

New engineers at InterMoor

InterMoor has appointed two new engineers, with Nick Callaghan and Cristian Maxim joining the company's UK unit.

Callaghan joined InterMoor UK as a senior structural engineer with responsibility for development and delivery of structural engineering within the Aberdeen team.

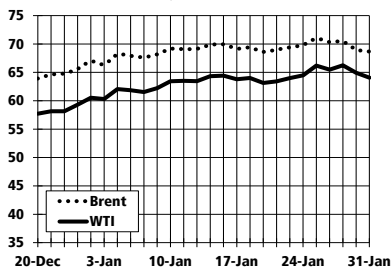
The company also appointed Cristian Maxim as a senior naval architect who would be in charge of providing engineering consultancy in the areas of naval architecture and structural engineering.



OIL WATCH

Latest prices

Brent/WTI Crude Price
(US \$ per barrel)



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Spirit plans Chiswick probe

Spirit Energy is planning to “extend the life of one of its key North Sea fields by tapping into new reserves this year”, with a new well being lined up at the **Chiswick** field in the UK Southern North Sea.

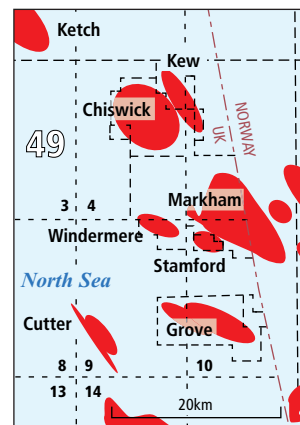
The probe will cost Spirit US \$106.1m (£75m) and the well is being designed to bring onstream an additional 1.42 Bcm (50 Bcf) of gas reserves.

The well will be drilled by Noble’s *Hans Deul* jack-up rig, one of five rigs Spirit has on hire in 2018. This figure accounts for 10% of the total number of rigs working offshore Europe. The infill well at Chiswick, which first came onstream in 2007, will be the fifth well drilled in the field, and the first since 2010. The *Hans Deul* rig will start preparatory work at Chiswick in April.

The Chiswick field is part of Spirit’s **Greater Markham Area**, which also includes the **Markham, Grove and Kew** fields. The Greater Markham Area fields produced a combined 651.56 MMcm (23 Bcf) of gas net to Spirit in 2017.

Fraser Weir, director of North Sea at Spirit, said: “Having already produced billions of cubic feet of gas since coming onstream 11 years ago, we are delighted that the hard work and collaboration of our teams in both the UK and the Netherlands has led to us continuing our investment in the Chiswick field and extending the life of a key part of our portfolio.”

continued on page 3...



Blackstone earmarks \$1 Bn for NCS

Big hitting investment player Blackstone has agreed to invest up to US \$1 Bn into Mime Petroleum, which has a main focus of “finding value in existing fields and licences on the Norwegian Continental Shelf (NCS).”

Mime Petroleum is a new independent development and production firm that was established in 2017 by Blue Water Energy and Sverre Skogen, chairman and CEO of Mime.

Mime will acquire assets available on the NCS and pursue production optimisation, developments and near-field exploration opportunities.

Skogen was executive/non-executive chairman of Det norske oljeselskap (now Aker BP). The core management team is comprised of five executives who previously worked together building DEA Norge’s upstream business, along with Harald Grøsfjeld who joined as CFO with over 29 years experience in the oil industry.

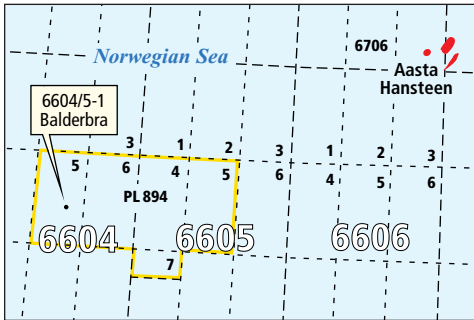
Mustafa M. Siddiqui, senior managing director at Blackstone, and Kjell-Erik Østdahl, senior advisor at Blackstone and former executive vice president for operations at Schlumberger, will join the board of Mime.

Skogen said: “Whilst Blue Water Energy has provided strong strategic and financial support to date, this is now significantly enhanced in combination with Blackstone. Mustafa Siddiqui and his team are a welcome addition and I am looking forward to working with both parties on delivering the vision we have for Mime Petroleum. There are a lot of high-quality opportunities on the NCS, and, with two of the foremost energy investors behind us, we are well positioned to take advantage of these.”

Siddiqui added: “We are delighted to be backing Sverre Skogen and the Mime Petroleum team. With \$15 Bn of capital invested in the energy sector, we continue our track record of supporting top management teams with the growth capital and resources to build energy industry champions. We and Blue Water Energy have enjoyed a successful partnership in the UK and we look forward to replicating that success in Norway.”

