



*Bringing technology to life*

# **(Passive) Inflow Control Technology (PICT) Network**

## **Membership Proposal, Conditions & Agreement**

**OTM Consulting Ltd**

PR-3226-01E



## 1 Summary

OTM Consulting Ltd (OTM) has pleasure in inviting you to become a Member of the (Passive) Inflow Control Technology forum (PICT). PICT aims to promote discussion about inflow control technology within the oil and gas industry in order to increase awareness of the capabilities of the technology, share knowledge and experiences and to develop the market.

Membership of PICT is open to any company having an interest in inflow control technology. This will include: operators, contractors, suppliers, research & technology development (RTD) & academic organisations, consultants and independent technology experts. Such wide membership provides value for Members through interaction between the different parties, and will provoke wide-ranging discussion of issues.

PICT membership provides the following benefits:

- Being part of a comprehensive network of operators, contractors and suppliers, together providing a pan-industry focus for inflow control technology in the upstream oil and gas industry
- Attendance at facilitated technical workshops
- Access to a shared knowledge resource through a dedicated website
- Knowledge sharing and lessons learnt amongst Members
- Identification, prioritisation and dissemination of operators' technology needs and gaps
- Access to proposals for innovative solutions at workshops etc...
- Is complementary to, and adds value to other initiatives in this sector
- Low cost to Members

The standard membership period is 2 years with membership fees currently at £3,000 (pounds sterling) per annum (£6,000 for 2 year membership).

Members can withdraw their membership at any time by written notification to OTM. Membership will cease at the end of that membership period.

Any queries regarding this proposal or the attached membership form should be addressed to Annie Hairsine, Associate Director at OTM Consulting Ltd (Tel: +44 1483 598000, e-mail: [annie.hairsine@otmnet.com](mailto:annie.hairsine@otmnet.com)).

## 2 About PICT

PICT started as an idea from Eric Lauritzen who attended an ETF (Expandable Technology Forum) meeting in 2007 and liked the set-up and deliverables of the ETF. Eric indicated that a similar industry force should be organized for inflow control technology, and thus PICT was born. PICT has initially been aimed at passive inflow control technology, however, it is understood that general inflow control could be the focus in subsequent meetings.

PICT's mission is to be the primary worldwide knowledge sharing forum for inflow control technology.

PICT's specific objectives are:

- To increase awareness of inflow control technology and the business value of the technology throughout the industry
- Establish an unbiased forum for exchange of technical information pertaining to (passive) inflow control
- Identify contributing primary contacts within operators and service companies
- Through discussions at workshops and from presentations, establish evaluation criteria and standards for application. Establish differentiators between conventional, passive, and active technologies.
- Through discussions at workshops and from presentations, identify challenges for successful technology adoption and deployment, and discuss methods and practices to facilitate the technology.
- Identification of technology needs and gaps.

The individual PICT meeting objectives are:

- Service company orientation of current available products and services to review existent technologies, and what the oil industry can expect in the future. This will offer the opportunity for service companies to share their individual future vision for where they plan on taking the technology and allow operators to feed back their thoughts, requirements & general comments.
- Operator case studies. Success stories, failures and lessons learned. Additionally, operators should share criterion for technology applicability and selection.
- Modeling discussions: Near well bore static nodal analysis vs. transient reservoir modeling
- Value-added criterion and interpretation
- Open Q&A

### **3 Membership services**

Dedicated project management resources will be provided to PICT by OTM. The OTM project manager will provide a single point of contact for Members on all PICT matters

#### **3.1 Provision of secretariat**

OTM will provide a comprehensive secretariat for PICT, including the following services:

- Resolving contractual membership issues with PICT members
- Providing a single point of focus for queries
- General liaison with, and assistance to, the Membership
- Maintenance of project mailing list(s)
- Document control
- Liaison with related initiatives as required
- Widening PICT membership

#### **3.2 Workshops**

Workshops will be convened approximately every 6 months in suitable global centres of the industry (e.g. Middle East, Europe, Asia Pacific, USA etc.) according to the preferences of Members.

The meetings will be two days in duration and will consist of facilitated discussions. The facilitated discussions will include subjects such as case studies, lessons learnt, technology needs, technical standards etc...

##### **3.2.1 Hosting**

Workshops will be hosted by member companies, who will need to provide a room with space for seating up to 150 people, presentation facilities (OHP, flipchart and digital projector) and refreshments. In the event of conference facilities not being available of the size required, then hotel facilities will be sought to accommodate the number of attendees. OTM will advise hosts on requirements.

##### **3.2.2 Administration**

OTM will liaise with the host at least 6 weeks before the meeting to confirm the arrangements for the upcoming meeting and to obtain venue and travel details. OTM will prepare meeting materials such as agenda, name badges, attendee list, maps and joining instructions and will post presentation slides on the PICT website.

##### **3.2.3 Facilitation**

It is expected that a chairman who is a technical expert on the issues being discussed, will be appointed from amongst the members of PICT. Alternatively, and when appropriate, the OTM project manager will chair the meeting. OTM's facilitation of the meetings will include break-out group discussions, keynote sessions and other activities where appropriate and where suggested by the meeting chairman.

