

Offsite services: A drilling contractor's advantage

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AS A DRILLING contractor, your primary focus lies within your core business of drilling. The fiduciary responsibility to your shareholders is accomplished by taking advantage of the combination of high utilization and rising rig rates—often in direct correlation with one another. Costs are continually scrutinized and many strategic decisions made nowadays focus primarily on this aspect of the income statement. With oil prices currently maintained at higher than budgeted levels, operators and drilling contractors are taking this opportunity to strengthen their balance sheets once again. Using previously budgeted levels of revenue as point zero, the margin spread taking today's prices into account allow for some healthy financial revitalization.

However, this article is not a financial case study, but to use a financially based starting point to accentuate a way to both keep control over costs and continue the incoming revenue stream. With the aging of the world's rig fleet and the demand of the drilling units to operate in greater water depths, the problem is trying to keep your fleet in compliance with the appropriate regulatory bodies; to enhance their marketability in an ever changing environment; and to take advantage of current utilization and rig rates to maximize revenues. How can all of these variables be addressed to the satisfaction of both the drilling contractor and the operator?

A contracted semisubmersible drilling rig was completing a well and personnel were evaluating the upcoming wells in the drilling program. Due to changes in lease locations to those with greater water depth than originally planned, the successive wells would require a greater mud storage capability and additional riser storage on the drilling rig.

The problem facing this contractor was obvious: How do we keep the rig actively working and generating revenue, while at the same time, make the necessary upgrades to operate in the required water depths? The modifications were

nothing revolutionary. In many cases previous encountered, semis similar to this one had been brought into a shipyard for a conversion and upgrade to add riser racks and modify the mud system. In this case, the contractor brought the shipyard to the rig.



In many cases with offsite servicing, work can be performed while the rig continues its normal operations.

The decision was made. The engineering was completed and the construction drawings sent out. Storage racks were prefabricated onshore, the piping runs were spooled, headers and support brackets were readied—each in sections easily handled by the rig's cranes while on location.

Once the window opened, a crew could be mobilized and the project started. From a logistics standpoint, bedspace had to be made available for the outgoing crew. A 20-ft fully equipped con-ex box containing all necessary tools for the project at hand and an 8-bank welding machine were also mobilized to the operator's dock. A supply boat on its normal run brought the materials and the equipment to the rig.

Upon arrival, and subsequent to the

work starting, the working supervisor liaised with the contractor's representative onboard with regards to daily progress and the upcoming coordination with the ongoing drilling program.

Over the course of the next 2 wells, sufficient riser rack was added and void and brine tanks were transformed into additional mud storage tanks. New lines of pipe were run and equipment was set in place. While the riser rack was being worked, the offshore crew was comprised of mainly structural steel experts. When the piping runs were worked, the crew rotated off and a piping crew was rotated on.

Just as if the project was being worked in a shipyard, certain disciplines were addressed and the appropriate people scheduled for the specific tasks. Aside from the normal downtime experienced, the revenue stream was uninterrupted. Additionally, the project was completed in a cost efficient manner to the satisfaction of all involved.

Following the same line of thinking, but from a maintenance perspective, maintenance programs can also achieve the same levels of success by forward thinking and scheduling, all while the rig is actively working. One contractor was able to take advantage of the active jack up market by identifying preload tank steel needing replacement, mapping out replacement areas and having the panels prefabricated in a shop onshore. This project was able to be planned six months prior to the commencement date. A detailed work scope and sequence were developed and the supervisor briefed prior to departure. Drawings were developed and panels were able to be prefabricated onshore—in a controlled environment using automatic equipment and no overtime.

The crew was then set and prepared and the proper supplies were procured and stocked in the toolbox. The rig mobilized to a new location, preloaded, jacked up and spud in, the work commenced with the demolition according to the sequencing set forth prior. At no time did the crew open tanks to the extent they could not close up in case of

emergency. Over the course of several rig moves, more than 35 tons of steel was replaced.

In this situation, much needed maintenance was scheduled and carried out while the rig was in operational mode.

There are, of course, limitations to offsite services. Heavy lifts are limited to the rig crane's capabilities; crew sizes are limited to available bed space; and, as the drilling operations take precedence, occasionally a project will be delayed until the drilling program warrants. These limitations are favorably outweighed by the advantages previously mentioned—most of all, the continued operating revenue and cost effective manner for both operator and drilling contractor. For many projects, moving off location to a shipyard is still the only viable



During offsite services, all tools and equipment needed for the job are brought to the site. In the case cited in this article, the gear included a 20-ft fully equipped con-ex box containing the tools and an 8-bank welding machine.

option due to the nature of the repairs/modifications. For the other projects or for routine maintenance, bringing the expert disciplines of a shipyard's management, supervision, sched-

uling and trade skills to the rig is a definite advantage in a truly competitive industry. The shipyard has made the capital investment and it has the personnel already in place. The operator doesn't miss a beat in their drilling plan and the drilling contractor keeps the drilling rig generating revenue.

ABOUT THE AUTHOR

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