



ALPHA PETROLEUM SERVICES, LLC

◆ Experience ◆ Innovation ◆ Integrity

New Zealand Full Field Development

Client

An independent Australian oil and gas company with a focus on exploration

Challenge

Our client was the majority owner and operator of a remote oil and gas discovery off the coast of New Zealand, contemplating development options. Although having a track-record of exploration success throughout Australasia, the client had limited experience as an Operator of a full field offshore development. Alpha Petroleum Services was asked to provide Project Management support throughout the \$430 million field development including:

- Performing conceptual studies,
- Obtaining government approvals and permits,
- Managing front-end engineering and design (FEED),
- Executing contracts for provision of equipment and services,
- Developing well plans and securing rig commitment,
- Conducting drilling and completion operations,
- Overseeing subsea facilities design, fabrication & installation, and
- Conducting commissioning and start-up.

Alpha Petroleum Services Approach

Working side-by-side with the client team, Alpha Petroleum Services engineers and consultants conducted the conceptual design studies for viable schemes in the offshore New Zealand operating environment (i.e., remote location, limited infrastructure, Metocean conditions similar to the North Sea). Alpha recommended a leased FPSO with four subsea wells as the preferred development solution.

During FEED, Alpha staff, with assistance from a third-party engineering firm, developed investment quality cost and schedule estimates. These detailed estimates led to Project Sanction. The Alpha team conducted bid tenders and assessed contract proposals for provision of major equipment and services, finalizing contract negotiations with preferred suppliers so that our client could execute major contacts concurrently with Project Sanction. This shortened the project schedule by about 6 months.

During the Execution phase, Alpha personnel acted as our client's Company Representative to ensure that all equipment was delivered to New Zealand on-time, on-budget and on-spec. We also addressed all interface issues to ensure that the equipment provided by the various suppliers was compatible and that all installation and drilling activities were coordinated and properly sequenced.

Throughout all phases of the development, Alpha interacted with the authorities and our client to ensure that the field was brought on-stream in full compliance with New Zealand laws and regulations, including approvals of the Petroleum Mining Permit, Safety Cases and other HS&E permits. Alpha also advised our client on establishing accounting, logistics and other back office procedures and systems necessary for successful operations.

Result

The client/APS team achieved the stated goals of initial production by the end of the second quarter 2007, only twenty months after the partners reached FID (Final Investment Decision). With advantageous oil prices and aggressive execution, investment was recovered within five months. For over ten years now, Alpha continues to work with the client in many areas, including technical support, field development and expansion, exploration support, and acquisition support.