

E&P Daily

EXCLUSIVE NEWS SERVICE FOR THE GLOBAL OIL AND GAS INDUSTRY

Maria 1H 2018 start-up push

Germany's Wintershall is so pleased with progress on the Maria field development offshore Norway that the operator says the project could come onstream ahead of schedule in the first half of 2018.

"The Maria project has so far had very good progress. If this continues, a startup in the first half of 2018 could be possible. With the drilling of the reservoir, we will be passing another critical milestone that moves us a step closer to first oil," said Mehren.

"Wintershall believes in Norway. We have invested heavily in the country and are now developing a field that will continue to return value to Wintershall and Norway for many years to come. I am proud to see the field begin to take shape. Maria is a fitting symbol of our long-term commitment to Norway."

Maria is Wintershall's flagship development in Norway. Drilling of the six wells on the field started in March and the top holes are now complete. Drilling towards the reservoir section is underway, the operator said.

Drilling on the field started in March and is due to last up to 580 days. Some 68km of pipelines and two subsea templates have already been installed with the remaining installations due in 2017. Platform modifications to Kristin and Heidrun, and other offshore marine work is ongoing.

Located in the Haltenbanken Area of the Norwegian Sea, the Maria reservoir will be linked via subsea tieback to three existing platforms in the area (*for full story see Hot News at www.ogilviepub.com*).

Norway launches APA 2017

Norway's Ministry of Petroleum and Energy (MPE) has launched this year's licensing round for mature areas on the Norwegian Continental Shelf (NCS) – Awards in Predefined Areas (APA) 2017.

In the APA 2017 round, the predefined area has been expanded to a total of 87 blocks, with 34 blocks up for grabs in the Norwegian Sea and 53 blocks in the Barents Sea.

The expansion includes blocks in the western Norwegian Sea and areas around Wisting, Alta and Gohta in the Barents Sea, said the MPE.

The deadline to submit bids is noon on 1 September 2017.

The plan is to award new production licences at the start of 2018.

Seadrill's \$225m triple rig sale

Seadrill has sealed a deal with Shelf Drilling to sell the *West Triton*, *West Resolute* and *West Mischief* for US \$225m.

The *West Triton* and *West Resolute* are scheduled to be delivered to Shelf Drilling by the end of May 2017, while the *West Mischief* will be delivered during Q3 2017 after completion of its current drilling contract with NDC in Abu Dhabi.

"The total debt outstanding on these three units is \$102m, providing excess sale proceeds of \$123m," Seadrill said.

The carrying value of the three units totals \$415m. A loss on disposal of \$190m is expected to be realised for Q1 2017, the company added.

Chile plans tight gas drilling

Chile's state-owned ENAP is gearing up to start its first horizontal drilling in tight gas plays this year.

ENAP will drill the multi-frack stage well with its US partner ConocoPhillips on the project in the Magallanes Basin's Coiron Block in the far south of Chile.

The horizontal well will be drilled "by the end of the year," ENAP's general manager, Marcelo Tokman, said last week at the ARPEL 2017 conference in Uruguay.

ENAP and ConocoPhillips joined forces last June and agreed to invest US \$100m in the first four years of the project.

Tokman said the partnership with ConocoPhillips, one of the world's biggest shale producers, had brought it knowledge about drilling in unconventional plays, helping to speed up its learning and cut per-well costs by 50% over the past two years. Magallanes has more than 235 Bcm (8.3 Tcf) of tight gas resources, according to a 2016 estimate by the US Geological Service.

BRENT/WTI LATEST PRICE

Oil up on Russia/OPEC news

Oil rose on news of lower Russian output and expectations that major OPEC exporters would extend output cuts into the second half of the year. The prices at 10.30 GMT, compared to the previous London close, were as follows:

WTI Jun \$49.15 a bbl +31c



Brent Jun \$51.99 a bbl +47c



Bristow starts Norway work

Bristow Norway started helicopter operations on three five-year contracts out of its new base at Florø, Norway, on 1 May – with the work supporting operators Statoil, Engie and Shell.

The Engie contract covers helicopter transportation to the *Gjøa* semisubmersible unit, while the Shell flights will go to the *Knarr* FPSO.

Also on 1 May, Bristow Norway started a new five-year contract at its well-established base in Bergen, Norway, supporting Statoil.

OGA awards deals

The UK's Oil and Gas Authority (OGA) has awarded US \$1.9m (£1.5m) of contracts “to encourage further exploration in under explored areas of the UK Continental Shelf (UKCS)”.

“The datasets purchased will underpin much of the OGA's work across the exploration and production (E&P) lifecycle including; promotion of future licensing rounds and undeveloped discoveries, regional exploration projects, area strategies and asset stewardship,” said the OGA.

Four of the contracts will result in the data purchased being made freely available to the general public, industry and academia. In total eight contracts were handed out:

- * APT: West of Shetlands geochemical database
- * Belltree: Reservoir benchmarking
- * CGG: Well logs and key databases
- * Geostat: Jurassic stratigraphy of the Central North Sea
- * Getech: UKCS satellite gravity data
- * Hannon Westwood: Prospect and lead database
- * IHS Markit: Fields and discoveries database and prospect and lead database
- * IKON: Rock physics studies

New Walk-to-Work system

Ampelmann has designed its new ‘S-type’ Walk-to-Work system “as a cost effective and safe option in the transportation of workers and luggage to and from offshore platforms”.

Ampelmann launched the new Walk-to-Work system as an alternative to using helicopters or baskets.

“In total, the cost of using the system will be around 30% cheaper than helicopters,” the company said (*for full story see Hot News at www.ogilviepub.com*).

Libya output hikes

Libya's crude oil production rose to more than 700,000 b/d as the OPEC member's largest oil field and another project restarted output after a shutdown.

The Sharara field is currently producing 216,400 b/d, while the El Feel (Elephant), field is producing 26,500 b/d and is expected to rise further, Jadalla Alaokali, a board member at state-owned National Oil Corp (NOC), told Bloomberg.

Crude from Sharara started flowing to the Zawiya refinery after the port of Zawiya re-opened last week following a three-week closure. El Feel, idled since April 2015, also restarted last week.

Clashes between armed groups and closures of fields have disrupted output as the country with Africa's largest crude reserves struggles to revive its most important industry. Fighting in early March led to the closing of two of Libya's main oil terminals, forcing a number of fields to stop pumping. The ports have since reopened.

OFS outlook: mixed fortunes

The oilfield service (OFS) industry can, at times, be intimidating in its complexity and depth, said consultants Douglas-Westwood (DW) – with the outlook for the sector showing “mixed fortunes”, noted DW.

“Furthermore, mega-mergers (eg GE-Baker, Technip-FMC, Wood Group-Amec Foster Wheeler) have created a supply chain that no-longer has homogenous competition that can be easily-grouped and segmented. All the leading players in OFS now have a materially different business mix and service line provision,” added DW.

“The overall story is one of mixed fortunes for the OFS sector. A North American led recovery in onshore drilling activity is expected to boost the onshore Drilling & Well Services (D&WS) sector over the coming years, while offshore spending is likely to be sluggish in rebounding,” said DW.

DW said that data shows strong growth for D&WS expenditure through to 2023, with a cumulative total of US \$1.6 trillion to be spent – 76% of which is allocated to the onshore sector.

“Oilfield equipment, on the other hand, is expected to see stagnation in terms of dollar demand through to early next decade before signs of a recovery emerge,” DW added (*for full story see Hot News at www.ogilviepub.com*).

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