Delivering Operational Excellence
Message from the CEO

Not a day goes by at the moment without more news about the negative impact the current oil price is having on companies in every corner of our industry. Times are tough and show no sign of improving for the foreseeable future. It takes a strong company to weather these conditions and come out the other side fitter, leaner and stronger. KCA Deutag is going to be one of those companies.

As you know this year has seen the start of a period of change in KCA Deutag. We cannot control the price of oil but we can focus on our structure, processes and operations to ensure we are as efficiently organised as possible.

Our strategy is simple:

- Deliver exceptional service to retain existing clients
- Take advantage of new business opportunities as they arise to increase revenue
- Work more efficiently to reduce our cost base

It is a very competitive market and when we do win contracts we have to ensure that we do not incur lost time or cost overruns which prevent us from generating the revenue originally anticipated when we bid for the work. If we can exceed our customers’ expectations then we improve our chances of continuing to work with contract extensions or options.

In parallel with this, I would ask you all to continue to focus on delivering exceptional service to our customers safely. The Group’s HSE performance continues to be industry leading which is the result of a tremendous and sustained effort by everyone, and I would congratulate you all on that. Every week I see announcements on Kompass which show key safety milestones being achieved, such as our Land operation in Europe achieving one year TRI free for the first time in its history or members of the team in Russia winning a client instigated “hand protection: best practices” competition. This safety performance is fundamental to our future success, so maintaining our focus on this is a priority. Our Company Core Values and “delivering safe, effective, trouble-free operations” has never been more relevant than in the current market.

And finally, as new business opportunities arise, we must take advantage of these to generate additional revenue. Russia, Oman, Canada and Algeria continue to perform well despite the current conditions and the geothermal market in Europe is another area of potential growth for us.

As 2015 draws to a close I would like to thank everyone who has contributed over the course of the year for your hard work and your commitment to the group. While market conditions are tough, and due to the efforts of all of you, we are prepared to face the challenges that 2016 will bring and continue to provide our customers with the services they value, delivered the KCA Deutag Way.

Please stay safe.

Norrie McKay
CEO

“We are prepared to face the challenges that 2016 will bring.”
Hebron Project Update

The Hebron Project continues to make good progress with construction of the DES (Drilling Equipment Set) Module now completed.

The DES Module departed Korea by sea on 22 September bound for Bull Arm in Newfoundland, Canada, where the commissioning/installation phase will begin.

The platform is expected to commence production by 2017.

Princess Royal visits DART®

The UK’s Princess Royal, has been taken on a tour of DART® during a visit to Robert Gordon University in Aberdeen. During the tour Princess Anne officially opened the Sir Ian Wood building which houses DART®, KCA Deutag’s simulator based training service for drilling and well engineering.

As part of the visit Rodrigo Rendon, Head of Business Development, discussed the global footprint of UK headquartered KCA Deutag and also talked about our approach to training and development of drilling crews using DART®.

The Central Azeri continues its strong safety performance

On 27th July 2015 the Central Azeri platform achieved the outstanding safety milestone of 12 years DAFWC (LTI) free. This is the result of a real team effort where everyone year-on-year has consistently followed company procedures and best business practice to ensure safe, effective and trouble-free operations. Keeping in mind that today’s business environment is fast changing and more demanding than ever before, this is an even greater achievement.

Over the last year the Central Azeri has delivered two extended reach drilling wells both ahead of the AFE and performed a major 10 year re-certification project. During that time we had around 160 POB. So, the last 12 months have been anything but run of the mill year for the team!

The Crew of the T-51 Celebrates 5 years TRI and LTI Free

Congratulations to the crew of the T-51 in Oman who earlier this year passed a tremendous safety milestone, achieving 5 years LTI and TRI free.

This success is all the more impressive when you factor in the size of the undertaking completed, which totalled 10 deep HPHT wells drilled, 9 rig moves and around 44,539 m of aggregate depth drilled. Around 1.5 million man-hours were also expended during this period.

