Editor(s): Jeniffer Moreira, Clifford Morales 01-Apr-2020

Petrodaily™ Field Development

Americas Edition

Contracting

MEXICO: Further to a recent Petrodata by IHS Markit report, McDermott confirmed the award of a contract by BHP to provide pre-FEED work for a floating production unit (FPU) to be installed at the Trion field offshore Mexico. The work scope encloses engineering associated to the configuration, sizing and preliminary analysis of the FPU, including topsides, hull, risers and mooring. The contractor says that it will work in partnership with Houston Offshore Engineering (HOE) and Wood on the pre-FEED, with McDermott's Houston office leading engineering services (supported by its Mexico City office), and HOE and Wood providing engineering for the hull and topsides, respectively. Project management, execution planning and estimation services will be performed by McDermott. The company's marine operations will provide installation studies, while its Altamira fabrication yard will be responsible for technical support for fabrication and integration planning.

The contract will commence immediately, with conclusion expected in the third quarter of 2020. The floater will be deployed at a water depth of around 2,500 m, 180 km from Mexican coast.

BRAZIL: BW Offshore has announced that the charter and services agreements for the FPSO Cidade de Sao Mateus (currently named FPSO Opportunity) reached their final terms on 29 March 2020. The unit had been chartered to Petrobras, and operated on the Camarupim field off Brazil until 2015, when an explosion occurred onboard and operations were suspended. The FPSO is currently laid up in Singapore.

Field Development

USA GULF OF MEXICO: Operator LLOG tells Petrodata by IHS Markit that the Praline project is sanctioned and is still scheduled to come online this year. The field is to be developed via subsea single-well tieback to the Talos-owned Pompano platform in Mississippi Canyon Block 29. Praline is a Pliocene-aged subsalt oil discovery in Mississippi Canyon Block 74 and sits in a water depth of 800 m (2,626 ft). LLOG expects the well to be completed in the second half of 2020 with first production late 2020.

USA GULF OF MEXICO: Operator Hess advises Petrodata by IHS Markit that its Esox-1 oil discovery was brought online in February as planned. The Esox field was developed as a low cost 10 km, subsea tie-back to Hess' Tubular Bells' Gulfstar 1 spar platform. Exox is located in Mississippi Canyon Block 726 in 1,403 m (4,603 ft) of water.

Vessels

USA GULF OF MEXICO: Heerema's derrick barge Balder continues in Grand Isle Block 69 where it is receiving standard maintenance that includes thruster replacement. The vessel's next workscope begins early April and includes heavy installation work in the Gulf of Mexico. While the region is experiencing some decrease in activity due to market conditions, Heerema maintains the Balder's portfolio remains strong.

Due to its design, DP3 capability and 4,000-ton lift capacity, the barge is being marketed to both shallow and ultra-deep water installation and decommissioning activities in the Gulf of Mexico.

USA GULF OF MEXICO: Nautilus Marine has sold the support vessel Mystic Viking for scrap. The vessel was auctioned off last year and was successfully sold to a scrap yard in the third quarter. The Mystic Viking worked in various regions since its entry into the oil and gas market in the early 1980s. It was originally owned by Helix and Cal Dive, before being acquired by DeepCor Marine and eventually Nautilus Marine.

USA GULF OF MEXICO: The pipelay vessel Rider has been renamed Speedy after C-Dive acquired the vessel earlier this year. The contractor is marketing the vessel for work, and referring to the unit as a pipelay and recovery vessel.

USA GULF OF MEXICO: The ROV support vessel Harvey Sub-Sea continues working in Mississippi Canyon Block 474 near BP's Na Kika semisubmersible platform. The water depth in the area is 2,160 m (7,098 ft). The Harvey Sub-Sea is managed by Delta Subsea, which is now rebranded to DeepOcean.

