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Shale culture change needed: expert

THE former Baker Hughes technology lead who now runs South Australia's world-leading predictive analytics centre has told *Energy News* Australia can realise its shale potential by focusing more on science and skills than the high costs.

[Anthony Barich \(/author/profile/d5a728e4-9176-4e43-be73-9cfabb7c55fc/anthony-barich\)](#)

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Shale rig in the US.

Oil industry lifer Steven Travers, who spearheaded Baker Hughes' operations in the Cooper Basin when the likes of Beach Energy and Chevron Corporation were trying to unlock the Nappameri Trough, is now the Internet of Things Mining and Energy cluster (IoT MER) general manager.

The Australian Information Industry Association-backed centre was launched with Core Energy Group last week.

Travers said that while Australian industry and investors often complained about costs, particularly in relation to unlocking the country's considerable shale gas potential, predictive analytics applied in the US had already shown what leaps can be made using the right technologies.

The US Energy Information Administration has estimated Australia could have up to 396 trillion cubic feet in shale gas resources which, at current production rates a couple of years ago, was equivalent to about 185 years of total Australian gas production.

Travers said predictive analytics could help give clarity to Australian geology that has frustrated investors, who were initially excited by duplicating what happened in the US and have since been disappointed by early results.

Denver-based AOG Analytics, a member of the Adelaide cluster, can predict production from a well 20-30% better than current methods just by using available data from the continental US.

"That's just demonstrating the product. There will be an optimisation level above that as well," Travers said.

He conceded that comparing shale reservoirs and businesses between the US to Australia was a tough ask, as for a long time Australia had artificially high costs because of the exchange rate as its oil and gas business works in US dollars.

Yet Norway showed how businesses could be profitable despite the relatively high costs.

"That's where we need to change the lens we have with Australian oil and gas," Travers said.

"It shouldn't be about 'cheap and cheerful', but about 'what's the best way to be productive', and a lot of that comes through putting quality skills into things and focusing on genuine science and technology, not just 'drill by numbers', not just hoping for things

"Look at what we actually have available out there, go and take a genuinely scientific approach to the plays there, look at the statistical and numerical analysis you've put on it, look at new techniques and technologies, and how we can augment oil field services with drilling and completions as well with them, with the right skills in place.

"Australia should be a genuinely high-tech environment, and you see that offshore, but I think there's a real call for that onshore in Australia as well.

"If you drive activity with the right technology you'll bring your costs down. It's not just about hammering the supply chain, you have to think about it differently and take a genuine science approach."

Coffee club

The new Adelaide hub's role in this culture change is ensuring it is not the pervading "coffee club" culture from which spring plenty of ideas, but doesn't have the physical infrastructure or common ground to collaborate.

"Our position as AIIA through the initiative is to foster collaboration; this can't be a coffee club," he said.

"A lot of ideas come from that, but the AIIA will not hold the IP or derive any revenue from this. It will be our members that do it.

"That has to be an outcome. You don't have to pay to join, but you do have to commit to actually do things and be part of a project team to actually build things.

"The predictive analytics centre will go in as a centre of the Living Lab and connect with different organisations and collaborate to work on things together.

"The Centre of Excellence is set up with functionality to allow people come in and create together, then we can measure the outcomes from that."



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