandonment P&A — the permanent sealing of a well with tested barriers and removal of surface equipment at end of life.
- Well barrier envelope — the set of cement plugs, casing and seals that together prevent flow from the reservoir to surface.
- Rigless abandonment — abandonment work carried out with lighter units such as coiled tubing or wireline instead of a drilling rig.
- Campaign batching — grouping several wells into one mobilisation so fixed spread costs are shared across them.
- P90 estimate — a cost value with a ninety per cent probability of not being exceeded, used to set contingency.
- Decommissioning provision — the discounted estimate of future abandonment cost recognised as a liability on the balance sheet.

Plug and Abandonment Cost Analysis Day by Day

Day 1: Abandonment Context and Cost Drivers

- Well Life Cycle and End-of-Life Triggers — Timing of Abandonment Decisions
- Well Barrier Requirements and Plug Design — Scope That Drives Cost
- Well Complexity Classification Matrix — Grouping Wells by Effort
- Onshore, Platform and Subsea Well Differences — Spread and Access Costs
- Historical Abandonment Cost Data Sets — Benchmarks for New Estimates

Day 2: Building the Deterministic Estimate

- Work Breakdown Structure for Abandonment Scopes — Estimate Completeness
- Rig and Vessel Day Rates and Spread Costs — Largest Cost Elements
- Cement, Casing Cutting and Materials Costing — Consumables Budget
- Logistics, Waste Handling and Site Restoration — Hidden Cost Lines
- Estimate Classes and Accuracy Ranges — Confidence at Each Stage

Day 3: Methods, Batching and Contracting

- Rig-Based Versus Rigless Option Comparison — Method Selection
- Campaign Batching and Learning Curve Effects — Sharing Fixed Costs
- Contracting Models for Abandonment Services — Risk Allocation With Suppliers
- Non-Productive Time and Weather Allowances — Realistic Duration Planning
- Partner Cost Sharing Under Joint Operating Agreements — Cost Recovery

Day 4: Cost Risk and Provisions

- Risk Register for Abandonment Uncertainties — Contingency Drivers
- Monte Carlo Simulation of Cost and Time — P50 and P90 Ranges
- Escalation, Discount Rates and Timing — Provision Measurement
- Provision Updates and Change Explanations — Audit and Partner Queries
- Abandonment Funding and Security Arrangements — Cash Planning

Day 5: Practising the P&A Campaign Cost Estimate

- Applying the Complexity Matrix to a Sample Well Stock — Campaign Scope
- Pricing a Batched Campaign With WBS Rates — Deterministic Base Case
- Running Simulation on the Base Case — Contingency Recommendation
- Converting the Estimate Into a Provision Entry — Reporting Alignment
- Completing the P&A Campaign Cost Estimate — Sign-Off Pack

Applying Plug and Abandonment Cost Analysis After the Course

- Reclassify the current well stock with the complexity matrix and flag wells that could be batched into one campaign.
- Rerun the latest abandonment estimate through a Monte Carlo model and compare its P90 with the booked provision.

Plug and Abandonment Cost Analysis Questions FAQ

What is plug and abandonment cost analysis and why does it matter now?

It is the estimating of rig, vessel, materials and services costs to seal wells permanently. It matters now because many wells are reaching end of life while rates stay volatile, so weak estimates quickly turn into overruns and restated provisions.

Which roles gain most from plug and abandonment cost analysis?

Cost estimators, finance analysts handling provisions, asset managers and well engineers gain most. Contract specialists also benefit, because campaign pricing and risk sharing with suppliers depend on the same estimate structure.

How does plug and abandonment cost analysis differ from general upstream cost accounting?

It focuses on one late-life activity rather than recording operating and capital costs. You work with barrier scopes, campaign batching and probabilistic ranges, then link them to provisions, instead of allocating ongoing production costs.

What do you bring back from plug and abandonment cost analysis?

You bring back a campaign cost estimate with a WBS base case, P50 and P90 ranges and a provision summary, ready for review by engineering, finance and partners.

Plug and Abandonment Cost Analysis: The Way Forward

The P&A campaign cost estimate first informs which wells to group into the next campaign and how much contingency to carry. Cost engineers maintain it, finance analysts use it to update provisions and asset managers use it for sequencing. After its first use, revisit the batching assumptions and learning curve rates against actual campaign performance.