This achievement is attributed mainly to strong and experienced rig leadership, combined with a safety-conscious and committed rig crew.

Well done everyone!
Thank you to everyone associated with the T-201 for a decade of exemplary service.

During this time the rig has won many accolades and its “best in class” performance has been globally acknowledged in Shell’s Wells group. From delivering the first of its kind – fish hook wells to complex work-over campaigns, it’s surpassed all expectations.

The team’s achievements are many:

- A safe place of work - 800 days incident free as at 22nd of June 2015
- Delivering on our promises - 120 wells executed and more than 100 rig moves performed
- A great place to work - An atmosphere of inclusion and learning
- Beating the competition – Five times winner of the Shell Land Rig of the Year Award and Runner up for 2010, 2013 and 2014
- Development of our people – A great place for developing engineers from BSP, KCA Deutag and Brunei as a country

The teams working on the T-201 have also applied ground breaking technologies recognised across our industry, such as snake wells and smart wells. The bravery and confidence to do this when faced with external challenges and obstacles is an accomplishment for BSP as an operator and KCA Deutag as a contractor.

Its replacement is the T-203. This is a 10K customised land rig, newly built by Bentec in our yard in Germany.

Shwe Platform in Myanmar remembers a respected crew member

Earlier this year Nyi Pu, MOGE Floorman on the Shwe platform, passed away while on duty.

With over 30 years’ experience, Nyi started working on the SHWE in July 2013 and was a much respected member of the crew. Born on 8 October 1960 in Pa Kok Ku, Myanmar, he leaves a wife – Yin Than and four sons Min Maung, Zaw Thet, Aung Wai Phyo, Zin Maung Htwe. Nyi lived in Pauk Taw Village, Pa Kok ku (Town) Magway Region, Myanmar.

He will be sadly missed by everyone.
An Operations Manager’s Journey
Contributed by: Offshore

Albee Armstrong reflects on 20 years with KCA Deutag and a career that has spanned over 40 years.

This year I passed a major milestone in my career, celebrating 20 years with KCA Deutag and over 40 years in the business.

It all started in 1972 when I left home at 19 to work on the deep sea trawlers out of Lowestoft in the UK. Two years later I decided to switch careers and began working on the rigs with Reading and Bates, out of Great Yarmouth, on the Leaming bank as a roustabout for about 75 pence an hour, before transferring to the Forties Charlie platform as a Roustabout Pusher (the derrick was being built at the time).

I was then promoted to Derrickman but in early 1977 I went to work for Atlantic Drilling, part of the Ben Line Shipping Group, on semi submersibles and I worked my way up to OIM. Unfortunately the company went bankrupt in 1992 and the company closed so I took some time off to grow prize vegetables, which I was really into at the time.

In 1995, I then started working for Smedvig as a Night Tool Pusher on the Harding platform before being promoted to Rig Superintendent. By this time Smedvig had been taken over by Deutag UK and I was working back to back with Gavin Sutherland, our UK Country Manager who is a very good friend of mine.

I got my first manager’s position in 1999 on the T-47, a 3,000 HP land rig drilling extended reach wells. Two years later, I returned to Aberdeen to look after the Bruce platform, and around that time the company became KCA Deutag.

I then wanted a change so I transferred to Iran in early 2002 looking after rig 70 and then rig 48. I was then promoted to Operations Manager and when our Iran operation closed down I was transferred to Saudi Arabia and then to Libya, and then in 2010, I transferred to Sakhalin where I spent three years looking after the Piltun and Molikpaq platforms.

In January 2014, I transferred to Myanmar (Burma) which is where I am today.

I must say I have seen a lot of changes in the oil industry since I first started. Of course the most obvious change has been in the technology we use and the way we drill the wells now. The transformation has been immense, with a huge emphasis on improving safety standards over the years.

It has been a hugely diverse and fulfilling career for me, which has given me the opportunity to meet new people and see parts of the world that you only dream of. For anyone, coming up the career ladder if you are prepared to be flexible and accept new challenges then the opportunities to grow your career in KCA Deutag are immense.

