Kitan Field Start-up will be G'Day for Eni
by Jaime Kammerzell
Rigzone Staff 6/10/2011

The Kitan field in permit JPDA 06-105 in the Timor Sea is 500 km off the Australian coast and 170 km off the Timor-Leste coast, northwest of the existing Bayu Undan gas condensate field. Eni announced it had made an oil discovery there in March 2008.

The Songa Venus semisubmersible drilled the well to 3,568 m (11,706 ft) in 310 m (1,000 ft) of water and encountered significant hydrocarbons.

Eni then drilled the Kitan-2 well later that month to confirm the oil accumulation. Initial test results indicated a flow rate of 6,100 b/d. The field has an oil density of 59 degrees API.

Eni operates the Kitan field with a 40% interest in the jointly-owned permit along with Inpex, with a 35% share, and Talisman Resources with a 25% share.

Eni declared the Kitan field as a commercial discovery on April 11, 2008. The partners estimate that Kitan holds about 68.8...
million stock tank barrels of oil initially in place (STTOIP), with a 50% recovery factor, which would put ultimate recovery around 34.6 MMstb. In other words, the field has about 30 to 40 MMbbl and may produce up to 20,000 b/d when it comes online later this year, just 3 years after commercial declaration.

**Development Plan**

The Autoridade Nacional de Petroleo (ANP) approved the Kitan field development plan on April 22, 2010. The field is in the Joint Petroleum Development Area, which is jointly administered by Timor-Leste and Australia. It is expected to reach first oil later this year (second half of 2011). The total approximate project cost is around $1 billion.

Eni is developing Kitan through three subsea completion wells, Kitan-3, Kitan-4 and Kitan 2-ST1, tied back to an FPSO. Eni contracted FMC Technologies to manufacture and supply the subsea equipment. FMC has provided the three subsea production trees and all associated control systems and umbilicals. The company's Asia Pacific deepwater subsea organization has managed this engineering, procurement and construction (EPC) project. And FMC's operations in Singapore and Malaysia has engineered, manufactured and delivered all equipment.

Eni also contracted Bluewater Energy Services for the chartering, operation and maintenance of the Glas Dowr FPSO, complete with mooring system, including provision of logistics and ancillary services at the Kitan field. The initial contract is good for 5 years after start of production, but can be extended up to 10 years.

In September 2010, Bluewater Energy asked Sebcorp Marine to upgrade the Glas Dowr. The shipyard repaired the vessel to extend its life another 10 years as well as upgraded the FPSO's internal turret mooring and transfer systems. The marine, utility, electrical and communication, safety, control, monitoring, and production systems were also upgraded. The vessel was re-delivered to the owners in 2Q 2011 for deployment.

Eni also awarded Technip a contract to provide project management and engineering, to supply and install 23 km of flowlines and riser, and to install the umbilical system. Offshore installation started in the first half of 2011 using the Venturer construction vessel from Technip’s fleet.

**Bluewater Glas Dowr**

Eni planned to utilize local labor and goods as the Timor Sea holds strong future potential for the operator. The operator has been present in Australia since 2000 and in Timor-Leste since 2006.

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**Australia Rigs**

Australia has 10 rigs currently contracted to drill in its waters — one jackup, one drillship, and eight semisubmersibles.

Atwood Oceaneics’ Atwood Osprey semisubmersible has the highest dayrate in the high $400s. The rig is contracted to Chevron, which is currently drilling the Zagreus-1 well. Atwood also has its Atwood Eagle semisubmersible contracted to
Chevron with a dayrate in the high $300s. The rig is currently drilling the West Tryal Rocks-4 well.

Diamond Offshore also has two semisubmersible contracted. The Ocean America is drilling the Argus-2 well for Woodside at a dayrate in the low $400s, and the Ocean Patriot will start its contract with PTTEP at the end of June at a dayrate in the low $200s.

Maersk Drilling, too, has two semisubmersibles contracted to Woodside. The Maersk Discoverer is drilling the Opel-1 well at a dayrate in the mid $400s and the Nanhai VI has a dayrate in the low $300s.
Stena and Transocean each have one semisubmersible contracted. The Stena Clyde is drilling the Mutineer-4 well for Santos at a dayrate in the high $200s. And the Transocean Legend is drilling the Chester-2 well for Hess at a dayrate in the low $300s.

The Ensco 109 jackup is the only jackup working off Australia today. The rig is drilling for Apache at a dayrate in the mid $100s. Likewise, the only drillship contracted to work in Australian waters is the Noble Discoverer, which is contracted to Shell at a dayrate in the mid $100s. However the drillship is currently in New Plymouth, New Zealand, having mooring equipment repaired that was damaged during a storm.
Noble Discoverer

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