NORWAY

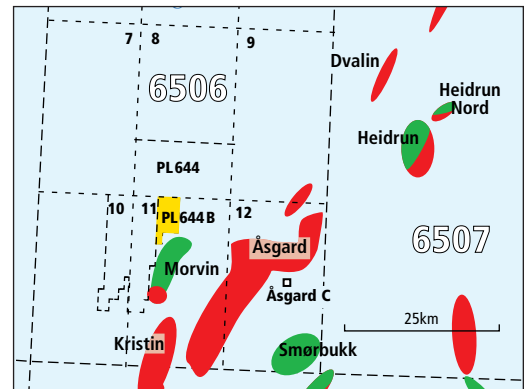
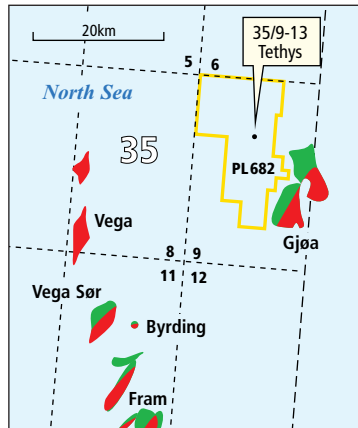
- Wintershall is drilling ahead with exploration well **6404/5-1** in **Production Licence 894** (PL 894) in the Norwegian Sea. The probe is being drilled using the *West Phoenix* semi-submersible rig, which is operating at a water depth of 1,219m (4,000ft). The well was spudded on 10 January.



- Aker BP is drilling ahead with exploration well **24/9-12 S** on **PL 340** in the Norwegian sector of the North Sea. The probe is being drilled with the *Transocean Arctic* semisubmersible rig

at a water depth of 120m (394ft). The well was spudded on 29 December 2017.

- Spirit Energy Norge is pushing ahead with exploration well **35/9-14** on the **Tethys** prospect using the *Songa Enabler* semi-sub rig. The probe lies in the Norwegian North Sea at a water depth of 365m (1,198ft) and was spudded on 25 December 2017. The well is located in **PL 682**.

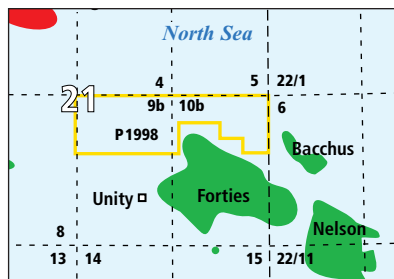


- OMV is continuing operations with exploration well **6506/11-10** in the Norwegian Sea. The probe is located in **PL 644 B** and was spudded on by the *Deepsea Bergen* semisub rig on 28 November. The well has a water depth of 342m (1,122ft).

- Statoil is drilling ahead with the **30/8-5** appraisal well on the **Tune** field in the Norwegian North Sea using the *Deepsea Atlantic* semisubmersible rig. The probe was spudded on 3 December at a water depth of 92m (302ft). The well lies in **PL 190**.

UNITED KINGDOM

- Apache has spudded exploration well **21/10b** on the **Val d'Isere** prospect using the *WilPhoenix* rig. The well was spudded on 21 December 2017 and has reached a depth of around 3,657m (12,000ft).



THE NETHERLANDS

- Engie is drilling ahead with exploration well **L/10-39** using the *Ensko 101* rig. The probe started drilling on 17 November.

Offshore Market

Offshore sector on the up

The offshore market is recovering, according to consultants Westwood Global Energy.

“However, pricing pressure is absent. The industry simply built up too much capacity for the expected level of activity, leading to an oversupply of rigs, construction vessels, and support vessels. This is good news for E&P companies that can now take advantage of rock-bottom pricing when sanctioning new developments,” said Steve Robertson, head of Oilfield Services at Westwood.

“Activity levels are certainly showing encouraging trends.

A total of 17 FPS units were ordered in 2017 (compared with zero orders in 2016), and a further 19 units are expected to be ordered this year, according to the latest online data in Westwood’s SECTORS.

“E&P companies are starting to report that some deepwater projects have more favourable project economics than shale, with Hess in recent weeks citing the example of Liza Phase 1 in Guyana requiring circa \$35/bbl in order to break even, with a comparable onshore project in the Delaware Basin requiring \$45/bbl.

“Guyana has proven a huge success for ExxonMobil and its partners, with further encouraging discoveries (the sixth, Ranger, was announced this month) with proven reserves standing at 3.2 Bn bbl, excluding Ranger. A second FPSO for Liza, with a production capacity of up to 200,000 b/d, is expected to be ordered in 2019.

“Looking forward, Westwood is tracking 39 FPS units currently under construction, and has identified nearly 100 further FPS deployment prospects in the coming years. The summary is cautious optimism for the offshore sector as we enter 2018, and an opportune moment for E&P companies to be sanctioning projects,” Robertson added.

Onshore Europe

OMV looks for Austrian reserves

OMV is stepping up geological

survey work in Austria.

The geological surveys cover an area of 600sq km north-east of Vienna at a depth of 4,000-6,000m (13,124-19,686ft), OMV said.

