

## Apache's Theo 3-H horizontal well offshore Australia flows 9,694 bbls/day

APACHE CORP ANNOUNCED that its Theo 3-H well flowed 9,694 bbls of oil per day in a test of the first horizontal well at the Van Gogh development in Western Australia's Exmouth Basin. The company plans to drill 18 additional long-reach horizontal laterals at Van Gogh later this year, with first production expected by the end of the first quarter of 2009.

The well was drilled in 1,205 ft of water to a measured depth of 10,598 ft, with a 4,554-ft-long horizontal section in the

Top Barrow formation. The test was limited by the capacity of downhole and surface equipment.

"The Theo 3-H horizontal well confirms our assessment of the productivity of the Top Barrow Sand reservoir," said G. Steven Farris, Apache president and CEO. "The Van Gogh development is one of six projects in Apache's core growth areas of Australia, Canada and Egypt that are projected to add aggregate production of 108,000 bbls of oil equivalent per day over the next four years."

The BHP-Billiton-operated Pyrenees development is expected to add 20,000 bbls of oil per day to Apache's net production during 2009.

Apache currently is drilling the Julimar East-1 appraisal well 3.6 miles (6 km) northeast of the Julimar-1 natural gas discovery, which flowed a combined 85 million cu ft of gas per day in tests of two Triassic channel sands. The Julimar East-1 will appraise the channels tested in the discovery well and target additional deeper Triassic sands.



### Drilling HSE workshop held in Arkansas

An IADC HSE Workshop was held in Conway, Ark., in late May for area drilling contractors, operators and service providers. The meeting was the first of its kind to be held in North Central Arkansas. Ron Townsend (standing), general manager of Saxon Drilling, hosted the meeting to further the sharing of drilling industry information in the area.

## Transocean wins contract for newbuild drillship

A SUBSIDIARY OF BP has awarded Transocean a drilling contract for an enhanced Enterprise-class design newbuild drillship with modified specifications for operations offshore Angola. The drillship is expected to be owned and operated by a joint venture 65% owned by Transocean and 35% owned by an Angolan partner.

The five-year drilling contract is expected to commence during the third quarter of 2010. BP may extend the contract to seven years.

Construction of the dynamically positioned, double-hull drillship is to take place at the Daewoo yard in South Korea. Estimated total capital expenditure for the drillship is approximately \$640 million. The rig will feature Transocean's patented dual-activity drilling technology, expanded completions capabilities, and the capability of drilling in up to 7,500 ft of water depth, upgradable to 12,000 ft of water depth and 40,000 ft of total drilling depth with additional equipment.

## KCA DEUTAG operating for TNK-BP in Western Siberia

KCA DEUTAG HAS commenced operations for TNK-BP in the Demianskiy field in Western Siberia, under an operating and maintenance contract effective to 2011, with three HR-5000 drilling rigs, while a fourth HR-5000 rig is scheduled to commence operations in July 2007. All four rigs were designed, manufactured and mobilized within 18 months of contract signing, marking a milestone in KCA DEUTAG's continuing growth in Russia.

## Aabar enters African market with contract in Algeria

DALMA ENERGY, A subsidiary of Aabar Petroleum Investments Company, won a drilling contract in Algeria, marking Aabar's entry into Africa. The one-year contract from RepsolYPF is valued at US\$23.24 million

and includes an option of a six-month extension valued at US\$11.74 million. Drilling operations were to begin in June 2007 with the deployment of two deep-drilling land rigs, which were built in China at an estimated cost of US\$22 million each.



Sohail Al Mazrui

"We are pleased that Dalma ... has doubled the size of its operations since its acquisition by Aabar in July 2005. This contract with RepsolYPF marks the expansion of our operations into Africa, a region that holds out excellent potential for growth," said Sohail Al Mazrui, Aabar chairman.

## ENSCO to construct ultra-deepwater semisubmersible at Keppel FELS

ENSCO INTERNATIONAL announced an agreement with **Keppel FELS** in Singapore to construct an ultra-deepwater semisubmersible rig to be named ENSCO 8503. Total project cost is estimated at \$427 million, with delivery estimated for the third quarter of 2010.

ENSCO 8503 is the company's fourth semisubmersible rig in the ENSCO 8500 Series. It will be its fifth deepwater semi, joining three other 8500 Series rigs and ENSCO 7500, which was delivered in 2000. The first three ENSCO 8500 Series rigs (ENSCO 8500, 8501 and 8502),

remain on schedule and within budget, with deliveries expected in the second quarter of 2008, first quarter of 2009 and fourth quarter of 2009. Two of those three are already committed under long-term drilling contracts beginning upon delivery.



**Ultimate Drilling recently won the 2007 Award of Excellence from the Oklahoma Department of Labor. Ultimate Rig 2, seen above, is working for El Paso Production Co in Henderson, Texas.**

### Ultimate Drilling named Award of Excellence winner

ULTIMATE DRILLING COMPANY was selected as the 2007 Award of Excellence Small Employer recipient. According to the Oklahoma Department of Labor, "The results of an effective safety and health programs are evident in your company's reduced workplace incidents and workers' compensation cost-savings. Your company is deserving of this special recognition."

The award was presented during the 2007 Oklahoma Centennial Safety & Health Conference, held on 3-5 June 2007.

### Nabors receives grant to train oil & gas workers

NABORS DRILLING HAS been awarded \$893,000 by the Texas Workforce Commission to train workers for the oil and gas industry. With this grant, Nabors will partner with Texas State Technical College to provide training programs to produce drilling professionals for the industry. The grant will expand on Nabors' regional education centers, providing competency-based training at various levels, according to Nabors president **Joe Hudson**.

### Pride awarded PEMEX contracts for 3 jackups

PRIDE INTERNATIONAL ANNOUNCED that three of its 200-ft, mat-cantilever jackups — the Pride Alabama, Pride Colorado and Pride Mississippi — have been awarded one-year contracts by **PEMEX** for operations in Mexican waters of the Gulf of Mexico.

Contracts for the Pride Alabama and Pride Colorado were to begin in May 2007 and July 2007, in continuation of existing commitments. Both are currently operating in Mexican waters of the GOM for PEMEX. The Pride Mississippi is expected to begin operations in September 2007, following the completion of current commitments and mobilization of the rig from the US GOM. Aggregate revenues from the three contracts are about \$106.8 million.

### Unit Drilling acquisition brings total rig fleet to 128

UNIT DRILLING COMPANY closed the acquisition of a privately owned drilling company operating primarily in the Texas Panhandle. Assets acquired include nine drilling rigs ranging from 800 hp to 1,000 hp with depth capacities from 10,000 ft to 15,000 ft. The acquisition brings Unit's drilling rig fleet to a total of 128.

### Production begins at US non-conventional oil site

MEGAWEST ENERGY CORP has commenced production from the Chetopa, Kan., non-conventional oil project. The Calgary-based company focuses on North American heavy oil.

The Chetopa project "is a company milestone in terms of establishing producing reserves on this development project using thermal recovery technologies," said MegaWest Energy president and CEO **George Stapleton**.

### Maersk Contractors sells 3 jackups

MAERSK CONTRACTORS HAS sold three jackups — Maersk Exerter, Maersk Enhancer and Maersk Endeavour — to **Northern Offshore Ltd Bermuda**. Maersk will continue to operate the rigs on behalf of the new owner until the existing contracts with **Maersk Oil & Gas** expire in 2008 and 2009. Maersk has eight rigs under construction for delivery between 2007-2010.