

Information from Amoco Norway, Stavanger April 21 1996

## Valhall platform built and installed in 10 months

The new wellhead platform on the Valhall field was installed this week - after the shortest construction time ever in the North Sea. It took only 10 months from the time of contract award to installation of the platform. Production start-up is planned for mid-May - less than one year after the plan for development and operation (PDO) was approved by the authorities. The cost has also been reduced: from NOK 2.1 billion at the time of partner approval in March '95 to the current estimate of NOK 1.5 billion.

"To get as much as possible out of the Valhall field and the surrounding license area, is part of Amoco's strategy for growth in Norway. But growth has no value unless it is also profitable. A reduction in lead time from incurring cost to cash flow from production, is important for the profitability of small North Sea projects. We have achieved this, and we are very happy about it", says Managing Director Anders Mørland in Amoco.

The new platform has space for 19 wells and will be increasing the total reserves on Valhall by around 82 million barrels of oil and 4.4 billion m<sup>3</sup> of gas. The platform will increase oil production from the Valhall field by 40,000 barrels per day, to a peak of around 125,000 b/d towards the end of 1998. The profitability of the project has been considerably improved since the authorities gave their approval in June 1995. The platform was also designed for flexibility. It has provision for accommodating third party production and can support a 1250 tons light weight drilling unit. This flexibility enhance future opportunities.

Mr. Mørland draws attention to the many others who contributed to the progress of the wellhead platform: "Our partners - Amerada Hess, Enterprise and Elf - have all contributed with quick and positive processing in the partnership. The Norwegian Petroleum Directorate has also worked closely with us in the approval phase, which led to us saving time by doing several things simultaneously. The Ministry of Industry and Energy followed up with a quick approval of the development plan".

Close and trusting cooperation between the operator, the main contractor, Heerema Tønsberg, and the sub contractor of services, ABB, also contributed significantly to the record fast construction. The successful offshore installation was also conducted by Heerema - using the crane vessel *DB102*. The cooperation with Maersk Drilling has led to considerable savings on drilling, both in time and costs.

Drilling counts for around two thirds of the total investments in the wellhead platform. Total investments are based on 15 approved wells, but it is possible to drill 19 production wells in all. The wells will be horizontal, and some quite long, in order to drain oil and gas from the flanks of the field. A new method is being used to enhance production from the wells. Several fractures are being made in the producing layers and then filled with sand to keep them open. This will increase the well costs, depending on the number of wells treated in this manner. In return the production will increase, creating a positive net effect on the economics.

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