

VOL 20 NO 20

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### **SUBSEA ENGINEERING NEWS IS NOW ALL-ELECTRONIC!**

If you have any comments on the new delivery system or how it looks onscreen please tell us.  
A new bolder design is on the way.

## **SHELL READIES PLAN FOR UK SEABED PROCESSING SYSTEM**

Shell which surprised the subsea industry a year ago (SEN, 19/17) by choosing to support Alpha Thames Engineering's seabed processing work is about to surprise everyone again with plans on the drawing board to put a system in the water in the next year or two.

SEN understands that Shell is currently examining a tender to install an *AlphaPrime* system on a new well on the *Pierce* field. The well, to be located 2.4km from the fpso, would be tied into an *AlphaPrime* manifold which would be kitted out with a pair of 2.5MW pump modules, each with a multiphase pump powered by a variable speed drive.

From information gleaned from a number of sources, SEN has been able to determine that Shell wants to avoid using a subsea transformer.

The result is a lower voltage (6.6kV), but higher current system. This will require three very large (300mm<sup>2</sup>) copper cores in the umbilical, making the latter item a key feature of the project.

The result is that dynamic analysis of this umbilical - in just 85m - and the potential fatigue issues will be important to the development project. The system is being designed for a 10-year operational life.

### **ENI OK**

ENI UK is now believed to have signed the contract with Aker Kvaerner for further development and installation of its *MultiBooster* seabed pumping system that will be installed on the *Balmoral* field (SEN, 20/17).

More details have emerged on both the deployment scenario for the AK system and on the field itself, although ENI continues to say almost nothing about its plans.

**THE NEXT PHASE WoS?, see Page 2**

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There are believed to still be 10 producing wells tied into the manifold located below the *Balmoral* floater, although only half of them will be boosted by the first phase of this technology trial. The manifold has twin production headers

Although there was an extensive water injection system operational at one time, it is now believed that this has been shut down because the water cut from the wells is ranging from 85% and above on some wells. Gas lift is now being used to boost the wellstream.

The plan for the pumping system is reportedly to modify and upgrade the system that was tested for the *Demo 2000* during the first part of this year. It will then undergo a brief test period before being installed on the seabed in late summer. It will then be put through a six month operational trial under AK's control.

At the end of the trial period, ENI could decide whether to continue its operation, add a second unit to boost the entire system or possibly have it removed for use elsewhere.

## PROJECT UPDATES

### PLANS MULLED FOR WoS GAS DEVELOPMENT

The next phase of development activity in the UK's West of Shetlands sector - dormant for more than half a decade since BP's *Schiehallion* fpo came onstream in 1998 - looks set to begin.

SEN has learned that ChevronTexaco is looking at the development of its natural gas assets in the area to the north of BP's current *Clair* development. The potential of the assets was boosted by work done by ChevTex under its DRO - discovered resource opportunity - initiative last year (SEN, 20/9).

The discoveries included in the plan are *Victory* (207/1a), where ChevTex has a 100% stake; *Torridon* (214/27a&206/2a) where ChevTex operates (60%) for Amerada Hess (36%) and COP (3%); and *Laggan* (206/1a) where Total operates (50%) for ENI (20%), ConocoPhillips (20%) and ChevTex (10%);

Although this is a Chevtex initiative, Total is believed to have the bulk of the reserves in this proposed project with its big stake in *Laggan* where the water depth is beyond 600m which would make it the deepest production in the UK.

#### Who has what

There are other finds in the area, but according to information on the DTI website, they have been relinquished. They are *Torridon North* (214/27b) which was drilled by Conoco and *Laxford* (214/25&30a) where Shell found gas.

The export of the gas will be a big issue as there is not believed to be any capacity in BP's existing export system from its WoS fields to Sullom Voe and then on to *Magnus*. ChevTex is understood to be looking at options including the FLAGS line and the *Frigg* system.

### SHELL E&P KEEPS GOING FOR IT SUBSEA

*From Houston (RV):* Since achieving first production from the *Na Kika* complex of fields in late November (SEN, 20/19), Shell E&P Co has brought on even more subsea producers from its deepwater holdings in the Gulf of Mexico.

