



PROJECT NEWSLETTER



Status Summary

The Seadrill Sevan Louisiana is currently scheduled to arrive at the Delta House field mid-September 2014 and the Seadrill West Neptune is expected to operations in the field by early to mid-December.

The Delta House FPS is still at the Kiewit Yard in South Texas. Completion and testing of critical systems required for Temporary Certificate of Inspection is taking longer than expected. Installation of the pipeline pull in winch system is now being done at the fabrication yard instead of offshore as originally planned.

Subsea Systems and completion of the export pipelines has started and will ramp up significantly after the FPS is installed.

All mooring system suction piles and presets are installed and ready for arrival of the FPS.

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Drilling & Completions

The Sevan West Neptune has completed sea trials, as well as the offshore BOP systems integration testing. Delivery of the rig from Samsung to the drilling contractor, Seadrill, is expected by August 20th. Delivery delays from the BOP manufacturer on the second BOP will now require the second BOP to be placed on the rig after the Neptune arrives in the Gulf of Mexico. After the GOM acceptance testing on the Malachite wellhead, the rig will start the Delta House completions in early to mid-December. Integration and commissioning of the second BOP stack will take place during the first completion.

The West Neptune is currently scheduled to perform five consecutive subsea completions (including the MC 79 well pending a success by the Louisiana).

Production Deck Fabrication

Structural work is basically complete.

Piping work is also nearing completion. A new diesel line to the storm generator is being worked, as well as a new drain from the storm generator.

Electrical work is again focused on the necessary requirements for Temporary Certificate of Inspection (TCOI) from the USCG. Fire and Gas and the PAGA systems are nearing completion. Cables going into the MCC building are being reworked and organized through the penetrations to accommodate the number of cables.

Instrumentation work is also focused on the same items as electrical for TCOI.

Blasting and painting will continue until sail away. All the major painting has been performed on the project. As work is being done, touch-up painting is required.

The two Life Boats and Davits have been tested and approved by USCG.

Commissioning is also focused on all the systems required for TCOI for sail away.

The Hull Incline Test was completed and accepted. Hull systems are being checked out and commissioned. Some additional work is being performed in order to satisfy USCG requirements for TCOI.

Clean-up efforts on the entire platform are being done in preparation for sail away.



Topsides View of Delta House FPS



Adding a Diesel Line

Production Systems Engineering

Engineering/Design:

- Overall progress for Engineering Topsides through July is approximately 99% complete
- 100% of P&ID's have been issued Rev. 0
- 100% (4,672) of Construction Isometric Drawings have been issued
- Permitting Documentation has been issued
- Ongoing submittals / resolutions to DNV Comments
- Completed issuing Wiring and Instrument Location Plans
- Continued LOOP Diagrams
- Continuing Purchasing Spare Parts and Miscellaneous items
- Continued construction support
- Continued commissioning support

Procurement:

- 113 Topsides Purchase Orders have be completed
- Change Orders for Spare Parts and miscellaneous items are ongoing

TOPSIDES

VK 817 Topsides

- BSEE approved the Surface Safety System permit for the topsides modifications at VK 817 “A”.
- Launcher & Receiver Skids (UPCS) – All welding is complete, and piping is in coating. Assembly, hydrotest, and touch-up painting remains.
- PLC Panel (Omega) – Fabrication is complete, and programming is in progress.
- Boarding Shutdown Valves (Cameron) – Valve hydrotest and function test is in progress, with shipment expected at the end of August.
- ICP Fabrication & Offshore Hookup (QCP) – Fabrication is expected to begin the first week of August, with completion in early September. Offshore hookup will follow.

SUBSEA

Engineering & Regulatory

- All permits have been approved for infield and export pipelines, umbilicals, and jumpers, with the exception of two new well jumpers.

Pipeline & Riser

- SCR & Line Pipe – All pipe is coated and shipping to Technip continues.
- Titanium Stress Joints (2D/RTI) – Fabrication is complete, final coating is in progress.
- VIV Strakes (AIMS) – Fabrication is complete, final coating is in progress. Will begin shipping in mid-August.

Manifolds, Jumpers and PLETs

- Subsea Manifolds (Spitzer) – MC 253 manifold shipped to Technip for installation. Weld remediation of some manifolds is ongoing.
- PLET’s (Omega) – MC 253 PLETs were shipped to Technip for installation. PLETs & ILS’s, and SOB2 ILS’s are complete. SOB2 PLETs fabrication is ongoing.
- Jumpers (New Industries) – Fabrication is in progress. FMC weld remediation of some jumper components is ongoing. Upon completion, these parts will ship to New Industries.

Subsea Distribution

- Umbilical Fabrication (Duco) – Dynamic and static umbilicals are being terminated. MC 253 umbilical repairs are in progress, and termination will begin thereafter. SOB2 umbilical fabrication is in progress.
- Subsea Controls (FMC) – Assembly and testing of SFL’s, UTH’s and HDU’s continues.

Pipeline & Riser Installation (Technip, Completion: 11/1/14)

- Infield – Deep Blue completed Trip 1 installation of the MC 253 North, South and Satellite flowlines and manifold on 7/17/14. Trip 2 (12” Oil Short Line and SOB2 flowlines) is scheduled to begin 9/6/14.
- Export – DSV Uncle John is expected to complete 12” riser installation at VK 817 “A” on 8/3/14. DSV Texas is scheduled to mobilize to begin MP 291 hot tap installation for 12” export line on 8/5/14.

Umbilical & Subsea Controls Installation

- Final work order issued to Oceaneering on 7/17/14. Kickoff meeting was held on 7/31/14.



MC 253 Manifold Installation

Mooring & Installation

Mooring:

- All 12 suction piles installed
- All 12 mooring lines preset on seafloor

Installation and Hook-Up:

- Regulatory approval received for tow and hook-up
- Tow manual and hook-up procedures complete
- All tow hardware delivered to Kiewit
- Tow out window revised for August 29th to September 12th