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Oilfield Pulse

July 26, 2024
Volume 4, No. 15

Special Table: Top Footage Drillers and Fluid Pumpers - PG. 9 & 10

Select Stories

Contracts & Projects | TechnipFMC locks up EPCI contract worth up to $1B for Katlan

Contracts & Projects | Bechtel wins EPC for Sempra's Port Arthur LNG Phase 2

Contracts & Projects | Corinth Pipeworks joins crowd hired to supply Trion off Mexico

Contracts & Projects | Saipem picks up $500MM in offshore projects for Saudi Aramco

Finance | Nabors bullish overseas while M&A fallout weighs on Lower 48

Earnings & Capex | Halliburton & SLB trim N. Am. forecasts while riding global wave

A&D | Archrock gives TOPS a $983MM spin to add youth & electricity

Valaris drillship joins $500,000+ club with Brazil blockbuster

Valaris Ltd. drillship DS-17 secured a contract running more than two years for an eye-popping day rate from Equinor's Brazilian subsidiary. In addition to earning well over $500,000 daily, the contract includes 180 days of paid standby time, terms that suggest a tight drillship market.

DS-17 to receive $498MM for 852-day contract at Equinor-led Raia project.

The estimated total contract value is $498 million for 852 days, including the standby time. That calculates to a day rate of roughly $585,000, the highest in the industry during this recovery. The contract value includes managed pressure drilling and other services, mobilization fees and minor rig upgrades. The highest day rate on Valaris' most recent fleet status report, published in April, was $497,000, which also went to the DS-17 from Equinor in Brazil via a 60-day option signed earlier this year that included MPD and other services.

The DS-17 will start its new contract after the 60-day option wraps up in June 2025. After the standby period, the drillship will begin a 672-day drilling program that is expected to commence in 1H26. The DS-17 also may work during the standby period both inside and outside Brazil for additional revenue. *Read more...*

H&P goes global, agreeing to buy KCA Deutag for nearly $2B

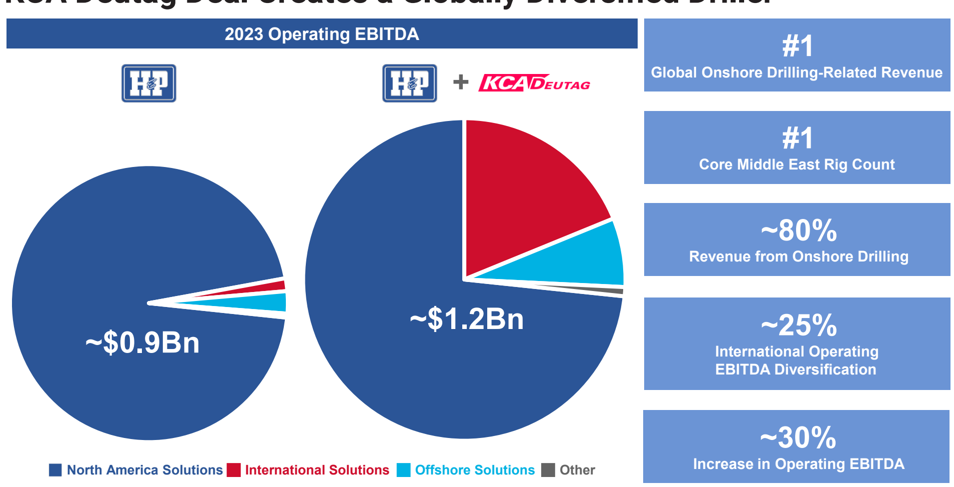
Helmerich & Payne Inc. reached a definitive agreement to acquire Aberdeen-based KCA Deutag International Ltd. for $1.9725 billion cash, dramatically accelerating its international expansion. Tulsa, Oklahoma-based H&P is the most active drilling contractor in the U.S. land market, which continues to slump in contrast to the growth in international drilling, especially in the Middle East.

"Acquiring KCA Deutag gives H&P immediate scale in core Middle East markets in a way that would be challenging to replicate organically," H&P CEO John Lindsay said in a July 24 release. "Furthermore, as there is very little geographic overlap, we view this transaction more than just acquiring assets, but rather acquiring operations with quality people."

H&P averaged 150 active U.S. rigs and 12 active international rigs in its fiscal 3Q24, which ended June 30, and in the current quarter will activate the first of seven rigs secured with long-term contracts with Saudi Aramco. Still, H&P's international operations have paled against rival Nabors Industries, which in Q2 averaged 84 active international rigs and 75 in the U.S.

