



PROJECT NEWSLETTER



Status Summary

The Delta House FPS departed Kiewit's Yard in south Texas on September 13, 2014! Congratulations to everyone involved in this significant achievement! The FPS is on location in Mississippi Canyon Block 254 with 50 crew and construction personnel onboard. Anchoring operations are ongoing at the time of this writing.

The Drilling and Completions update section is back in this edition with revised details of the plans and schedule. Big news is that the Seadrill West Neptune has departed South Korea and is headed to the Gulf of Mexico.

Note that the Project Schedule in this edition has been revised to give more details of the remaining offshore work through to estimated first production dates for the various wells.

Pipeline installations will recommence at the end of September with the Technip Deep Blue scheduled to work continuously to lay all remaining pipelines. We currently expect all pipelines to be installed, connected, tested and commissioned by mid December 2014.

Almost all remaining Delta House construction related activities are offshore.

Drilling & Completions

The Delta House Drilling Program has experienced a series of delays since early August on the Sevan Louisiana. LLOG is considering a number of options to recover schedule. We expect the Sevan Louisiana to complete operations on MC 79 in late October, followed by initiating work at Delta House.

The Seadrill West Neptune is making good progress and has left Korea for the Gulf of Mexico. The Korea portion of the rig commissioning went well, the ROV heavy weather deployment system has been installed (see picture), the BOPs have been mated to the rig control system and "splashed" before leaving Korea. The rig pipe handling, mud management, and cementing systems will be commissioned while en route to the Gulf of Mexico. Upon arrival in the GOM, Seadrill will take on the second BOP prior to running the initial BOP on the test well to ensure our riser recall and emergency disconnect systems are functional. Current schedule shows starting Delta House completions in mid-December.

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Seadrill West Neptune

Production Deck Fabrication



The Delta House FPS sailed away from Kiewit on Sunday, 9/14/14.

All structural work was completed prior to sail away and the storm generator was installed and secured to the platform. Riser pull-in equipment was set on the deck and secured in position.

All piping work was completed prior to sail away, including the diesel fill lines to the storm generator and the drain.

All electrical work required for Temporary Certificate of Inspection (TCOI) was completed in order to sail away. There is still work to be done offshore on the electrical end.

All instrumentation work required for TCOI was completed. Some additional work will need to be done offshore.

All major blasting and painting work was completed prior to sail away. Some touch up work will be required offshore.

Final commissioning work will be completed offshore.



TCOI Hand Over with Scott Byrnes,
CWO Dan Reed, USCG & Hilton Weaver



Delta House FPS Tow Out



Delta House FPS Tow Out
from a distance

Production Systems Engineering



Engineering/Design:

- Overall progress for Engineering Topsides through August is approximately 100% complete with continuing commissioning support, resolving DNV issues, and purchasing spare parts
- 100% of P&ID's have been issued Rev. 0
- Permitting documentation has been issued
- 4672 (100%) of Construction Isometric Drawings have been issued
- Ongoing submittals / resolutions to DNV comments
- Completed Wiring and Instrument Location Plans
- Completed LOOP Diagrams
- Continuing purchasing spare parts and miscellaneous items
- Completed construction support
- Continued commissioning support

Procurement:

- 113 Topsides Purchase Orders have been completed
- Change Orders for spare parts and miscellaneous items are ongoing

TOPSIDES

VK 817 Topsides

- Launcher & Receiver Skids (UPCS) – Both skids are currently undergoing hydrotesting and are scheduled to be completed 9/15/14.
- PLC Panel (Omega) – Fabrication is complete, and programming is in progress.
- Boarding Shutdown Valves (Cameron) – 2” valves are complete. 12” valve bodies will be replaced and are scheduled to be complete 10/7/14.
- ICP Fabrication & Offshore Hookup (QCP) – Fabrication is scheduled to be completed 9/15/14. Offshore hookup is scheduled to begin 10/1/14 and will take approximately a month to complete.

SUBSEA

Engineering & Regulatory

- DWOP permits were approved on 8/19/14. Two jumper permits are still pending approval. All other pipeline, jumper and umbilical permits have been approved.

Pipeline & Riser

- SCR & Line Pipe – Received and coated additional pipe from Sumitomo for the infield pipeline.
- Titanium Stress Joints (2D/RTI) – Fabrication is complete. TSJ's are being packed and will ship in mid-September.
- VIV Strakes (AIMS) – Fabrication complete and shipped to Technip spoolbase.

Manifolds, Jumpers and PLETs

- Subsea Manifolds (Spitzer) – Weld remediation of manifolds is complete. Manifolds were shipped and are currently in storage until needed.
- PLET's (Omega) – Final fabrication, coating, insulation and testing of PLETs is complete.
- Jumpers (New Industries) – Fabrication is in progress. FMC weld remediation of KLV8 connectors is almost complete.

Subsea Distribution

Umbilical Fabrication (Duco) – Dynamic and static umbilicals will be ready to ship by mid-September. Some umbilical repairs are in progress, and termination will begin thereafter. SOB2 umbilical fabrication is in progress.

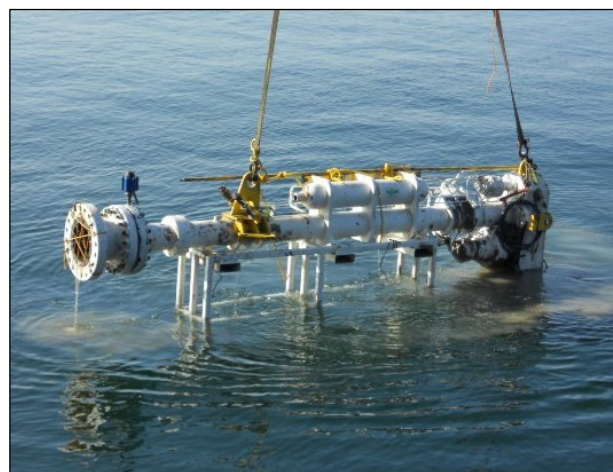
Subsea Controls (FMC) – Assembly and testing of subsea hardware should be completed by mid-September. Shipping of components to Houma for storage is ongoing.

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

- Infield – Deep Blue Trip 2 (12” Oil Short Line and SOB2 flowlines) is scheduled to begin 9/26/14.
- Export – The DSV Uncle John completed 12” riser installation and leak test at VK 817 “A” on 8/5/14. The DSV Texas completed the MP 291 oil hot tap installation for the 12” export pipeline on 8/23/14, and is currently at VK 859 performing the gas hot tap installation for BP.

Umbilical & Subsea Controls Installation

- Oceaneering is scheduled to install the South static umbilical beginning around 9/24/14 and the North Dynamic umbilicals around 11/5/14, and the SOB2 umbilical in December.



MP 291 Oil Hot Tap 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
- Tow Out Commenced September 14th and is currently on location
- Hook-up in progress with Installation vessels, Dino Chouest and Joshua Chouest