Just three days after the 26 November startup at *Na Kika*, Shell turned on the taps to its 40mmbob *Habanero* field, located in Garden Banks 341 in 613m. The field is producing from two wells tied back 18.5km to the *Auger* tension leg platform on GB426 in 872m - the fourth subsea tieback to this hub facility.

The wells are producing through a dual pipe-in-pipe electrically heated-ready flowline system with a 15 tube electro-hydraulic umbilical providing the system with injection chemicals, hydraulics, power and communications. FMC supplied the subsea hardware.

The \$190mn development is expected to produce at peak rates of 22,000b/d and 2mcm/d by the end of the first quarter.

A few weeks later, on 17 December, Shell brought onstream new production from the

*Princess* subsalt field in 1,112m in Mississippi Canyon 765/766. While the field initially began producing from a single well in late 2002 - drilled from the *Ursa* tlp - the new production is coming from a subsea system as part of the first stage of the development.

This subsea system ties three development wells - the *Eastern*, *Northern* and *Central*, all which Shell deems to be world class extended reach wells - tied back less than 6.4km to *Ursa* in MC809 in 1,160m.

The wells are flowing through dual 8in insulated flowlines with production sleds and a steel tube umbilical with a termination skid. Due to high anticipated reservoir pressure, Shell opted for 15Kpsi equipment, supplied by FMC, rather than the standard 10Kpsi trees. This marks the first time the company has used such high pressure hardware on an operated subsea development.

Additionally, in hopes of reducing intervention costs, Shell installed a BOP directly on the wellhead which will be controlled through an

umbilical run from the drilling unit instead of using a costly monobore riser for intervention. While Shell says it has yet to try this new system to gain a real cost comparison, it does expect it to be a more efficient and cost-effective intervention alternative.

### Peaks

The first well brought online on the field, the *Ursa A-10* well, reached peak levels of 22,500b/d and 1.2mcm/d in early 2004. The new subsea wells are now flowing 9,000b/d and 0.4mcm/d which Shell expects to peak at 55,000b/d and 3.1mcm/d during the first quarter.

Development options for a second phase will depend on results from the wells from this initial phase, the company said, with the subsea system being expandable to up to four wells.

Total gross recovery from the project, including *Ursa A-10*, is estimated to be 175mmboe with a capex for this initial phase of development of \$440mn, excluding lease costs.

## STATOIL MERGES *TAMPEN* SUBSEA TEAMS

Statoil has merged the subsea operations and maintenance organisations for all of the subsea fields and fields with subsea wells in the *Tampen* area of the North Sea.

This new setup brings together operations at *Gullfaks Satellites*, *Statfjord Satellites*, *Snorre B* and the *Snorre Production Station*, *Tordis*, *Vigdis* and *Visund* plus other subsea wells on the *Gullfaks* and *Statfjord* fields.

Significant savings of 'billions of NOK' are expected over a number of years as a result of this new organisation which will improve coordination amongst the assets. A key issue involves rig activities. Statoil has three semi drilling units working in *Tampen* this year.

### Heavy duty

*Stena Don* is on a full year charter and is already booked for 140 days of work on the *Snorre SPS* where particularly heavy xmas trees and other equipment requires a heavy duty rig. The work there will include one sidetrack and one well intervention. Another intervention is being considered for next year, while additional sidetracking is penciled in for 2006.

*Borgland Dolphin* has a full schedule of work at *Tordis* and *Vigdis* where new wells will be drilled in addition to re-entry and coil tubing work. *Bideford Dolphin* is committed to drilling the final three wells on the *Vigdis Extension* project.

What is not on the cards for this year is any light intervention work. This means that the contract currently being tendered by Statoil (see Project Briefs) is for other areas, such as around *Norne* and the *Åsgard* complex.

*Snorre SPS* continues to perform admirably after nearly a decade of operations, but Statoil did need to replace the umbilical last year. That project, originally operated by Saga, preceded the era of the steel-tubed umbilical (STU) and has suffered with problems with the hydraulic fluids hoses. The replacement was an STU.

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and the SUBSEA FORUM page.

## MMS TO MAKE CASH FROM OFF-LEASE ACREAGE

*From Houston (RV):* US oil and gas regulatory agency, The Minerals Management Service, has published a new federal rule that it expects will make it easier for companies to gain access to areas adjacent to their leases for uses such as pipelines and surface facilities and generate revenue from freeloaders.

