



PROJECT NEWSLETTER



Status Summary

The Seadrill Sevan Louisiana is here in the Gulf of Mexico and is conducting final systems commissioning. Anticipate arrival at the Delta House field in late July after drilling an initial well at MC 79.

A major project milestone has been achieved with arrival of the Delta House Hull at Kiewit’s yard in Ingleside, TX. The Dockwise HTV “Treasure” arrived on schedule on May 15th.

Interconnect piping, instrumentation and electrical installation is continuing at a very rapid pace with crews working 24 hours per day. Anticipate that the piping will be completed by the end of May. Deck to hull integration is scheduled for the middle of July.

Installation of the concrete mats for pipeline pre-crossings is almost complete. Ten out of the twelve Delta House FPS mooring system suction piles have been installed. The Technip GI200 is scheduled to start installation of the 16” gas export pipeline before the end of May.

It’s going to be a very busy summer.

Drilling & Completions

We are close to resuming rig activity in the Delta House field. The Seadrill Sevan Louisiana is in the Gulf of Mexico and undergoing final systems commissioning before starting drilling operations (as pictured). The rig will execute a trial run of the BOPs and riser on the Malachite wellhead in MC 258 in 5,638’ water depth. Once landed on the wellhead, the rig will commission the emergency disconnect sequence and all BOP and riser capabilities. This will complete the IAT (Integrated Activity Testing) and we can start well operations. The initial well will be in MC 79 just to the north of the Delta House wells. We anticipate this well to take approximately 60 days, then in late July we will move on to drill and complete the third well at the MC 253 manifold location. Next, the Louisiana will move over to the other well at the MC 253 manifold location and execute a second well completion. The Louisiana will wrap up its Delta House campaign with a drilling and completion of the third well in MC 300.

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Seadrill Sevan Louisiana Rig Floor

The Seadrill West Neptune is in the final construction phase at Samsung Heavy Industries in Korea. The rig naming ceremony was held in April and Carol Eaton, LLOG Manager of Regulatory Affairs, was honored to serve as the Godmother of the Seadrill West Neptune. As you can see from the attached picture Carol is very proud of “Her Rig”!

The West Neptune was one of four deepwater drillships Seadrill christened on April 3rd, a record in the industry and quite a sight. The West Neptune will undergo sea trials starting mid June, and back in the shipyard by early July for dock side commissioning and wrap up for construction. From mid-July to early August, the rig will undergo SIT (Systems Integration Testing), and mid-August is the delivery date from Samsung. A little more than two weeks is needed for the installation of the heavy weather cursor system for deployment and recovery of the ROV, equipment load out, and fuel bunkering. By late August, the rig will leave Korea for the GOM. After a GOM commissioning of the BOP and Riser system on the Malachite wellhead, the rig will start the Delta House completions in late November to early December. The West Neptune is currently scheduled to perform five consecutive subsea completions, including the MC 79 well pending a success by the Louisiana.



Carol Eaton LLOG Manager of Regulatory Affairs,
Godmother of the Seadrill West Neptune



Christening of West Neptune



Production Systems Engineering

Engineering/Design:

- Overall progress for Engineering Topsides through April is approximately 99% complete.
- Completed Factory Acceptance Testing (FATs) and final inspections of major equipment packages.
- Ongoing reviews of Vendor Data Packages.
- 100% of P&ID's have been issued Rev 0.
- To date, approximately 4,672 out of 4,672 (100%) (Revised estimated total) have been issued.
- Continued HMI/PLC development.
- Ongoing submittals / resolutions to DNV Comments.
- Completed issuing Wiring and Instrument Location Plans.
- Continuing Interfaces between Kiewit, Exmar, Pinnacle, and GATE.
- Continued Issuing Construction Work Packages.
- Continued LOOP Diagrams
- Continued construction support
- Continued commissioning support

Procurement:

- 113 (revised total) total Topsides Purchase Orders have be completed.
- Change Orders for Spare Parts are ongoing.

Production Deck Fabrication



Structural work is presently limited to installing miscellaneous stiffeners, working on grating, installing platforms/stairs/ladders, and reassembly of skids from vendors. Since the last issue, the Diesel Fuel Skid and Aviation Fuel Skid have arrived, set and welded down.

Piping work continues at all levels of the deck and to equipment. Only a few hundred spools remain to be installed on the deck. All the hydro test packages (120) have been approved to move forward and 59 have been tested successfully. Pre-hydro walk-downs, actual hydro testing, and restorations are being performed daily. The goal is to complete all hydro testing prior to integration. DNV and the United States Coast Guard are witnessing all regulatory testing.

