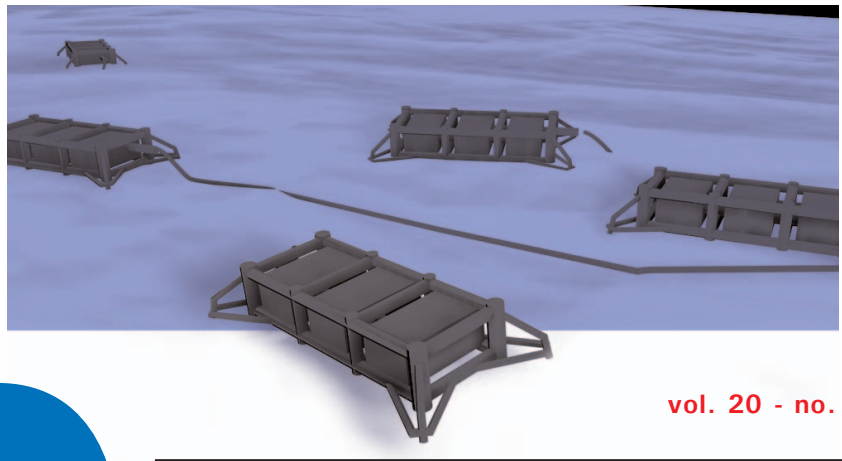

SEN
SUBSEA ENGINEERING NEWS

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PROJECTS ON TAP IN N SEA AND GoM

BP GOES A-PUMPIN' SUBSEA

BP which has put itself forward as one of the leading subsea technology proponents is putting its money - and its project - where its mouth is.

The super-major has a significant seabed pumping project on the cards in the North Sea, while pushing ahead with the application of new seabed technology in the Gulf of Mexico.

While BP is forging ahead, much of the industry continues to be reluctant to take the risks associated with the application of new technology. At least that was the message that came out of an SPE forum in Houston this week.

It was reported here after *Offshore Europe* last year (SEN, 20/12) that BP had gone into the market for seabed pumps to enhance production from its West of Shetlands fields, *Schiehallion* and *Foinaven*. Although this project does not yet have official sanction, SEN has been told by BP that it has awarded a contract to Framo Engineering for two multiphase pumping stations and engineering has already begun.

The stations, each with a pair of pumps, will be installed adjacent to a production manifold on each of the two WoS fields.

Of possibly even greater interest is BP's initiative to seek applications for new technology on existing GoM assets. The operator has a team looking at all of BP's existing producing fields to determine if any of them would benefit from a technology boost.

The first field that is being looked at, SEN has learned, is *Pompano*, a platform in 450m with a subsea production template tied back to it, first developed around 1995. The field is known to have low reservoir drive with a waxy crude and is likely beneficiary for a seabed pumping system. The template is believed to have been designed with a certain amount of flexibility which would allow a pumping system to be installed adjacent to the existing facility without complication.

Pompano was fitted with a GEC-Marconi - now ABB - subsea control system. It is likely, though, that any new facility would have a standalone controls package in

What's Inside:

order to accommodate the large amount of data and power management usually demanded for such an underwater system.

There is no project yet at *Pompano* and BP's Houston-based technology team is examining other assets as well.

BP's activity is in contrast with many others in the industry who can 'talk the talk', but find it much more difficult to 'walk the walk'. One attendee at the SPE Forum, without giving away 'trade secrets', admitted that the biggest challenge confronting technology developers is 'to reduce the perception of risk' so that small and medium-sized operators are not scared off by the prospect of deploying new technology.

Paired with reduced risk must be the clear benefit of deploying new, but qualified technology. A key feature of this forum, according to this attendee, was the appearance of asset personnel, ie those often perceived to be barriers in the application of technology. If these people can be convinced of the potential productivity advantages and are sufficiently incentivised, it could finally free up the reins constraining new technology.

COLLABORATION: Subsea 7 has joined forces with US-based Flowserve in the seabed pumping and processing markets.

The companies are working together on the Total-led MPSP-1500 joint industry project (jip) which is aimed at qualifying multiphase pumping systems for operations to 1,500m. BP and Statoil are also part of this jip.

Subsea 7 is already involved with DES Operations on seabed processing via collaboration on the MARS unit. This piece of kit can act as the interface between a xmas tree and a variety of other pieces of seabed hardware including both pumps and separators.

