Barge sub-contractors for Madura are lined up

Paxocean and VME said to have been picked for work at Indonesia field

The contracting team tasked with delivering a floating production barge for the Madura MDA-MBH satellite project in Indonesia are lining up sub-contractors for the execution phase.

The joint operating team of Husky Energy and CNOOC Limited issued a letter of award a few months ago to a consortium comprising Anugrah Mulia Raya, Sandakan Offshore and Emas Offshore.

That consortium then engaged Malaysia's Marine Technology Company to manage the engineering, procurement, construction and installation work.

MTC is a predecessor of MTC Floating Solutions, and has had a hand in two recent Malaysian floater projects.

The first was a floating production, storage and offloading vessel for Vestigo Petroleum's Kayu Manis South East and Anjung Kecil fields.

The second was the MTCE Ledang FPSO, which has just been delivered for the Ophir oilfield.

Well-placed sources said at least two Indonesian sub-contractors have been lined up for main workscopes — Paxocean for the hull, and VME for the topsides.

Both Paxocean and VME have fabrication yards in Indonesia.

The floating production barge will be designed to handle up to 175 million cubic feet per day of gas, including a maximum 110 MMcfd from the MDA field and 55 MMcfd from the MBH field.

No guidance was available on whether the vessel will be a conversion or newbuild.

It is understood the barge will be chartered to Husky-CNOOC for at least 10 years, and the two oil companies will have an option to purchase the vessel.

The contracting of the MDA-MBH floater has been a protracted affair, and it is still not certain if a contract has been finalised.

Emas' financial troubles, and its ongoing restructuring efforts, mean that company has a passive role and its workscope is not yet clear.

There have been at least two competitive bidding rounds in the past for the floater. In the original tender, Husky-CNOOC was close to awarding the contract to CNOOC subsidiary Enertech Indo, which is the local Indonesian division of CNOOC Energy Technology and Pulau Kencana Raya, but the Indonesian authorities decided that a higher ratio of local content was required.

In late 2016 a consortium of Indonesia's Duta Marine and Malaysia's MISC emerge as the front-runner following a new bidding round.

However, a final agreement was never reached due to commercial complications. Husky-CNOOC then issued the letter of award to the AMR-led consortium.

Husky said recently that construction and installation of two shallow-water wellhead platforms at the MDA-MBH fields has been completed. Sources said Hilong Petroleum Offshore Engineering and Timas Suplindo were involved in transport and installation.

The two platforms are connected by a 27-kilometre, 20-inch pipeline, and a 3.7-kilometre line connects to the big East Java subsea gas pipeline.

Husky's chief financial officer Jonathan McKenzie said last month that MDA-MBH and another satellite called MDK are all expected to produce first gas in 2019 and 2020.

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Total gross volumes from the BD Project, MDA-MBH and MDK fields are expected to be 250 MMcfd of gas and 6000 barrels per day of associated natural gas liquids once production has fully ramped up, said Husky.

The fields are located on the Madura Strait production sharing contract in the East Java Sea.

Husky and CNOOC each hold a 40% stake in the Madura block, with Samudra Energy holding 20%.

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