

MARINE CONSTRUCTION

Allseas scoops Tex-Mex pipe

Offshore contractor wins TransCanada deal to install **700-kilometre subsea pipeline** from Texas to Veracruz worth **an estimated \$1.2 billion**

ERIK MEANS

London

MARINE construction giant Allseas has won a mega-contract from TransCanada covering installation of a 700-kilometre, 42-inch subsea gas pipeline that will run from near Brownsville in southern Texas to Tuxpan in the southern Mexican state of Veracruz.

Rumours have been swirling in pipelay circles of late that Allseas was poised to win the award, and company president Edward Heerema confirmed to Upstream this week that the job is now in the bag.

"We have a signed contract," Heerema said.

A source from a rival contractor estimated the value of the engineering, procurement, installation and construction contract at about \$1.2 billion, though this figure is unofficial.

Heerema said that Allseas' giant pipelay vessel Solitaire and its flat-bottomed barge Tog Mor will be the primary vessels performing the installation work, to be carried out in 2017 and 2018.

He added, however, that the company's gargantuan platform installation and removal vessel Pioneering Spirit, which completed its first commercial assignment off Norway less than a month ago when it removed the 13,500-tonne Yme platform topsides, could also be brought in to contribute on the Mexican pipelay job.

"We shall use Solitaire and Tog Mor on the project, and it is conceivable that for schedule reasons Pioneering Spirit would be engaged as well," Heerema said.

"There is no decision on that, as it will depend on factors such as the line pipe delivery schedule, which is not in our control."

The Switzerland-based company has built a dedicated stinger for the Pioneering Spirit, and it has always regarded pipelay work as a good secondary source of potential revenues for the \$3 billion twin-hull behemoth.

"The stinger will be trial-fitted on to Pioneering Spirit over this winter, but will be taken off

again for removal of the Shell Brent Delta platform topsides first, which is foreseen to take place in the summer of 2017," Heerema explained.

"If Pioneering Spirit would be engaged in the Sur de Texas-Tuxpan pipeline contract, she would mobilise to the Gulf of Mexico thereafter."

Industry sources said several other familiar names were among the bidders for the Mexican pipelay award, including Saipem, Sapura Kencana and Technip.

McDermott was also mentioned by multiple sources as a presumptive bidder, though a McDermott official contended that it did not compete for the award.

The Sur de Texas-Tuxpan pipeline is supported by a 25-year gas transportation service contract with Mexican state-owned power company CFE, covering gas deliveries of 2.6 billion cubic feet per day.

TransCanada and IEnova, a subsidiary of Sempra Energy, were chosen in June to build, own and operate the US\$2.1 billion pipeline.

TransCanada holds a 60% operating stake in the line while IEnova holds the 40% balance.

The pipeline is scheduled to start operations in late 2018, according to TransCanada.

It will supply gas to CFE's power generation plants in the states of Veracruz and Tamaulipas.



Deal: Allseas president Edward Heerema

Photo: ERIK MEANS

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U TEX-MEX PIPELINE

- **Project name:** Sur de Texas-Tuxpan Pipeline
- **Owners:** TransCanada (60%), IEnova (40%)
- **Estimated total cost:** \$2.1 billion
- **Pipeline length:** Approx 800 kilometres, including about 700 kilometres offshore
- **Installation work:** 2017 and 2018
- **Throughput:** 2.6 Bcfd of gas
- **Gas buyer:** Mexican state power company CFE