The new rule, published last month in the *Federal Register*, states that when a company requires use of an area for a platform in connection with a pipeline or use of an off-lease area for purposes related to the operation of the lease, the company may obtain use of the area for a fee.

Under the new rule, which amends MMS regulations, lessees will now have to pay a rental fee when they obtain an easement or rights-of-use on a per acre basis and increases the amount pipeline right-of-way holders pay. Prior to this there was no charge for a right-of-use and easement and the charge for an area associated with a pipeline right-of-way was a flat fee.

The change is needed because of requests made by lessees and pipeline right-of-way holders to use large areas outside of the area covered by their lease and pipeline right-of-way for accessory structures. This is especially prominent in the deepwater, according to the MMS, where companies have requested use of several square miles for purposes related to a lease or pipeline.

This new rule will not only help companies gain access to adjacent acreage, but it will also generate revenue for the government.

'The changes will provide equity for the public by charging a fair rental fee for companies that request and are granted use of what can sometimes be a very large area,' said MMS Director Johnnie Burton. 'We make difficult decisions every day in balancing America's need for energy, fair value for use of Federal lands, and the protection of the environment. This is another decision that addresses all three goals,' she added. The rule becomes effective 12 January. Statoil

### PROJECT BRIEFS

There is some idea over here that the influx of new smaller companies into the UK sector will move projects on faster. This is the *small-and-nimble* theory of the new era on the UKCS.

But what about the small, undermanned, plodding and inexperienced theory? For example, there is Centrica which has committed all of its development resources on the one-well **ROSE** subsea tieback (SEN, 20/3). With this 'major' project now onstream, but not fully finalised, Centrica has been holding up a decision on **CHISWICK**, a somewhat larger Southern Basin gas development which features a small platform and at least one subsea well. This does not sound much like a new dynamic era in the UK.

*From the UK (NT):* The Norwegian Petroleum Directorate has given its go-ahead for production to start on **SKIRNE** (SEN, 19/8), though Total Norge does not expect to open the taps until March. Start-up was originally scheduled for about three months ago, but Total has had to wait for Norsk Hydro to complete modifications on the *Heimdal* platform.

*Skirne* is the collective name for the joint scenario for the *Skirne* and *Byggve* fields, which have been developed with one subsea well each, tied back to *Heimdal* by a common pipeline.

Also in Norway, Norsk Hydro got the green light in December to develop the **OSEBERG WEST FLANK** (SEN, 2016) which has reserves of 34mmbbl of oil and condensate and 5.6bcm of gas. In addition to the order for a four-well subsea production system placed in October with FMC Kongsberg Subsea, Hydro has now contracted Heerema for the marine installation. An EPIC contract for the pipeline and umbilical is due to be awarded in March, along with drilling and platform modification contracts.

Production from the NOK2.1bn project is due to start in September 2005 and reach a plateau of 30,000b/d. *West Flank*, the third subsea tieback to the *Oseberg* field centre, consists of the *Gamma North*, *Kappa North* and *Kappa Main* structures. Work is already in hand on the *Delta* and *G-Central* structures as possible future developments, Hydro says.

Statoil which has titillated the **SUBSEA WELL INTERVENTION** market several times in the last few years has just come out again with a tender, this time for a 2004 work programme. While last autumn's programme (SEN, 20/14) was carried out by the Prosafe/FMC venture using msv *Regalia*, Statoil is looking to have the 2004 operations done off a monohull, aiming for improved operational efficiency.

Those with existing well equipment should be wary, too. SEN has been told by Statoil that this year's work and that for next year could be done by what it calls 'interim' systems, it will be looking for new technology by 2006.

*From the UK (NT):* DTI approval for BG/Amerada Hess's £205m **ATLANTIC/CROMARTY** joint development (SEN, 20/16) came just before the Christmas holiday and some main contracts have been awarded.

The pipelay - 80km of 16in export line from *Atlantic* to the SAGE terminal at St Fergus, 12.5km of 10in from *Cromarty* to *Atlantic* plus MEG lines - has gone to Allseas for installation this summer. An EPIC contract is due to be let in the first quarter with the winner being responsible for procuring the 32km umbilical which will run from Shell UK Expro's *Goldeneye* platform.

