

Floaters fade from view

ONLY one project proposing to use a floating production, storage and offloading vessel in the Gulf of Mexico remains on the table, nearly eight years after the US Minerals Management Service's (MMS) decision to accept applications for the use floaters in the region.

Brazilian state oil company Petrobras elected to push for phase one development of its Cascade-Chinook Lower Tertiary fields via a leased FPSO and that project is on schedule to come on stream next year.

Since the Petrobras move, the MMS confirmed it has not received a single additional application for use of an FPSO in the region.

The solution has been entertained for Chevron's deeper, more remote Jack-St Malo project, but ultimately lost out to a semi-submersible based development.

"Will there be lots of them (in the US Gulf)? No," says Peter Lovie, long-time advocate for FPSOs in the US Gulf and current consultant to Vanco Energy.

According to Lovie, the lack of FPSOs in the area has to do with the challenges posed by "field characteristics" in the deep and ultra-deep Gulf waters.

The wells are so complicated — and so expensive — that operators tend to prefer to have access to them from a floating platform instead of an FPSO.

US Gulf remains bereft of FPSOs as challenges scare away players

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It also has to do with where the field is located, whether pipelines are nearby or remote, and if pipelines have to be laid, how much it will cost to do so.

Lovie says pipeline companies are reluctant to commit to new ultra-deepwater pipelines unless they can get firm commitments from preferably more than one operator to flow production into a new system.

Canadian transporter Enbridge recently signed one of these deals with Chevron to build a \$500 million line to move gas from the Jack-St Malo area and other Walker Ridge discoveries.

"It's really linked to (production) export," says Lovie of the production facility decision-making process.

Lovie believes that there are still opportunities for more FPSOs in the US Gulf but that only a handful will ever get built and installed.

The solution's next best chance might be BP's large Kaskida discovery in the remote Keathley Canyon area. The region is virtually hardware-free and BP is known to have been reviewing a

possible early production system for the find that would utilise a leased FPSO scheme.

"Something is percolating there," says one engineering source. Another solutions provider adds that the FPSO option is still alive inside BP's project team.

Lovie agrees that Kaskida and BP's nearby Tiber find are serious contenders for FPSOs.

Risers are also a major challenge for FPSOs in the US Gulf. The more common steel catenary riser cannot be used in a disconnectable riser system. Flexible risers are a typical alternative, but some sort of riser solution will have to emerge and be widely accepted by industry if FPSOs are to have any chance for continued deployment in the US Gulf.

"It's a big thing," says Lovie of the riser issues. "If it doesn't work, it affects everybody."

Other discoveries in remote parts of the US Gulf that could lead to potential FPSO-based projects include Anadarko's Shenandoah find in north-western Walker Ridge and Chevron's Buckskin in south-eastern Keathley Canyon.



Option: FPSO proponent Peter Lovie

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