My motto is life is what you make it and don’t put off until tomorrow what you can do today. Life is too short. So as some of you may know I love boats and fishing is my hobby, so at the age of 62 I bought a new boat and I use it every time I am at home, weather depending.

Yours Truly
Albee Armstrong
Operations Manager
Myanmar SHWE project
Bentec Launches New Iron Roughneck

Contributed by: Bentec

Drawing upon some 25 years of experience in the field of maintenance Bentec engineers have developed an extremely robust and reliable Iron Roughneck that reduces both downtime and maintenance.

To compete in today’s challenging oil industry the iron roughneck is available in two versions. The basic version is simple and robust. It includes the essential functions for making up and breaking down tool joint connections, and all for a really competitive price.

The second version, a premium design, is electrically and hydraulically driven. This design includes automation features like the tool joint finder, positioning system and torque readout system for partly or fully automatic make/break operations.

The compact dimensions of the Bentec Iron Roughneck make it easy to install in existing or new rigs. The design allows for easy interchangeability with competitors’ iron roughnecks.

Both versions are developed as portable units on land rigs or permanent installations offshore. The system is powered by the existing rig hydraulic power unit.

Bentec’s iron roughnecks comply with the latest European CE design standards, conforming with ATEX Directive and international API standards to maintain the highest level of industry safety.

We have already sold the first premium versions of the Iron Roughneck and one of these will be installed in KCA Deutag’s new multi well drilling rig, the T-203, which will operate in Brunei.

Advantages:
- Extremely short cycle time for make and break operations
- Simplified design and reduced maintenance
- Easily replaces competitors’ iron roughnecks
- 100,000 ft-lbs make-up torque/120,000 ft-lbs break-down torque
- Smart torque system and dynamic clamping force for precise high torque measurement
- Minimal maintenance thanks to a central lubrication system
- Remote operation meets highest HSE standards

On 20th August 2015 the Bentec and Al Sulaimi Group joint venture, IDTEC (International Drilling Technology) celebrated its 10th anniversary in Oman.

Initially established with a workbench of only three employees in 2006, IDTEC has grown ten-fold over the last 10 years and currently has 120 full time employees and a fully-fledged API workshop situated in the Nizwa Industrial estate. Today IDTEC services approximately 70 drilling rigs both in the region and overseas.

“Our goal is to further expand our core business and enhance our existing business portfolio ,” says Mick Tirimacco who has been General Manager of IDTEC from the very beginning.

In his speech to mark the 10th anniversary, Mick Tirimacco also expressed his gratitude to the Al Sulaimi Group and Bentec saying that the company would not be in the strong position it is today, without their great support. At the event he presented both shareholders with a trophy of the “Omani Khanjar” which is a national emblem of Oman.

Bentec CEO Dirk Schulze said that IDTEC is an amazing success story. He expressed his special thanks to Mick Tirimacco and his ambitious team.

IDTEC Celebrates 10th Anniversary

Contributed by: Bentec

Bentec CEO Dirk Schulze with Hamed Mansoor Ali Al Sulaimi, Chairman and Managing Director of the Al Sulaimi Group
Technical Training at Bentec

In an industry where safety is key to success and outstanding performance, having skilled well-trained personnel is one of the essential pillars. In recognition of this Bentec has been investing significantly over the last two years in the development of its training programmes.

With a team of three full time technical trainers, the company trains customers and employees from all areas of the KCA Deutag group in the mechanical and electrical skills they need to use Bentec equipment.

To enable efficient training in near to real life conditions, the team uses various simulators on many of its courses. These simulators allow operational training to take place away from the rig site in a safe and cost effective environment, where down-time costs money. Simulators are used for a variety of topics and we have recently launched a brand new Mud Pump model simulator. This offers an extremely realistic hands-on training experience as the model is constructed from original equipment parts.

