

COST ANALYSIS OF PLUG & ABANDONMENT OPERATIONS

“Enhancing Planning, Budgeting, and Cost Control in P&A Activities for Mature Oil & Gas Assets”

Schedule

Date	Venue	Fees (Face-to-Face)
26 - 27 Feb 2026	Kuala Lumpur, Malaysia	USD 1995 per delegate

► Available delivery methods: Face-to-Face & Online Training

Introduction

Plug and abandonment (P&A) operations are a critical phase in the life cycle of oil and gas wells, involving complex technical, regulatory, and cost considerations. With increasing industry focus on decommissioning efficiency and environmental responsibility, effective cost analysis of P&A projects is essential for budgeting, risk mitigation, and value preservation.

This 2-day course provides a practical framework for analyzing, estimating, and optimizing the costs associated with P&A operations. It guides participants through key cost drivers, planning methodologies, well abandonment techniques, and cost control strategies. Case studies and real-world data are used to illustrate how better cost analysis can reduce financial exposure and support compliant, safe well decommissioning.

Objectives

- By the end of this course, participants will be able to:
- Understand the technical and regulatory scope of P&A operations
 - Identify key cost components in well abandonment
 - Develop and apply cost estimation models for P&A projects
 - Evaluate cost variances and apply value engineering techniques
 - Enhance budgeting accuracy and reduce cost overruns in decommissioning

Why Attend

- Improve your ability to forecast and control P&A project costs
- Learn to identify and manage cost risks early in the planning cycle
- Gain insights into regulatory, logistical, and technical cost impacts
- Strengthen the business case for efficient and compliant abandonment strategies
- Benchmark P&A costs using industry data and best practices

Target Audience

This program is designed for:

- Cost estimators, engineers, and planners in oil & gas
- Well engineers and decommissioning professionals
- Project managers and contract specialists
- HSE and regulatory compliance officers
- Finance and investment professionals overseeing asset retirement obligations

Individual Benefits

Key competencies that will be developed include:

- Practical cost breakdown and benchmarking for P&A projects
- Ability to link technical plans with cost estimates
- Improved skills in risk-based budgeting and contingency planning
- Knowledge of regulatory cost implications and reporting
- Enhanced understanding of P&A economics and asset retirement

Organizational Benefits

Upon completing the training course, participants will demonstrate:

- More accurate budgeting for decommissioning liabilities
- Cost-efficient planning and execution of P&A projects
- Reduced risk of cost overruns and compliance gaps
- Improved collaboration between technical, finance, and regulatory teams
- Stronger alignment between field operations and corporate financial goals

Instructional Methodology

The course follows a blended learning approach combining theory with practice:

- Strategy Briefings – Well abandonment lifecycle, cost drivers, and methodologies
- Case Studies – P&A project reviews from international operators
- Workshops – Cost model building, scenario analysis, and variance reviews
- Peer Exchange – Discussion of regional practices and regulatory impacts
- Tools – Cost estimation templates, work breakdown structures (WBS), and tracking dashboards

Course Outline

DETAILED 2-DAY COURSE OUTLINE

Training Hours: 07:30 AM – 03:30 PM **Daily Format:** 3–4 Learning Modules | Coffee breaks: 09:30 & 11:15 | Lunch Buffet: 01:00 – 02:00

Day 1: Technical and Cost Planning of P&A Projects

- Module 1: Overview of P&A Operations (07:30 – 09:30) • Purpose, scope, and stages of well abandonment • Regulatory frameworks and international standards (e.g., NORSOK, UKOOA, API) • Technical challenges and safety requirements
- Module 2: Key Cost Drivers in P&A (09:45 – 11:15) • Rig vs. rigless operations • Subsurface isolation, barrier setting, and cementing • Logistics, personnel, HSE, and waste management
- Module 3: Cost Estimation Methods and Models (11:30 – 01:00) • Deterministic vs. probabilistic cost modeling • Building the P&A cost work breakdown structure (WBS) • CAPEX and OPEX considerations
- Module 4: Workshop – Build a P&A Cost Model (02:00 – 03:30) • Teams estimate cost elements for a sample offshore well

Day 2: Budget Optimization, Risk, and Reporting

- Module 1: Risk-Based Budgeting and Contingency Planning (07:30 – 09:30) • Common risk factors in P&A execution • Monte Carlo simulation and sensitivity analysis concepts • Cost contingencies and reserve setting
- Module 2: Benchmarking and Value Engineering (09:45 – 11:15) • P&A cost benchmarks by well type and location • Strategies for cost reduction and operational efficiency • Lessons from global operators
- Module 3: Financial Reporting and Regulatory Compliance (11:30 – 01:00) • Internal and external reporting requirements • Decommissioning liability provisions (ARO) • Reporting to regulators and investors
- Module 4: Final Workshop – Cost Optimization Review (02:00 – 03:30) • Teams refine their model and present risk-mitigated budgets

Certification

Participants will receive a Certificate of Completion in Cost Analysis of Plug & Abandonment Operations, validating their capability to plan, analyze, and control well decommissioning costs in alignment with technical and regulatory expectations.

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