OMV is a shareholder in Gas Connect Austria, operator of Austria’s Baumgarten gas hub, which handles around a third of Russian gas transported into Europe.

Spirit plans Chiswick probe

...continued from page 1 “This is just one part of a busy rig programme for Spirit Energy in Europe this year, as we explore for fresh discoveries, maximise the potential of existing fields and plug wells which have ceased production,” added Weir.

Commenting on the news, chief executive of industry body Oil & Gas UK, Deirdre Michie, said: “Spirit Energy’s

announcement provides evidence that recent merger and acquisition activity is driving much needed capital investment into the UK Continental Shelf. Its infill well in the Chiswick field adds more momentum behind efforts to increase recovery from the basin, highlighting the continued appeal of investment in brown field reserves which we expect to see more of throughout the year.”

Statoil eyes Verbier appraisal

Statoil plans to drill an appraisal well on the **Verbier** oil discovery in the Outer Moray Firth of the UK Central North Sea (CNS).

Statoil operates UK licence **P.2170 (Blocks 20/5b and 21/1d)** in the CNS, which contains the Verbier discovery and the **Cortina** prospect. The partners are: Statoil (70%), Jersey Oil and Gas (18%) and CIECO V&C (12%).

The partners have approved a work programme and budget for 2018. “The approved work programme and budget includes an appraisal of the recent Verbier oil discovery and contingent well planning including the acquisition of a site survey to progress exploration activity on the licence area. Negotiations

are advanced with respect to contracting a rig for the Verbier appraisal well programme, which plans for one well and an option for a sidetrack well, to be drilled in summer 2018,” Jersey said.

Andrew Benitz, CEO of Jersey, said: “We are pleased with the progress being made on the post-discovery technical work being undertaken by the P.2170 joint venture partnership and that plans to appraise the Verbier oil discovery have been confirmed. As noted previously, initial operator estimates of gross recoverable resources associated with the Verbier discovery are between 25m and 130m boe, with an estimated mean of 69m boe.”

Eni spuds Black Sea well

Italy’s Eni reports that an exploration well in the Russian sector of the Black Sea is drilling ahead despite reports to the contrary.

Eni’s chairwoman Emma Marcegaglia had told the recent World Economic Forum in Davos that the company had suspended the drilling due to US sanctions, in comments that Rosneft denied – and Eni itself later clarified, Reuters reported.

“I would like to clarify that the exploration well in the Black Sea is being drilled as planned,” Marcegaglia said through a spokesman later in the day. “What I was saying is that we are continuously monitoring (in order for) our activities (to be) compliant with existing sanctions,” she added.

US energy sanctions have been focused on high-tech Russian energy projects, such as drilling for oil in the Arctic, fracking and offshore drilling. The boycott has blocked US companies

like ExxonMobil from investing in such projects.

Kremlin-controlled big hitter Rosneft said in December it had started exploration drilling in the Black Sea.

In her earlier comments, Marcegaglia said Eni’s main concern was that it understood and complied with the US sanctions because it has shares listed on US exchanges.

“We will try to understand a little bit better what we should do. We have to be absolutely compliant with the US authority because we are also listed in the US,” she told a session attended by Russian officials and business people, Reuters added.

“There are no reasons to stop the work at the well,” said Rosneft spokesman Mikhail Leontyev. When asked whether drilling on the project was still under way, Leontyev said: “Of course.”

Wellesley hires semisub

Norway’s Wellesley Petroleum has sealed a deal with Transocean for a firm three-well contract using the *Transocean Arctic* semi-submersible rig.

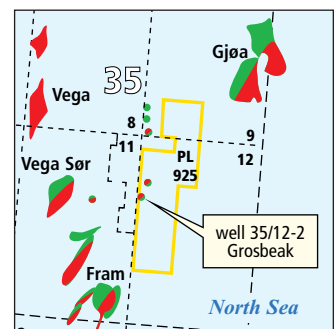
The deal is due to start on 1 June 2018. The *Transocean Arctic* will be used to drill an exploration campaign in the Måløy Slope area of the Northern North Sea (**Blocks 35/11 & 12**) offshore Norway, Wellesley said.

The rig will drill two exploration wells in **Production Licence 925**, which is operated by Wellesley with a 90% stake, while Concedo holds the remaining 10%.

Wellesley is also planning to drill another exploration well to test an extension of the **Grosbeak** discovery, which is currently classified as a stranded find but the hope is to find an

extension to boost reserves and improve commerciality.

Chris Elliott, CEO of Wellesley, said: “We are pleased to have secured a warm drilling rig to execute our campaign, which will be conducted in an area we believe to be highly prospective. Well planning is progressing and we are working with our partners and the relevant authorities to deliver a robust campaign plan.”



Spirit gets Tethys nod

Norway’s Petroleum Safety Authority (PSA) has given Spirit Energy the green light to drill an exploration well on the **Tethys** prospect in the Norwegian North Sea using the *Songa Enabler* semi-submersible rig.