PROJECT UPDATES

MCMORAN FILES FOR *MAIN PASS* LNG FACILITY

From Houston (RV): McMoRan Exploration has taken another step towards making its *Main Pass Energy Hub* (*MPEH*) liquefied natural gas (LNG) plan for the Gulf of Mexico a reality. The company has submitted a license application to the US Coast Guard (USCG) under the US Deepwater Port Act for the $440mn project.

According to McMoRan's plan, *MPEH* would make use of disused sulphur facilities on a company lease at Main Pass 299 in 64m for storage and distribution of around 70mcm/d of LNG and C(ompressed)NG. The proposed site is located atop a 3km diameter caprock and salt dome capable of storing 0.8bcm.

Get in the queue!

Under the Deepwater Port Act, the USCG will undertake a year-long review of the project before deciding on issuing the license. In November, ChevronTexaco became the first company to receive such a license with approval to build *Port Pelican*, which expects to be first offshore gravity based (GBS) LNG receiving and regasification terminal in the GoM. This project would see two concrete GBS in Vermilion 140 equipped to process 22mcm/d of gas, increasing to 45mcm/d as part of a second phase with commissioning planned for 2007.

McMoRan says, pending approval, its facilities also could be operational by late 2007 and is pursuing commercial arrangements for the facilities and is engaged in active discussions with potential LNG suppliers and gas consumers.

In other LNG news, ENI is looking to make a splash in the US market. It has reportedly begun a study on the feasibility of deploying a floating LNG storage and regasification unit (FSRU) in the GoM similar to the one that BHP Billiton has planned for offshore California with its *Cabrillo Port* project (SEN, 20/23). The study, which is being performed in conjunction with Saipem, is in an early stage and is focusing only on economics, possible locations and preliminary designs.

STATOIL MOVES ON *NORNE* SATELLITES

From the UK (NT): Statoil is readying a NOK3.5bn development plan for the first *Norne* satellites, *Staer* and *Svale* (SEN, 20/17), which it aims to submit in May. Eight wells are planned - three producers and two water injectors housed on two templates for *Svale* and two producers and one injector on one template for *Staer*.

The two fields lie northeast of the *Norne* fpso - *Svale* at 10km and *Stær* at 5km - and will share a heated production flowline, thought to be 10in, and injection water line. *Svale* contains some 50mmbbl and *Stær* about 30mnbbl. Subsea equipment is expected to be ordered from FMC Kongsberg Subsea, which is currently performing pre-engineering. SEN understands that the four-slot templates will be relatively heavy structures with integrated protection structures, each weighing 250t and with a 70t manifold which will be separately installed.

Drilling will start in October following template installation in September. Start-up is scheduled for autumn 2005 and plateau rate will be 70,000b/d. *Falk* and *Lerke* are other small finds in the *Norne* area which could be developed later. Exploration resumes in coming weeks with wells on the *Linerle* prospect and *Alve* discovery.

Get *Gjøa*!

Meanwhile, the development of the *Gjøa* oil and gas field in Norway is finally on the agenda following an agreement between Statoil and Gaz de France to split the operatorship. Statoil will operate the development and GdF will take over for the production phase.

Operatorships have been split before in Norway. A recent example is *Ormen Lange* (SEN, 20/20), where Norsk Hydro looks after the development phase, while Shell will oversee production. This is the first instance when the split was at the licensees' request.

Gjøa lies in blocks 35/9 and 36/7, 45km north of *Fram* and contains an estimated 30bcm of gas and 50mmbbl of oil. It was once seen as Hydro's follow-up to *Fram* which came onstream last October. Instead Hydro last year sold its 30% stake to GdF.

The partners' first move will be to decide, later this year, whether a new appraisal well is required. Next year they hope to get underway with concept screening.

Options to be reviewed include a subsea tieback, possibly to a host in the Tampen area such as *Kvitebjørn* or *Huldra*, or to *Troll C*, the *Fram* host, and an fpso with high gas processing capacity. Direct export to Statoil's Kollsnes terminal some 100km distant is another option, according to GdF. A two-stage development, oil first and gas second, is also a possibility. But what looks really unlikely, despite Statoil mentioing it as a possibility, is a 1,200km tieback to a UK host.

While in the operator's seat, Hydro suggested that the development of *Gjøa* would depend on new technologies such as subsea processing. Such technology, however, appears no longer to be in the frame. Earliest start-up may be 2008, assuming the partners can get a plan for development together by 2006.

