



# OILFIELD SERVICES

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## New Cameron-Schlumberger JV targets subsea market

Cameron and Schlumberger announced the formation of a new JV called OneSubsea targeting development and manufacturing of subsea products, systems and services. The partners say OneSubsea will be a step change in subsea reservoir recovery due to a focus on life-of-field integration and optimization of the entire production system. The partners plan to achieve this by combining Schlumberger's superior reservoir knowledge and well completion, subsea processing and integration solutions with Cameron's industry-leading subsea technologies and design, manufacturing and installation capabilities.

OneSubsea will particularly focus on strengthening research and engineering investment with an eye toward complete subsea production system integration, which will include complementary projects with Cameron and Schlumberger. The ultimate goal is to unlock previously unattainable reservoir potential.

Cameron is contributing its subsea division to the venture and will manage OneSubsea with 60% ownership while Schlumberger holds 40%. **> Continues On Pg 8**

*Schlumberger paying \$600 million, contributing Framo & other divisions.*

## Subsea 7 wins three orders totaling \$1.2 billion in backlog

Subsea 7 recently announced \$1.23 billion in new contract orders, increasing Q3's \$8.09 billion in total backlog by 15%. The flagship in recent weeks is a four-year, \$800 million SURF deal with Total in support of development of the Martin Linge gas field in the Norwegian North Sea. Work will include EPIC of complete subsea facilities for the

subsea 7 field, to include a 100-mile power cable, 43-mile export pipeline and associated gas export system gear, a 34-mile fiber optic cable and a 2-mile pipeline and riser connecting to the floating storage unit. Subsea 7 will also ship and install the mooring system for the floating storage unit. Subsea 7 Norway VP Stuart Fitzgerald said the win was the largest-ever SURF contract on the Norwegian Continental Shelf.

Various pipelay, construction, diving, ploughing, trenching and survey vessels will be used to complete the work including the recently delivered Seven Borealis which will install the gas export line. Work has commenced from Subsea's Stavanger office with offshore work slated to begin during spring 2014. **> Continues On Pg 4**

*\$800 million SURF award from Total is the largest ever on Norwegian shelf.*

## FTS finalizes Brazilian completion services JV

FTS International has finalized a JV with private Brazilian E&P firm Petra Energia focusing on Brazilian operations, to be called FTS Brasil Servicos de Petroleo e Gas Ltd. FTS Brasil plans to provide onshore conventional and unconventional completion products and services, with initial operations in the Sao Francisco and Reconcavo Basins. The venture will resemble FTS International's vertically integrated US model and include manufacturing, assembly and maintenance of equipment, which will include high-pressure hydraulic pumps and mobile frac units.

In support of initial operations, FTSI will mobilize ~22,500 hp of mobile pressure pumping equipment to Brazil. Spokeswoman Pam Percival told Upstream the mobilization represents a single fleet, although the company sees adding additional horsepower over time given Brazil's large resource potential. In Q3, FTSI reported owning 34 fleets consisting of ~1.5 million hp.

FTS Brasil may also provide mining, production and raw material sourcing and marketing services, with the latter potentially including proppants and completion additives. **> Continues On Pg 12**

*FTS International mobilizing 22,500 hp in pressure pumping to Brazil under deal.*

## Pacific Drilling's Chevron UDW win runs \$680,000/day

Pacific Drilling announced its newbuild UDW drillship Pacific Khamsin has been retained by Chevron under a two-year minimum, \$527 million contract for operations off West Africa. There is an option for an additional third year exercisable by Chevron prior to shipyard delivery. The vessel will be capable of drilling to 40,000 ft in up to 12,000 ft of water. The Khamsin is slated for delivery by Samsung in 2Q13; work is slated to commence in 3Q13.



*Backlog grows 18% to \$3.4 billion.*

The win pushes total backlog up 18% to \$3.4 billion. Not factoring for mobilization or demobilization, the Chevron deal breaks down to a very healthy dayrate of \$721,918. **> Continues On Pg 6**

## FEATURED DEALS

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## Appalachia & Bakken strong despite 2012 low well starts

The domestic rotary drilling rig count dropped 11 (0.6%) to 1,800 the week ending December 7 according to **Baker Hughes**. Both the oil- and gas-focused segments declined, but gas again saw the worst of things dropping 7 to 417 while oil dropped 4 to 1,382. By play, big movers versus the prior week were a 5-rig jump in the Eagle



Ford to 238 and a 9-rig decline in the Permian

to 472. On a monthly basis, the overall count dropped six, again with the Eagle Ford and Permian moving the most (up 15 or 6.7% and down 19 or 3.9%, respectively). The Granite Wash and Utica also saw gains during the period (up 5 or 6.9% to 77 and up 3 or 11% to 30, respectively).

Well starts hit 2012 lows last month according to RigData, dropping 9.1% to 2,989, also marking the first time national starts dipped below 3,000 YTD. Drops were widespread with 2012 lows in Texas (down 10.1% sequentially), Utah (down 42.7%), California (down 13.9%), New Mexico (down 25.7%), Colorado (down 14.9%) and Louisiana (down 32.8%).

**Well starts dropped below 3,000 in November; permits 4th-highest of 2012.**

Appalachia bucked the trend with Ohio and West Virginia hitting 2012 highs. North Dakota also hit a 2012 high, and Wyoming and Arkansas saw solid gains.

Permits were strong in November rising 20.6% sequentially to 5,902. Texas permits rose 28.9% to 1,903, Illinois more than doubled to a 2012 high 134, North Louisiana rose 81.0% to a 2012 high 219, California saw a 62.8% increase to 552 and Oklahoma rose 35.4% to a 2012 high 459. Although Kansas declined sequentially, it saw a second consecutive month of 650+ permits. Again, Pennsylvania and Ohio also saw solid gains. However, North Dakota and New Mexico both dropped significantly.

**US oil rig count dropped by 4 on December 7; gas count dropped 7.**

## Oilfield Service Contracts

### Petrobras cancels five-rig order with Ocean Rig

**Petrobras** announced cancellation of a five drillship order with **Ocean Rig**, noting in securities filings that it would now be drilling fewer wells in the Santos Basin, "in light of better productivity obtained from the wells in production development in that area."

Petrobras originally announced plans to lease the vessels in February at \$548,000/day with 45-90 month terms, under a massive offshore development plan. A sticking point in contract talks, according to Upstream, was Ocean Rig's plan to build the rigs through **Synergy Group**. The company is controlled by German Efromovich, who has clashed with Petrobras in legal battles. Tight financing due to European economic woes was also deemed to be a factor. Ocean Rig was also the only Petrobras bidder which did not opt to share ownership interest with Petrobras-affiliated Brazilian rig enterprise **Sete Brasil**.



## North American Rotary Rig Count As Of December 7 Source: Baker Hughes

Location	Week 12/7/12	Week Ago 11/30/12	Month Ago 11/9/12	Year Ago 12/9/11	% Chg. YOY
United States	1,800	1,811	1,806	1,987	-9%
Canada	406	399	370	504	-19%
<b>US Breakout Information</b>					
Oil	1,382	1,386	1,389	1,161	19%
Gas	417	424	413	820	-49%
Miscellaneous	1	1	2	6	-83%
<b>Major Basins</b>					
Barnett	41	41	39	63	-35%
D-J (Niobrara)	40	42	41	47	-15%
Eagle Ford	238	233	223	218	9%
Fayetteville	15	15	15	31	-52%
Granite Wash	77	77	72	84	-8%
Haynesville	36	37	37	110	-67%
Marcellus	92	92	92	136	-32%
Mississippian	80	80	83	48	67%
Permian	472	481	491	476	-1%
Utica	30	30	30	14	114%
Williston	194	196	194	198	-2%
Woodford	42	42	43	83	-49%

## ABOUT PLS

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## Oilfield Service Contracts

### Transocean, touching \$600k rates, adds \$1.1B in business

Transocean reported ~\$1.1 billion in new backlog in November led by a two-year, \$438 million deal with **Statoil** for its Discoverer Americas UDW floater in the US Gulf of Mexico. In yet another sign of another step-change in UDW pricing, the dayrate breaks down to \$600,000/day, up 18% vs. its prior rate of \$509,000/day.



**UDW floater Discoverer Americas will earn \$600,000/day in the US Gulf.**

Other wins include a 32-month, \$394 million contract for the midwater floater GSF Grand Banks with **Husky Energy** off Canada. At \$410,000/day, the new deal represents a 38% increase to the Grand Banks' prior rate of \$297,000/day. In the Norwegian North Sea, **Marathon** exercised a six-well, \$166 million option for midwater floater the Transocean Winner. Dayrate is \$461,000, a 6% drop vs. the prior rate of \$492,000/day. In jackups, high-spec GSF Monarch booked an 18-month, \$87 million deal in the UK North Sea with **GDF Suez**. At \$162,000/day, the new rate represents a whopping 71% increase vs. its prior \$95,000/day rate.

**In the UK North Sea, high-spec jackup GSF Monarch dayrate rose 71%.**

Looking forward, Transocean is circling a two-year contract with India's **ONGC** for its UDW drillship the GSF Explorer. According to Upstream, Transocean was the lone bidder on the NOC's tender, with another healthy ask of \$601,000/day. However, sources indicate that Transocean came down to \$589,000/day on additional negotiations. A second negotiating round is expected, after which a decision is expected. "The rig market is tight but no one expected Transocean to quote that high," said one Upstream drilling source.

Out-of-service days for 2012 increased by 25 days under Transocean's November report, while 2013 out-of-service time dropped 39 days.

### Technip wins GOM spar hull order from Anadarko

Technip's latest batch of wins includes a US LOI with **Anadarko** to deliver the 23,000-ton hull for its Heidelberg Spar in the US Gulf. The spar, when completed, will have capacity for over 80,000 bopd and over 81.22 MMcfd. Anadarko will have a ~44% interest in the spar, with much smaller interests spread amongst **Eni, Apache, Statoil,**

**Technip**

**Exxon and Cobalt.**

The LOI allows Technip to begin

**Spar will have capacity of 80,000 bopd and 81.22 MMcfd.**

construction and long-lead item purchase. Project management and engineering will take place in Houston, while hull design and fab will take place at Technip's yard in Finland where most of the company's spars have been manufactured. Official project sanctioning is expected mid-2013, at which point the hull will enter Technip's backlog. Technip is also building Anadarko's Lucius hull. Heidelberg will be its 8th spar built for the company and marks Technip's 17th spar project overall (of 20 globally).

