

Innovation Snapshot: American Shuttle Tankers

Crude oil taxis an alternative to FPSOs

While FPSOs have broken a barrier with the acceptance last year by the US Minerals Management Service for use in the US Gulf of Mexico, no specific project has yet been announced for the region. A novel concept may bring the shuttle tanker into the Gulf well before the FPSO.

Houston-based American Shuttle Tankers LLC (AST) proposes that, instead of new fields being dedicated to FPSO service, shuttle tankers could work in the Gulf of Mexico like crude oil taxis, servicing any floating production unit.

Patents are pending on this proprietary concept called Separate Storage Shuttling™ (S-S-S™). It is a new twist on lightering and shuttling practices that could, for example, bring to the spar platform the storage capability that was part of the original concept, but which was never feasible to effect.

It could also spread beyond the Gulf to broaden the appeal of shuttle tankers in other regions.

The brainchild of AST Vice President Peter Lovie, the concept proposes to turn a dynamically positioned shuttle tanker into a de facto FSO, holding station near a floating production unit – even a fixed platform – while taking on the crude.

Lovie, who opened the North American office of FPSO pioneer Bluewater Offshore Production Systems and headed that operation for seven years, is known around the Gulf region as “Mr. FPSO” for his tireless advocacy of FPSO solutions. He left Bluewater in December 2001 to join AST, which was founded then as a company owned 50/50 by North Sea shuttle tanker operator Navion and Gulf lighterer Skaugen PetroTrans.

“FPSOs may not find their way into the US Gulf of Mexico in the very near future,” says Lovie, “so at AST we knew we had to change direction somewhat, to broaden the appeal of

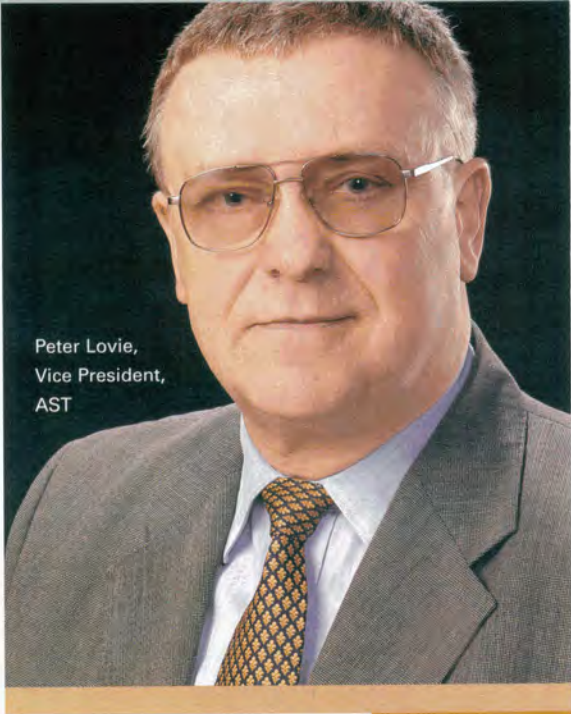
shuttle tankers by offering service for any kind of platform. We took a group of existing oil handling and transportation technologies and combined them in a new way to bring a new dimension to shuttle service.”

In a further development, AST President Oyvind Jordanger announced last year an agreement between AST and US owner/operator Seabulk, to convert a certain number of Seabulk’s newest Jones Act tankers into shuttle tankers. With pipeline building costs roughly calculated at a million dollars per mile, the availability of Seabulk’s young, US flag fleet – with

An inventive proposal may bring shuttle tankers into the US Gulf of Mexico long before any FPSOs are deployed there.

several tankers less than five years old – makes surface transport of oil a viable option for any new deepwater projects that are outside the Gulf’s existing pipeline network. “This move significantly accelerates the pace of the shuttle tanker’s arrival in the Gulf,” says Lovie. “It means we can have a shuttle tanker out there inside a year, whereas a newbuilding might not be available for three years.”

“Separate Storage Shuttling will not be difficult to implement,” he says. “We have discussed the idea with regulators and with ABS, and ABS has been particularly helpful in ascertaining that the concept can be made to fit within existing Rules and regulations. That was an important step, because fundamental to the realization of any offshore concept is that safety is workable, and that the economics are workable. We can bring a tanker for the FSO role over from our North Sea fleet and have it in service inside a year. It’s all a matter of persuading people that it’s good to do.”



Peter Lovie,
Vice President,
AST