

**Think, Innovate, Deliver, Learn ...**

**Rig Evaluation**

**Introduction**

There are three parts to the process of choosing a drilling rig to drill a well. First, there is a well or series of wells for exploration, delineation, development or remedial activities. The employing oil company will know the types of tasks the rig will be asked to undertake and seeks the best rig to accomplish those tasks. There are two main components to picking the best rig. It must be capable of doing every task that will be asked of it and it once this criteria is met, it must be the most cost effective or value generative rig available.

Second, alignment must be sought between the Operator hiring the drilling rig and the Rig Owner/ or Drilling Contractor. The knowledge of the wells to be drilled must be transferred to the Drilling Contractor and the physical capabilities and working practices of the Drilling Contractor must be transferred to the Operator. The importance of this stage is often underestimated.

The most generally accepted way of accomplishing the first two steps is to issue an Invitation to Tender whereby those drilling contractors with rigs available area are given information about the wells to be drilled, about the desired start/end time, and are asked to provide Tender Documents such that the Operator can make a judgement as to which rig will best accomplish his objectives.

Lastly, once the rig is chosen, it is then incumbent upon the Operator and Drilling Contractor to ensure that the rig can perform as expected throughout the term of the contract.

**Picking the best rig - the tendering process**

- Issue a good ITT
  - Drill/complete/test programme
  - Dates for the rig to begin/end
  - Environmental parameters
    - Location
    - Time of year
  - Logistical arrangements
  - Communications arrangements
  - Special requirements
  - Ask for or provide a Standard draft contract
- Specify the information to be returned
  - Drilling systems questionnaire
  - Draft drilling contract should contain
    - Rates
    - Exceptions
    - Annexes
  - Standard format for equipment list
  - Safety case
  - Operating statistics
    - Time breakdown in past 2 yrs according to contract time categories
    - Crew capability, i.e. CVs and relevant information
    - HSE statistics in comparison w/ the fleet/industry
- Rig availability

▪ **Compare the rigs** - Try to eliminate all but 2 or 3. Move toward the objective of picking the rig that will have the lowest cost/generate the most value on a holistic overview basis

- Refine the analysis
  - Rig visit
  - Meeting w/ e.g. rig manager
  - Review of CVs, turnover
- Picking the best rig for the job – initial screening/compare all bids
  - Comparing operating characteristics for the wells to be drilled
    - Weather downtime – rig design
    - Equipment/major survey downtime
  - Compare rig hardware/capability
  - Comparing company/rig management - Gain an understanding of how the contractor manages his rig
  - Compare HSE performance
  - Compare prices/cost of well(s) to be drilled

▪ **Making sure the rig performs as well as it can**

- HSE performance
  - Live call between head office and rig personnel – keep meeting minutes
  - Formulate agreed action plan
  - Honour/publicise good safety practices
- Rig performance
  - Initial assessment garnered from the ITT analysis as a baseline
  - Continuing lessons learned feedback between Operator & Drilling Contractor on episodes of exceptional (good and bad) performance
  - Periodic joint performance improvement reviews
  - Agreed action plan(s)
- The contract – be sure to keep track of
  - Changes to contract
  - Additions per contract

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