

Oil and gas operators are increasingly relying on software solutions and data hubs, like the Data Refinery, to improve the efficiency of oil production and processes and to minimize risks and operational costs, among other issues. As Morstead explained, “Data science and analytics are being leveraged to improve operating uptime, asset life and HSE challenges. The ability to combine historical data sets and live data flows at scale is enabling operators to make better decisions that improve outcomes.” Morstead also expressed how “some of the solutions coming to market now are enabling organizations to move humans out of dangerous contexts (e.g., equipment inspection in inherently dangerous places) or to improve monitoring and avoidance of pollution emissions.” With an increased popularity for the use of big data and analytics in the oil and gas industry, collaborating with software companies, like Arundo, is almost a necessity to improve business operations and to continue contributing to the industry as a whole.

Through Worley and Arundo’s partnership,

the two companies created DataSeer through the Data Refinery. Morstead explained how “DataSeer is a cloud-based machine learning application that extracts information (symbols and text) from engineering schematic diagrams like P&IDs by leveraging deep learning models along with computer vision techniques.” “Its most significant impact is the dramatic reduction in user workload and increased confidence and accuracy of extracted information from P&ID images. This is especially important for brownfield expansion engineering projects or during bid phases where P&IDs are not always available in CAD source formats but, instead, as raw scanned images,” Morstead expounded on the application’s benefits. Through their partnership, Worley and Arundo have been able to make significant contributions, not only to their clientele, but to the industry overall.

The two companies are also launching the DataSeer Managed Service, which is a “scalable, turnkey managed service leveraging the DataSeer application suite in combination with a rigorous engineering workflow to rapidly convert legacy

engineering drawings into smart digital drawings of the highest quality,” Morstead shared. They expect to fully launch this offering in February 2020.

With the oil and gas industry undergoing a digital transformation, it is imperative that oil and gas operators remain—or become—up to date and improve their business operations to stay relevant and meet industry demands. With a push for big data and analytics to help monitor operational efficiency and examine project costs, for example, partnering with software companies to obtain access to such tools can help companies improve business outcomes and achieve growth. Worley and Arundo are two companies continuing to grow their business and designing digital solutions for their customers. “We are working on a number of data-driven solutions that are either process-centric or equipment-centric. These solutions can be applied to different parts of the oil and gas value chain from upstream production optimization to refinery workflow improvement. More to come in 2020,” stated Morstead. ☑

READY TO MAKE IT HAPPEN!

BY JOSH ROBBINS

Kicking off a New Year, a new decade and in Oil and Gas – an exciting time of making deals happen! Of course, I work in the off-market acquisitions space, and there are a lot of plans that will take shape in 2020 over the entire industry. At Beachwood, we are seeing a significant amount of assets shift from “not for sale” to “for sale” for a number of reasons.

The main reason, as expected in this market, is to capitalize on assets that are not core to the company’s position in the field. Eliminating overhead, in every aspect of the word, is going to be a common theme throughout the year. With sellers eliminating overhead of operational assets, there will be more cashflow to increase the production of current assets, or to purchase additional assets that fit better into the current portfolio.

The current oil and gas operators are looking at this market with opportunistic eyes. Emotional attachment to wells, lands, leases, capital investment, etc. has gone by the wayside. Everyone is excited to move forward. To get out of the current stall, and to shift into the next gear. This industry has always been focused on one primary target, and that is to make money.

With service costs finally dropping, the midstream deferential costs slowly eroding away, the focus is finally back on the core belief of the actual operators in the business, to make

money. The companies feeding on oil and gas are realizing the hard facts, that you can’t overcharge on a commodity driven entity. The stock market won’t continue to pull the strings, especially when the entire industry falls out of favor with the investment community. There is oil and gas in the United States that can be produced, and money can be made. As obvious as that statement is, it has taken literally seven years for the industry to realize it.

Now that private equity has lived through a downturn, they are savvier with investment dollars. They are asking tougher questions of their teams; and demanding result-driven success. With this new direction, we will see merger after merger in 2020. We will see companies that will collapse on one another, and asset divestitures that will primarily help fund internal cashflow commitments.

The great news is that everyone in the industry is excited about this development. The stalled collective business model needed to be shaken. It needed to be reduced to a simple formula of the creation of positive cashflow and the elimination of unnecessary debt. There needed to be a restructure, and now that everyone can see the light, excitement is starting to rise.

We can expect a huge turnout at this year’s NAPE in February, and although the deals on the ten by ten tables may not reflect the actual



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assets available, the off-market deals will be flying around. I’m expecting a fantastic 2020, and an even better decade. Everyone is ready to make it happen!

Here’s to a very Happy New Year! ☑