KCA Deutag brings a significant land drilling presence in the Middle East, which accounted for 71% of the company's 2023 operating EBITDA. *Read more...*

KCA Deutag Deal Creates a Globally Diversified Driller



Source | Helmerich & Payne 07/25/24 presentation via Enverus docFinder

Section Index

Activity Index

Company	Headline	Category	PG.
ADNOC	ADNOC Gas awards $550MM to domestic firms to expand network	Contracts & Projects	7
Aker Solutions	Aker Solutions boosts outlook after strong Q2 order intake	Contracts & Projects	8
Archrock	Archrock gives TOPS a $983MM spin to add youth & electricity	A&D	12
Bechtel	Bechtel wins EPC for Sempra's Port Arthur LNG Phase 2	Contracts & Projects	3
Corinth Pipeworks	Corinth Pipeworks joins crowd hired to supply Trion off Mexico	Contracts & Projects	7
Energean	TechnipFMC locks up EPCI contract worth up to $1B for Katlan	Contracts & Projects	3
Equinor	Valaris drillship joins $500,000+ club with Brazil blockbuster	Contracts & Projects	1
Galfar Engineering & Contracting	ADNOC Gas awards $550MM to domestic firms to expand network	Contracts & Projects	7
Halliburton	Halliburton & SLB trim N. Am. forecasts while riding global wave	Earnings & Capex	11
Helmerich & Payne	H&P goes global, agreeing to buy KCA Deutag for nearly $2B	A&D	1
KBR	KBR advising Kuwait in crafting 2050 renewables strategy	Energy Transition	14
KCA Deutag	H&P goes global, agreeing to buy KCA Deutag for nearly $2B	A&D	1
Kuwait Petroleum	KBR advising Kuwait in crafting 2050 renewables strategy	Energy Transition	14
Nabors Industries	Nabors issues $550MM in 2031 notes to redeem 2026 notes	Finance	11
Nabors Industries	Nabors bullish overseas while M&A fallout weighs on Lower 48	Finance	11
NMDC Energy	ADNOC Gas awards $550MM to domestic firms to expand network	Contracts & Projects	7
OneSubsea	Vallourec & OneSubsea land work for Total's Kaminho in Angola	Contracts & Projects	3
PGS	TGS post-merger contracts include software deal with Shell	Contracts & Projects	7
Primoris Servicesv	Primoris Services secures $1.1B in utility-scale solar work	Energy Transition	14
Saipem	Saipem picks up $500MM in offshore projects for Saudi Aramco	Contracts & Projects	8
Saudi Aramco	Saipem picks up $500MM in offshore projects for Saudi Aramco	Contracts & Projects	8
SBM Offshore	SBM and Technip Energies' floating wind JV sets sail	Energy Transition	13
Sempra Infrastructure	Bechtel wins EPC for Sempra's Port Arthur LNG Phase 2	Contracts & Projects	3
Shell	TGS post-merger contracts include software deal with Shell	Contracts & Projects	7
SLB	Halliburton & SLB trim N. Am. forecasts while riding global wave	Earnings & Capex	11
Technip Energies	SBM and Technip Energies' floating wind JV sets sail	Energy Transition	13
TechnipFMC	TechnipFMC locks up EPCI contract worth up to $1B for Katlan	Contracts & Projects	3
TGS	TGS post-merger contracts include software deal with Shell	Contracts & Projects	7
Total Operations & Production Services	Archrock gives TOPS a $983MM spin to add youth & electricity	A&D	12
TotalEnergies	Vallourec & OneSubsea land work for Total's Kaminho in Angola	Contracts & Projects	3
U.S. Silica Holdings	U.S. Silica shareholders on board with Apollo's takeover offer	A&D	12
Valaris Ltd.	Valaris drillship joins $500,000+ club with Brazil blockbuster	Contracts & Projects	1
Vallourec	Vallourec & OneSubsea land work for Total's Kaminho in Angola	Contracts & Projects	3
Woodside Energy	Corinth Pipeworks joins crowd hired to supply Trion off Mexico	Contracts & Projects	7

Contracts & Projects

TechnipFMC locks up EPCI contract worth up to $1B for Katlan

TechnipFMC secured a $500 million to $1 billion integrated EPCI contract for Energean's Katlan development offshore Israel. The contract covers the design, manufacture and installation of the production systems, pipe, umbilicals and subsea structures.

The subsea infrastructure will tie back to the Energean Power FPSO, currently serving the Karish and Karish North gas fields in the eastern Mediterranean Sea. TechnipFMC delivered fully integrated subsea solutions under its iEPCI execution model for both Karish and Karish North.

The Katlan project, located on Block 12 off Israel, is a phased development of several gas accumulations. Phase 1A will target the 2022 Athena and Zeus gas discoveries and Phase 1B the adjacent Hera and Apollo structures. Katlan's 2P reserves have been estimated at 1.1 Tcf plus around 23 MMbbl of liquids. Energean has yet to confirm an FID on the project despite saying in January it expected to make one upon finalization of EPC terms.

