

LUKOIL Centralizes Project Management Approach For Global Expansion



Development and construction of West Qurna-2 oil fields in Iraq.

The development of the West Qurna oil fields near the Iraqi port city of Basra plays a critical role in the energy future of the region. As one of the largest undeveloped fields in the world, the West Qurna complex is estimated to hold as much as 14 billion barrels of recoverable reserves.

LUKOIL Overseas Group, an integral part of the vertically integrated oil company OAO LUKOIL, signed a 20-year contract in 2010 to develop the West Qurna-2 oil field. Development requires that LUKOIL execute 10,000 to 15,000 project activities simultaneously on 14 major construction and drilling projects.

To achieve its high productivity goals, the company needed a clear picture, in real time, of dependencies between its capital construction, geologic exploration, and sinking projects necessary for the oil-field infrastructure.

On previous oil-field development projects, LUKOIL created project schedules on desktop computers and uploaded them to the project server to be

merged into one big file for each project participant to access.

The quantity and scope of work in West Qurna-2 required the ability to share project schedules intelligently between teams, so LUKOIL decided to shift to Oracle's Primavera P6 Enterprise Project Portfolio Management.

LUKOIL overhauled its old project management approach and moved to a centralized system with the deployment of Oracle's Primavera P6 Enterprise Project Portfolio Management. Parma-Telecom, a Russian consulting company, helped LUKOIL implement the system. The system is used to generate structured project management information and optimize planning, monitoring, and analysis of all engineering and commercial activities—such as tenders, and bulk procurement of materials and equipment—related to oil-field development projects.

With Oracle's Primavera P6 Enterprise Project Portfolio Management, LUKOIL works concurrently and securely



on projects with many team members. The solution helps manage dependencies between projects by enabling the general scheduler to reschedule all projects and subprojects once a week, realigning 10,000 to 15,000 project activities that the company runs at any time. About 30 schedulers and cost managers are able to implement project management procedures on all 14 concurrent, major construction and drilling projects at West Qurna-2.

LUKOIL plans to start oil production in West Qurna-2 by the end of this year or early 2014.

If you would like to read more on this topic, please read the customer snapshot.