**Technip is handling 17 of total 20 spar projects globally.**

Technip also won a five-year frame agreement with **Shell Global Solutions** (Malaysia) covering offshore facilities in Asia, Australia and New Zealand. Work will include engineering and project management work including pre-FEED, FEED and detailed design EPC management. The deal includes a five-year option. Work will be executed by Technip's Kuala Lumpur, Malaysia branch. Technip notes the offshore market is growing quickly in the region.

Finally, Technip won an EPIC contract from **Total** for Phase 2 of the Girassol Resources Initiatives development off Angola. Work will cover 13 miles of umbilicals, 8 miles of power cables connecting the Dalia and Girassol FPSOs, recovery and disposal of four rigid spools and installation of eight flexible spools. A JV between Technip and **Sonangol** will share project management and engineering responsibilities with **Technip UK**. Manufacturing will take place in Angola and France. Work is slated to begin around YE14. Technip also performed the first phase of the project.

### Prosafe orders 2nd \$350MM HE accommodation rig

Accommodation rig leader **Prosafe** has finalized talks with **Sembcorp Marine's** Jurong Shipyard for construction of a harsh environment semisub accommodation rig under a ~\$295 million contract. The rig, the Safe Zephyrus, will feature DP3 positioning and 12-point mooring, enabling both dynamic positioning and anchored operations for maximum cost efficiency and flexibility. It will be able to connect to fixed and



floating platforms and FPSOs, and features a full complement of cranes and firefighting capabilities. The Zephyrus will accommodate up to 450. Additional equipment, project management and financing is expected to run another ~\$55 million. At signing ~\$59 million is due, with the remainder due on delivery, which is slated for YE14.

**Follows order for similar rig in December 2011, the Safe Boreas.**

The deal includes options for two more newbuilds, which can be designed for either NCS or global operations. The Boreas deal also included one option, bringing the total to three.

The order with Jurong is a follow-on to a prior order for a similar rig, the Safe Boreas (also under construction for a total \$350 million), which Prosafe calls "the world's most advanced and versatile accommodation unit." Prosafe obtained a \$420 million, five-year term loan to finance both the new unit and the remainder of funds due for the Boreas. It expects to close on the facility in December.

**With 2 new options, Prosafe now has 3 newbuild options with Jurong.**

Meanwhile, Prosafe has increased backlog by close to \$60 million. **Elf Exploration** has hired the Safe Bristolia for 173 days in the UK North Sea, with expectations of \$53.9 million in new revenues (or \$311,561/day). **Woodside Energy** exercised a second 30-day option for the Safe Astoria in the North Rankin redevelopment for \$5.7 million (or \$190,000/day).



Oilfield Service Contracts

**Subsea 7 wins 3 orders totaling \$1.2 billion** <span style="color: #008000;"><span style="font-size: small;">Continued From Pg 1

Fitzgerald said the win built on recent execution of the fast-track Atla tieback project and other work for Total in Norway.

Another large win was a \$360 million extension of two underwater service contracts with **Shell**, both commencing in 2014 and running at least to 2016. Work under these contracts includes subsea construction, IRM and decommissioning throughout Shell's offshore Europe enterprises.

**subsea 7**

Subsea 7 also took a \$70 million subsea construction contract with an unidentified customer northeast of Shetland. Work will focus on pipe replacement, including fab and installation of ~17 miles of replacement pipe and associated tie-ins. Work will stem from Subsea 7's Aberdeen office, with offshore work commencing 3Q13.

The company is growing its fleet to pace demand, contracting with **Hyundai Heavy Industries** for a new state-of-the-art dive support vessel, deliverable in 2015.

*Subsea 7's overall Q3 utilization rate was 88%, up from 83% a year earlier.*

*Subsea 7 ordered a 9th dive support vessel, has one of largest DSV fleets.*

The vessel will accommodate up to 110 and feature an 18-man saturation system (provided by **Drass**), two three-man

diving bells, two 18-man hyperbaric life-boats, and six engines in three separate rooms to maximize dynamic positioning performance. Subsea 7 currently has 8 DSVs, one of the world's largest such fleets, with newest contributions the 2010-built Seven Atlantic and 2011-built Seven Havila.

The company earned \$194 million in Q3 (up 12% YOY, with gross margins of 18.0% vs. 16.9% in 3Q11), supported by high West African offshore activity and North Sea vessel utilization rates. Overall vessel utilization was 88% vs. 83% in 3Q11. CEO Jean Cahuzac said macroeconomic concerns were not affecting client spending plans, with high tendering in the North Sea, Africa and Brazil. Pipelay demand in particular is expected to remain strong in Brazil, with **Petrobras** expected to award additional contracts next year. Outlook is also improving in the US Gulf, as client activity "slowly picks up." However, the company expects 2013 performance to be tempered by 2012 project award delays and supply chain bottlenecks.

*Next year brings challenges from 2012 project award delays & bottlenecks.*

People Briefs

• **Aveda Transportation and Energy Services** appointed *Stefan Erasmus* to its board.

• Canadian **Oilfield Solutions** appointed *Ken Bagan* to its board. He previously served as president and CEO at **Enerchem International**.

• **National Oilwell Varco** promoted EVP and CFO *Clay Williams* to president and CEO.



Company president *Jeremy Thigpen* has been appointed as SVP and CFO.

• **Senergy** appointed *Rhys Medler* as VP, quality health safety security and environment, and compliance, *Dick Hall* as alternative energy and power engineering global coordinator and *Tony Morton* as global technical head of power systems.

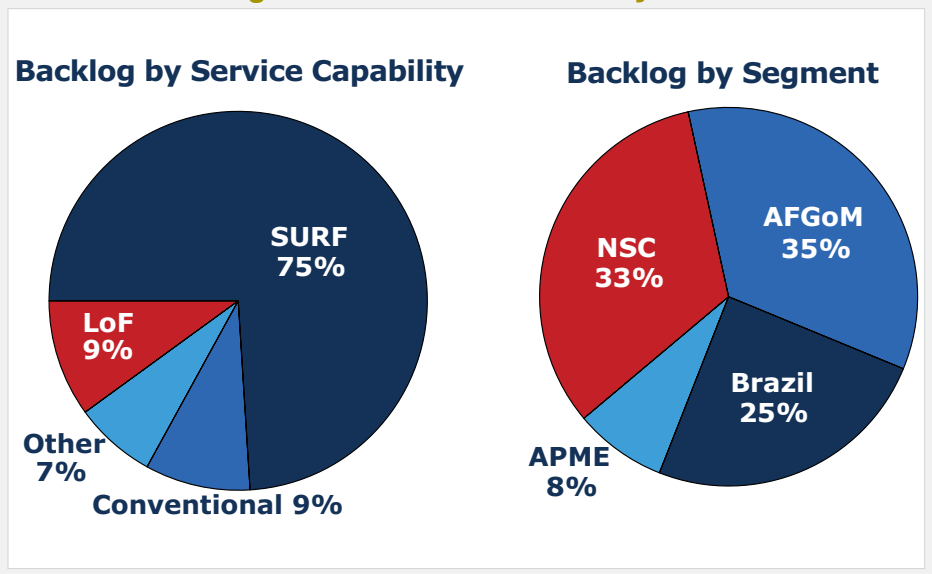
• **Xodus** appointed *Dominic Wright* as flow assurance lead, *Lynn Ritchie* as lead environmental consultant, *Andy Jung* as lead engineer-materials & corrosion, *Bernadette Johnson* as principal environmental consultant, *Mustapha Abassi* as senior consultant – materials & corrosion, *Samay Sahoo* and *Realino Hidajat* as senior engineers, *Kurt Lehmann* as consultant subsea engineer, *Ricky Shields* and *Matthew Blair* as corrosion technicians.

Service Contract Briefs

• **Teekay** sub **Hummingbird Production** signed a heads of terms with **Antrim Energy** for an option to lease its Hummingbird Spirit FPSO to develop the Fyne field on the UK Continental Shelf. Antrim chief Stephen Greer called the agreement a "major achievement" because development had been hindered due to lack of infrastructure and export route, both of which are resolved by the Spirit at Fyne and potentially other nearby Antrim fields. Antrim plans to submit its field development plan to UK regulators in January, with first oil expected in 4Q14.



**Subsea 7 Backlog Breakdown Dominated By SURF Deals**



Source: Subsea 7 November 19 Presentation via **PLS docFinder** [www.plsx.com/finder](http://www.plsx.com/finder)

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Oilfield Service Contracts

**FMC takes subsea order & BP technology contract**

FMC Technologies announced a \$39 million order for additional subsea equipment for the Tyrihans field from Statoil. Deliveries will include two subsea trees and three choke modules, and are slated for 2013 arrival. FMC's Norwegian and Scottish facilities will perform work. FMC has been working with Statoil in the field since 2006.

FMC also took a contract award from BP through its Project 20K initiative to develop next-gen systems and tools supporting exploration and development of HP/HT reservoirs up to 20,000 psi and 350°F. Current technologies limit development to resources with a maximum

**BP wants to push development to plays of up to 20,000 psi and 350°F.**

15,000 psi or 250°F. FMC will work jointly with BP to develop specific technologies including a subsea production tree and pressure protection system.

KBR also won a contract under Project 20K, to develop program execution and management plans for the overall program including cost and schedule estimates, risk assessments and technical design. BP launched the program in February to advance technologies in well design and completion, drilling rigs, risers, BOPs, subsea production, well intervention and containment systems. BP believes successes in these areas could grow its global portfolio by 10-20 Bbbls. In particular, it believes advances would support US Gulf deepwater development, as well as having applications in Egypt, Azerbaijan and other deepwater basins globally. BP America head of upstream technology Jackie Mutschler said the company hopes these contracts are "just the beginning." Contract terms and durations were not disclosed.

**Helix wins several well intervention contracts**

Helix Energy Solutions Group announced several new contracts for its well intervention fleet, with president and CEO Owen Kratz saying the wins reflect strong market demand for deepwater well intervention, as well as Helix's market leadership position in the segment. Helix did not identify any customers or disclose contract terms for any wins.

New business was led off by an initial contract for current conversion build the Helix 534.

**Well intervention conversion build Helix 534 takes 3 years of work in GOM.**

The 534 will perform work in late 2Q13 in the US Gulf of Mexico, for work into 2016. Helix acquired the unit from Transocean in August, and its conversion to well intervention vessel by Jurong Shipyard is scheduled for completion in 1Q13.