The **35/9-14** well lies in **Production Licence 682 (PL 682)**, which is operated by Spirit with a 30% share, while the other partners are: Capricorn Norge (30%), Petoro (20%) and Wellesley Petroleum (20%). The area in the licence consists of the central and northwestern parts of **Block 35/9**.

Spirit has already been given a drilling permit for the well by the Norwegian Petroleum Directorate.

Spirit received consent for exploration well **35/9-13** in 2017, but had to plug this well due to technical problems. Well 35/9-14 will be identical to well 35/9-13 but lie just 30m (98ft) from it. The water depth at the new well site is 365m (1,198ft).

Drilling is due to start this month and is expected to last for 30 days. Any possible sidetrack work or well testing will be in addition to this time frame.

UK Eider platform evolution

TAQA is transforming its **Eider** platform into a utility platform to enable continued production from the **Otter** field as part of its strategy to maximise economic recovery and extend the life of its oil and gas fields in the UK Northern North Sea (NNS).

The life extension involves converting the TAQA-operated **Eider Alpha** platform, which is no longer economically viable as a production platform, into a utility platform. Such a move would extend the life of TAQA's wider NNS infrastructure in the coming years, TAQA said.

A bypass project was completed in late 2017 and now redirects output from the Otter field, which previously produced to Eider, to the TAQA-operated **North Cormorant** platform. As a result, the life of both the Otter field and the North Cormorant platform wells are being extended, TAQA added.

Production on Eider stopped in early January and the transition to utility mode will take place during 2018.

Donald Taylor, TAQA Europe's managing director, said: "In utility mode Eider will continue to provide power, chemical and system support to enable production from the Otter field, which continues to provide significant value to our business. In addition, a plug and abandonment programme on the Eider wells is currently underway, with a planned removal of all significant hydrocarbons from the platform during the second half of 2018.

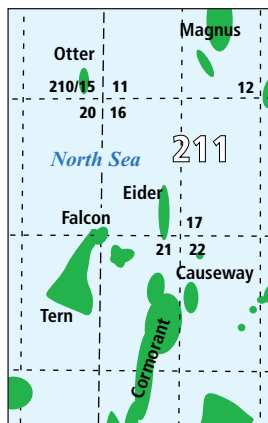
"We recognise that moving to utility mode will mean

reduced manning is required on the Eider platform. We have maintained regular communications with all crewmembers and have committed to redeploy all TAQA staff not required for utility mode on Eider, across our operations, maintaining experience and expertise within our business. We are also working closely with our contractor companies to retain and redeploy crew where possible."

"The operating model for Eider in its new role is focused on supporting reliable operations at reduced expenditure levels and ultimately on securing a safe and successful future for TAQA's northern North Sea business," Taylor added.

Brenda Wyllie, West of Shetland and Northern North Sea Area manager at UK regulator Oil and Gas Authority (OGA), said: "The OGA has agreed to these changes, firstly the transitioning of Eider from its production phase into a utility platform and welcomes the reduction of operating expenditure from the system; secondly, the re-routing of the Otter field's production has been a vital step to deliver the maximum economic recovery from the field."

Oil & Gas UK's upstream policy director Michael Tholen said: "TAQA's successful bypass project and planned transformation of the Eider Alpha platform into a utility platform provides the company with a firm footing for its future operations in the northern North Sea. This sort of infrastructure project will help the UK to make the most of its own energy resources for decades to come."



Sverdrup units installed

K2JV, a joint venture between KBR and Kvaerner, has installed four main accommodation modules on Statoil's **Johan Sverdrup** Utility and Living Quarter (ULQ) platform topside offshore Norway.

The arrival, lifting and installation of the four modules onto the ULQ topside was the final delivery milestone, said KBR, adding that the modules, with a combined weight of 2,523 tonnes, were fabricated and delivered by K2JV's sub-contractor Apply Leirvik at its yards in Aslaksvik, Norway, and at Emtunga in Sweden.

Leirvik is also manufacturing the platform's helideck, heli-

hanger, and heating, ventilation and air conditioning modules, which will be delivered and installed by the end of April 2018.

The project has now moved into the mechanical completion phase of work, and the start of commissioning activities is planned for March 2018. The topsides sailaway remains on schedule for February 2019.

K2JV signed a contract with Statoil for the complete delivery of the ULQ platform topside to the Johan Sverdrup field development in June 2015. The agreement to deliver the deck for the ULQ platform had an estimated value of around US \$867.7m (NOK 6.7 Bn).

Columbus FDP by 2019 possible

Serica Energy is continuing "to work with its partners and neighbouring infrastructure owners" with regard to development solutions for the **Columbus** field in the UK Central North Sea.

Engineering design work and commercial negotiations are progressing on two alternative offtake routes: a subsea development via a future pipeline operated by the **Arran** field owners tying into the Shell-operated **Shearwater** platform;

and a drilling an extended reach well from the Chrysaor-operated **Lomond** platform.