Shallow Water Gulf of Mexico

USA GULF OF MEXICO: Enterprise and Enbridge's proposed deepwater Sea Port Oil Terminal ("SPOT") remains under review by federal agencies. On 23 March, the Texas General Land Office (GLO) submitted comments on the proposed project's draft environmental impact statement (DEIS) published on 7 February by the U.S. Coast Guard (USCG) and Maritime Administration (MARAD). GLO outlined impacts to wetlands, impacts to the Gulf of Mexico and impacts to air quality. Regarding infrastructure proposed offshore, GLO informs that the DEIS states offshore crude oil pipelines would be abandoned in place. However, GLO points out that pipeline abandonment in place is not allowed on state-owned submerged lands. It requires Enterprise and Enbridge to remove all pipelines at the time of decommissioning. Opposition of the terminal includes the Surfside City Council, which voted unanimously on 11 March to oppose the proposed facility.

The SPOT is designed to load VLCCs at rates of approximately 85,000 barrels per hour, or up to approximately 2 million barrels per day. The project plan includes onshore and offshore facilities. Offshore components include two bi-directional 74 km (46 mi) 36-inch pipelines connecting the Oyster Creek terminal to an eight-pile fixed platform situated in a water depth of 35 m (115 ft). There will be four PLEMs, four 1 km (0.66 mi) 30-inch pipelines (two per PLEM) that will connect platform and PLEMs. Two SPM buoys will concurrently moor two VLCCs for loading year-end. Project life of the SPOT is 30 years. The DEIS states Enterprise proposes to transport the fixed jacket, upon decommissioning, to a Rigs-to-Reef location.

Well Results

BRAZIL: Shell has reported to the Brazilian National Petroleum Agency (ANP) the finding of oil hydrocarbons at its Sul de Gato do Mato block. The find was made via well 3-SHEL-32D-RJS, at a water depth of 2,048 m. Shell is the operator of Sul de Gato do Mato with an 80% interest, in partnership with Total which holds the remaining 20% stake.

Offshore Wind

CANADA: NaiKun Wind Energy Group Inc has agreed to sell its planned NaiKun Offshore Wind Farm to Northland Power Inc. The transaction is expected to close in mid-2020, subject to customary conditions including Naikun obtaining the applicable regulatory approvals. The Naikun Offshore Wind Farm is to be developed via 110, 4MW turbines to be located in Hecate Strait off the coast of British Columbia, Canada. Upon completion of the transaction, Northland Power will be responsible for development of the project moving forward.

Corporate

INTERNATIONAL: Subsea 7 has withdrawn its 2020 guidance, due to the "general uncertainty" caused by Coronavirus (COVID-19) and the collapse in commodity prices. The company said that while the current year's results are "underpinned by a backlog at year-end 2019 of USD 5.2 billion, including USD 3.3 billion for execution in 2020, the dual impacts of the coronavirus and sharply lower commodity prices represent a significant headwind to the pace of the new awards required to meet prior guidance". Additionally, the contractor said it was possible that measures taken around the world to contain the virus may impact the company's ability to execute existing contracts and recognise revenue in 2020. The company said it had significant liquidity available to weather these challenges, with USD 398 million cash and equivalents, as well as undrawn banking facilities of USD 656 million. Subsea 7 is currently scheduled to update investors with its first quarter 2020 results and an updated market view on 30 April 2020.

INTERNATIONAL: Given the current economic status resulting from the recent decline in oil prices and the ongoing Coronavirus disease 2019 (COVID-19) crisis, Helix, Houston-based oilfield services provider, is withdrawing its previously issued financial and operational performance guidance for 2020. The company currently operates seven well intervention vessels and six robotics and support vessels on four continents, in six different countries.

Owen Kratz, President and Chief Executive Officer of Helix, stated, "Our currently contracted work has continued, but we expect the spot market for the remainder of the year to be significantly weaker than previously forecast. We anticipate implementing cost reduction plans consistent with levels of work activity and expect to reduce our 2020 capital expenditures by approximately 20%. Nevertheless, we believe Helix will remain free cash flow positive in 2020. These are trying times, but we believe we have the cash and liquidity to manage these current challenges."

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E-mail: Rebecca.Gorring@ihsmarkit.com