#### **3.3 Website**

A dedicated PICT website will be established with a public-access area and Members-only area protected by password. It will be created and maintained by OTM and will provide:

- Promotion of PICT, stimulating membership (public-access)
- Encouragement and guidance for suppliers to submit innovative proposals (public-access)
- Details of up-coming meetings (public-access)



- Central shared knowledge archive (Members-only access)
- Central database of Members with contact details (Members-only access)
- Calendar of events
- Links to other relevant sites

#### **4 Deliverables**

Deliverables will include the following as a minimum:

- General administration of the PICT forum and Membership
- Facilitation and delivery of workshops
- Development & maintenance of group website

#### **5 Membership fees**

Membership is subject to the attached Membership Conditions.

The membership fee for the two year period (e.g. 1<sup>st</sup> April 200X to 31<sup>st</sup> March 200X+2) is six thousand pounds sterling (£6,000) plus VAT where applicable. The fee may be reviewed in subsequent years.

Costs incurred by the Members in connection with meetings shall be the responsibility of each Member.

#### **6 Contacts**

Please contact the following with any queries on this proposal:

Annie Hairsine

Associate Director

OTM Consulting Ltd

44 Quarry Street, Guildford GU1 3XQ, UK

Tel: +44 1483 598000, Fax: +44 1483 598010

E-mail: [annie.hairsine@otmnet.com](mailto:annie.hairsine@otmnet.com)

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# PICT Membership Agreement

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OTM shall provide Services as set out in PR-3226-01E. The Member shall participate in and contribute to PICT in a professional, fair and responsible manner in accordance with PR-3226-01E.

This Agreement shall take effect following its signature by both OTM and the Member. Any Member may terminate this Agreement by written notification to OTM. Termination will take effect on 31st March of the (2 year) membership period in which notification was received by OTM.

The member shall adhere to the terms and conditions of OTM proposal number PR-3226-01E with respect to schedule, scope of work, payment amounts and dates, and all other provisions. Any changes to this Agreement shall be agreed in writing between the Parties.

This Agreement shall in all respects be construed and take effect in accordance with English Law.

## 1. Introduction

PICT is an association of companies whose aim is to: *"promote discussion about inflow control technology within the oil and gas industry in order to increase awareness of the capabilities of the technology, share knowledge and experiences and to develop the market"* The organisation consists of member companies (members) and administrative services are provided by OTM Consulting Ltd (OTM).

Please contact Annie Hairsine at OTM for additional information: UK office: 44 Quarry St. Guildford, GU1 3XQ, UK. [annie.hairsine@otmnet.com](mailto:annie.hairsine@otmnet.com) ; +44 1483 598000

## 2. Organisation

On being accepted as a full member of PICT, the member company shall appoint a representative. All members have equal representation in decision making. The representatives shall have power to:

- decide on changes to the PICT objectives and workscope,
- agree any changes to members' and OTM's obligations,

Decisions shall be made by the representatives by simple majority vote (with  $\frac{2}{3}$ 's voting).

## 3. Membership fee

The membership fee for the two year period (e.g. 1st April 200X to 31<sup>st</sup> March 200X+2) is six thousand pounds sterling (6,000 Great

British Pounds). The fee may be reviewed in subsequent years.

The fee is payable every other April for the duration of PICT and where applicable, is subject to UK VAT at the prevailing rate (currently 17.5%). When paid in other currencies the fee shall be calculated using the exchange rate given by HM Customs & Excise in the UK.

## 4. Membership term

To become a member, a company must complete the attached application form and submit to OTM. The application will be considered and OTM will inform the applicant by e-mail of the decision. A company shall be considered a full member, and subject to these membership conditions from the date of this confirmation.

Any member may terminate membership by written notification to OTM. Termination will take effect at the end of the membership period in which notification was received by OTM.

## 5. Obligations

Members shall participate in and contribute to PICT in a professional, fair and responsible manner.

OTM will use its reasonable endeavours to ensure that PICT is managed as specified in the membership proposal.

OTM shall not be held responsible for errors, failures or omissions in execution of PICT, which are due to the Member not meeting their obligations under these membership conditions.

Costs incurred by the Members in connection with meetings shall be the responsibility of each Member.

## 6. Liabilities

Members agree to hold harmless all parties, in the event that any information contained in the results not owing to any error, failure or omission of OTM, prove to be the cause of any loss or damage to a party.

Members agree to limit the liability of OTM, in the event that any information contained in the results owing to any error, failure or omission of OTM, proved to be the cause of any loss or damage to member, to the cost of re-work of the services provided by OTM.

These membership conditions shall also extend to the members' respective affiliates.



# Membership Agreement

**Parties:**

..... (the Member)

and

OTM Consulting Ltd (Registered No. 2856199) having its registered office at 44 Quarry Street, Guildford GU1 3XQ UK ('OTM').

**Project:**

Passive Inflow Control Technology (PICT) network management, as more fully described in PICT Membership Proposal, Conditions and Agreement, PR-3226-01E, dated 21<sup>st</sup> August 2008 (the Project)

Signed:

For OTM:

Christopher Dudgeon.....

Managing Director..... (Title)

For Member:

.....

..... (Title)

..... (Date)