Another initial contract win was for the Skandi Constructor, which is expected to begin operations in spring 2013 for work initially in the North Sea to be followed by a stint off eastern Canada. Two current North Sea-based vessels, the Seawell and Well Enhancer, won work into 4Q13.

Helix also said backlog for its Q4000 vessel has been extended through 2014, with strong interest into 2016. And current newbuild semisub Q5000 (also under construction at Jurong for early 2015 delivery) is seeing "high" levels of customer interest.

**Persian Gulf, West Africa & Mediterranean on the upswing**

One net new active rig has been added to the global offshore tally over the past month according to Rigzone data, pushing global actives to 574 and total rigs to 692. Actives have increased 7.9% from this time last year, while total rigs rose 4.5%. Utilization remained flat vs. the month ago at 82.9%, but was up YOY from 80.4%.



Regions seeing the largest moves this month were the Persian Gulf, where three rigs went active but only one entered the region; West Africa, which added three rigs to both active and total tallies; and the Mediterranean, which activated two of its 21 rigs pushing utilization from 71.4% to 81.0%.

**Offshore Rig Utilization As Of December 10**

Source: Rigzone

Region	Current			1 Month Ago			1 Year Ago		
	Avail Rigs	Act Rigs	Util %	Avail Rigs	Act Rigs	Util %	Avail Rigs	Act Rigs	Util %
W. Africa	61	53	86.9%	59	50	84.7%	61	51	83.6%
Far East	25	20	80.0%	25	20	80.0%	27	24	88.9%
S. Asia	32	27	84.4%	32	29	90.6%	32	26	81.3%
SE Asia	99	77	77.8%	98	79	80.6%	100	76	76.0%
Australia	12	11	91.7%	12	12	100.0%	11	9	81.8%
North Sea	83	75	90.4%	85	76	89.4%	81	73	90.1%
Medit.	21	17	81.0%	21	15	71.4%	22	18	81.8%
Persian Gulf	102	81	79.4%	101	78	77.2%	94	77	81.9%
Red Sea	10	7	70.0%	10	8	80.0%	9	7	77.8%
Mexico	43	35	81.4%	43	35	81.4%	36	29	80.6%
U.S. GOM	88	67	76.1%	87	66	75.9%	79	56	70.9%
Brazil	76	72	94.7%	75	73	97.3%	74	62	83.8%
Venezuela	10	8	80.0%	10	8	80.0%	10	9	90.0%
Other S. Am. & Carib.	9	7	77.8%	10	7	70.0%	9	6	66.7%

Oilfield Service Contracts

**Pacific Drilling win runs \$680,000/day** ◀ *Continued From Pg 1*

Dahlman Rose's James Crandell factors out an assumed \$30 million mobilization cost and puts the dayrate at ~\$680,000.

Crandell believes the rate was so high due to the Khamsin's near-term availability and the comparatively short contract duration. Many recent contract awards for UDW rigs and drillships have had durations of 5-10 years.

**Pacific Drilling**

The healthy contract value is fortunate. Pacific recently issued \$500 million in privately issued 7.250% notes due 2017 through a subsidiary, largely to fund completion of construction payments for the Khamsin.

This marks the fourth contract between Pacific and Chevron subsidiaries. Of the company's four active UDW drillships, the Pacific Bora and Pacific Santa Ana are working for Chevron off Nigeria and in the US Gulf at dayrates of \$474,700 and \$481,190, respectively. And the Pacific Sharav, slated for 4Q13 delivery by Samsung, will begin GOM operations for Chevron in 2Q14 at \$555,000/day. Pacific also has one UDW drillship apiece working for Total

*Dayrate higher due to rig availability & short contract, says Dahlman Rose.*

*Khamsin drillship construction is being funded with \$500 million in new debt.*

and Petrobras, with one as-yet-uncontracted newbuild slated for 2Q14 delivery.

Discussing the third quarter, CEO Chris Beckett said strong fundamentals for the UDW market were continuing, with demand exceeding limited supply "well into 2014 and possibly beyond" and giving management continued optimism regarding the company's lone remaining uncontracted newbuild, the Pacific Meltem. Pacific reported a \$2.0 million net loss in Q3, compared to an \$11.0 million loss in 3Q11 but down from a \$1.2 million net profit sequentially. Revenues were \$172.0 million, significantly above 3Q11's \$17.0 million and up 10% sequentially. Beckett said operating expenses were higher (up 15% sequentially to \$96.2 million) due to equipment, maintenance and repair "events" and personnel costs.

*Chevron has now contracted over half of Pacific Drilling's seven-rig fleet.*

Oilfield Service A&D Briefs

**Canadian Oilfield Solutions** announced a deal to purchase an unidentified private US oil & gas, mining and industrial service vendor for \$144,000, plus a 10% royalty and up to \$250,000 of gross business sales after closing. Canadian is also contracting with the seller's principal to provide technical support and services. The company reportedly has an established US and international manufacturing and distribution network. Canadian provides both electronic submersible pumps and oilfield financing through subsidiaries.

**Essential Energy Services** sold five hybrid drilling rigs and related equipment and inventory to **Superior Coring Systems** for \$16.8 million cash.

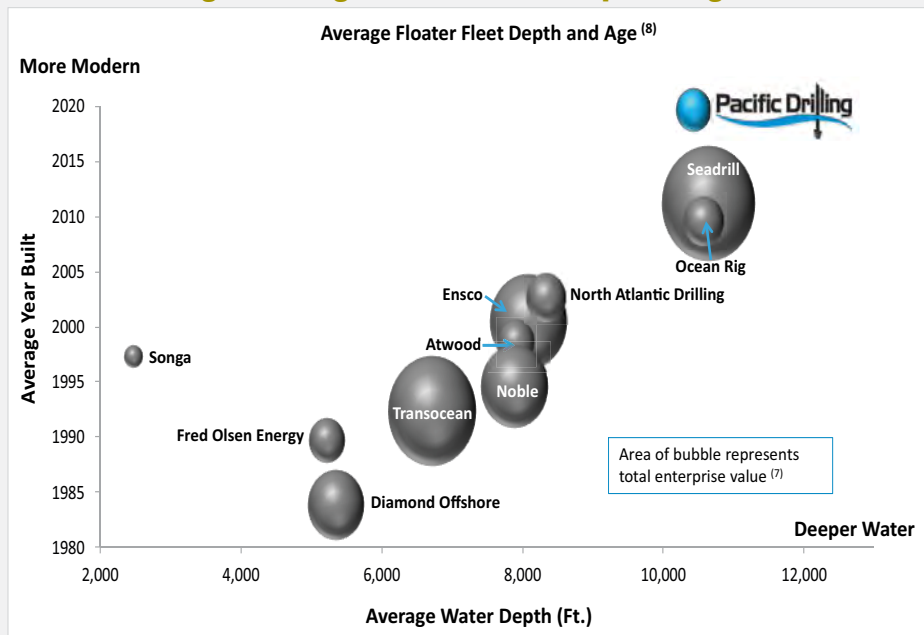


Rig employees are transferring with the assets. Essential acquired the rigs when it bought **Technicoil** in 2011, and were non-core to Essential's CT, service and downhole tool focuses. Proceeds will reduce bank debt. One of the rigs, priced at \$2 million, was recently damaged in transit by a trucking company and will be paid for separately on completion of repairs. Insurance is expected to fully fund those repairs.

**Fluor** unit **Ameco** acquired Mozambique-based construction equipment rental and project service company **ServiTrade** for an undisclosed sum. ServiTrade provides equipment, camp services, transportation and batch

**FLUOR** plant services to the gas, power, mining and infrastructure industries. Ameco president Gary Bernardez said the deal furthered Ameco's goal to increase its African presence for early positioning in a high-growth region. Fluor called ServiTrade one of east Africa's premier project service companies, and Bernardez said the company's sustainable sub-Saharan/eastern Africa presence, stable economics and significant activity with Ameco global accounts solidified the decision.

**Pacific Drilling's Average Floater Fleet Depth & Age**



Source: Pacific Drilling December 3 Presentation via PLS docFinder [www.plsx.com/finder](http://www.plsx.com/finder)

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## Oilfield Service A&amp;D News

**Seadrill pays \$590 million for Songa UDW semisub**

Seadrill subsidiary Seadrill Management is buying UDW semisub the Songa Eclipse from Songa Offshore for \$590 million. The rig, a 2011

newbuild built by Seadrill Jurong Shipyard, has the same design as four of Seadrill's other currently operating rigs. It features DP2 positioning, a six-ram 15,000 psi BOP, and Aker Solutions drilling equipment, and can drill to 37,500 feet in up to 10,000 feet of water.

*Songa has not disclosed total value or dayrate for the Total contract.*

It is currently under contract with Total off Angola through December 2013. As such, the Eclipse will have an immediate impact on Seadrill's cash flow and financials on delivery this month. Total also holds three one-year extension options under its contract.

Commenting on the buy, Seadrill Management CEO Fredrik Halvorsen said the Eclipse increases Seadrill's exposure to the UDW market, which is in a strong cycle that the company expects to continue "over the coming years." He said the company was also glad to be both increasing its Angola presence, which could reduce the company's cost base in the region through greater scale, and strengthening ties with Total.

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**SBM sells engineering sub GustoMSC for \$185 million**

SBM Offshore sold its non-core offshore mobile vessel design and engineering subsidiary GustoMSC to PE firm Parcom Capital for \$185 million cash. Gusto provides a variety of designs for offshore exploration, construction and production vessels, as well as manufacture and delivery of associated equipment. Offerings include jack-ups, semisubs and monohull designs. Support equipment offerings include jacking, fixation and X-Y skidding systems for jackups and thruster retrieval systems for DP vessels. SBM said the move comes as the first step in a \$400 million non-core asset divestment program announced in August.

SBM CEO Bruno Chabas said the deal would allow Parcom to help Gusto management achieve that business' potential, while generating substantial capital to help SBM focus exclusively on FPSOs and associated products and services. SBM noted that its Schiedam, Netherlands execution center had developed a world-renowned FPSO design track record for the Brazilian market, particularly its FPSO Espadarte design, and that it is currently designing the Paraty and Ilhabela FPSOs for Petrobras. Site growth in recent years bringing staff to 550 people has brought the center to a position where it can design two vessels simultaneously.

Parcom partner Piet-Hein de Jager said Gusto was well-positioned for further growth in the global offshore market. Gusto managing director Nils van Nood said Parcom's sector expertise and support would help Gusto further develop its market position.