In Bad Bentheim we also offer a broad portfolio of classroom training. To find details of our courses please visit our website http://www.bentec.com/services/training/training-overview/. These can of course be customised to suit individual needs and on-site training is also available.

In addition to training our customers and Bentec personnel, the team has also successfully trained many KCA Deutag employees in recent years from all kinds of professions. These include for example the various crews for our newly build rigs including the T-91 to T-95 (Khazzan) and the T-203 (Brunei).

The feedback from the courses we have given has been very positive and thanks goes to everyone involved for making them a great success. Thanks also to the trainers, who keep working to improve the training we give every day so that KCA Deutag and Bentec can continue to deliver a high quality performance with well trained personnel.

If you are interested in booking a course, or if would like to receive further information, please contact Training Manager Annika Roelofs by emailing Annika.Roelofs@Bentec.com. She is looking forward to hearing from you.

Lessons Learned Improve Performance of New Cluster Slider Rig

In April of this year KCA Deutag successfully delivered its second Cluster Slider rig, the T-507, to commence drilling operations in the Salym area of Russia. This followed the delivery of the T-506 which went into operation in October 2014 in the Komi region.

The T-506 was the first thoroughly redesigned Bentec Cluster Slider HR5000 and it underwent many challenges as it went through a 9 month project lifecycle of design, fabrication and delivery. Along the way many lessons were learned which were successfully implemented to improve the performance of its T-507 sister rig. The result was delivery of the second rig ahead of schedule.

The target to spud the second rig was initially scheduled for 1st May 2015, with both rigs assembled, completed and tested on the drilling pads for the first time to enhance project delivery.

Gerold Kleine Vennekate, Land E&M Project Manager said: “The timely delivery of the rig package, good weather conditions, integration of the T-506 lessons learned and last but not least, good team performance on the first drilling pad meant that the rig went into operation two weeks earlier than planned on budget.

This shows that by engendering a learning culture, we can continue to improve our processes and provide a higher service quality delivery to our clients.
A Lasting Cultural Experience

Contributed by: Land

By: Kevin West - Khazzan Project Manager

Over the course of the last year things have moved on apace in the Sultanate of Oman!

To date we have successfully delivered and put into operation four of the five Bentec supplied rigs for the Khazzan project with rig five on schedule to be handed over and operational by mid December 2015.

By definition a ‘project’ has a start and a finish, and because of this project personnel are often nomadic as they need to go where the project is being executed. This may be in the context of a secondment from their usual base or in new hires specific to a project.

For the Khazzan project, ‘home’ for the project team is the Sultanate of Oman, located in the Middle East. For many of the Project team this has been their first taste of life in the Middle East and a steep learning curve in the cultural differences between life in Europe and life in the Middle East, both in the way that business is conducted and the religious awareness of living in a Muslim country.

For example, during the Islamic month of Ramadan all Omanis are obliged to observe the dawn-to-dusk fast, followed by ‘Iftar’ the time when family and friends meet to break this fast and enjoy the evening meal together. These periods of abstinence last twenty-nine or thirty days and for expats it is important to know that it is against the law to eat, drink, or smoke in public during daylight hours (as well as being considered impolite!)

This can obviously be an issue for some expats but KCA Deutag Oman makes sure there are dining facilities in private for those that wish to eat. Omani’s are also famous for their hospitality and it is not uncommon for members of the project team to be invited to join a colleague for iftar with their family. During this time KCA Deutag holds a company Iftar event where everyone from the country operation will meet for this breaking of the fast.

As the Khazzan project draws to a close later this year and people are either reassigned or transferred back to their usual base of operation, the hope is that we have not just completed a five rig project but that we have all learned something new about a different, interesting and welcoming culture.

“We have all learned something new about a different, interesting and welcoming culture”
The T-78 Undergoes Its 10 Yearly Category IV Inspection In Oman

To operate safely, all masts and substructures need Category-IV inspections every 10 years in accordance with both KCA Deutag requirements and the API 4G Standard.

