

# **Presentation to Hebron Project Review Commission**

*Part I - Questions*

*Part II - Suggestions*

Rob Strong – Presenter

November 28, 2011

# Presenter's Background

- 32 years experience in NL offshore industry
- Involved since 1979 at the “heyday” of the exploration phase of Hibernia, Terra Nova, Whiterose and Hebron
- Involved in many aspects of the industry such as shuttle tankers, offshore loading systems, supply vessels, module transportation, heavy lifting, excavated drilling centres and sub sea rock installation
- Multiple visits to North Sea for early observation of GBS construction
- 30-year NOIA member serving as President, Vice-President, Past President
- Presenting today as Rob Strong, citizen, and not as NOIA member

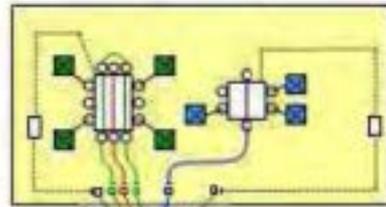
# Communication

- My 32-year career has taught me the importance of communication, between operators and their contractors and subcontractors and in many cases sub sub contractors
- EARLY communication is the thrust of my remarks today
- Hareesh Pillai (former Hebron project GM) borrowed a quote from author Anchee Ming when he spoke to the business community in 2009 . . . **“if one wants to get a boat ride, one must be near the river”**

# *Part I – Questions*

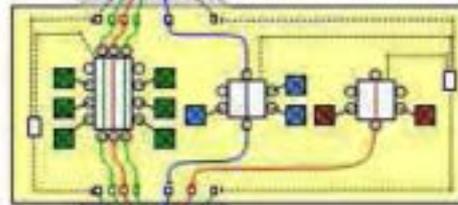
Pool 3

**EDC-2**  
WD 100 m



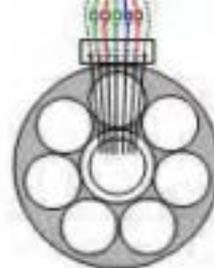
5 km

**EDC-1**  
WD 97 m



7 km

**Hebron GBS**  
WD 93 m



# Pool 3

## Background

- Represents a major opportunity for the supply community
- Critical that we get an understanding of Hebron's exact plans for this part of the development.
- The previous slide shows two excavated drilling centres - the first one containing six production wells, two water injectors and two gas injectors for a total of 10 wells. The second excavated drilling centre contains four producers and three injectors.
- Represents significant drilling activity and with drilling activity comes a wide variety of services such as supply vessels, helicopters, shore bases, cement companies, mud companies, testing companies and the list goes on and on.



# Pool 3 - Questions

- Timing of this activity as the schedule presented in the DPA appears confusing.
- If you view the schedules as seen on the previous slide, there is an indication that the first EDC will commence first oil minus five years and when one assumes that first oil will be 2017 then that, according to my math, means that there will be sub sea activity in 2012.
- So I respectfully ask that you as commissioner seek clarification from Hebron on this matter.

# **PART II - Suggestions**

- My next two slides offer my suggestions as to how to improve the flow of information between the Hebron project team and the supply community.
- I think my suggestions are good ones and I would respectfully ask you to consider them when you write your final report.

## Contract Awards - GBS

<u>Package Number</u>	<u>Description</u>	<u>Award Date</u>	<u>Successful Bidder</u>
<a href="#">SO783</a>	Electrical services	06/10/2011	<a href="#">Newfoundland Power</a>

**Last Updated:** 21/11/2011 10:38 am

And when one clicks on for details this is what you see

### **Electrical services**

[Printer-friendly version](#)[Send by email](#)

Package Number:

SO783

· [Printer-friendly version](#) · [Send by email](#)

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**SUGGESTION:**            The example above provides very little information with respect to scope of work. There is a need to provide extensive information on the scope of work so that smaller companies can identify subcontract opportunities. For example, it would be helpful if detail were provided such as . . . “scope of this work calls for provision of wire rope for guys, concrete for footings, excavation services, provision of safety training, etc.”

# Further Examples

## **Engineering Services for Bull Arm Toppides Infrastructure Rehabilitation**

**Issued: Dec 17, 2010**

**Closed: Jan 17, 2011**

### **Accent Engineering Consultants**

187 Kenmount Road, St. John's, NL

Contact: Steven O' Halloran, P. Eng.

(902) 492-7973

[steveno@cbcl.ca](mailto:steveno@cbcl.ca)

## **Temporary Office at Bull Arm Site**

**Issued: March 31**

**Closed: April 8**

### **CAN-AM Platforms**

**(in partnership with Mod Space)**

P.O. Box 11, Shearstown, NL

Contact: Lee Noseworthy, Operations Manager

(709) 786-1113

[lee@canamplatforms.ca](mailto:lee@canamplatforms.ca)

## **Refurbish Building Envelopes & Interiors**

**Issued: February 22**

**Closed: March 9**

### **Atlantic Maintenance Services**

**(in joint venture with CHIMO)**

P.O. Box 8338, St. John's, NL

Contact: Gee Cooper, VP Operations

- My final slide represents another area of what I see as critical to improving communications as it relates to the utilities and process module which as you know is both very big and is being sourced internationally.
- What follows is my suggestion for a contract notification for the utilities and process module. Let me walk you through it.

ExxonMobil wishes to announce that the following companies have been prequalified and have been issued a bid document for the fabrication of the Utilities and process Module for the Hebron project. They are:

ABC Company  
China  
Contact person:  
Web site:

DEF Company India  
India  
Contact person  
Web site:

GHI Company  
Ming's bite  
Contact person.  
Web site:

The scope of this contract includes the .....(should be as complete as possible). Subcontracts that may be available to NL companies are:

Supply of toilet paper  
Testing services  
Customs brokerage services  
Transportation services, etc.

As a condition of bidding this contract the contractors that have been prequalified are requested to attend a seminar here in St. John's to provide the NL business community with an overview of their subcontract philosophy which will specifically identify realistic subcontract potential for NL contractors and suppliers.

Furthermore the successful contractor/fabricator will be required to establish an office in St. John's staffed by an English speaking official whose function will be to be an interface between the fabricators facilities in Ming's Bite and the local supply community. Such a person should have senior responsibility within the company.

Such office will be established at the very early stages of the contract and will provide the NL supply/service community with the names and contact information for their major subcontractors. This is meant to assist NL suppliers with the opportunity to position themselves for ongoing maintenance and service (life of field).

Thank you for the opportunity of presenting.

Questions and comments welcomed.