ABB is expecting to pick up the subsea hardware contract with Vetco Gray and Offshore Systems supplying subsea trees and controls, respectively. ABB/OS did the FEED work.

BG says Kellogg Brown & Root, which did the front end work on the terminal modifications, will get the EPCM contract for this job. An order is also outstanding for a two-phase wet gas meter. The project is due onstream in late 2005/early 2006 and will flow at a plateau rate of 6.2mcm/d.

Meanwhile Shell has been awarding contracts for **HOWE** (SEN, 20/12), a single-well subsea tieback to the *Nelson* platform which is due onstream in the third quarter. Technip Offshore has the installation job for the 12km pipe-in-pipe system - an 8in flowline in a 12in carrier pipe - plus 3in lift-gas line. Kvaerner Oilfield Products provides the controls and ABB Vetco Gray the subsea tree.

SEN understands that Marathon Norway has gone out to the subsea marketplace with invitations to tender for the proposed **ALVHEIM** development in Norway (SEN, 20/19).

*From the UK (NT):* ChevronTexaco has revealed 'fast-track' plans for the second phase of the *Alba Extreme South* development (SEN, 19/16) now known as **AXS-2**. This will include three subsea wells tied into a new 90-120t manifold which will be linked into the existing AXS manifold about 100m away. There will be a 10in production line, 8in test line and 4in service line and control jumpers. The AXS manifold is part of an integrated pipeline bundle running to the *Alba Northern* platform.

Approval is hoped for in the next month or so to allow drilling to start in March. The semi *Stena Spey* is already booked for this. ChevTex says it will use Vetco trees and KOP controls as in the first phase to facilitate maintenance and repairs. Subsea construction is scheduled for September. This will be an EPIC contract, including manifold installation, for which Subsea 7 has a \$9mn contract. Start-up is due in October.

A number of important project contracts were awarded after SEN went to press with its last issue before Xmas. Saipem won the pipeline installation and subsea construction contract for EnCana's **BUZZARD** development (SEN, 20/18). In addition to installing the two export lines (28km 18in oil and 29km 10in gas) using *Castoro Sei*, Saipem will lay the two water injection lines, 2.5m and 2.8km of 16in, plus install the two 100t water injection manifolds. In addition to the big laybarge, Saipem will deploy *Far Sovereign* for trenching and manifold installation and *Bar Protector* for dive support.

Also while we were away, Allseas picked up the NOK400mn contract to install the export pipeline on the **SNØHVIT** field for Statoil. Its main layship *Solitaire* will put down the 143km line from the LNG plant at Melkøya to the field...FMC Technology will supply the subsea hardware - 13 subsea trees and production controls - for Woodside Energy's **ENFIELD** fpso development (SEN, 20/9). This is the first order under FMC's new frame agreement with Woodside...Van Oord ACZ has been awarded the rocking dumping contract for the **ORMEN LANGE** project (SEN, 20/18). The NOK700mn job covers work over four seasons using the vessels *Rockness* and *Tertnes* to provide seabed support for the deepwater pipelines and umbilicals...Petro-Canada has brought the **CLAPHAM** field (SEN, 20/7) onstream as a satellite to the *Guillemot West* development and has earmarked more than half its C\$240mn capex budget for the UK for the development of the **PICT** field.

## FLOATER NEWS

### VARG IS BLESSING FOR PGS

*From the UK (NT):* PGS must bless the day in 2002 it agreed to take over the Varg asset from Norsk Hydro and Statoil.

Last month, PGS drilled a successful appraiser, 15/12-14, which it expects will double production to 25,000b/d when it is recompleted and brought onstream as a producer later this month. The company says it is confident it can keep the field in production for another three years. Under Hydro (it was originally a Saga asset), Varg would probably have been shut in last year.

This well, and the successful Varg sidetrack well drilled earlier last year, have taken the pressure off Pertra. The PGS producing subsidiary, which was given a boost by recoverable reserves

through added by both wells, now does not need to find a quick solution for Varg South. Pertra hoped that the Norwegian Petroleum Directorate would agree with its interpretation that Varg South was part of the main Varg field, but the NPD declined to do so.

