ESP Alliance Reduces Operator’s Total Cost of Ownership by 29% and Doubles ESP Run Life

Improving the performance of a large ESP operation in Southeast Asia lowers operating costs and decreases deferred oil by 71%

**CHALLENGE**
Increase profitability and reduce costs related to the maintenance, well servicing, and inventory management of more than 1,300 electric submersible pump (ESP) installations.

**SOLUTION**
Form an ESP alliance partnership, transferring all critical responsibilities for ESP assembly, repair, maintenance, field service, and troubleshooting to Schlumberger to reduce total cost of ownership.

**RESULTS**
Reduced total cost of ownership for ESP-related activities by 29%, doubled average ESP run life, and decreased deferred oil production by 71%.

“By having the industry experts handle the ESP operations and focus on reliability issues, we are now in a better position to focus on optimization opportunities and solutions.”

Production Engineer

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**Operator-managed ESP operations**
An operator in the largest oil field in Southeast Asia was managing its ESP operations internally. Four separate departments were responsible for the maintenance, well servicing, and inventory management of more than 1,300 ESP installations, which included warehousing, equipment repair and assembly, cable repair, installation and pulling, and troubleshooting. The ESP performance was characterized generally by high failure rates and increased operating costs and production losses.

Forming an alliance with a suitable ESP partner was identified as the best strategy to help reduce the operator’s total cost of ownership for its ESP operations. The operator selected Schlumberger as its ESP alliance business partner because of the vast experience and technical expertise that Schlumberger has in delivering ESP equipment and services.

**Strategic ESP business partner alliance**
All critical responsibilities for ESP assembly, repair, maintenance, field service, and troubleshooting were subsequently transferred to Schlumberger. The application of proven processes, innovative techniques, and knowledge accumulated from global experience immediately improved the performance of the ESP operation. As a result, the operator was able to focus on production optimization efforts rather than on remedial work related to ESP failure.

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Critical aspects of ESP operations previously managed by the operator were transferred to Schlumberger, a trusted business partner.
CASE STUDY: Improving the performance of a large ESP operation in Southeast Asia lowers operating costs and decreases deferred oil by 71%

Extraordinary results, exceptional value
With Schlumberger as an ESP alliance business partner, the operator experienced a cumulative reduction of 29% in the total cost of ownership. Barrels of oil lost from production downtime was reduced by 71%. Average run life increased to 445 days from 220 days.

Reducing production downtime was directly related to the reduction of ESP failures, the availability of crews and equipment, and the focused integration of systems and processes related to ESP operations. Continuous improvement of ESP application design, service center and field service processes, root cause of failure identification, and well servicing remedial action all contributed to the increased run life of the ESPs.

A close business partnership between the operator and Schlumberger made the ESP alliance concept a complete success, delivering extraordinary value through a nontraditional approach to managing an ESP operation.

With fewer ESP-related problems, the operator was able to concentrate efforts on production optimization.

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