CHINESE AND AUSSIES TO COLLABORATE ON GAS SEARCH

From Melbourne (TR): The oil migration expertise of Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO) and knowledge of deepwater sedimentary systems will play a key role in the search for new oil and gas reserves in the South China Sea.

The project, to be carried out for the Chinese National Offshore Oil Corporation (CNOOC), is the result of a collaborative research agreement between CSIRO's Division of Petroleum Resources, the Chinese Academy of Sciences and the South China Sea Institute of Oceanology (SCSIO). The project has also attracted funding from the National Science Foundation of China.

Researchers from SCSIO and CNOOC will employ geological and stratigraphic data of the area, while researchers from CSIRO will use their expertise to model the way deepwater sediments could have been deposited over millions of years and predict where oil may be trapped. Together the team will establish methods to understand how stratigraphic layers may have formed on the seafloor and determine factors that could control the migration of hydrocarbons through the sediments.

CNOOC has recently signed a deal with ChevronTexaco to help develop the massive *Gorgon* complex (SEN, 20/16) , which with *Io* and *Jansz* make up Australia's largest gas reserve, with the potential of a A$30bn supply contract with Beijing.

CSIRO scientists will visit the SCSIO to study the geology of the northern South China Sea and conduct workshops on the application of various techniques. Chinese specialists will visit Australia this year to undertake research using CSIRO Petroleum's facilities and software.

PIPELINERS STILL GATHER FOR A GOOD 'SCHMOOZE '

From Amsterdam: In the North Sea's early boom years, before the era of subsea production, the *Offshore Pipeline Technology* (*OPT*) conference was a hotbed of industry gossip, a hiring fair, and 'schmoozing' venue to learn about technical advances. Every pipeliner thought it was necessary to be there.

Those days are over, but the recent *OPT* here contradicted the rumours that this event has settled into a tranquil middle age. The tone was set with an upbeat assessment of the future market, pointing to the striking growth in gas sales (increasing by 2.8% per annum), the explosive growth of demand in China, and a forecast $10bn/yr pipeline market including $400mn/yr expenditure on risers.

Shell's Gawain Langford contrasted the programme with the same conference in 1981. Then the emphasis was overwhelmingly on the North Sea and on technology. Now it is on projects around the world.

There was a remarkably frank description by David Simons (Shell) of the offshore gas gathering system (OGGS) parallel to the Nigerian coast, which included troubles ranging from pirate hijacks to a spoolpiece that didn't fit. Jay Chaudhuri of Medgas admitted that this projected pipeline from Algeria to Spain - Beni Saf to Almeria, twin 24in, 200km, depth to 2,150m - is 'not as challenging as Bluestream'. Alastair Walker reviewed the 'fast-track' crossing of the Gulf of Aqaba, completed in seven months from signing of the EPIC contract to first gas.

Just to prove, though, that the North Sea has not gone to sleep, Harry Ho of Shell talked about *Ormen Lange* and the *Langeled* system - 42in/44in 1,170km from the Nyhamna terminal to the UK beach to bring gas via *Sleipner* to the UK and continental Europe.

Technology was on the agenda as well. John Hooper (JP Kenny) talked about the snaked *Penguins* pipe-in-pipe tiebacks for Shell in the UK. Andrew Palmer, now of Cambridge University, argued that the conventional method of stability design is 'irrational' and could be superseded by a return to design based on specific gravity. Asle Venås of DNV described the arguments for and against the use of buckle detectors in laybarge pipelaying. David Willis, formerly with Land & Marine and now with environmental consultants RSK, told the extraordinarily complex story of code revisions and the comings and goings of European and British pipeline standards.

PROJECT BRIEFS

The wheels of government do grind very slowly. It was more than six months ago that the DTI officially launched the SUBSEA UK initiative (SEN, 20/12). After several months of silence, all seemed to spring back into action in late January with the big technology day (SEN, 20/22).

Since the launch, there has been an extensive search to find a suitable person - with subsea experience and commercial nous - to front this organisation. SEN was given the impression not long ago that a decision was going to be taken shortly so this initiative had a recognisable face.

So it was with some incredulity that SEN received a press release this week headlined '*The hunt is on for chief executive to lead UK Subsea organisation'*. So what has been going on for the last six months? There has been a suggestion that this is a final thrash to ensure that no one really qualified has been missed. That is what the headhunter is supposed to do!