*GustoMSC designs jackups, semisubs and monohull vessels.*

**Dockwise gets unsolicited \$880 million takeover bid**

Dutch heavy-lift company Dockwise announced an unsolicited \$883 million takeover bid from maritime infrastructure and services firm Royal Boskalis Westminster. Boskalis said the deal would generate "new strategic opportunities for accelerated growth of the offshore services" by creating an entity with an extensive service portfolio. Dockwise said its board is assessing the merits of the offer compared to continuing as a standalone venture and other alternatives.

*Has 25 semisub heavy-lift vessels.*

Dockwise has a 25-vessel, purpose-built semisub fleet and 1,300 employees. Dockwise itself recently acquired rival Fairstar Heavy Transport. 1H12 revenues were \$216 million. Boskalis is significantly larger with 14,000 employees and \$1.8 billion in 1H12 sales. Services provided include dredging, earthmoving, maritime infrastructure and services including subsea, transportation and heavy-lift.

Dockwise CEO Andre Goedee sounded a bit bearish regarding the offer, saying "This unsolicited approach for our Company has arrived not only during a phase of successful strategic development, but also during a period of intense tendering in the upstream arena. With the strategic acceleration in logistic management and the addition of new vessels, such as the Dockwise Vanguard and the Dockwise White Marlin, the Company is well positioned in the Oil and Gas upstream and downstream environment. From this position the Company is well suited to manage its next steps on a standalone basis."

*Dockwise not overly impressed, but Boskalis has 54% equity support.*

In a press release, Dockwise continued to emphasize both upstream and downstream medium-term opportunities for new backlog records, and said any offer should "fully reflect our strong market position" and clearly serve stakeholder interests. Boskalis' offer reflects a 61% premium to pre-offer closing share price and a ~30% premium to its 12-month average.

After the offer, Boskalis announced it had acquired over 22% of company shares, and Boskalis told Upstream it had an additional ~32% equity support through Dockwise shareholder HAL Investments. CEO Peter Berdowski said the deal would create value and be immediately accretive. Boskalis would fund the acquisition with a mix of cash, new debt and new equity up to 10% of current levels.

## Cameron-Schlumberger JV targets subsea ◀ Continued From Pg 1

Schlumberger will pay Cameron \$600 million and contribute its subsea surveillance, flow assurance, power and controls, and Framo subsea engineering and metering businesses. Cameron COO and EVP John Carne will serve as OneSubsea's CEO.

Cameron chief Jack Moore called OneSubsea a "powerful marriage" of Schlumberger's oilfield service technology and Cameron's subsea equipment heritage—particularly its flow control, manufacturing and aftermarket capabilities. Moore **Schlumberger** touted Schlumberger's Framo segment and wellbore construction expertise as advantages for the JV, saying, "I've spent 22 years of my career competing with Schlumberger. The knowledge they have of wellbore construction ... is a tremendous value."

*Cameron chief touts Schlumberger wellbore construction knowledge.*

Schlumberger CEO Paal Kibsgaard said the JV is "uniquely positioned to optimize complete subsea production systems and help our customers improve production and recovery from their subsea developments," adding that Schlumberger's broad science and technology contributions enable a unique total-systems approach to the subsea market.

**Barclays** analyst James West said OneSubsea will be "a powerful force" toward optimizing subsea processing. West called the combination a great fit of capabilities, particularly Schlumberger's processing and platform integration with Cameron's tree manufacturing. Barclays had been expecting Schlumberger to partner in subsea after the service major recently noted

*Cameron won \$275 million drillship drilling package order from STX.*

expansion plans for the segment. The deal is subject to regulatory approvals. **Credit Suisse** was Cameron's financial advisor, while **Goldman Sachs** advised Schlumberger.

## Cameron lands benchmark drillship contract—

Cameron announced another benchmark—landing its first complete drilling equipment package for a newbuild drillship. Cameron will be paid \$275 million by **STX Offshore & Shipbuilding** to provide the package for a new 12,000-foot UDW drillship currently under construction for **Vantage Drilling**-backed **Sigma Drilling**.

Although this is its first full drillship package, Cameron has already provided several full equipment packages for jackups via its **TTS Energy** sub acquired in June from **TTS Group**, demonstrating that the recently closed \$270 million TTS deal is already yielding synergies and new opportunities.

The value of the contract beat analyst expectations: **Simmons & Co.** anticipated a \$250 million pricetag while **Raymond James** expected \$200 million. **Morningstar's** Stephen Ellis said the win shows that Cameron has the tools to meet a complete deepwater equipment package order but the company has yet to prove it can be a reliable and efficiently integrated full package provider like **National Oilwell Varco**.

## Standard takes \$25MM profit on newbuild jackup sale

**Standard Drilling** subsidiary **Offshore Driller 1** is selling newbuild jackup B337 to Mexico's **CP Latina** for \$222.5 million, with Standard to receive \$67.9 million cash and recording a \$25 million profit on the deal. After the deal, Standard's obligation to builder **Keppel Fels** will be reduced to 25% to \$460.8 million, while the cash payment will give Standard a strong net cash position. CP Latina will also take a ~\$215 million option on purchase of a second newbuild rig, expiring January 15.

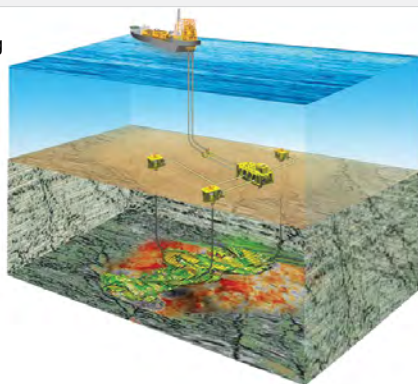
*Malaysian UMW let an option to buy the B337 expire.*

Standard said the funding obligation for its remaining MOD V B-class rigs, slated for November 2013, December 2013 and May 2014 delivery, is now "comfortable" and construction is going well for all three units with no delays. Standard has now sold four of seven total Keppel Fels newbuilds, with the three earlier sales generating \$198 million in proceeds. The company made the moves to generate funds to build remaining rigs in a tight financing market.

A \$10 million installment payment has already occurred. Closure is expected next month, subject to contract novation by Keppel Fels.

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- **Revolutionary** customer value proposition combining the best of two industry leaders
- Pre-engineered systems **optimizing life of field production** performance with the flexibility to accommodate future changing needs
- **Leading edge subsea production and processing systems** matching the changing production and reservoir conditions over the life of the field
- **Surveillance** services confirming asset integrity of the installed system
- Cost-effective **intervention** services



Source: Cameron November 28 Presentation via **PLS docFinder** [www.plsx.com/finder](http://www.plsx.com/finder)

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## Oilfield Service A&amp;D

**Aker moves on one deal, cancels another**

**Aker Solutions** announced it would buy Canadian asset integrity management (AIM) firm **Thrum Energy**, both growing its AIM offerings and supporting its Atlantic Canadian and, more broadly, North American growth plans. St. John's, Newfoundland-based Thrum provides a variety of quality services to on- and offshore Canadian markets.

AIM services generally help clients reduce risk and improve asset availability. Aker currently offers AIM solutions including maintenance engineering, integrity management and advanced inspection and monitoring. Aker head of

*Thrum deal improves Aker's AIM portfolio & increases Canada presence.*

maintenance, modifications and operations Tore Sjurssen said the deal increases Aker's Canadian AIM presence to a similar level of strength as Aker possesses in the Norwegian and UK continental shelf. In addition to 40 employees in St. John's, Aker has a Calgary presence. Closure on the Thrum deal is expected this quarter. Financial details were not disclosed.

*NPS failed to meet conditions precedent to closure of sale to Aker.*

Conversely, Aker has opted out of an acquisition of Dubai service firm **NPS Energy**. Originally announced in May, the deal was contingent on several conditions being met by November 20. Those conditions were not fulfilled according to Aker. The company said it remained committed to growing its MENA business, but said near-term growth in the region was likely to be organic, while Aker would likely use the resulting preserved capital on current and future opportunities in the growing global market.

Aker said previously it was acquiring NPS for its regional distribution platform, established customer base and proven management. The company provides well intervention and onshore drilling services and offers perforation equipment.

**Foster Wheeler buys Canadian JV partner Three Streams**

Less than two weeks after announcing a joint FEED contract win with **Cenovus**, **Foster Wheeler** acquired former JV partner **Three Streams Engineering** for an undisclosed sum. Three Streams is a private, upstream/downstream steam-assisted gravity drainage (SAGD)-focused Canadian engineering firm with ~450 employees.



Foster Wheeler CEO Kent Masters said the deal would grow both upstream capabilities and geographic reach of its Global Engineering and Construction Group while growing Foster Wheeler's Canadian SAGD exposure.

The Cenovus award is for phase A FEED work on its Telephone Lake SAGD central processing facility. The northern Alberta project is expected to have 90,000 bopd of initial production capacity and a 40-year lifespan. Deal value was not stated, but is going into Q4 backlog. Foster Wheeler COO Umberto della Sala said the JV combined Three Streams' familiarity with Cenovus with Foster Wheeler's modularization and engineering execution capabilities. Modularization is expected to be an important design component.

*The companies just won a SAGD FEED contract with Cenovus.*

## Earnings &amp; Capex

**Weatherford sees strong sequential margin growth in Q3**

Operationally, **Weatherford** reported a solid quarter including record company revenues. Formation Evaluation and Well Construction saw 3% sequential and 13% YOY growth to \$2.13 billion, led by fishing and re-entry, drilling services and well construction, offset somewhat by drops in integrated drilling. Completion and Production revenues of \$1.69 billion (flat sequentially but up 13% YOY) were led by artificial lift but offset by stimulation and chemical declines.



North American revenues rose 4% sequentially and 7% YOY to \$1.73 billion driven by Canadian seasonal recovery, but were hurt by a low Canadian rig count and US pressure pumping. Margins improved with North American operating income rising 28% sequentially to \$297 million. International sales of \$2.09 billion were flat sequentially but up 20% YOY, with Romania, Kazakhstan, Kenya and Congo supporting growth, offset somewhat by Russia, Tanzania and other regions. International operating income grew 32% sequentially to \$224 million led by improvements in MENA/Asia, particularly in the Middle East, Australia and Oman. Overall, Q3 pre-tax adjusted earnings were \$264 million (vs. \$146 million in 2Q12) on a company record \$3.82 billion in sales (up 2% sequentially and 13% YOY).

*Seasonal Canadian recovery drove North American performance.*

*International operating income grew 32% with MENA/Asia support.*

Weatherford expects continuing modest revenue and profit growth in North America in line with trends. In Latin America, it expects continued growth and improving margins. Weatherford believes the MENA/Asia situation will continue to recover, and Europe, Sub-Saharan Africa and Russia will improve as well.