"The Columbus partners intend to make a decision on the optimum route and submit a Field Development Plan by the end of the first half of this year. Depending on the route selected, first production could be as early as 2019, or in the case of the Shearwater option, 2021," Serica said.

Subsea 7 wins Castberg job

Subsea 7 has won "a sizeable contract" from Statoil for the **Johan Castberg** field development, which lies 240km from Hammerfest in Norway.

The contract includes the design, coating, fabrication and installation of a 53km rigid flowline including 34km of pipe-in-pipe flowline.

Project management and engineering will start immediately at Subsea 7's offices in Stavanger, Norway. Fabrication will take place at Subsea 7's spoolbase at Vigra, Norway and off-

shore operations will be carried out in 2020.

Phil Simons, Subsea 7's vice president North Sea and Canada, said: "We are pleased to have been awarded this key project by Statoil and to be part of the further development of the oil and gas infrastructure in the Barents Sea, delivering regional content in the North of Norway."

Subsea 7 defines a sizeable contract as being worth between US \$50m-150m.

Baker bags Danish Tyra deal

Baker Hughes, a GE company (BHGE), has sealed a deal with Maersk Oil to support the redevelopment of the **Tyra** field development project in the Danish sector of the North Sea.

BHGE will deliver an integrated scope of turbomachinery equipment for the topside production facility on the Tyra project, including seven compression trains featuring BCL centrifugal compressors driven by GE Power high-speed electric motors; three gas turbine generator sets; and two turbo expanders.

The compressor technology uses an Active Magnetic Bearing (AMB) solution for both driver and driven equipment, and BHGE will supply AMB applications through a license-based partnership with SKF, manufacture and sale of active magnetic bearings and magnetic bearing control technologies.

The redevelopment of Tyra, which lies 225km west of Esbjerg, will cost around US \$3.36 Bn and will protect and reju-

venate important Danish North Sea infrastructure, Baker said.

Tyra is expected to produce around 60,000 boe/d at peak and the redevelopment could produce more than 200m boe of additional reserves. Around two thirds of the production is expected to be gas and one third will be oil.

“Adopting an AMB and high-speed electric motor configuration provides Maersk with an optimised, oil-less solution that eliminates lubricant materials and reduces the weight, footprint and maintenance costs for the equipment on the platform’s topside,” BHGE said.

BHGE will supply the aeroderivative gas turbine, which is derived directly from GE Aviation’s aircraft engines and is a lighter, compact and more efficient option.

The equipment will be manufactured, packaged and tested in the BHGE Turbomachinery & Process Solutions centres of excellence of Florence, Italy and Le Creusot, France.

Licensing

RockRose backs out of North Sea duo

UK-based RockRose Energy has pulled out of talks with Maersk Oil North Sea UK to acquire equity in the **Scott** and **Telford** fields in the UK North Sea.

The companies started talks regarding the sale of Maersk Oil’s stakes in three UK fields, Scott (5.16%), Telford (2.36%) and **Wytch Farm** (7.43%), in 2016.

An agreement for the sale of stakes in these three fields was signed in December 2016 but it was conditional upon the regulatory permissions from the UK’s Oil and Gas Authority (OGA) and also third party consents.

In June 2017 the OGA said that Maersk Oil North Sea UK would receive its consent for the assignment of its interest in licence **P218**, which holds the Scott and Telford fields, to RockRose.

However, before a deal was agreed, several partners in the onshore Wytch Farm field exercised their pre-emption rights. This left Maersk and RockRose to work on a deal for the Scott and Telford fields.

On 26 January, RockRose said was withdrawing from the deal, saying that despite support from the OGA, the gaining of partner consent would have required material changes to the terms of the Maersk deal which would see the deal becoming unattractive to shareholders.

The Scott platform, which came onstream in 1993, produces oil and natural gas from the Scott, Telford and **Rochelle** fields. Scott lies 188km northeast of Aberdeen at a water depth of 140m (459ft).

The Scott project comprises two independent bridge linked platforms each supported by steel jackets. The two platforms are the drilling and process platform and the utilities and quarters platform. Oil from the Scott platform is exported via the Forties pipeline to the Kinneil Terminal in Scotland. Natural gas is exported via the SAGE pipeline system.

Discovered in 1991, Telford is located 9km south of the Scott platform in **Blocks 15/21a** and **15/22**. It was developed via a number of subsea wells tied-back to the Scott installation.

Drilling

Statoil gets Norway well work nod...

Norway’s Petroleum Safety Authority (PSA) has given Statoil consent to use two Island Offshore-owned vessels for well intervention work on the **Sigyn** and **Johan Sverdrup** fields offshore Norway.

Previously, Statoil received consent to use the *Island Wellserver* and *Island Frontier* vessels for well intervention activities on fields in the North Sea, Norwegian Sea, and Barents Sea.

The PSA said that the consent was extended to also cover the Johan Sverdrup and Sigyn fields. The consent applies from 1 March 2018 to 31 March 2020.