In any event the main obstacle to development is selling and evacuating the field's 4bcm of gas. Both *Armada* and *Sleipner* offer possible export routes. Pertra aims to find a solution by summer and submit a development plan by year-end. Although the Varg South oil reserves could be produced through long-reach wells from the Varg wellhead platform, subsea wells will probably be required for the gas, and a stand-alone facility is among the options.

## FLOATER BRIEFS

*From Houston (RV):* Woodside Energy has declared its **CHINGUETTI** oil field, offshore Mauritania, to be commercial. The decision comes following results of recent drilling, notably *Chinguetti* 4-5 early development well, completed in October that flowed at over 15,000b/d.

Discovered in 2001 in 800m on Production Sharing Contract Area B, *Chinguetti* is estimated to hold 100-140mmbbls with a field life of eight to 15 years. Woodside said the commerciality decision is in line with the project schedule and it intends to submit a development plan to the authorities shortly. The licence group anticipates making investment decisions and awarding the major contracts by mid year with first oil in late 2005 or early 2006.

The \$400-500mn development plan will include six producers and four water injectors drilled at three drilling centers tied back with flexibles to an fpso. Gas will be re-injected via one injection well located 7km outside the field. The fpso, with production capacity of 75,000b/d, is expected to be a converted single hull vlcc with maximum storage of 2mmbbls,

Chinguetti is expected to provide a foundation for operations in the region with the eventual

development of the nearby *Banda* oil and gas discovery made in 2002 and the *Tiof* and *Tiof West* oil discoveries struck last year. Reports suggest that Tiof could hold as much as 300mmbbls. Woodside said the find is promising, but more appraisal work needs to be done before determining reserves.

PGS and Canadian Natural Resources have come to an agreement on revised terms for the lease of the *Ramform Banff* fpso which handles production from the **BANFF** and **KYLE** fields in the UK sector. CNR took over the operatorship of *Banff* from ConocoPhillips in the autumn.

Under the deal, CNR and its partners will pay PGS a minimum of \$125K/day with a new tariff based element that has increased by 10% to \$5/bbl. The deal covers production through 2014 when the rates would increase.

*From Houston (RV):* The hull for ConocoPhillips's **MAGNOLIA** tension leg platform (SEN, 19/17) sailed from the Samsung yard for the Gulf of Mexico on Christmas Day. The hull, an ABB Lummus Global ETLP design, is scheduled to arrive at the Gulf Marine Fabricators yard in the new year. The topsides, designed by Alliance Engineering, and tendons are already under

construction there. At the yard the hull will undergo final outfitting including integration with the deck prior to load out for installation.

Saipem's S3000 vessel will handle installation this summer in Garden Banks 783 in 1,432m, making it the world's deepest tlp eclipsing the record recently set by Anadarko's *Marco Polo* unit (SEN, 20/4). The tlp will handle throughput of 50,000b/d and 4.2mcm/d from eight dry trees. First oil is planned for the fourth quarter.

Petrobras has confirmed the three main contracts for the Petrobras 52 fpso which will operate on the **RONCADOR** field (SEN, 20/11) in 1,800m. The consortium of Technip/FELS Setal will build the fpso and design and install the 180,000b/d topside processing system under a \$775mn contract. Rolls Royce Power Engineering will supply the generation modules at a cost of \$82mn. Nuovo Pignone will provide the gas compression system at a cost of \$65mn. The unit is due to be operational in summer 2006.

## BUSINESS

### OCEANEERING COMPLETES DEAL FOR NEW MULTIFLEX PLANT

Oceaneering International, after protracted negotiations, has finally confirmed its intention to install a new state-of-the-art umbilical plant on the site of the former Wellstream flexible pipe facility in Panama City FL (SEN, 20/7).

The plans for the new Multiflex plant have been in the works for almost a year. Finalising the deal involved lengthy talks with Wellstream and the Port of PC over the terms of the new lease on the building which is owned by the authority in the free-trade zone. There were four years left on Wellstream's lease.

OI is to spend upwards of \$35mn on the plant including \$25mn on new machinery including an advanced steel-tube and electric cabling equipment and new carousels. OI expects to manufacture steel-tubed (STU) and thermoplastic hose umbilicals as well as power cables at this new plant. The ability to produce power cables is seen as a key capability with the projected growth in the use of electric submersible pumps and seabed processing equipment.