Regarding accounting problems, the company has expanded GAAP compliance procedures. As of press time, Weatherford had not yet updated securities filings.

**Possible acquisition?—**

Solid operations and a hopeful end to financial problems has analysts saying the company could be a takeover target. Share price is down ~55% since the beginning of 2011 due largely to financial woes, and Dahlman Rose's Jim Crandell said the stock was "beaten up to such an extent that it's bound to get the attention of companies ... such as Halliburton or GE." Halliburton might want Weatherford's artificial lift tech, while GE may be drawn to its overall portfolio, which could help increase services exposure. Crandell does not believe Weatherford is shopping itself and could turn things around on its own, but current prices could be too compelling for possible acquirers.

## Oilfield Service A&amp;D

**Record Seadrill backlog offsets rig move pressures**

Seadrill experienced diminished floater and jackup performance in Q3, while tender rigs outperformed both sequentially and YOY. The outperformance of the tender rig segment is noteworthy in light of the company's \$2.9 billion monetization of the significant majority of its fleet of those vessels with **SapuraKencana** last month (see full coverage in **PLS's** last issue of Oilfield Services). Floater and jackup underperformance were largely due to rig moves or delays.

**Seadrill**

Seadrill said market dynamics were strong in all segments as E&Ps seek new reserves and developments to pace production declines in mature fields. The company predicts increased rig demand as a backbone for its aggressive newbuild strategy. Seadrill sees UDWs in a "strong upcycle", with the GOM and Africa pressuring 2013-2014 newbuild supply. Harsh environment floater supply is also viewed as "extremely limited". UDW dayrates are running in the \$550,000-650,000/range.

High-spec jackup demand is also high, driven largely by Asia and the Middle East, but also more recently West Africa and Australia. With ~70% of the current contracted jackup fleet over 30 years old, demand should outstrip supply next year and Seadrill expects positive development in coming quarters.

**Q3 backlog grew 7% sequentially to record \$21.3 billion.**

Drillship and semisub utilization was 82% vs. 88% in Q2, largely due to 90 days downtime for three UDW rigs and moves of the West Aquarius and West Hercules. If not for rig moves floater utilization would have been flat. Jackups were at 83% utilization compared to 79% in Q2, but if not for rig moves utilization would have been significantly higher at 94%. Tender rig utilization was 98%, up from 97% in Q2.

By segment operating income, floaters dropped 18% sequentially and 19% YOY to \$282 million. Jack-ups were \$47 million (down 20% sequentially and 34% YOY), while tender rigs generated \$84 million (up 8% sequentially and 40% YOY).

Overall, Seadrill reported \$216 million in net income (down 61% sequentially but up 272% YOY) on sales of \$1.09 billion (down 3% sequentially but up 6% YOY). Operating income smoothed things out a bit to \$413 million, down 14% sequentially and YOY. Total new orders since Q2 were worth ~\$2 billion, growing backlog 7% to a record \$21.3 billion from Q2's \$19.9 billion. Nearly 2/3 of Seadrill's current 22 newbuilds are under contract.

In Q4, Seadrill has increased its interest in **Asia Offshore Drilling** from 33.75% to 65.95%. Asia has three jackups under construction at **Keppel Fels**.

**UDWs & jackups see rig move declines, tender rigs outperform.**

**Tender rig proceeds of ~\$1.2 billion will support UDW & jackup buildout.**

## International

**Fluor scores ~\$1.0 billion in wins at home & abroad**

Fluor announced its 55/45 JV **Pegasus Link Constructors** (with **Balfour Beatty Infrastructure** holding the remaining interest) was the preferred bidder for a \$798 million design, construction and capital maintenance contract with the **FLUOR**

Texas Department of Transportation for the Horseshoe project in Dallas. Scope includes work on I-35E and I-30, as well as construction of two Santiago Calatrava signature bridges. The DOT is using design-build project delivery to shorten the construction schedule and reduce costs. News of preferred bidder status allows PLC and the DOT to begin

**Tudor expects Texas DOT infrastructure contract to generate high margins.**

contract negotiations, with a notice to proceed expected in 1Q13 at which point Fluor would book the project to backlog. Construction is expected to run from summer 2013 to 2017. The project is being undertaken to reduce congestion, repair deteriorating structures and add capacity to interchange and frontage roads. **Tudor Pickering** calls the prospective win material and notes infrastructure wins generally feature higher margins.

In Saudi Arabia, Fluor won a ~\$200 million project management consulting contract with the **Saudi Arabian Mining Co.** covering development of the Umm Wu'al greenfield phosphate project and associated facilities. The facility will feature capacity for 100,000 mtpa of phosphoric acid and a variety of other phosphate-related compounds. In addition to PMC work for the overall project, scope will include a feasibility study including basic designs for use by the FEED contractor; development, strategy and tendering of EPC packages; and management and supervision of all EPC contractors during that phase. The win will be executed from Fluor's Al Khobar, Saudi Arabia offices with support from other locations. The company has a 20%+ local content goal. It will be booked under Q4 backlog.

**Philadelphia Stock Exchange's Oil Service Sector Index vs. S&P 500**

Source: Yahoo! Finance

## Oilfield Service News

**Moller-Maersk shifting from container shipping toward oil**

**Moller-Maersk** CEO Nils Andersen told The Financial Times the company would reduce investments in shipping group **Maersk Line** toward its higher-profit, more stable businesses. Post-shift Andersen said more than half of company capital would support oil, rigs and ports businesses, with 25-30% supporting shipping.

**Maersk Supply Service** then said it may increase its Brazil service vessel fleet 60% or more from recent levels on increased demand from **Petrobras** and others. It should have 18 units in the region this month (up from a recent 15), expecting to increase that to 25+ by 2020. The company said pricing to build anchor handling towing supply and other complex service vessels would come down in the mid-term as shipyards come online.

## Oilfield Service News Briefs

- Two more deaths resulted from an explosion on **Black Elk Energy's** West Delta 32 oil platform in the US Gulf on November 16. Avelino Tajonera died in hospital November 23 from injuries sustained during the incident. On November 28, the body of a third, previously missing worker was identified as Jerome Malagapo, also present on the platform during the explosion. Mr. Malagapo's body was found by a supply ship and identified through dental records. The first victim, Ellroy Corporal, was found beneath the platform the day following the incident.

- **US Sand and Double Crown Resources** announced a proposed frac sand supply JV which will combine US Sand's frac sand and guar supply contracts with Double Crown's newly established source for barite, all vital raw production materials. The JV would support projects in the Bakken and Eagle Ford. Details are being negotiated. Double Crown is also negotiating crude shipments from the same plays to the Gulf Coast, facilitated via its relationships with **Canaan Oilfield Services** and other entities.

## Oilfield Service News

**Organic & divestiture cash helps Songa meet overruns**

**Songa Offshore** announced a rig sale and planned commencement of a contract, while noting an upgrade was running ~50% over budget. Songa sold its UDW semisub **Songa Eclipse** to **Seadrill** for \$590 million for delivery this month (see additional coverage on pg. 7). Net proceeds after debt repayment were \$280 million. The company noted the rig sale was part of its strategic review process, with the intent to enhance stakeholder interest.

Another Songa semisub, the **Mercur**, has arrived in Cuba to soon spud a wildcat well for Russia's **Zarubezhneft** in Block L off the northern coast. The deal is for a firm 325 days and worth ~\$88 million including mobilization. The rig was transferred from Trinidad and Tobago, where it was previously docked for upgrades.

Upstream reported US components were swapped for non-US equipment during the process to avoid violating the US-Cuba trade embargo.

Cash is definitely welcome at Songa, which announced cost overruns nearly doubling the cost of upgrades to its **Songa Delta** shallow-water semisub. Songa said total cost was now expected to be \$131-141 million, compared to previous estimates of \$70 million. It has finally left the yard to begin work on a four-year contract with **Statoil** off Norway. Another shallow-water semi, the **Songa Trym**, is also believed to have experienced major overruns with total costs now believed to be ~\$227 million. Songa has acknowledged overruns for the **Trym** but did not provide cost estimates. Both rigs were undergoing work at the Coast Center Base yard near Bergen.

**Caterpillar gets into pressure pumping with new JV**

**Caterpillar** has entered a 50:50 JV with **Ariel Corp.** to provide well service pressure pumping products globally. The JV, **Black Horse LLC**, has launched with the concurrent acquisition of Houston pump-maker **ProSource**.

**CATERPILLAR®** Caterpillar is the world's largest diesel and natural gas engine maker for the marine and oil industries. Privately held **Ariel** is the world's largest separable reciprocating gas compressor-maker for the global energy industry. The companies said their acquisition of **ProSource**, which designs and makes reciprocating pressure pumps, allows **Black Horse** to tap the well service market while leveraging **Caterpillar's** and **Ariel's** engineering and manufacturing capabilities to expand **ProSource's** product line and better serve the oil and gas market. **Caterpillar** VP Tom Frake said **Caterpillar** also brings its global dealer, parts and service network to the mix, which should improve customer uptime and service reliability. Between the JV and the acquisition, the companies believe synergies will result in product ranges and technology, R&D, manufacturing, distribution and customer support.

**Black Horse** frac pumps will be branded and distributed through **Caterpillar**. The JV will be based out of Houston and led by as-yet-undisclosed executives from **Caterpillar's** marine and petroleum power division and **Ariel**.

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## Oilfield Service News

**FTS finalizes Brazilian completion services JV** < Continued From Pg 1

Longer-term, FTS Brasil plans to manufacture equipment and blend additives locally, as well as providing transportation, R&D and lab services in connection with its efforts.

JV partner Petra Energia is the largest onshore concession-holder in Brazil (with almost 20 million net acres). Assets include 100% WIs in 24 blocks in the gas-heavy Sao Francisco Basin. Petra claims to operate



one of the most aggressive onshore drilling campaigns in

Latin America, and is pioneering Brazilian unconventional exploration in the Sao Francisco. In an earlier statement, Petra Chairman Roberto Viana Batista said his company's vision was to adapt state-of-the-art technologies for use in Brazil.

JV operations are slated to begin next year, with headquarters in Rio and field ops throughout Brazil. Financial terms were not disclosed. The deal has received regulatory approval.