In 2014 the T-78 received a 4 year contract extension which meant that the 2,000 HP land rig would be in operation for several years without a major gap in operations. The Cat-IV inspection therefore had to be executed between rig moves to reduce non-productive time to an absolute minimum.

To ensure the inspection went smoothly, the KCA Deutag project team, together with the OEM and IDTEC, planned everything well in advance. A pre Cat-IV inspection was carried out to assess the general condition of the mast and substructure. Potential problem areas like drawworks vibrations were investigated to estimate a realistic timeline not only to identify long lead items but to schedule in other repairs at the same time which would require the rig to be shut down.

After AFE approval in November 2014, the Project Execution Plan was agreed. Amit Singh, the project manager said: “Execution of this inspection was the perfect showcase for an organised approach, meticulous planning and a “do it right” attitude by everyone involved. On 23rd April 2015 the rig went back into operation, ready for 10 more years in service. The project’s success is attributable to continuous support from E&M Land, highly committed and motivated team members in Oman and IDTEC’s promise to achieve the intended timeline”.

T78 Category-IV Project showed that inspections can be completed within time and budget with effective planning and teams who believe in doing it right with the first stroke.

Our T-75 rig which had been operating in Pakistan for years needed a new mast, substructure and drawworks, as they would not pass another inspection.

At the same time our T-25 rig was laying stacked in northern Germany without a contract but with its masts and sub bases of similar type and size. To avoid purchasing new equipment and save unnecessary costs, the decision was taken to marry up the two rigs into one.

Project Manager Christian Plenter from the E&M Land department was assigned to manage the project supported by the Land Drilling Project Department and an additional Project Engineer.

Prior to mobilising the equipment to Pakistan, the T-25 package was recertified, overhauled and partly assembled in a yard close to Bad Bentheim with support provided by Bentec and various other local companies. Several other upgrades, such as an updated driller’s control room and modifications to integrate the T-25 into the T-75 package were also implemented in order to be ready for integration on site.

After completion of this, the equipment was shipped to Pakistan where it was stacked in a yard in Islamabad until the T-75 finished drilling its current well. To reduce T-75 down time to an absolute minimum, the installation and integration work was carried out during the rig move to Makori East 5. Finally, on September 8th 2015, the T-75 successfully spudded.

Thinking out of the box to refurbish the T-75

Contributed by: Land
**EXCELLENT OVERALL PROGRESS**

**Rig # 1**
- The hull is being erected and has reached the main deck level in some areas.
- All rack-chords have been delivered from the US and are ready for assembly.
- Lower leg sections are currently being assembled.
- All derrick sections delivered from China and the lower section is being erected in Korea.
- Drill floor is being painted and cantilever construction is ongoing.
- Welding of the living quarters is in progress.
- Diesel generators and other key equipment is already lifted in place.
- Cable pulling in the switchboard room has started.

**Rig # 2**
- Block fabrication is ongoing.
- Keel laying ceremony October 15th.

**A STRONG FOCUS ON HEALTH AND SAFETY**
- Our client has recognised our excellent safety performance so far on this project.
- There have been no serious incidents to date, with 2.5 million man-hours invested.

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**AOC PREPARATIONS PROGRESSING WELL**

Aoc (Acknowledgement of Compliance) is the acknowledgement from the Petroleum Safety Authority Norway (PSA) that the mobile drilling unit’s technical condition, KCA Deutag as an organisation and our management system are assessed to be in conformity with the relevant requirements of Norwegian shelf rules. The current status of this is as follows:

- Regulatory compliance verification now instigated.
- All compartments inspected for compliance with PSA and Norwegian Maritime Authority (NMA) regulations. This is done in conjunction with Statoil as the owner of the rig, and Samsung Heavy Industries as the rig builder.
- KCA Deutag has now commenced the maritime certificate process with the NMA on behalf of Statoil.

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In 2013, KCA Deutag won the largest contract in its history with global giant, Statoil for the management, operation and maintenance of two Category J jack-up rigs to operate on the Norwegian Continental Shelf.