Just in case you think you or someone you know would be just right for this job you can call Les Brown of Park Brown International on 01224 633866. By the way, no one asked me!

From the UK (NT): Paladin Resources has put BLANE (30/3a) back on the development agenda, and gained Talisman as a partner.

Under Shell's operatorship - but originally held by Enterprise Oil - the small oil field straddling the UK/Norwegian median line had gone precisely nowhere. Paladin has now agreed to acquire Shell's 30.5% stake and the operatorship. Last year it gained 65% of Norwegian block 1/2 by buying out stakes held by Norsk Hydro and Petoro. Now Talisman has agreed to acquire ConocoPhillips' 35% interest in this block.

Blane will be a test case for UK/Norwegian cross-border cooperation, according to a Paladin source, who believes that it owes its status as a 'stranded' field to boundary issues. If all the positive rhetoric from the two governments proves a true reflection of their ability to cooperate in practice - whenever they get round to signing an actual agreement, that is - the development of *Blane* should proceed smoothly.

There could be additional reserves in 1/2 in the shape of the *Hummer* prospect, though it has not yet been decided whether to drill this, according to Paladin. Nor has it been decided whether a new appraisal is required on *Blane*, as former operator Petrobras - before Enterprise - had planned.

Talisman says the field could be a subsea tieback to the *Gyda* platform, which it operates. Paladin says it is too early to speculate on the development concept as it first it aims to agree on a pre-development unit between the two licences.

Last year it was an unannounced anniversary and now it is an unannounced demise. Shell UK Expro's historic subsea production system, the UNDERWATER MANIFOLD CENTRE (SEN, 20/9), installed on the *Central Cormorant* field over 20 years ago, has reportedly ceased production as the last of its wells has been shut-in without so much as a kiss goodbye.

SEN would like to think that it would be possible to get a debriefing on the system - what worked, what worked less well and what was never done again - but that seems unlikely. Shell could not be bothered last year to even mark that fact that the *UMC* had been in the water for two decades, so noting that it was now no longer operational would be an even bigger yawn.

From Rio (GH): Kvaerner Oilfield Products, FMC and Subsea 7 presented proposals in response to a Petrobras tender for installation of PIPE LINE END TERMINATIONS (PLETs) linking four platforms in the Campos Basin. Copper Cameron also was invited, but did not present a proposal.

PLETs are used to join pipelines together. The equipment requested by Petrobras will be used to connect up *Petrobras 19* and *P-33* with *P-26* and *P-35* platforms. Four PLETs will be employed - two of 8in and two of 10in.

Petrobras should have already opened the commercial proposals, but no word has yet been heard on a result. According to the tender documents, Petrobras has specified that it wants the PLETs delivered in around eight months.

Companies which have been looking for UK government encouragement for R&D work will be pleased with the new tax credits announced just this week. SME's (small to mediium companies) will get 150% writeoff on both research and development work, while big companies will get 125. Previously it was 100%, ie £1 credit for every £1 spent on research.

The UK government has announced the biggest LICENCING ROUND in 40 years with 1,039 blocks and part-blocks, offshore and onshore, up for grabs. It has also launched the 'frontier' licence aimed at encouraging activity on the Atlantic Margin. Full details on the acreage being made available can be seen at www.og.dti.gov.uk.

Ramco Energy is to carry out a 'blowdown' at its SEVEN HEADS subsea gas field (SEN, 20/22) to try to clear water from varioius wellbores, a problem which has reduced production and limited gas deliveries to the Irish market…The Norwegian government has given the go-ahead for the deepwater ORMEN LANGE subsea gas development (SEN, 20/20) and the LANGELED gas export system. Norsk Hydro has also awarded Geoconsult the marine pipeline survey contract…ChevronTexaco has received the okay for ALBA EXTREME SOUTH PHASE 2 which involves a second new subsea manifold and three development wells…Perry Slingsby Systems is to provide rov tooling to parent Technip for the installation contract for Burullus' *Simian-Sienna* fields, phase two of the WEST DELTA DEEP gas development, offshore Egypt.

FLOATER BRIEFS

From Houston (RV): Reports have surfaced from the deep waters off Angola that ExxonMobil has hit peak capacity on its XIKOMBA development (SEN, 20/18) in Block 15. The field was brought online in November and in late February reached the planned peak production rate of 80,000b/d.