The Johan Sverdrup field is on the Utsira High in the North Sea, 40km south of **Grane** and 65km northeast of **Sleipner**. The field is under development and start-up is planned in 2019.

The Sigyn field lies in the **Sleipner Area** in the central sector of the Norwegian North Sea. The field has been developed using a subsea template tied back to **Sleipner Øst**.

In addition to two new fields, the consent has also been extended to cover injectivity tests. This activity involves testing and logging the injection of water into the reservoir. Injectivity tests are a new activity for the *Island Wellserver* and *Island Frontier*.

...and Visund drilling green light

Statoil has also received consent from the Petroleum Safety Authority (PSA) to use the *Deepsea Atlantic* semi-submersible rig for drilling and completion of production wells on the **Visund** field offshore Norway.

The Visund oil and gas field is located east of the **Snorre** field in the northern sector of the Norwegian North Sea. The development comprises a semi-sub unit, integrated quarters, drilling and processing facility (**Visund A**).

Production started in 1999. The northern part of Visund has been developed using a subsea template, around 10km north of Visund A.

Statoil has now received consent to use the *Deepsea Atlantic* mobile drilling rig for drilling and completion of two production wells (wells **34/8 D-2H** and **34/8 D-4H/AH**) in the northern part of the field. Water depth at the site is 378m (1,240ft).

Drilling operations are scheduled to start in early March.

Rhum rig secured

BP has taken on a rig to perform well intervention work on the **Rhum** gas field in the UK Northern North Sea.

The **Bruce, Keith** and Rhum (**BKR**) fields are currently operated by BP but the operatorship is expected to transfer to Serica Energy later this year once the Sale and Purchase Agreement (SPA) between BP and Serica has been completed.

In November 2017, Serica signed a SPA with BP for the acquisition of the UK major's equity in the BKR fields and

associated infrastructure.

Under the deal, Serica will acquire a 36% stake in Bruce, a 34.83% interest in Keith and a 50% stake in Rhum. Completion of the deal is expected in Q3 2018.

Mitch Flegg, chief executive of Serica, said: "On the Rhum field, a rig has been contracted to carry out the **Rhum-3** well intervention, which has the potential to add significantly to Serica's daily production rates."

COSL Innovator option exercised

Lundin Petroleum has exercised its first option with COSL Drilling-owned semi-submersible rig *COSL Innovator*, which will be used to drill two wells – **Luno 2** and **Rolvnes** – offshore Norway.

Lundin hired the rig for a single well offshore Norway in

July 2017. The contract had extension options for eight additional wells.

The *COSL Innovator* unit was constructed at the Yantai Raffles Shipyard in China.

Calendar 2018

FEBRUARY

6-8

Operational Excellence & Risk Management Summit

Houston, Texas, USA

[http://](http://opexandriskmanagement.iqpc.com)

opexandriskmanagement.iqpc.com

MARCH

14-16

Asia Pacific Maritime (APM)

Singapore

Contact: apm@reedexpo.com.sg

Tel: +65 6780 4586

www.apmaritime.com

20-22

StocExpo 2018

Rotterdam, The Netherlands

Contact: info@stocexpo.com

www.stocexpo.com

APRIL

18

StocExpo Middle East Africa

Dubai, UAE

Contact: info@stocexpo.com

www.stocexpo.com

JUNE

25-29

27th World Gas Conference (WGC 2018)

Washington DC, USA

Contact: info@wgc2018.com

Tel: +44 20 7978 0019

<https://wgc2018.com>

SEPTEMBER

26-27

Tank Storage Asia 2018

Singapore

Contact: info@stocexpo.com

www.stocexpo.com

DECEMBER

5-6

Tank Storage Germany 2018

Hamburg, Germany

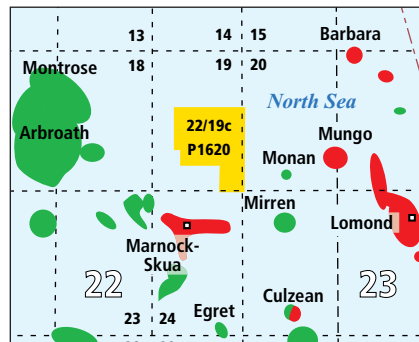
Contact: info@stocexpo.com

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Eni hunts for North Sea rig

Italy's Eni is on the lookout for a rig to drill an exploration well on its **Rowallan** gas condensate prospect in the UK Central North Sea.

The high pressure, high temperature exploration probe on Rowallan is due to be spudded in the second half of 2018. Long lead items have been ordered in preparation for drilling and the well is expected to take around 100 days, said partner Serica Energy. The water depth at Rowallan is 100m (328ft).



The Rowallan prospect is located in the east of **Block 22/19c** and includes "a significant structural fault and dip-closed trap analogous to the large **Culzean** field development", which lies 20km to the southeast, added Serica.

Eni operates Block 22/19c with a 40% stake, while Serica has 15%, JX Nippon holds 25% and Mitsui has 20%.

