

Singh brings fresh thinking to ageing fields

Promethean Energy chief sees ample opportunities in acquiring mature assets — and managing end-of-life strategies

Photo: PROMETHEAN ENERGY



RUSSELL MCCULLEY

Houston

SPEND even a short time with Aditya Singh and you start to pick up on a couple of vibes: a restless energy, not uncommon with entrepreneurs, coupled with an engineer's rationality and alertness to potential risks.

These traits could serve Singh well as he looks to scale up Houston-based Promethean Energy, the company he founded in 2018 and where he serves as chief executive, and its Promethean Decommissioning offshoot.

Promethean Energy is a development and production company that began with the goal of acquiring mature offshore Gulf of Mexico fields at a time when most US independents were shifting to onshore shale.

"We started off with a focus on mature assets, with an integrated approach to development and production. No exploration. Because I believed that the world did not need any more exploration," Singh says over lunch at a stylish Mexican restaurant near his office in Houston's Uptown.

Promethean's strategy is "to acquire mature assets, optimise, enhance and extend them," he says: "Throughout, using integrated technology, data management, risk management, best practices, while applying very high environmental, governance and social standards."

The mid-water continental shelf held a lot of these "unloved assets" that he says had been

poorly managed and were operating with uptime rates of about 75% to 80%.

Many were profitable nonetheless, given the US Gulf's favourable economics, but Singh believed that with application of the right technologies and best practices, the uptime rate could be increased to a very profitable 95%, at a modest investment of about \$500,000 to \$1 million per asset.

Optimising assets

In 2018, the company made an unsolicited bid on a portfolio of assets held by a large major "that had not been optimised in years", he says.

"At that time, it was a contrarian strategy because everybody was focused on shale gas, shale oil, US onshore.

"People would tell me, 'You're crazy. Why would you focus on the Gulf of Mexico when everybody else is leaving the Gulf of Mexico?'"

The fact that Singh was launching a start-up could have elicited a similar reaction.

In the middle of the last decade, he was, by most measures, following an enviable career path, one that had led from India to Texas A&M University, where he earned a degree in petroleum engineering. He soon found his footing in the international oil and gas industry, including a succession of increasingly important roles over 13 years at French

major Total, now TotalEnergies. It was one of Total's US Gulf assets that planted the seed for the Promethean business model.

Around 2005, Singh was leading Total's operations at the deep-water Canyon Express system, a subsea tie-back of three marginal fields in the Mississippi Canyon area — Total's Aconcagua, Marathon Oil's Camden Hills and BP's King's Peak, in water depths up to 7200 feet — through one piggable pipeline loop to a shallow-water platform.

Canyon Express was the deepest, longest and perhaps most technically advanced subsea tie-back at the time, but reservoir engineers determined that it would have to be decommissioned as early as 2007, at considerable cost.

Singh and his team implemented an early version of the Promethean field optimisation strategy and managed to extend its life by four to five years, he says.

"After that experience, I always had a strong belief that every field has some late-life management optimisation that can be done if you bring in two things: integrated technologies and a systems viewpoint.

"Every field I looked at after that, I thought, something more could have been done," he says.

Another turning point came in 2009, when Singh took a sabbatical from Total to pursue a master's degree in business

administration at the Massachusetts Institute of Technology — a move the company initially resisted but eventually sponsored, on the condition that he would return to Paris for an agreed period after graduation.

"While at MIT, I really spent a lot of time thinking about and working on what kind of strategies oil companies will need as they move into the future," Singh says.

He was a Sloan Fellow in Innovation and Global Leadership at MIT and worked closely with noted professor Donald Lessard.

"Together, we worked on the issue of how oil companies could remain relevant in the world we were heading into," he says.

Challenging roles

Singh took on some challenging and interesting roles when he returned to Total. But he found it difficult to go back to a giant corporation, he says, after the "world of innovation, technology, ideas and dynamism" he was immersed in at MIT, and with his mentor Lessard's blessing, started laying the groundwork for the Promethean development and production company in 2016.

Decommissioning was "a business model pivot" that necessitated a separate entity to deal with offshore end-of-life issues, he says.

The market for decommissioning over the next 10 years is

estimated to be worth more than \$100 billion for offshore alone, Singh notes.

For these extra-mature assets, "We will not enter into a normal sales and purchase agreement. It doesn't work," he says.

Rather, Promethean Decommissioning offers an end-of-life management service that depends on a fee-based business model, catering to field operators that often lack in-house decommissioning expertise.

Unlike service companies that offer decommissioning, he says, Promethean aims to be "asset-light and service company-agnostic. That allows for the best fit-for-purpose solution".

Decommissioning has "a very strong alignment with delivering on the energy transition", he says.

"People talk about biofuels, solar and wind, but what we are trying to solve is a much bigger problem. You have hundreds of thousands of these late-life fields, and if we are really to transition from oil and gas, these have to be put to bed very responsibly, in a safe and cost-effective way."

Singh has an eye on expanding both sides of the business internationally — the North Sea and Asia-Pacific markets are especially attractive — and would like to take the company public in the next five years.

"That's the goal," he says. "But I'm also told that I'm very ambitious."