The field is producing from just four wells with an additional four wells for water injection and one gas injector to a generic fpso under lease from a joint venture between Angolan state oil company Sonangol and SBM. The fpso is the last of three ExMob ordered under its aggressive Early Production System strategy that sought to reduce the development cycle and lower costs by utilising speculatively built, nearly identical vessels.

Thus far the strategy could be viewed as a success as all three projects - *Yoho* off Nigeria, *Zafiro* off Equatorial Guinea and now *Xikomba* - began production well ahead of the schedule that would normally be required to procure custom-built facilities and ramped up to full production in record time. *Zafiro*, for example, achieved peak production within five days of startup.

The *Xikomba* fpso, a converted 300,000dwt tanker, has processing capacity of 90,000b/d, 90,000bw/d and 2.7mcm/d of injection gas. The vessel is scheduled to be on location for seven years, but could possibly stay in the block to produce some of the company's other discoveries once *Xikomba* is depleted.

Meanwhile ExxonMobil recently announced its seventeenth deepwater find in the block with the BAVUCA-1 well, drilled in just under 1,100m and tested at 2,726b/d. With this find the company upped its gross reserves in the block to 4.5bboe and its total resource base in Angola to 11.5bboe.

From Rio (GH): Rolls-Royce, winner of the tender to manufacture two power generation modules for the *Petrobras 52* floater in the RONCADOR field (SEN, 20/18) in the Campos Basin, has met with Petrobras technicians to discuss project's details.

According to a Rolls-Royce executive in Brazil, one of the novelties to be presented is that the physical work on the two modules will be conducted at a shipyard in the state of Rio de Janeiro, whose name he preferred not to reveal. The name of the subcontractor who will assemble the modules is also to be announced.

The contract for the construction of the *P-52*'s power generation system is budgeted at $83mn. R-R will build the turbines outside of Brazil while the generators and electric panels will be purchased from Brazilian manufacturers in order to satisfy the mandatory 'local content' requirement established for this project.

R-R also won the assembly contract for the power generation plant for *P-51* for *Marlim Sul.* This is the only fabrication that still has not been scheduled because Petrobras suspended the project until negotiations with the Rio de Janeiro state government are concluded. Petrobras is seeking a reduction in state taxes in order to make the project more economic.

(*From the UK:* GE Energy has the contract to supply compression modules for *P-52*. They will be built at the Nuovo Pignone plant near Florence.)

From Houston (RV): BP's MAD DOG spar (SEN, 20/22) has gone on record as the first permanent production facility in the Gulf of Mexico to be held on location with a synthetic mooring system. Heerema's *Balder* completed the mooring hookup of the 169m long, 39m dia, 20,000t floater to pre-installed polyester ropes supplied by Marlow in 1,348m in Green Canyon 826.

With the unit tied down, *Balder* is in the process of installing the air cans while the topsides are completed at McDermott's Morgan City yard. Heerema will use its *Thialf* vessel for the 7,636t topsides lift expected in the next month. This will be followed by installation of the completion rig, supplied by Pride International. AMEC is managing hookup and commissioning with first oil expected by year-end. The floater has processing capacity of 80,000b/d, 1.1mcm/d, and 50,000bw/d.

Next up for the polyester ranks is Kerr-McGee's *Red Hawk* cell spar (SEN, 20/23) which will be moored in 1,615m in Garden Banks 877 sometime within the next month. First production from this facility is expected some time this quarter.

Speaking of K-M, Mustang Engineering, part of Wood Group, is handling design, procurement and project management of the topsides for the CONSTITUTION truss spar (SEN, 20/23).

POLICY

ANP LIMITS 'BLUE BLOCKS' IN NEXT ROUND

From Rio (GH): The announcement of the sixth round of licencing has brought confirmation of the continuation of the current system, availability of only a few areas from Round Zero and one novelty - the inclusion of three new basins.

The launching of the new bidding round brought surprises to the market. The biggest was the inclusion of so few - just six of 22 - of the much expected 'blue blocks' remaining from Round Zero, relinquished by Petrobras last year. The only areas included are BS-500, BS-4, BC-10, BES-100, SEAL-100 and BC-60.

According to the National Petroleum Agency (ANP), the decision to restrict the number of areas from Round Zero included in this round was taken to ensure participation in future rounds. The criteria focussed on areas with big potential. The six areas selected are in the Santos, Campos, Espirito Santo and Sergipe-Alagoas basins, where recent discoveries have been made.

