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THE INTERNATIONAL OIL & GAS NEWSPAPER

US Gulf focus
Special 22-page
feature on key oil
region's revived
hotbed of activity.
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Chevron to offload Nigerian licences
Supermajor aims to sell stakes Page 6

Noble targets Nicaragua wildcat
Well has potential to open new play. Page 8



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Algeria in drive to launch a fresh licensing round by end of the year

ALGERIA is looking to unveil a **fresh licensing round** by the end of this year as **the North African country** tries to breathe life into an **exploration sector hammered by lack of foreign investment**, violence and a scandal that rocked state-owned **national oil company Sonatrach**. Page 7

LEBANON DELAY LOOMS

Political crisis likely to set back first offshore licensing round. Page 4

ROSNEFT RACKS DEALS

Russian giant links with ExxonMobil, Statoil and Eni for exploration campaigns. Pages 14&15



PETRONAS EXTENSION

Malaysian oil company grants longer bid period for FEED job at LNG project. Page 18



FEDS TURN FROM STUDY

US government cedes control of hydraulic fracturing contamination work in Pavillion, Wyoming, to state regulator. Pages 52&53

CNPC TO BUY YAMAL STAKE

Chinese look to take 20% share of Russian LNG project. Page 56

Allseas weighs in



MARINE construction company Allseas is on the verge of a breakthrough contract for its massive newbuild vessel Pieter Schelte as Shell has signed an interim agreement to use the twin-hull vessel in the UK North Sea for a series of record-breaking lifts on the Brent field decommissioning project. Pages 2&3

160,000

NUMBER of acres held by Sunrise Exploration in Florida's Sunniland tight oil play. Pages 54&55

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NEWS

The first topsides, Brent Delta, is scheduled for removal in 2015. At 23,500 tonnes, that is expected to shatter the world record for an offshore single-lift.

BRIEFS

MIDDLE EAST

Shaikan cheer in Kurdistan

THE Kurdistan Regional Government (KRG) has approved Gulf Keystone's development plan for its Shaikan block, paving the way for the company to start production soon.

Gulf Keystone chief executive Todd Kozel said initial production will start within weeks, increasing to 20,000 barrels per day and then quickly rising to 40,000 bpd on the completion of a second production facility.

Output is expected to hit 250,000 bpd by 2018.

MIDDLE EAST

Umm al-Lulu job for NPCC

ABU Dhabi's National Petroleum Construction Company (NPCC) has been awarded a \$770 million turnkey contract for offshore facilities for Adma-Opco's Umm al-Lulu full field development.

NPCC's workscope includes six wellhead towers and a riser platform jacket, with a total weight of 17,000 tonnes.

A bigger turnkey package, for which NPCC and Technip are low bidders, is being evaluated.

NIGERIA

Ogo find

OPTIMUM Petroleum hit light oil in its Ogo-1 wildcat in OPL 310 off Nigeria and is confident the find is bigger than the pre-drill estimate of 78 million barrels.

Ogo-1 logged 216 feet of net pay ahead of plans to drill deeper.

PAKISTAN

Wafiq X-1 joy

PAKISTAN Petroleum made a gas condensate discovery in Sindh province onshore Pakistan.

Wafiq X-1 in Block 2568-18 flowed significant quantities of gas and liquids in three tests.

UK NORTH SEA

Leviathan newbuild is bound for Brent

Allseas giant set to shatter world records for heavy lifts — in decommissioning North Sea field

ROB WATTS
London

MARINE construction company Allseas is on the verge of a breakthrough contract for its gargantuan newbuild, the Pieter Schelte, as Shell has signed a preliminary deal to use the twin-hull unit for record-breaking lifts on the Brent field decommissioning project in the UK North Sea.

Brent Decommissioning project director Austin Hand confirmed to Upstream this week that Shell has in place a letter of interim agreement with the Dutch contractor.

Subject to certain conditions being finalised, formal contract award is expected to be signed and announced within weeks, Hand said.

Assuming all goes to plan, Pieter Schelte will be contracted to single-lift each of the four Brent platforms' topsides — a massive combined 100,000 tonnes.

The steel jacket of the Brent Alpha platform will also be included in the work.

The first topsides, Brent Delta, is scheduled for removal in 2015. At 23,500 tonnes, that is expected to shatter the world record for an offshore single-lift.

"We have carried out a review and full front-end engineering and design to satisfy ourselves that Pieter Schelte can do what it is capable of," Hand told Upstream.

"So, we are delighted, as an innovative energy company, also to be innovative in the market place." Hurdles still have to be

crossed, however. Allseas — led by Edward Heerema, the brainchild of the vessel that is named after his father — is in the final stages of clarifying certain parts of the bid with Shell.

This includes the final selection and "optimisation" of the disposal yard.

Allseas declined to comment on the status of the contract.

Whichever yard carries out the work will have to accommodate the massive 382-metre long, 124-metre wide vessel and topsides that will weigh in at about 25,000 tonnes apiece.

Three yards are competing for the work, Hand said, though he would not be drawn on their identities.

Before work begins, Shell's 10-year Brent decommissioning plan must first win approval from the UK government.