#### Open and close

As part of this move, OI is to close its two existing plants in Texas - the component manufacturing facility in Magnolia and the assembly plant in Houston. Some of the equipment from these plants will be moved to Panama City.

There will be job losses at the existing sites, but OI hopes to move at least 30% of the workforce to Florida. It also hopes to attract as many as 100 from Wellstream's skilled production team to make up its new workforce that will be 200 to start with and could rise to as many as 300 at peak

production periods.

The skilled personnel was not the only reason that OI wanted this site. It intends to begin manufacturing umbilicals this summer, but if it had gone elsewhere it might not have been able to begin operations until 2005.

In parallel with plans for the Panama City site and closing the Texas plants, OI has been investing in Brazil. While it continues to make HCR umbilicals - an armoured thermoplastic hose design for Petrobras' deepwater applications - it now plans to make STU in Brazil with production aimed at the burgeoning West African market.

OI believes that its lower cost operation in Brazil will allow it to compete more effectively in WA. Duco, Technip's umbilical division, for example, is establishing an umbilical plant in Angola in joint venture with the government.

#### Number three

This move is the third big one in just a few months for OI. Just before Xmas, it completed deals to acquire drilling support and other rov business from both Stolt Offshore and Subsea 7. It also has acquired a 50% stake in the company that owns the spar platform being used by Murphy Oil on the *Medusa* field. As part of the latter deal, OI will get any tie-in work undertaken at this new deepwater platform.

As a result of these deals, OI has backed off involvement in any new fpso projects. SEN has been told that it declined to bid in the recent Chinguetti tender (see Floater Briefs).

In order to facilitate these new arrangements, OI has secured a four-year \$250mn revolving credit agreement with a consortium of seven international banks. And just this week, Multiflex secured an \$11mn contract to supply 34km of

umbilicals to Santos for its *Mutineer/Exeter* FPSO development, offshore Australia (SEN, 20/16). These thermoplastic umbilicals will be designed to include electrical elements to provide power for both downhole and seabed pumps. Much has been

## THE AXE FALLS AGAIN IN THE NORTH SEA

*From Aberdeen (BG):* The North Sea jobs axe is swinging yet again. As SEN went to press, it was revealed that Fugro Survey is made up to 174 staff redundant, while operator Total is losing at least 50 of its onshore workforce in Aberdeen.

The Fugro move follows the company's acquisition of rival Thales GeoSolutions late last year. Fugro managing director Jim Somerville is reported as saying the job cuts are needed in order to reduce costs and maximise efficiencies following the takeover: 'They are two completely parallel organisations in Aberdeen at the moment, overlapping in management and operations. The financial performance of both companies before the acquisition really wasn't up to group standard, so we have to do something about it.' It is understood that Fugro has started a 90-day consultation on across-the-board redundancies.

According to reports, a Total spokesman has conceded that 30 onshore staff are going voluntary and 20 others had been chosen for compulsory redundancy. And a leaked document reveals that Total is set to terminate main

contracts and issue voluntary severance letters to its North Sea workers.

Elsewhere, KCA Deutag, a subsidiary of the Aberdeen-based Abbot Group, has run out of work in the North Sea. Abbot saw its shares plunge last month after it warned investors that North Sea activity would be reduced this year. The group is now in the process of consulting with staff on redundancies and says it also hopes to relocate some North Sea workers to other parts of the world.

Graham Tran, regional officer with the Amicus union, said a worst-case scenario could put job losses at around 165, but hoped the final figure would be far less.

The union official came to the company's defence, saying: '(W)e cannot put the blame...at the door of the drilling contractor. The only people to blame are the operators for failing to invest in the North Sea. The drilling contractors have no option but to lay off staff as there is no work to be done.'

### BUSINESS BRIEFS

Much has been written in the financial press of late about the effect of the **FALLING VALUE OF THE DOLLAR** on companies selling to US clients.

Of course, it is good for companies in the UK, in the Eurozone or Japan, which are buying crude in dollars and paying with their stronger currencies. Even with the inflated cost of a barrel of oil - Brent traded at over \$30/bbl today (Thursday) while lighter crudes are over \$33.50 - the cost of crude might seem cheap.

