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Innovation thrives amid market slump

Lower oil prices not stopping
advances in drilling fluids,
bits, tubulars

HIGH-COST SUBSEA SECTOR FACES TEST OF ECONOMICS

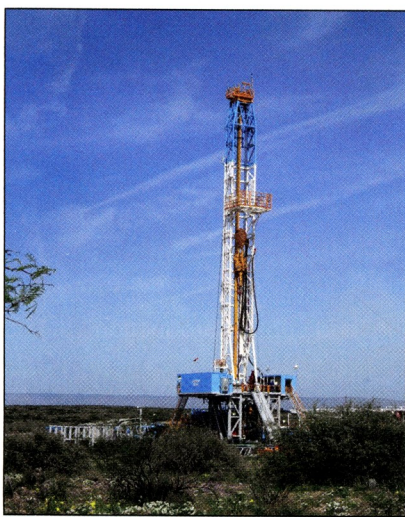
Companies look to integration, standardization to cut costs - p88

IN SEARCH OF EQUILIBRIUM IN NORTH SEA

Shrinking CAPEX leads to substantial rig oversupply, falling dayrates - p18

New Latshaw rigs put to work in Permian Basin

Two new rigs from **Latshaw Drilling** began operations in February and March in the Permian Basin. Rigs 43 and 44 are both **National Oilwell Varco** (NOV) Ideal 1,500-hp AC rigs with TDS-11 500-ton top drives, NOV 12-P-160 mud pumps with 7,500-psi circulating systems, and walking systems capable of walking up to 120 ft on a multi-well pad. With these two rigs, Latshaw now has eight late-model AC rigs out of its fleet of 40 rigs.



Latshaw Drilling Rig 44 (above) and Rig 43 began operations in February and March in the Permian Basin. The company now has a fleet of 40 rigs.

\$5.1 billion Big Foot drilling platform completed

LoneStar Energy Fabrication has completed work on the \$5.1 billion Big Foot drilling platform that is ready to begin drilling in the Gulf of Mexico. LoneStar Energy was the primary fabricator of the 4,600-hp modular drilling rig. The extended tension-leg platform is the industry's largest and will operate on the Big Foot oil and gas field, 225 miles south of New Orleans. The project took two years to complete.

The platform will house 200 workers and has the capacity to produce 75,000 bbl/day of oil and 25 million cu ft/day of gas. Standing more than 40 stories above the Gulf of Mexico and weighing more than 8,200 tons, it will operate in 5,200 ft of water.

NDC contracts ENSCO 110, ENSCO 104

In May, **EnSCO** announced it had entered into a three-year contract with **National Drilling Co** (NDC) in the United Arab Emirates for a new premium jackup, ENSCO 110. The newbuild is contracted at a rate of approximately \$114,000/day.

NDC has also contracted ENSCO 104 for a three-year term at a dayrate of \$114,000. The rig was mobilizing to the Middle East from the Asia Pacific region and scheduled to commence its new contract in late June.

EnSCO CEO **Carl Trowell** commented, "We are pleased to extend our relationship with NDC. The Middle East is the largest market for premium jackups, and we continue to invest in new rig technology for the benefit of customers."

In addition to ENSCO 110, two more high-specification jackups, ENSCO 140 and ENSCO 141, are scheduled for delivery in 2016 from **Lamprell's** shipyard in the United Arab Emirates, he added.

ENSCO 110 is based on the **Keppel FELS** B Class Bigfoot design, which is capable of working at water depths up to 400 ft, with a maximum drilling depth of 30,000 ft. The rig has a nominal variable deck load of 7,500 kips and a cantilever load of 2,500 kips. It



ENSCO 104 has been contracted to drill offshore the United Arab Emirates after mobilizing from the Asia Pacific region.

includes a 1.5 million-lb derrick, TDS-8 top drive and 4-ram 15,000-psi BOP. EnSCO customized the rig to add dual drilling fluid capability and upgraded the living quarters to accommodate 150 people onboard.

ENSCO 104 is based on the **KFELS** Class B design. The rig operates in water depths up to 400 ft, with a maximum drilling depth of 30,000 ft. The rig has a variable deck load of 8,025 kips and a cantilever load of 1,675 kips. It includes a 1.5 million-lb derrick, TDS-8 top drive and 4-ram 10,000-psi BOP.

HPHT well finds hydrocarbons in Danish North Sea

Maersk Oil has discovered hydrocarbons from the exploration well Xana-1X, which was drilled in license 9/95 in the northern part of the Danish sector of the North Sea.

"The drilling of the high-pressure, high-temperature exploration well has been completed. At present, the partners are in the process of assessing the technical and commercial implications of the discovery and looking at potential follow-up," **Martin Rune Pedersen**, Managing Director

of Maersk Oil's Danish Business Unit, said.

The Xana-1X well was drilled in a water depth of 68 m and to a total drilling depth of 5,071 m in the Jurassic formation.

The well was spudded on 8 December by the Noble Sam Turner jackup and is being plugged and abandoned. The partnership in license 9/95 consists of **A.P. Møller - Maersk** (34%), **Dong E&P** (20%), **Nordsøfonden** (20%), **Noreco Oil Denmark** (16%) and **Danoil Exploration** (10%).

ExxonMobil makes oil discovery 120 miles offshore Guyana

ExxonMobil has announced a significant oil discovery on the Stabroek Block, located approximately 120 miles offshore Guyana.

The well was drilled by ExxonMobil affiliate **Eso Exploration and Production Guyana** and encountered more than 295 ft (90 m) of high-quality oil-bearing sandstone reservoirs. The well was safely drilled to 17,825 ft (5,433 m) in 5,719 ft (1,743 m) of water. The Stabroek Block is 6.6 million acres (26,800 sq km).

"I am encouraged by the results of the first well on the Stabroek Block," **Stephen M. Greenlee**, President of ExxonMobil Exploration Company, said. "Over the coming months, we will work to determine the commercial viability of the discovered resource, as well as evaluate other resource potential on the block." The well was spudded on 5 March. The well data will be analyzed in the coming months to better determine the full resource potential.