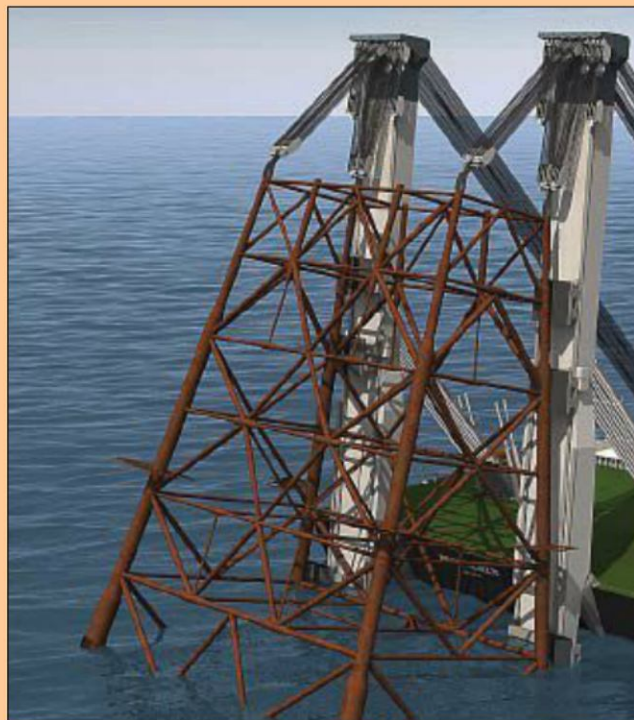
Pieter Schelte, being built at Daewoo Shipbuilding & Marine Engineering in South Korea, is due for delivery in 2014.

Shell is hoping for the first work season to be 2015, a timeline Hand is confident can be met.

However, a final decision is not required until the first quarter of 2014 and the first work season may slip to 2016.

"All parties wish this to be a success so, if mutually agreed, 2016 remains an option," Hand said.

Shell will nominate in good time when it will be ready for lifting work to begin, he said. Shell's



overall Brent Decommissioning plan is due to be submitted for approval to the UK Secretary of State for Energy & Climate Change in the first quarter of 2014.

The final decision will take into account a 60-day public consultation.

Shell still has to conclude two key issues.

The first is whether to seek permission to leave in place the vast concrete gravity base legs of the Brent Bravo, Charlie and Delta platforms or to cut them down to 55 metres below sea level.

The second is how best to deal with the contents of the vast sub-sea oil storage tanks.

The final recommendations are yet to be concluded by the project team and endorsed by Shell's executive committee and joint venture partner ExxonMobil.

Shell must comply with the requirements of the Oslo and Paris Conventions for the Protection of the Marine Environment of the North-East Atlantic, known as OSPAR 1998, designed to maintain clean seas.

Delta ceased production at the end of 2011, while Alpha and Bravo are due to cease in 2014 and Charlie later.

Media reports had linked Pieter Schelte to the Brent Decommissioning project, but no confirmation has been available before now. A formal contract from Shell

for this project will be both a relief and a partial vindication for Allseas president Edward Heerema, who has spent 20 years developing the Pieter Schelte concept.

Above and beyond that, Heerema committed a staggering sum of about €2.2 billion (\$2.9 billion) for the speculative gamble to build the unit without any contractual commitments.

The Brent contract will not single-handedly guarantee that Allseas will get positive returns on its massive investment, but it will be a vital step in the right direction and could — once the vessel's new technology is proven — pave the way for more contracts to follow.



Brainchild: Allseas' Edward Heerema

Offshore Crane Technology

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LIEBHERR



100,000 THE COMBINED figure, in tonnes, of the four Brent platform topsides Pieter Schelte will be single-lifting if the Allseas contract comes to pass.



World-beater: Allseas' heavy-lift vessel Pieter Schelte

South Stream launches Black Sea pipe tenders

GAZPROM-led South Stream Transport Services has launched two key tenders for its trans-Black Sea pipeline project.

The first tender covers an engineering, procurement and construction contract to lay the first pipeline.

Gazprom said a limited number of contractors have the ability to offer lay barges and vessels capable of installing a pipeline on the seabed of the Black Sea at the maximum depth of 2250 metres.

According to industry sources, the operator is planning to use a barge to lay the pipeline in shallow waters.

However, South Stream Services has reportedly indicated to potential contractors that it is willing to use the Saipem 7000 semi-submersible crane and pipelay vessel to do the job at deep waters.

Gazprom used the Saipem 7000 for laying the Blue Stream twin gas pipeline across the Black Sea to Turkey in 2002, hence it is familiar with the vessel. The subsea section will start

at the Russkaya compression station on the Black Sea coast in Russia and exit to the shore in Bulgaria.

The offshore laying operation may start between the end of this year and the first quarter of 2014, industry sources said.

In the first tender, the company has invited several pre-qualified pipe mills from Europe, Russia and Asia to submit proposals for the supply of pipe for the first leg of the planned four-line system across the Black Sea.



Deep waters: the Saipem 7000 semisub crane and pipelay vessel

Photo: ENI

Image: ALLSEAS



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