Try,try again

Despite the weak results of the last round, when only 101 of the 908 areas offered were sold, the government has decided to keep the evaluation system based on the signature bonus; the minimum exploration programme; and commitments to 'local content'. The average size of the blocks has been maintained - 30km² for areas onshore, 180km² for areas in shallow water and 720km² for areas in deep water.

More basins - 29 in all - will be offered, compared with 20 in the last round - 12 in deep water, eight in shallow water and nine onshore. The novelty of this round is the inclusion of deepwater areas in the Camamu-Almada, Sergipe-Alagoas and Pará-Maranhão basins, which were not available previously. For Camamu and Pará-Maranhão, an in-depth study of data available, work that has just been concluded, is being made available.

Also on offer are areas in Santos, Campos, Espírito Santo, Jequitinhonha, Recôncavo, Potiguar, Barreirinhas and Foz do Amazonas plus the problematic Pelotas deepwater basin where acreage has been offered without success.

The Espírito Santo basin has the most sectors (five) on offer, while the most acreage is in Santos (60,000km²). The new deepwater sectors include: Campos (SC-AP2), Santos (SS-AP1), Sergipe-Alagoas (SSEAL-AP2), Pará-Maranhão (SPAMA-AP1&2), Camamu-Almada (SCAL-AP1&2) and Espírito Santo (SES-AP1).

NORWAY GOES IN SEARCH OF MID-SIZED PLAYERS

From the UK (NT): The Norwegian Petroleum Directorate (NPD) has been marketing Norway's offshore sector this week at Intsok's annual seminar in Houston.

This initiative has been prompted as smaller players and start-up companies have been attracted to Norway recently, there is a glaring lack of medium-sized independents. Since Saga disappeared in 2000, the only newcomer in this category is Talisman, which took over BP's *Gyda* operation last year.

The NPD's wishlist includes Anadarko, Apache, CNR, EnCana and Petro-Canada, according to resources director Bente Nyland. These are the the kind of companies which can take on exploration in both mature and frontier areas.

As it happens, Petro-Canada has already come – in the late 1990s - and gone. Anadarko, another interesting case, was prequalified as an operator last year by NPD but has yet to acquire any assets. Mærsk and Lasmo – now part of Eni - are in the same situation.

These companies would also be desirable entrants, if only they would buy some assets and start exploring. Kerr-McGee, for example, also prequalified as an operator several years ago, finally acquired some acreage – block 1/5a – last year. The latest company to be prequalified as a licensee is Sumitomo, which only counts as a smaller company.

The NPD hopes to emulate the UK's success in self-promotion and will be blowing Norway's

trumpet at home (ONS) and abroad (OTC). On paper it has more to offer than the UK – 500 mapped prospects in the North Sea, many of 30mmbbl or more. Total undiscovered resources are estimated at 21bboe, divided roughly equally between the North Sea, Norwegian Sea and Barents Sea. However, the lack of success in frontier regions of the Norwegian Sea since the late 1990s could be acting as a deterrent to potential newcomers.

NEW UKOOA HEAD MANS THE BARRICADES

From Aberdeen (BG): Malcolm Webb, the new chief executive of the operators organisation UKOOA, took the stage here and found himself to be very much the new boy in town.

For some time now, UKOOA members have been subjected to the charge that they are holding back the independents, resulting in drilling rigs standing idle. So Webb had to be asked if the big operators are to blame for the loss of drilling jobs?

'I don't think it is anyway near as simple as that,' Webb said. 'I don't think there is one group of villains in this piece. I think the industry has got to stop throwing rocks at one another, consider what these problems are, see what unites us, see what our common interests are and move on in a cooperative way together.'

Webb said he 'did not want UKOOA to get involved in any turf war about ownership' but wanted UKOOA to be inclusive. It already has associate members from outside the oil operators' club and adding others is 'something we should always be prepared to have a look at.,'

Webb was upbeat about the North Sea's future, saying, 'The UKCS has had its youthful period and great spurt of growth and is now middle-aged. But that doesn't mean it doesn't have a bright future ahead of it." There were still 31bboe to be recovered and the industry will be here for decades to come, he suggested.

Now from London (NP): One of the cornerstones of the 'new look' UKOOA is the drive to achieve an increase of incremental barrels of oil from existing fields and from discoveries which have so far not been developed.