Led by Operations Preparation Manager, Tom Einar Aasland, KCA Deutag is also providing operations input into the engineering design and supervising.

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Contributed by: Offshore
SKILLED PROJECT TEAM IN NORWAY PROVIDES SUPPORT
Since the project startup in September 2013, we have built up a project team in Bergen who are:
- Setting up KCA Deutag Drilling in Norway in accordance with MODU regulations
- Preparing the rigs for drilling operations, including putting in place all the necessary onshore and offshore procedures
- Establishing a training program for all the relevant equipment
- Compiling a complete maintenance program for the rigs including the list of spare parts and the procurement of spares and consumables

PROJ ECT RISK MANAGEMENT
KCA Deutag is managing the operational and commercial risks on this project through a project execution plan, and project risk matrices, which are endorsed by the client and reviewed internally by the project steering committee. Through these risk management processes the project team is looking ahead to foresee any difficulties and putting in place mitigations well ahead of time, to ensure its ultimate success.

Update
the construction of both rigs. Each is tailor-made and specifically designed to operate on both surface and subsea wells.

During this initial engineering and construction phase, a joint Statoil and KCA Deutag team is working alongside rig builder Samsung Heavy Industries and major drilling components provider National Oilwell Varco at the shipyard.

INTEGRATION WITH STAT OIL BUILDS SPECIALIST EXPERTISE
- KCA Deutag personnel seconded to Statoil, many of whom will follow the rigs into operation
- Strengthens our knowledge of the rigs from design – construction – commissioning – acceptance testing – through to operation
- More than 100 studies/hazops/workshops carried out. When these have been closed, the actions will be used by the operations preparation team in Bergen in compiling all the operational procedures.

Forward spudcan with parts of jacking cords
Sakhalin HR Manager, Snezhana Lotkova, Recognised for her Work with Local Children’s Home

Contributed by: Offshore

On 29th April 2015, an award ceremony was held by the Sakhalin Regional Government to announce the winners of the regional “Charity of the Year” contest.

HR Manager Snezhana and the KCA Deutag Sakhalin team were delighted to receive an invitation to the ceremony to recognise their work with the Rainbow Centre for Displaced and Orphaned Children. They were even more delighted to win an award for their work. The Rainbow Centre takes care of children whose parents are unable to look after them.

A very proud and happy Snezhana said:

“It was a surprise when our team was announced as the winner in the “Social Responsibility” category.

“We started working with the centre in August last year and we have achieved so much.

“I would like to thank Maxim Pikuza, Evgeny Burtsev and Alexey Makarov for arranging all the transport to support our charity events.

“My thanks also go to the whole KCA Deutag team who committed their own time to support the centre but with special thanks to Svetlana Ivkina, Valentina Petrova and Anna Marakulina for their assistance in arranging our parties and events, and to Vladislav Korotkikh for creating the centre’s website.

“My thanks also go to Ivan Kulikov, Alexander Kovrizhin, Alexander Soltan, Tatiana Smorchkova, Valentina Tratinko, Olesya Konstantinova, Sergey Ryzhkov, Almira Karasova, Ivetta Gvozdeva and Vladimir Andreiev for their hard work and effort and of course to all our volunteers, Sergey Esipov, Vadim Romanyuk, Lyudmila Mescheryakova, Rob and Anna Wontner-Smith and Karolina Shishkina.

“I am sincerely grateful to everyone, who has supported us, not only sharing ideas but by bringing toys, clothes and footwear to contribute to our fundraising activities.

“Winning this award is a fantastic achievement for the team. Congratulations to everyone involved.”

The children of the Rainbow Centre, with Snezhana Lotkova in the back row, second from the right and Head of Operations Support, Rob Wontner-Smith next to her, third from the right.
It shouldn’t have come as any surprise that I am still in the oil industry after 36 years, as you could say, it’s in the blood!