*If successful, FTSI's efforts outside the US could spur others to act.*

**FTS International: More than a new name—**

FTS Brasil represents FTSI's first foray into the South American market. With a fairly glutted US market, FTSI has been seeking to apply its wealth of fracking knowledge to the comparatively untapped global market, establishing a Middle Eastern presence earlier this year through a similar JV with **Summit Technologies** targeting the Saudi and Oman markets. In notes tied to a September debt raise, FTSI

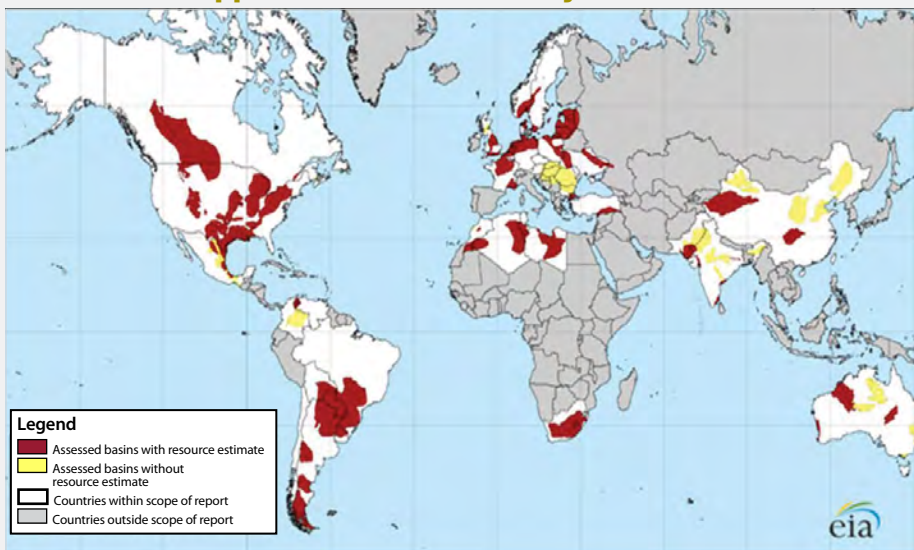
*FTSI chief replaced with Singapore sovereign wealth fund's Greg Lanham.*

said proceeds might support expansion to regions including Brazil, the Middle East, China and Indonesia. Last year then-

CEO Marc Rowland told Upstream the company was in talks with possible partners in China and Argentina, in addition to its now-current JV sites. At the time, Rowland predicted Brazil and Argentina would need a combined 500,000-600,000 hp by 2014, and that FTSI would seek to add up to 150,000 hp with each new JV it signed.

Despite a fairly global abundance of shale resources at ~6,622 Tcf according to EIA, development internationally is expected to be a more significant challenge than it has been in the States due to significantly lower amounts of infrastructure and equipment, in addition to regulatory and resource ownership challenges. The global resource is fairly broadly distributed.

► Continues On Pg 13

**Global Shale Opportunities Assessed By EIA**

Source: Lufkin Industries December 5 Presentation via **PLS docFinder** [www.plsx.com/finder](http://www.plsx.com/finder)

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## FTS International finalizes Brazilian JV *◀ Continued From Pg 12*

EIA estimates China has 19% of the global shale gas resource. Brazil has a comparatively modest 3%, but nearby Argentina has 12%. However, Brazil was probably a much easier choice for FTSI given current political conditions in Argentina, and perhaps FTSI will be able to leverage successes in Brazil elsewhere in the region in the future.



Additionally, the Sao Francisco and Reconcavo basins were not included in EIA's calculations, so Brazil's resource should be larger than that assessment would indicate.

In what was likely another move to strengthen FTSI's international chops, the company replaced 18-month CEO Rowland with **Temasek** executive Greg Lanham. Temasek, which holds a ~40% stake in FTSI, is Singapore's sovereign wealth fund. In announcing the change, FTSI chair

*In addition to Temasek, Chesapeake has a ~30% stake in FTS International.*

Goh Yong Siang (also Head of Strategic Relations at Temasek) praised Lanham's 25+ years experience in the global energy industry as a basis for his being the right man for the job. Lanham led both energy and Australia and New Zealand investment operations at Temasek, and before that spent 20 years with **Anadarko** in both domestic and international operations, most recently serving as president of the company's Asia operations. Lanham also discussed the company's goal of becoming a global energy services provider in accepting the position.

However the US market has also been a challenge, ironically at least in part because of too much equipment combined with a gas drilling slowdown and resulting downtime as resources have been reallocated to more profitable oil-targeted activity. FTSI reported wells fracked in Q3 were down 27% YOY and down 13% on a YTD basis. FTSI also formally pulled plans for a US IPO. No explicit reason was stated in the company's letter to regulators, but FTSI cited market weakness when it made a precursor announcement postponing IPO plans in June.

## Technology

### Emas launches next-gen pipelay vessel for remote regions

Emas AMC announced launch of its ice-class deepwater multi-lay vessel, the Lewek Constellation. The DP-3 vessel features rigid reel and flexible lay capabilities, and is geared toward supporting E&P work in remote regions with limited infrastructure support. VP global ops John Meenagh told Upstream, "It is difficult to find



areas with long waterfronts and waters deep enough to support spooling operations for reel-lay vessels."

The Constellation features detachable reels which can be transported

*North Sea is a target market, with only 3 significant spool bases.*

via barge to shallow-water locations for spooling. The vessel also features transit and spooling efficiencies vs. conventional reel-lay vessels, which Meenagh said could save 10-12 days per job. As one of the world's first ice-class pipelay vessels, the Constellation will also be well-suited for work in the Arctic.

The vessel is part of the company's strategy to match capabilities of larger players such as **Technip** and **Subsea 7**. Hull float-out occurred in November, and the vessel is expected to begin operations in mid-2014 after crane and other equipment installation. The vessel is being marketed in the North Sea, which features only three significant spool bases, and the Mediterranean.

### Baker Hughes switches frac fleet to gas mix for efficiencies

**Baker Hughes** announced conversion of a fleet of its Rhino brand hydraulic frac units to run on a gas/diesel mix (or bifuel) to improve operating efficiency and reduce costs and HSE impacts. Baker said the technology cuts diesel use up to 65% with no impact on horsepower, and allow engines to run twice as long as when using the pure diesel alternative.

It also meets all EPA emissions standards, reducing nitrogen oxide, CO<sub>2</sub> and particulate matter emissions.



Baker President of Pressure Pumping for US Land Mike Davis said results of the initiative have been excellent, reducing emissions, as well as overall fuel requirements and thus re-fueling demands.

*Bifuel solution cuts diesel up to 65%; engines run twice as long.*

Baker first tested bifuel technology on a smaller frac fleet in Canada, which when successful led to the decision to convert the larger US fleet. Baker said it is currently converting several more Rhino frac fleets to bifuel, and is testing light-duty vehicle conversion in Oklahoma, as well.

According to **Encana** VP of natural gas economy operations David Hill, fracking consumes 1.2 billion gallons of diesel per year. Given the \$5/gallon handle the fuel reached in some parts of the country this year and natural gas' comparatively lower pricing, it seems likely that Baker is also benefiting from a Btu-equivalent fuel cost savings, in addition to other efficiencies.

## International

### STX Offshore takes \$672 million Sigma drillship order

**STX Offshore & Shipbuilding** won a \$672 million contract with **Skeie Technology/Vantage Drilling JV Sigma Drilling** for construction of a newbuild drillship. The unit, based on **Bassoe Tech's** BT-UDS design, will be capable of drilling to 40,000 feet in up to 12,000 feet of water.

The deal includes an option to upgrade the two planned BOPs from 15,000-psi to 20,000-psi stacks. The deal also includes options for another four drillships, with the first exercisable if at all within 12 months, and the others in intervals over the following 18 months. Including options, STX values the overall contract at up to \$3.5 billion. Work will be performed at STX's Jinhae yard in South Korea.

## International

**Dialog teams with Halliburton in \$1.2 billion EOR deal**

Halliburton subsidiary **Asia Energy Services** and Malaysian technical service firm **Dialog** have partnered to win a \$1.2 billion, 24-year contract with **Petronas** to redevelop the Bayan field off Malaysia. The companies will jointly manage the contract, which will include enhanced oil recovery efforts, oil development and prospect appraisal.

The two service companies first announced their mature field EOR partnership in June. Dialog largely

*Dialog supporting Petronas solo on a similar project for Balai fields off Sarawak.*

**HALLIBURTON** performs less upstream work such as plant maintenance and tank terminal construction, and Dialog said it was partnering with Halliburton to increase EOR, marginal field development and other upstream exposure. It believes the deal will also generate upstream engineering and operations opportunities, and will lead to an overall more diversified and sustainable revenue stream.

**Petrobras makes multiple FPSO moves**

**Petrobras**, along with **Tupi-BV** partners **BG Group** and **Petrogal** in the Santos Basin, have signed a LOI with a **Schahin-Modec** consortium for an FPSO to be used in Iracema Norte field. The 150,000 bpd FPSO will be tied-in to eight production and eight injection wells in the field under a 35-month contract. Upstream reported in September that the consortium was the low bidder on the deal at ~\$600,000/day. Price and construction details were not disclosed by the companies. Production is expected to begin in 2015, with the FPSO operated by the construction companies

*New FPSO from Schahin & Modec expected to pull ~\$600,000/day.*

and chartered to Schahin-Modec for 20 years.



Petrobras also contracted

with **Honeywell** sub **UOP Technology** to provide its Separex gas processing membrane technology on up to eight FPSOs operating in the Lula field. Each system will have capacity for up to 212 MMcfd, filtering out CO2 and water. A significant portion of the membrane systems will be fabbed locally. UOP VP Rebecca Liebert cited the technology's high hydrocarbon recovery, solvent-free process and low costs. UOP also notes its units are compact, with the thinnest membranes in the industry, yet have the longest membrane life. UOP also said its technology works well on hard-to-treat gas streams in remote locations. Two similar units are already functioning on third party FPSOs off Brazil. The units will be delivered from 2013-2017.

**Sembcorp bags 7th Brazilian drillship order for \$806 million**

On the heels of a \$350 million accommodation rig order from **Prosafe** (see full coverage on Pg. 3), **Sembcorp Marine** announced Brazilian powerhouse **Sete Brasil** has ordered a seventh UDW drillship from the rig-maker in an \$806.4 million deal.



The vessel, slated for 3Q16 delivery or sooner from Sembcorp's Estaleiro Jurong Aracruz yard in Brazil, will be chartered to **Petrobras** under a 15-year deal, to support offshore pre-salt development in the Santos Basin.

The deal is not expected to impact Sembcorp 2012 assets or earnings.