This is considered vital if the current production forecast of 2.5mmboe/d in 2010 is to be met. 'The drive is on and all stakeholders must play their part,' Webb said, just six weeks into his new job. 'But we must ensure that (all) have reasonable access to the infrastructure.'

Speaking at a 'meet-me' gathering, Webb said, 'I know there is frustration among some operators out there...(but) I am confident we will achieve a better deal...I expect a new agreement on tariffs very shortly.'

UKOOA says that while the UKCS is no longer 'in the springtime of youth', it is not in terminal decline. Its estimate of the remaining prize is 22-31bboe - 3-5bboe in brownfields,13-19bboe in exploration potential and 7.5bboe in producing fields or those under development. Current production plans target 14bboe by 2030.

He stressed the necessity to ensure an appropriate fiscal framework. 'We are not going to the Treasury shaking a begging bowl...We want to work with the Treasury which...now has a better understanding of the industry and the DTI to find the solutions.'

SHELL FINED £150K FOR GAS RELEASE

From Aberdeen (BG): Before carrying out a pressure test on Shell UK Expro's *Brent Alpha* platform, an Expro Group worker was given a ten-minute lesson on how to operate a control panel. During the operation he activated what he thought was the blowout device, but it was the upper master gate valve.The result was a release of gas.

At Peterhead Sheriff Court, Shell was fined £150K and Expro £20K. Both firms admitted placing the platform crew in potential danger, breaking health and safety rules. Shell admitted failing to ensure that two barriers were in place before the start of pressure testing. Expro admitted failing to ensure that adequate training and supervision was provided for those performing the task.

A Shell defence advocate said, 'Any instance of this nature is a matter of regret and of great concern. This was a case that never got beyond potential danger. This was contained and dealt

with very quickly and competently.' For Expro, a defence spokesman said that the worker involved 'wasn't a complete rookie' and his supervisor did not have reason to believe he could not carry out his role in the operation. Immediately he realised he had made a mistake, the worker had closed down the valves and the leak lasted no more than 60 seconds, releasing around 770kg of gas.

Sheriff Kenneth Stewart said, 'I take into account the risk of ignition in this situation was minimal, but this is still a serious matter.'

SUT SUPPORT FOR STUDENTS WANES

Funding support from by the Society for Underwater Technology (SUT) for offshore and ocean technology student has fallen by 75% due to significant reduction in financial support for the society by offshore companies, mostly of the smaller variety.

While the big companies - there are a dozen - have continued to provide funding, the smaller companies who in general might give £5,000 per annum have stopped.

SUT's Ian Gallett told SEN this week that the Educational Support Fund has raised nearly £500K since 1990 and provided financial support for nearly 200 undergraduate and graduate students.
Gallett admitted that financial uncertainties amongst some of the contractors and smaller engineering companies has contributed to the decline of the ESF. There are, of course, fewer operators after a period of consolidation and mergers and some from outside the UK do not see the need to support education here.

This funding decline comes against a backdrop of a continuing fall in engineering students in universities. This bodes ill for the future of the offshore and subsea engineering sector.

It would be remiss of SEN not to mention that SUT's long-time conference administrator Jean Pritchard is retiring. Jean worked tirelessly for the SUT first in London and later in Aberdeen.

SUBSEA PEOPLE: Kvaerner Oilfield Products seems to be losing people at a rate of knots. Gone from its Aberdeen controls organisation are WILLY LINKLATER and KEITH SMALLEY. The rumours are they have left to set up a company on their own.

With Dave Wollam's move to the new Vetco International organisation, it was expected some of his former mates at KOP might follow. This week SEN heard that DAVE SAUL is making the move to Nailsea to form the new singing duo The Two Daves.

PHIL GARDNER has left Oil States Industries to become senior veep for manufacturing with Oceaneering International. Gardner will be looking after umbilical manufactuer O/Multiflex and O/Intervention Engineering.

There can hardly ever have been a more bizarre job swap than what occurred in Norway this week. HELGE LUND who had been chief executive of Aker Kvaerner takes over as CEO of Statoil, while INGE K HANSEN who had been acting CEO at Statoil goes in the opposite direction. Can you imagine…John Browne of BP swapping with Phil Watts, now ex of Shell (add several billion barrels in reserves!)…or Lee Raymond of ExxonMobil changing places with John Lander of Tullow Oil (re-enact 'The Fly' with Lander becoming King Kong!)..or Tom Ehret of Stolt swapping with Daniel Valot of Technip (only if they forget the lawsuit!)

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