



# PROJECT NEWSLETTER



## Status Summary

A few highlights to note are:

The new dynamically positioned drill rigs, Sevan “Louisiana” and Seadrill “West Neptune” are continuing their progress toward the Gulf of Mexico with well operations scheduled to start at the Delta House field in May and October of 2014, respectively.

Progress on the Delta House Hull has been dramatic. All Hull subassemblies (blocks) are in place and are being mated together. Outfitting of the systems inside of the Hull is continuing at a rapid pace.

The main deck of the platform was lifted into place over the cellar deck framing on December 13th. Completion of this phase of the structural framing has allowed the installation of many of the main deck skid packages and equipment. You will note that the photographs of the deck from last month compared to this month demonstrate significant progress.

All pipe required for the project pipelines has arrived and is being end bored and coated in New Iberia, Louisiana. Fabrication of the subsea manifolds and control systems and anchor system suction piles is progressing on schedule to allow installation to start offshore this spring.

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## Drilling & Completions

There will not be any new drilling results to report until May; however, we continue to make progress with the rig delivery for the next round of Delta House well activity. The Sevan Louisiana has completed its stopover in Mauritius and is now on its way to Walvis Bay, Namibia. There have been some setbacks with respect to system readiness, and will use this leg to revisit issues that need to be resolved with the BOP and pipe handling systems. Thus, BOP acceptance testing, as well as the pipe handling system IAT (Integrated Acceptance Testing), is set to occur on the leg from Walvis Bay to Curacao. Technicians have been able to quickly repair the pipe handling system issues once they boarded the rig in Mauritius. We are hopeful that successful testing of the system, as well as additional training will occur prior to Curacao. In Curacao, we will bunker for the final time, have a crew change and take on any remaining subsea and rig equipment. Current mobilization and GOM commissioning schedule projects the Sevan Louisiana starting well operations in the GOM in early to mid-May of 2014.

Construction of the West Neptune continues in Korea, the drillship has left drydock and is now afloat (see picture). Current rig delivery is still set for June 30th, with a Mid-October arrival in the US GOM. We will sign the IAT program with Seadrill this week and then commence plans to staff up with 3rd Party staff and LLOG Foreman to ensure the rig is commissioned and ready to go for the GOM this fall.



West Neptune



# Hull Fabrication

- HHI has expended 586,680 man hours to date. Overall construction progress is 90.7%.
- Major Events:

Steel Cutting	March 4, 2013
Keel Laying	July 15, 2013
Flooding of Hull	November 19, 2013
Launching	February 26, 2014
Ready for Sail Away	March 1, 2014
- The Delta House Hull is completely erected with no remaining blocks to assemble.
- Bardex mooring equipment and riser adapters have been delivered to the shipyard.
- Installation of equipment is on-going for riser adapters, mooring turn down sheaves, chain stoppers, hawse pipe closures and fairleaders.
- Shore Power connected to MCC on January 10th.
- MCC commissioning commenced on January 13th and will continue throughout the month.
- Installation of elevators is on-going.
- UNEX is currently coating the sump tanks with delivery on January 15th.
- Riser pipe and caissons are assembled and ready to install.



Current Hull Status as of January 2, 2014

# Production Systems Engineering

## Engineering/Design:

- Overall progress for Engineering Topsides through December is approximately 97% complete.
- Continuing Factory Acceptance Testing (FATs) and final inspections of major equipment packages.
- Meeting with vendors either weekly or bi-weekly if necessary to ensure that equipment deliveries are still on time.
- Ongoing reviews of Vendor Data Packages.
- Issued Electrical Cable Schedule for MTO.
- Issued cable tray plans for pipe racks, generator module, pipeline pump areas.
- Completed issue of all on-skid wiring drawings.
- Issued equipment location plans for the Upper Deck, Production Module and Booster Compressor area.
- Continued to issue piping plans.
- Continued to issue “Issued for Construction” Isometric Drawings. To date, approximately 4446 out of 4484 (99%) (Revised estimated total) have been issued.
- Issuing Pipe Supports/Cable Tray Supports to Kiewit. Pipe supports are approximately 98% complete; Cable Tray Supports are approximately 71% complete. (Revised estimated totals)
- Incorporating vendor packages into the 3D model as they are received.
- Continued HMI/PLC development.
- Ongoing submittals to DNV.
- Continuing interfaces between Kiewit, Exmar, and Pinnacle.

## Procurement:

- Approximately 106 total Topsides Purchase Orders will be completed at the end of the project.
- 102 Purchase Orders (96%) have been issued with one issued in December.
- 3 Request for Quotations are outstanding.
- One RFQ package is in Technical Development.

- The upper level was successfully floated over the lower level without injury to personnel or damage to equipment. The tie-in of tubulars between the deck sections is well underway. The South end of the lower level and the East and West corner sections were successfully installed. The 3 waste heat recovery units, 3 generators and 2 compressors were installed on the upper level along with pipe rack #3. Equipment continues to arrive on site and installed on the deck. Pipe spool installation continues on all levels of the deck and to equipment. Lights are burning on both levels of the deck and cable tray has been installed.
- The production module has been painted and equipment has been set. Pipe spool installation is well under way. Lights have been installed on the upper level and the mezzanine level.
- The compression module has been painted and pipe support installation and light installation is in progress. The coolers are also being installed on the module.
- The generation module has been removed from the shop and is being blasted and painted. The support structure has been completed and will be installed once the framing has been painted and flipped over.
- The North lifeboat platform has been completed but remains in the shop.
- The pipeline pump skid valve access platforms have been painted and await installation on the deck.
- The two crane access platforms are being framed.
- The two crane pedestals have been welded out and are waiting for blasting and painting.
- The pipe racks are being stuffed with pipe spools and cable tray and waiting installation on the deck.