But SEN heard a story this week about a specialist UK company which had tendered a piece of equipment at \$1.65/£, but while the buyer dithered, sterling rose to \$1.80 adding nearly 10% to price. Ouch!

*From Aberdeen (BG):* **STENMAR GROUP**, the Aberdeen-based specialist in roV rental, sonar, seabed mapping, underwater cameras and diving training has gone into receivership with debts believed to be around £3mn.

Stemar's troubles have nothing to do with the subsea industry. It's all because it had diversified into the tourism business. Four months ago, Stemar opened what it thought was going to be a major tourist attraction, the £2.5mn Ocean Frontier centre on the shores of Loch Linnhe, near Fort William, aimed at giving visitors a real insight into subsea life.

Cost overruns and construction delays - plus a shortage of visitors - has seen the receivers called



in and more than 20 employees made redundant. Joint receiver Blair Nimmo of KPMG said the redundancies had been made necessary so that Stenmar could continue to trade until a buyer was found for the new centre.

Ocean Frontier is next door to Stenmar's underwater commercial diving school. Its centrepiece is a vast 1.4 million-litre pool replicating an Atlantic reef, featuring a shipwreck, a real wellhead and authentic flora and fauna, all of which can be explored with rovs.

BHP, operator of the Liverpool Bay complex in the UK part of the Irish Sea, settled a long-running legal battle with **DALMINE**, a subsidiary of Italian pipe supply company Tenaris. BHP and its partners have been awarded £108mn in a legal action that dragged on for nearly a decade.

Dalmine supplied linepipe on the Liverpool Bay development back in the mid-1990's. The 32km gas injection pipeline linking the main Douglas platform and the Lennox satellite platform failed two months after being commissioned in 1996. It was proved that the pipeline was 'out of spec' and suffered from corrosion. Dalmine appealed the decision, but lost the appeal.

In another legal action, **SMEDVIG** has finalised its settlement with Esso Norge and Keppel FELS over the Balder fpos (SEN, 20/11). All remaining issues between Smedvig and Esso have been settled without further payment, while Smedvig gets \$25mn from K/FELS and can pursue additional funds from the insurance underwriters.

From Houston (RV): **PARAGON ENGINEERING SERVICES** is looking to get a foot into the Trinidad

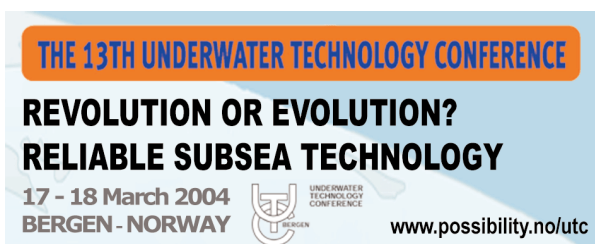
market, having formed a strategic alliance with local Trintosyl Engineering Services.

Trintosyl itself is a new joint venture between Trintoplan Consultants and Sylvester Engineering that Paragon hopes will help land work in the gas-rich island state and satisfy growing local content issues.

The axe often falls on the nicest of heads. Industry stalwart **COLIN BRACKLEY** who has been sales and marketing veep for Europe, Africa and Middle East with Kvaerner Oilfield Products for the past two years got the chop this week. Colin spent 12 years with Cameron including time at Woodchester and in Nigeria before a short period with ABB Offshore Systems. **Kjell Garvik** who has been responsible for marketing KOP umbilicals in the Gulf of Mexico is reportedly returning to Oslo to take over Brackley's responsibilities. This looks like another downgrading of KOP's London area operations.

**SVERRE SKOGEN**, who had been president and CEO of Kvaerner's Oil & Gas Division, has been named president of PGS Production and senior veep of its parent PGS asa. He replaces Edgar Alsaker who resigned only recently (SEN, 20/18).

**TRANSOCEAN** has acquired ConocoPhillips' 50% stake in the deepwater drillship Deepwater Pathfinder...Aker Kvaerner's **ROSENBERG** fab yard, just outside Stavanger, has been acquired by a venture capital group. AK retains an 18% stake in the facility...**STOLT OFFSHORE** has boosted its financial position with the sale of 34mn shares to institutional investors and the issuing of another 11mn shares to Stolt Nielsen to cover \$25mn in debt. These funds are to be used to speed up the company's restructuring.



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