Electrical crew has ramped up the cable pulling and terminations. Cables are being pulled from one end of the deck to the other and to equipment. Occasionally, additional supports are required to support the cable tray and to access the equipment.

Instrumentation continues to move forward installing tubing in the tubing tray, and connecting to equipment and panels throughout the deck. Workers continue installing the instruments after hydro for restoration in order to complete systems.

Coatings continue throughout the deck. Most of this is touch up work. The Chartek for the blast wall on the production module has been applied and witnessed by DNV and the United States Coast Guard. Insulators have begun insulating piping and vessels on the deck.

Commissioning is onboard with the project now and has submitted a commissioning plan. Commissioning is working with engineering and the construction team to plan out the commissioning effort.

The hull arrived at Kiewit on May 15, 2014.



Delta House Topside



Hull Arrival at Kiewit

Production Equipment Fabrication



The following events have taken place since our last report:

The NGL Skid is being fabricated at Accurate Measurement. It has received the top coat of paint. Installation of piping and components are scheduled to begin soon.

Acadian Contractors is fabricating the Flare Boom. It's now ready to receive the top coat of paint, which will be a striping that will extend the entire length of the flare boom.



Flare Boom

TOPSIDES

1. VK 817 Topsides

- Launcher & Receiver Skids (UPCS, Delivery: 7/14/14) – ICP fabrication is ongoing, and skids have been welded out.
- PLC Panel (Omega, Delivery: 7/14/14) – Panel quote received and being reviewed with Shell and LLOG.
- Boarding Shutdown Valves (Cameron, Delivery: 6/10/14) – Fabrication is ongoing.



Concrete Mat installation

SUBSEA

1. Engineering & Regulatory

- All permits have been approved for infield and export pipelines, umbilicals, and jumpers. The 6” pipeline and 4” umbilical permit applications for the satellite (MC 209 SS001) were submitted to BSEE on 4/24/14.

2. Pipeline & Riser

- SCR Pipe – All SCR pipe is coated, end bored and ready to ship.
- Line Pipe
 - 8”, 12” and 16” line pipe is coated and ready to ship.
 - 6” FBE coating is 100% complete, and GSPU is 86% complete.
- Titanium Stress Joints (2D/RTI, Delivery: 6/30/14) – TSJ titanium section welding continues. Fabrication of steel flanges and bushings is ongoing.
- VIV Strakes (AIMS) – Began coating the 12” antifouling strakes. Continued manufacturing and inspection of the 6”, 8” and 16” strakes.

3. Manifolds, Jumpers and PLETs

- Subsea Manifolds (Spitzer, Delivery: 5/10/14) – Fabrication of manifold structures, mudmats and piping kits for all 4 manifolds is complete. Painting, insulation and FAT is in progress. The first manifold should be complete in early May.
- PLETs – Fabrication at Omega is ongoing. First four 6” PLETs will hydrotest next week.
- Jumper – Sent out RFQ for jumper kit fabrication.

4. Subsea Distribution

- Umbilical Fabrication (Duco, Delivery: 10/30/14) – Manufacture of dynamic umbilical is in progress.
- Subsea Controls – Assembly and testing of SFL’s, UTH’s and HDU’s continues.

5. Pipeline & Riser Installation (Technip, Completion: 10/15/14)

- At spoolbase, weld qualification continues, 12” reeled pipe stalking is complete, and 6” reeled line pipe stalking is in progress. The MSV Iron Horse mobilized and has almost completed installation of all export pipeline pre-crossings and setting of initiation suction piles. Installation engineering and project planning continues. Next vessel to mobilize will be the GI200 in May to begin laying export pipelines.

6. Umbilical & Subsea Controls Installation

- Sent Oceaneering drawings of Duco revised umbilical buoyancy modules and bend stiffener, and latest umbilical delivery schedule. Oceaneering to issue final proposal, then LLOG will execute award.

7. Export Pipelines

- Fabrication has begun on the VK 817 risers, subsea tie-in assemblies and VK 859 net guard. Cameron has completed all but three of the subsea valves.

Mooring & Installation

Mooring:

- Suction Pile fabrication is 98% complete at Intermoor's fabrication yard in Morgan City
- Piles 1 through 8 are installed
- Piles 9 and 10 completed
- Piles 11 and 12 are finishing up FAT
- Preparations underway to begin mooring preset installation.

Installation and Hook-Up:

- Tow plan being finalized
- Installation Verification Plan submitted to BSEE
- Installation and hook-up procedures being finalized



Pile on deck of the M/V Joshua Chouest