Compression Module



Delta House Topside



Production Module

Below is a snapshot of current activities that our inspectors are overseeing:

All work on the Instrument Air Skid at **Airdyne** is complete, and the FAT has been accepted by DNV. The skid has been shipped to Kiewit.

The major components have been installed on the Flash Gas Compressor at **Exterran**. Most of the piping has been installed on the skid and the I&E is in progress. The FAT is scheduled and should be conducted soon. Shipment to Kiewit will follow.

Work on the Living Quarters at **General Marine Leasing** is complete. The FAT was performed and accepted by the US Coast Guard and DNV. The building has been shipped to Kiewit and will be installed on the deck.

Assembly of the Glycol Regen Skid and Heat Media Skid is progressing at **Integrated Flow Solutions**. All major equipment and components have been installed on the skids. Interconnecting piping and valve installations are in progress.

Piping assembly is nearly complete on the Fuel Gas Skid at **Moore Controls**. All instrumentation is installed, and all that is left on the skid is to run tubing and cable. FAT should be conducted soon with shipment to follow.

Fabrication of the Condensate Stabilization Skid continues at **NOV Petrex**. The upper and lower structural decks of the skid are complete. All pressured vessels, coolers, and filters are completely installed and securely welded. NOV Petrex is in the process of installing process piping, piping supports, and instrumentation items. The fire water piping (deluge) is also complete and is in queue to be installed.

**Point Eight Power** has completed the work on the Emergency Generator Building. The FAT was completed and accepted by DNV with minor punch list issues. The building has been transported to Kiewit and will be installed onto the deck.



Instrument Air Skid



Living Quarters



Glycol Regen Skid



Fuel Gas Skid

## TOPSIDES

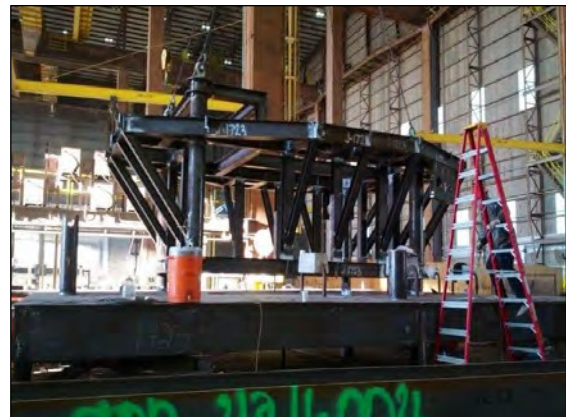
- Chemical Injection Module (Omega, Delivery: 1/2/14) – Fabrication is complete. Module was loaded onto a barge and shipped to Kiewit.
- Hydraulic Power Unit (HPU) and Topsides Umbilical Termination Assembly (TUTA) (Omega, Delivery: 2/28/14) – HPU panel work in progress. TUTAs are scheduled for hydrotest in mid-January.
- VK 817 Topsides – Issued PO for boarding shutdown valves and reviewing closure bids.

## SUBSEA

- Engineering & Regulatory – Issued revised Fugro permit plats to LLOG for BSEE submittal. Met with BSEE on 12/17/13 to discuss WCD calculations for 12” oil export pipeline. They concluded by accepting our calculations.
- Pipeline & Riser
  - Infield Line Pipe and Infield & Export SCR Pipe (Sumitomo, Delivery: 11/15/13) – Manufacturing is complete and all pipe has been delivered to New Iberia.
  - Export Line Pipe (V&M, Delivery: 1/24/14) – Manufacturing is complete. The third shipment (12” line pipe) arrived in New Iberia, and the fourth shipment (16” line pipe) arrived in Houston on 12/29/13 is currently being barged to New Iberia.
  - Pipe Coating, Insulation & End Boring (Bayou/Perma Pipe/Bevel Tech, Delivery: 4/18/14) – Bayou Pipe continues to offload pipe from incoming barges and began FBE coating on the 6” SCR pipe. Perma Pipe completed GSPU on the 8” line pipe and 8” SCR pipe and began GSPU on the 6” line pipe. Bevel Tech completed counterboring the 8” and 12” SCR pipe and is currently counterboring the 6” SCR pipe.
  - Steel Catenary Risers (2D/RTI, Delivery: 6/30/14) – TSJ fabrication is ongoing. 2H is working through procedures for the forgings. Forging test rings were heat treated at Exova.
- Subsea Manifolds (Spitzer, Delivery: 5/10/14) – Fabrication of the subsea manifolds is in progress. They are currently fabricating mudmats, piping kits and support structures for all four manifolds.
- Subsea Distribution
  - Umbilical Fabrication (Duco, Delivery: 8/30/14) – All raw materials on order. Ultra Deep is starting detailed design and fatigue analysis.
  - Subsea Controls (FMC, final component delivery: 7/10/14) – FMC is working to improve deliveries to match Duco needs. FMC has pulled SRM deliveries to September 2014, which will not affect first production. LLOG executed order acknowledgement from FMC for additional subsea controls and Mantis. Currently working with FMC on software logic and programming.
- Pipeline & Riser Installation (Technip, Completion: 10/15/14) – Technip began weld qualification testing on the 6” pipe at their spoolbase in Mobile, AL. Held another riser pull-in meeting with Exmar, Versabar, Technip and Pinnacle to finalize deck support steel. Began purchasing jumper miscellaneous hardware, and fabrication will be bid out in January.
- Export Pipelines – Cameron began fabrication of subsea valves. Oil States completed fabrication of the hot tap for the 12” oil export pipeline. Issued AFC pipeline drawings for both export pipelines. Began purchasing miscellaneous hardware for subsea valve assembly fabrication for both the oil and gas pipelines.



Chemical Injection Module



Subsea Manifold