*Sete Brasil's 7 drillships are scheduled to be delivered between 2Q15 & 4Q19.*

Like its six predecessors, the next-gen drillship will be based on the Jurong Espandon design, with state-of-the-art drilling facilities, larger deck area, efficiency arrangements, a large moon pool, DP-3 positioning and accommodations for 180. It will be able to operate in up to 10,000 feet of water with drilling capabilities to 40,000 feet. The other drillship contracts were awarded in February and August and have deliveries ranging from 2Q15 to 4Q19.

**Wood Group takes Rosebank & Kurdistan contracts**

**Wood Group** subsea engineering and management division **Wood Group Kenny** has won the gas export pipeline FEED contract for **Chevron's** Rosebank West development in the UK North Sea. Work will include pre-FEED option studies, FEED and early procurement support for the 143-mile gas line, as well as structural design for a deepwater pipeline end manifold. The line will connect to the Shetland Islands regional gas export line. Kenny has already begun work through its London and Aberdeen offices.

*Rosebank win in UK North Sea includes FEED for 143-mile gas export line.*

Meanwhile, onshore brownfield EPC sub **Wood Group PSN** won an engineering and project support contract with **DNO Middle East** covering Kurdistan's Tawke field. Work will include engineering studies, detailed design, technical and operations support via a 30-engineer team. PSN said the deal marks its first contract in Iraq, with PSN's Middle East regional director David Clark saying "The strategic importance of this contract is significant," with "enormous potential growth" in the country, particularly

*Iraq market promising for Wood sub PSN, with many brownfield opportunities.*

for Wood Group because of extensive brownfield facilities. Clark was also excited about the chance to develop local Kurd engineers in support of future development. Operations will be based in Abu Dhabi, mobilized to Kurdistan as required.

PSN also recently invested \$1.2 million to launch a new engineering office in Gurgaon, India. The office will further support PSN's Middle East business through 100 new engineering positions, as well as Indian, Asian, Australian and European markets.

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Wood Group



## International Briefs

• **Proserv** won a \$1.9 million contract with **GDF Suez** to supply the North Sea Cygnus development with topside control equipment. Work will include design, engineering, and construction of wellhead control panels and topside umbilical termination units for two platforms, which will provide fiber-optics and utilities to the wellhead via an umbilical. The subsea export pipeline has a subsea isolation valve controlled from the production platform. Design and engineering work has begun. Equipment is scheduled to be delivered in 2013/2014.

• **Queiroz Galvao Oil and Gas** ordered a third UDW drillship from **Samsung Heavy Industries** for December 2014 delivery. Cost was not disclosed. The first two vessels are contracted to **Petrobras** for 2012 operations. The newbuild will feature DP3, advanced deepwater spill capping technology and capabilities for a second BOP, with drilling capacity of 40,000 feet in up to 12,000 feet of water. The order brings Queiroz's UDW total to eight including newbuilds, of a total 11 units.

• **Swiber Holdings** announced \$143 million in new contracts. A \$100 million EPCIC contract with an unidentified client in Southeast Asia is slated to begin in Q1 for Q3 completion. A \$43 million construction vessel charter with an unidentified client in Latin America begins this year with options into 2014. The wins grew backlog 11% to ~\$1.4 billion. CEO Francis Wong said sector outlook is strong, with new orders for rig builders driving offshore service demand down the line.

• **WorleyParsons**, through a JV with **Abdulaziz Kamel & Partners** and **Arabiah Consulting & Engineering**, won a five-year engineering and project management contract with **Saudi Aramco**, with options for an additional three years. Work will include all engineering, design and project management work including FEED, detail engineering design, planning, scheduling, estimating, procurement and construction management. The Saudi JV office will execute work, with expectations to employ 250-500 people. Additional terms were not disclosed.

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## International

## Saipem takes \$1.3 billion in new business worldwide

**Saipem** announced new EPC contracts in Mexico and Australia worth \$800 million, while winning onshore drilling deals in Saudi Arabia, South America and Kazakhstan worth a total \$500 million. In Mexico, Saipem won a contract with **TransCanada** sub **Transportadora de Gas Natural Norte-Noroeste** for a pipeline running from Chihuahua to Sinaloa on Mexico's west coast. Work covers the 430-mile, 30-in. line and two compressor stations along the route. Capacity will be 670 MMcfd. Completion is expected 1Q16.

*EPC contracts were worth \$800 million, drilling contracts \$500 million.*

In Australia, Saipem's contract with **Santos GLNG** covering the company's gas transmission pipe project has been expanded to include EPC of an underwater segmental lining tunnel running between the Gladstone State Development Area and Curtis Island. The 260-mile, 11.2-ft diameter tunnel will contain a 42-in. line supplying coal seam gas to the Curtis Island LNG facility. Work will be complete in 20 months.

On the drilling side, the new contracts will use 13 total rigs, including three new purpose-built rigs. The Saudi contracts are with **Saudi Aramco**, with three-year terms beginning next year. In South America, two rigs will be used under respective one- and two-year contracts beginning this quarter. The Kazakh deal is an eight-month, one rig contract, also beginning this quarter.

## FMC takes subsea order &amp; BP technology contract

**FMC Technologies** announced a \$39 million order for additional subsea equipment for the Tyrihans field from **Statoil**. Deliveries will include two subsea trees and three choke modules, and are slated for 2013 arrival. FMC's Norwegian and Scottish facilities will perform work. FMC has been working with Statoil in the field since 2006.

FMC also took a contract award from **BP** through its Project 20K initiative to develop next-gen systems and tools supporting exploration and development of HP/HT reservoirs up to 20,000 psi and 350°F. Current technologies limit development to resources with a maximum 15,000 psi or 250°F. FMC will work jointly with BP to develop specific technologies including a subsea production tree and pressure protection system.

*BP wants to push development to plays of up to 20,000 psi and 350°F.*

**KBR** also won a contract under Project 20K to develop program execution and management plans for the overall program including cost and schedule estimates, risk assessments and technical design. BP launched the program in February to advance technologies in well design and completion, drilling rigs, risers, BOPs, subsea production, well intervention and containment systems. BP believes successes in these areas could grow its global portfolio by 10-20 Bbbl. In particular, it believes advances would support US Gulf of Mexico deepwater development, as well as having applications in Egypt, Azerbaijan and other deepwater basins globally. BP America head of upstream technology Jackie Mutschler said the company hopes these contracts are "just the beginning." Contract terms and durations were not disclosed.



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## Who's Hot/Who's Not (As Of December 10)

## Analysts' view on select stocks

Key: Ticker/Current Price/52-Week Low/52-Week High/Market Cap

## Upgrades:

- **Atwood Oceanics Inc.** (ATW/\$46.52/\$34.93/\$50.18/\$3.05B) from Accumulate to Buy by Global Hunter Securities.
- **Hercules Offshore, Inc.** (HERO/\$5.12/\$2.91/\$5.57/\$811.97M) from Hold to Buy by Deutsche Bank.
- **Nabors Industries Ltd.** (NBR/\$14.65/\$12.40/\$22.73/\$4.25B) from Hold to Buy by Deutsche Bank.
- **Patterson-UTI Energy Inc.** (PTEN/\$18.24/\$12.81/\$22.14/\$2.7B) from Hold to Buy by Deutsche Bank.

## New Coverage:

- **Core Labs NV** (CLB/\$107.32/\$94.72/\$143.21/\$5.01B) at Buy by Global Hunter Securities.
- **Flowserve Corp.** (FLS/\$142.90/\$95.35/\$147.10/\$7.14B) at Buy by KeyBanc Capital Markets.
- **Global Geophysical Services Inc.** (GGS/\$3.98/\$3.61/\$11.76/\$149.54M) at Hold by Dahlman Rose.
- **ION Geophysical Corp.** (IO/\$5.92/\$5.29/\$8.79/\$923.56M) at Hold by Dahlman Rose.

## Downgrades:

- **EnscO PLC** (ESV/\$58.18/\$41.63/\$61.48/\$13.51B) from Buy to Hold by Deutsche Bank.
- **Rowan Companies PLC** (RDC/\$32.30/\$28.62/\$39.40/\$4.01B) from Buy to Hold by Deutsche Bank.
- **SeaDrill Ltd.** (SDRL/\$36.69/\$31.37/\$42.34/\$17.21B) from Buy to Hold by Deutsche Bank.

Key: Ticker/Current Price/52-Week Low/52-Week High/Market Cap

Source: **Yahoo! Finance**

Metrics &amp; Comparables.



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## GULF COAST

## GULF COAST PRODUCTION SALE

29-Total. 6-Active. 3-SWD. 20-NonProd  
HARDIN, REFUGIO, SAN PATRICIO (TX)

ALLEN PARISH (LOUISIANA)

12-Proved Behind Pipe Zones.

1-PUD 6,000 Ft. w/ 100 MBO Potential

17-Prob+Poss Behind Pipe Zones.

1-Deepening w/ 30 MBO &amp; 500 MMCF Prob.

OPERATED WI FOR SALE

Avg Gross Production: 101 BOPD

Avg Net Cash Flow: \$173,882/Month

Net Proved Rsvs: 261 MBO &amp; 457 MMCF

Future Net Revenue: \$13,779,800

Total Proved PV10 Reserves: \$9,563,300

AGENT WANTS OFFERS DEC 20, 2012

PP 101 BOPD

## SOUTH TEXAS PROPERTIES

7-Active Wells. 6-Shut In. 1-SWD.

ATASCOSA &amp; FRIO CO.

EAST CROWN FIELD (3,522-Acres)

Olmos Formation Production. 4,200 Ft.

Depths Limited to Top of Austin Chalk.

40% NonOperated WI: 30% NRI

Gross Production: 50-60 BOPD

Net Production: 15-18 BOPD

Net Cash Flow: \$15,000-\$30,000/Month

CONTACT SELLER FOR MORE INFO

PP 1872DV

## PERMIAN

## GLASSCOCK CO., TX PROSPECT

390-Acres out of 1,560-Acre Tract.

PERMIAN BASIN

WOLFBERRY / HORIZONTAL CLINE

ALL AREA IS LEASED

Part of Acreage Located on 3D Seismic High.

25% NonOperated WI: 75% NRI (Lease)

Surrounded by Wolfberry Wells.

3 New Horizontal Cline On 2 Sides.

Est Reserves (Wolfberry): 175 MBO

Est Reserves (Hz Cline): 550 MBO

CONTACT GENERATOR FOR INFO

DV 1833

## PERMIAN NONOP SALE PACKAGE PLS

~10-PDP Wells. ~450-Net Acres.