The Rowallan prospect holds best estimate prospective resources of 19.7m boe net to Serica.

Energiean hires rig for Karish

Energiean Oil & Gas has hired Stena Drilling's *Stena Forth* drillship for development drilling on the **Karish** field in the Mediterranean Sea offshore Israel.

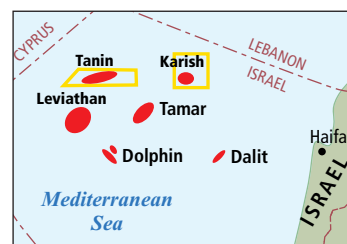
The *Stena Forth* drillship will drill three development wells in Q1 2019, with an option for further wells, subject to Energiean's Final Investment Decision for the Karish and **Tanin** fields.

The *Stena Forth* will be mobilised from Las Palmas, Spain, where the

unit is currently located. The Karish drilling campaign includes three development wells and production from a Floating Production, Storage and Offloading (FPSO) vessel, which will be moored 90km offshore Israel.

First gas is scheduled for 2021.

The *Stena Forth* is one of the DrillMAX fleet vessels and is a DP Class 3 ultra-deepwater drillship that has worked offshore Libya, Egypt, Malaysia, Greenland and the USA.



Tendeka finishes completion tests

Tendeka has completed field testing of its wireless intelligent completions technology called PulseEight.

With funding support from the Oil & Gas Technology Centre, Tendeka installed a PulseEight downhole device and a newly developed PulseEight surface system with OMV Group in Austria last month, Tendeka said.

During the installation, various operations were undertaken to test the downhole device and prove the surface decoding system.

John Hunter, Tendeka's Emergent Technology director, said: "Our initial two-week trial was a complete success and we actually overachieved what we planned to do. We demonstrated accurate two-way wireless communication in a flowing gas well and proved that the data and results could be shared over the cloud to anyone connected."

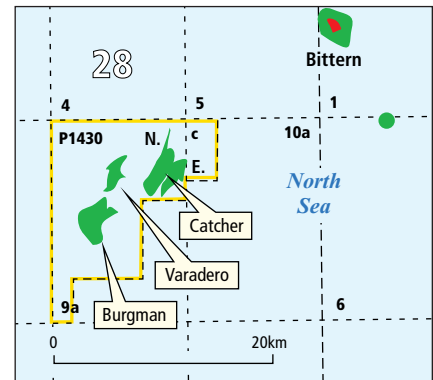
Technology

UK Catcher first cargo lifted

Premier Oil reports that the first export cargo of oil of around 500,000 bbl was lifted last Tuesday from its **Catcher Area** development project in the UK North Sea.

This was earlier than anticipated and Premier has sold the cargo at a premium to Brent. The second cargo, which is scheduled for the third week of February, has also been sold at a similar premium to Brent, Premier said.

To date, four production wells – two from the Catcher field and two from the **Varadero** field – have been brought onstream. Initial rates from these four producers is more than 60,000 b/d and, as planned, these wells are being deliberately constrained at an average of 20,000 b/d whilst final commissioning of the gas processing modules on the FPSO is completed.



Trends

5 Bn boe in smaller plays

Consultants IHS Markit has identified more than 5 Bn boe of “quick-to-first-oil” plays open to operators in “numerous smaller, previously bypassed, or underperforming reservoirs outside North America.”

These offer oil and gas operators a “shorter-cycle” path to production than new, frontier projects in undeveloped areas, said an IHS Markit report called ‘Back to the Basins: International Shorter-Cycle Opportunities’.

The assessed five, short-cycle projects outside the US are late-life basins in Mexico, Nigeria, Egypt, Brazil and the North Sea, and included both shallow water and mature, onshore areas that break even at per-barrel costs under US \$40/bbl.

“These five case studies represent just a fraction of the opportunity that we identified globally,” said Kareemah Mohamed, associate director, Plays and Basins research at IHS Markit.

“Stagnant oil prices continue to limit large-scale investments in global exploration worldwide, including deepwater plays, and many onshore US projects are not yet cash-flow positive, so energy investors are demanding financial returns,” she said. “These investors want to see companies demonstrate greater capital discipline and growth while living within their cash flow. The focus has moved away from simply reserves capture, to production growth, and now to value maximisation. In this environment, reduced tolerance for exploration risk persists.”

Aware of this “new normal” E&P environment, Mohamed said she embarked on a study that assessed mature, producing basins with a goal of helping operators identify less capital-intensive, shorter cycle-time projects. Projects, Mohamed said, that would enable operators to reduce risk by leveraging both existing basin infrastructure and their unique capabilities in plays outside the US and Canada.

IHS Markit defines shorter-cycle projects as those that can generate first cash within one to two years of development, or, in the case of new entrants, projects that progress to Final Investment Decision (FID) in less than three years. The typical deepwater project averages seven years to reach FID with exponentially more upfront investment.