The award follows an integrated FEED study by TechnipFMC to optimize the commercial and technological solution for the field. The engineering company said this is Energean's first project using its configure-to-order Subsea 2.0 production systems.

Vallourec & OneSubsea land work for Total's Kaminho in Angola

France-based tubular manufacturer Vallourec secured a contract from TotalEnergies to supply almost 5,000 tonnes of OCTG for the Kaminho deepwater project offshore Angola. The July 10 announcement came exactly one week after SLB announced its SLB OneSubsea JV would provide the subsea production system for Kaminho. The contracts' financial terms were not disclosed.

Vallourec said it will supply its range of VAM connections for Kaminho, use Cleanwell—its "more environmentally friendly, dope-free solution"—and provide offshore expertise and tubular management services. The products will be manufactured at Vallourec plants in France, Brazil and Indonesia, taking advantage of the group's strategic premium production hubs.

Vallourec has worked with TotalEnergies in other campaigns, such as in Namibia where it supplied almost 5,000 tonnes of tubes and connections. More broadly in Africa, Vallourec supplies and supports a range of products and services including Cleanwell in Nigeria, Gabon, Congo and Mozambique.

SLB OneSubsea, a JV of SLB (70%), Aker Solutions (20%) and Subsea 7 (10%), received a contract for a 13-well subsea production system for Kaminho, including associated equipment and services. During the Kaminho project's first development phase for Cameia field, SLB OneSubsea will collaborate with TotalEnergies to deploy a highly configurable subsea production platform with a standardized vertical monobore subsea tree, wellhead and controls system, SLB said. SLB OneSubsea will assemble and manufacture modules in Angola.

TotalEnergies and its Block 20/11 partners reached their FID in May on Kaminho, which will develop Cameia and Golfinho fields roughly 100 km off Angola in up to 1,700 meters in water. Production is expected to start in 2028 and reach a plateau of 70,000 bo/d.

The project will involve converting a VLCC into an FPSO connected to the subsea production network. To minimize emissions, the FPSO will be all-electric and associated gas will be reinjected into the reservoirs. The Kaminho project will involve more than 10 million man-hours in Angola, mainly in offshore operations and construction at local yards.

Upon FID, Italy's Saipem secured $3.7 billion in contracts covering EPC services for the FPSO, operations and maintenance for the vessel and EPC for the subsea umbilicals, risers and flowlines. Saipem already operates three FPSOs off Angola: the Kaombo Norte and the Kaombo Sul for TotalEnergies and the Gimboa for state-owned Sonangol.

TotalEnergies holds an operated 40% WI in Block 20/11, Petronas holds 40% and Sonangol 20%. Cobalt International Energy discovered Cameia in 2012 and Golfinho in 2016 before the company filed for bankruptcy in 2017.

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Total greenlights 70,000 bo/d Kaminho project off Angola

Bechtel wins EPC for Sempra's Port Arthur LNG Phase 2

Sempra Infrastructure awarded a fixed-price EPC contract for the second phase of its Port Arthur LNG export facility to Bechtel Energy, which is already building Phase 1. As part of the contract, Bechtel will perform the project's detailed EPC, commissioning, startup, performance testing and operator training activities. The agreement also includes the ability to conduct pre-FID work, better assuring project cost and schedule certainty. Financial terms were not disclosed.

Like $13B, under-construction Phase 1, Phase 2 will have 2 trains for 13 mtpa.

"We are thrilled to achieve this milestone with Bechtel for the Port Arthur LNG Phase 2 development project and are confident that our continued collaboration with this world-class construction firm on the Port Arthur site will further strengthen our ability to execute this project," Sempra Infrastructure CEO Justin Bird said. "Building on the success of Port Arthur LNG Phase 1, which is currently under construction, the Phase 2 project is expected to further enhance the supply of secure, abundant and reliable U.S. natural gas to customers around the globe."

Each phase will consist of two trains with 13 mtpa of combined capacity, bringing total nameplate to 26 mtpa. Sanctioned in March 2023 with an estimated project cost of $13 billion, Phase 1 also includes two 160,000-cubic-meter LNG storage tanks and associated infrastructure. Trains 1 and 2 of Phase 1 are expected online in 2027 and 2028, respectively.

Sempra Infrastructure—the LNG and renewables affiliate of midstream giant Sempra—is currently marketing Phase 2 offtake and recently signed a non-binding heads of agreement with Saudi Aramco for 5 mtpa over two years, on top of a prior 0.2 mtpa HOA with Ineos. Aramco is also considering acquiring a 25% participating interest in Phase 2. Phase 1 offtake customers are ConocoPhillips (5 mtpa), RWE (2.25 mtpa), Ineos (1.4 mtpa), PKN Orlen (1 mtpa) and Engie (0.875 mtpa).

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