ANDREWS CO., TX

SPRABERRY (TEND AREA)

Wolfberry/Spraberry

50% NonOperated WI: 37.5% NRI

Gross Prod: 112 BOPD &amp; 208 MCFD

Net Prod: 42 BOPD &amp; 78 MCFD

Net Cash Flow: &gt;\$125,000/Mn

Substantial Drilling Upside

CALL PLS FOR MORE INFO

PP 1692DV

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Permian Shale

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PERMIAN

**KING CO., TX PROPERTY**

13-Wells. ~750 Acres (HBP).  
PERMIAN BASIN  
TANNEHILL OIL  
 Producing Oil from Tannehill. ~4,000 Ft.  
 Room for Additional Locations.  
 Older Wells Recently Acidized.  
60% OPERATED WI; 79% NRI  
 100% WI Could Be Available.  
 Gross Production: ~340 BOPD  
 Gross Cash Flow: ~\$800,000/Mn  
 Little Water Production.  
 SELLER NEEDS YEAR-END CLOSE  
**PP 5018DV**

PLS

PP

CALL TODAY

MIDCONTINENT

**GRAYSON CO., TX PROJECT**

14-Total Wells. 3,235-Net Acres (HBP).  
MULTIPLE UPSIDE OPPORTUNITIES  
 Surrounds Big Mineral Creek Field  
 Oil Creek, Dornick Hills, Viola & Davis.  
 Depths Range: 3,500 Ft. to 12,500 Ft.  
 Exploration Opportunities into Deeper --  
 -- Horizons of the Woodford Shale & Viola  
Avg ~81% OPERATED WI; ~68% NRI  
 Gross Prod: 1,064 MCFD & 52 BOPD  
 Avg Net Sales: 821 MCFD & 41 BOPD  
 Operating Net Cash Flow: \$165,121/Mn  
 Additional Upside:  
 - Recompletions in Existing Wells  
 - Waterflood Potential Over Multiple Zones  
 AGENT WANTS OFFERS DEC 14, 2012  
**PP 1864DV**

PP

821 MCFD

**WILBARGER CO., TX PROSPECT**

10-Potential Wells. 3,200-Acres.  
HARDEMAN BASIN  
 Obj 1: Atoka. 6,800 Ft.  
 Obj 2: Barnett. 7,700 Ft.  
 Subsurface Geology Data Available.  
75% OPERATED WI; 75% NRI  
 Well Reserves: 150 MBO & 2.0 BCF  
 Project Reserves: 1.5 MMBO & 2-5 BCF  
 DHC: \$1,500,000; Compl: \$2,200,000  
 CONTACT SELLER FOR DETAILS  
**DV 1537**

DV

HARDEMAN

**GARFIELD CO., OK PROSPECT**

6-Potential Wells. ~1,700-Net Acres.  
NEMAHA RIDGE  
MISSISSIPPIAN TREND  
 Mississippi Lime. 9,700 Ft. TMD  
 Skinner, Layton & Carmichael  
 EXCELLENT MISSISSIPPI POTENTIAL  
 Subsurface Geology Data Available.  
80%+ OPERATED WI; 79% NRI  
 Drilling Opportunity in Thick Miss Section.  
 Well Rsrvs: 140 MBO & 920 MMCF/Well  
 DHC: \$1,500,000; Compl: \$2,900,000  
 CONTACT GENERATOR FOR DETAILS  
**DV 1839**

DV

MISS LIME

MIDCONTINENT

**KAY CO., OK PROSPECT**

2-ShutIn Gas Wells. 14-Pot. 160-Acres.  
CHAUTAUQUA PLATFORM  
 Obj 1: Kisner Sandstone. 580-600'.  
 Obj 2: Mississippian Chat/Lime. 3,780'.  
 Other Objectives: Bartlesville, Redford,  
 Skinner & Cleveland.  
 Offset Data Available.  
100% OPERATED WI; 80% NRI  
 Expected IP: 10-20 MCFD Shallow &  
 10-50 BOPD In Deeper Mississippian.  
 Well Reserves: 100 MMCF & 400 MBO  
 1 Mile Gas Pipeline & Tap In Place.  
 Cost Below For Shallow Wells.  
 DHC: \$10,000; Compl: \$30,000  
 CONTACT SELLER FOR DETAILS  
**DV 1493**

DV

MISSISSIPPIAN

EASTERN & APPALACHIA

**PENNSYLVANIA ACREAGE**

~123,000-Total Acreage  
POTTER, MCKEAN, MERCER, INDIANA,  
VENANGO, CRAWFORD, GAMBRIA --  
 -- & CLARION COUNTIES  
 Utica Shale Play Trend  
100% OPERATED WI FOR LEASE  
 NRI IS NEGOTIABLE  
 CONTACT LESSOR FOR DETAILS  
**L 1841DV**

L

UTICA

ROCKIES

**DANIELS CO., MT LEASEHOLD**

2,049-Net Acres. Highly Contiguous.  
WILLISTON BASIN  
 Bakken / Three Forks  
 Horizontal Drilling Potential.  
 ALL DEPTHS RIGHTS  
100% OPERATED WI FOR SALE  
 80% OR 81% NRI DELIVERED  
 Surrounded by Apache Corporation --  
 -- Leases Totaling >300,000 Net Acres.  
 5+ Years Lease Term  
 CONTACT SELLER FOR DETAILS  
**L 1862DV**

L

BAKKEN

**NIORARA CO., WY PROPERTY**

8-Active Wells. 2-Potential Locations.  
NORTH ANT HILLS FIELD  
 Multiple Wells w/ Reserves Behind Pipe  
 Lakota Marine Bar --  
 --- & Lakota Channel Sand.  
 5.5% ORRI in 2 Leo Formation Oil Wells  
 --Option to Convert ORRI to 30% WI APO  
100% OPERATED WI; Avg 82% NRI  
 Gross Production: 128 BOPD  
 11-Mn Net Cash Flow: \$230,077/Month  
 Est Recoverable Reserves: 250-400 MBO  
 CONTACT AGENT FOR UPDATE  
**PP 1880RR**

PP

128 BOPD

ROCKIES

**NORTH DAKOTA BAKKEN ACREAGE**

5-Total Leases. 271-Net Acres.  
WILLIAMS COUNTY  
WILLISTON BASIN  
 Middle Bakken Primary Objective.  
 Also Three Forks Potential.  
WILL DELIVER 78.5% NRI  
 Area IPs: >1,000 BOED  
 Leases Have a Right of First Refusal  
 CALL PLS FOR MORE INFO  
**DV 1940**

PLS

DV

WILLISTON

WEST COAST

**NYE CO., NV ACREAGE**

187,170-Net Acres. Mostly Contiguous.  
HOT CREEK VALLEY  
 Adjacent to Productive Railroad Valley  
 Mississippian Chainman Shale --  
 -- & Devonian Pilot Shale  
 Multiple Paleozoic Conventional Reservoirs  
 POTENTIAL HORIZONTAL EXPLORATION  
100% OPERATED WI FOR SALE  
 Offset to Major Oil - Eblana No. 1  
 BLM Leases - 9.5 Year Term Remaining  
 CONTACT SELLER FOR DETAILS  
**L 1874DV**

L

CHAINMAN

EQUIPMENT

**DRILLING RIG FOR SALE**

Ready For Immediate Delivery.  
 2,000 HP AC. 20,000 FT. CAPACITY.  
 American Block DKS-2600 AC  
 Drawworks, MaxRig IRI20 Remote  
 Op Iron Roughneck, Fully Outfitted  
 Avid Controls AC Joystick Drillers  
 Cabin & VFD House. & 500 Ton NOV  
 TDS11 Top Drive.  
 SELLER HAS ASKING PRICE  
**E 1691RIG**

E

DRILLING RIG

**DRILLING RIG FOR SALE**

CABOT 750 - 800 HP  
 112' Mast, 300,000# Capacity  
 New and Rebuilt Components  
 Additional Equipment Also Available  
 READY FOR BUYER INSPECTION  
 Excellent Rig Attractive Price  
 SELLER HAS ASKING PRICE  
**E 1195RIG**

E

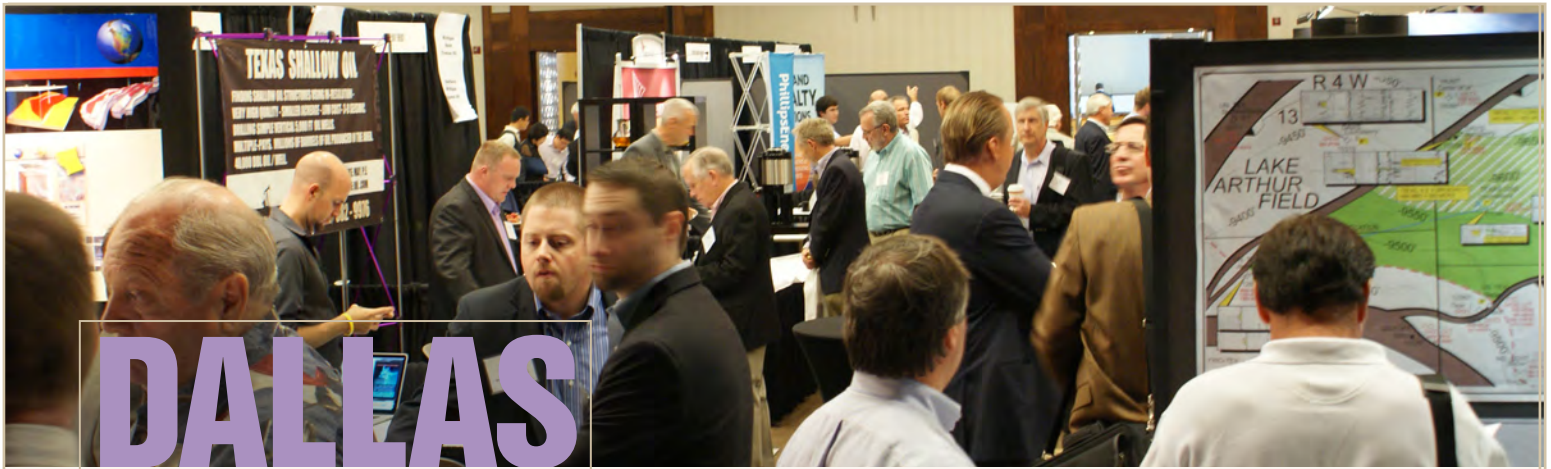
RIG

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