The key screening criteria to identify these targets and minimise investment risk, Mohamed said, were shallow-water shelf areas and onshore mature fields – basins with a proven hydrocarbon system. In addition, these areas had to have existing production and infrastructure: wells (and associated production and well data), pipelines, platforms and gas plants in place.

With these basins identified, the next step was to look at a combination of above ground and sub-surface risks to pinpoint avenues for new-basin entry. Mohamed identified such opportunities that could allow for incremental added production volumes, but also provide a source of free cash flow to the operator.

“Due to the changing investor sentiment toward value

maximisation and a reduced tolerance for risk, as well as the nature of these shorter-cycle projects in mature basins, it was essential to advance the research approach from one of a project-by-project basis to a whole-basin strategy,” said Jerry Kepes, executive director for Plays and Basins research at IHS Markit. “We’ve observed that the best results occur when operators target basins with materiality and two or more working petroleum systems, stacked reservoirs, existing infrastructure, service-sector capacity and technical knowledge.”

Kepes said IHS Markit researchers see this shift to whole-basin strategies as being critical to operators achieving competitive performance, representing a fundamental shift in the approach to analysis and company strategies going forward.

“Whole-basin strategies can include ‘field growth’ where the focus is on targeting new barrels in old fields, but can also include upfront, new ventures work that targets shorter-cycle barrels in under-explored areas in existing commercial basins,” Kepes said. “Some of those mature basins present fresh opportunities for operators because an E&P opening makes new acreage available.”

Mohamed’s research included case studies on Oman and the Egyptian offshore Western Desert, but she also identified basins that were previously off-limits due to political instability, or those previously overlooked because of single operator (typically state-owned) access, stringent regulatory terms, or bureaucratic barriers, but now offer more favourable terms and are open to foreign investment. Additional examples of shorter-cycle development opportunities now available include basins in Mexico.

Gabon Tortue drilling starts

World News

BW Energy has kicked off the DTM-2H production well on the Tortue oil field offshore Gabon.

The well, which lies in the Dussafu Marin Production Sharing Contract (PSC), is being drilled with Borr Drilling’s **Borr Norge** jack-up rig.

Tortue has a water depth of 116m (381ft) and lies around 50km offshore Gabon. The Dussafu Marin PSC holds four fields: **Ruche, Tortue, Moubenga and Walt Whitman.**

The DTM-2H well is being drilled as a horizontal well targeting the **Dentale D6** reservoir at a depth of 3,140m (10,302ft). Drilling and completion of DTM-2H is expected to take around 70 days.

Earlier this month, the Gabonese government approved the amended **Field Development Plan** for the Tortue oil field. Two production wells will be tied back to a leased FPSO via subsea trees and flowlines.

SEA-Spirit in subsea recycling move

SEA and Spirit Energy have joined forces to promote the recycling of subsea production equipment.

The partners will promote subsea equipment recycling under a 'Legacy Locker' programme.

The two companies are working to recycle two redundant but fully operational Aker third generation Subsea Control Modules (SCM), following the decommissioning of Spirit's Ann field.

SEA's planned refurbishment of the equipment means the modules will be fully functional and available for re-use through Legacy Locker, which comprises "a repository of new and refurbished equipment that can be purchased, rented, or merely used to ensure operators maintain production."

SEA added that it believes the industry is "actively considering refurbishment, recertification, and reuse of this type of equipment for smaller, shorter life developments."

"As de-commissioning of infrastructure in the North Sea continues, demand for the Legacy Locker brokerage service has grown considerably with operators looking to increase cost-efficiency to combat the downturn. The scheme also supports the Zero Waste Scotland programme, encouraging the reuse

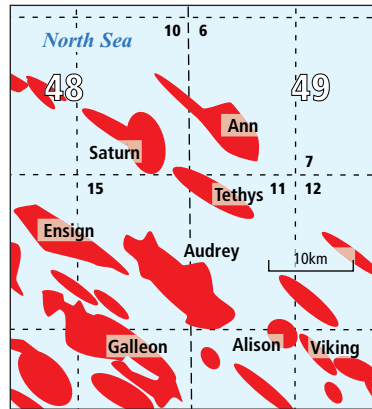
of equipment and materials, where possible," SEA said.

Equipment is either owned by Aberdeen-based SEA or its clients and is tested, refurbished, recertified, or reverse-engineered by SEA's subsea engineering experts.

SEA's subsea engineering director Matt Blair said: "Our knowledge and experience of key components and systems enables us to selectively source valuable equipment and components, which unfortunately many operators are sending directly for scrap because it is easier.

"Legacy Locker enables the offshore industry to re-use higher value equipment and helps operators overcome the supply and support problems that have challenged the industry over many years. This shared resource model is being adopted more widely throughout the industry, and we are delighted to work with Spirit Energy, who recognise the value of Legacy Locker," SEA noted.

"The A fields decommissioning project is committed to minimising the waste returned to landfill. Returning these SCMs back to the oil and gas industry for other operators to receive their benefit is a great outcome for the project."



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