My stepfather, Frank Wright started in the Alberta Oilfields, Canada, in 1948 and worked in Libya, Nigeria, Kenya, Turkey and the UK. It was in the late 60’s when he came to drill holes on the North Yorkshire Moors near Whitby for KCA on the Potash Development that he came into my life. A quiet-speaking man who knew the oil business well, he spent over 14 years as Head of Operations in Aberdeen. Many people from Whitby went into the oil trade through his association with the town.

I started work in August 1979 working on the Whiskey Alpha Platform West Sole, the BP Forties Field and the Mobil Beryl Alpha platform as a Roustabout, seen below working with Ken Gill. Bob Pawsey, Head of HR at the time, was keen for employees to do as many courses as possible to improve their qualifications and to advance in their careers, an attitude I still have today and would encourage everyone to make the effort. I worked my way up to Driller carrying out drilling, production and work-over operations.

In May 1986 I went to work on KCA’s land based operations in Diyarbakir, Turkey for Dutch Shell using various equipment including diesel, electrical and compound units. With approximately five ex-pats working with a Turkish crew it was an interesting and sometimes hard experience! With a rig move approximately every month it builds up your equipment knowledge.

I returned to the North Sea in August 1987 to a Jack-up 3005 Series called The KCA Sandpiper in the Ravenspurn field and worked my way up to Nightpusher. The rig and staff were bought by Smedvig (now West Kappa) and I began to work in the Southern North Sea doing exploration, production, water & gas injection and horizontal drilling. We were then bought out by Nedrill and the rig became Nedrill 10. Around that time my youngest brother, Frank, also joined KCA Deutag and he still works in the industry today, offshore Columbia.

I became a Senior Toolpusher in 1994. The rig was sold again to Noble Drilling and then called Byron Welliver and worked out of Denmark on work-over and long-reach horizontal wells and completions.

In 1997, a chance meeting at the cinema resulted in a return to work for KCA as Rig Superintendent on the Murchison and Hutton TL platforms and, when KCA merged with Deutag in 2001, I became Integrated Services Supervisor assigned to Cormorant Alpha and Dunlin Alpha overseeing drilling, work-over and side-track operations.

In 2004 I joined the pre-shipyard phase of The Shah Deniz project in Aberdeen working on preparation for construction/shipyard, preparing work guidelines/operating procedures and formulating the training program with NOV Norway for the new crew. I transferred to the Zyke shipyard in Baku, Azerbaijan for the construction and commissioning phase, then moved offshore and was involved with the initial tie back and well completions, before taking over responsibility during the operational phase.

In November 2009 I was promoted to Rig Manager on the Shah Deniz and became residential in Baku. My brother Bob also works for KCA Deutag in Azerbaijan as a Rig Superintendent on the East Azeri platform. It’s great to know

“I hope that they will have such a fulfilling career as I have had.”

of the year

Graham Halidu, talks about his experience and a family steeped in the oil industry
that he is nearby and we catch up when we can.

I have found the Shah Deniz wells to be some of the most challenging of my career and over the last six years I am pleased to see the positive development and delivery from the Shah Deniz team.

I now see the next generation of my family coming into the oil Industry with both Matthew, my son and my nephew John. I hope that they will have such a fulfilling career as I have had over the last 36 years.

RDS Baku Achieves Major Milestone Of 10 Years TRI Free

Contributed by: RDS

Earlier this year RDS Baku passed a major health and safety milestone, attaining 10 years Total Recordable Incident free for all its offshore and onshore work.

This world class achievement is a result of outstanding commitment to safety, excellent training and reviews, ensuring competencies are maintained and adherence to continually reviewed and updated procedures.

During this period, RDS has completed the design, installation and commissioning of hundreds of projects, successfully delivering these whilst developing a strong in-country team with a growing number of Azeri nationals, who have contributed greatly to the overall success and growth of the company in Baku. This in turn has contributed to the local economy and furthered the development of skills in the country.

At the time Martin Meredew, Head of RDS said “The RDS Baku safety record of zero recordables since the engineering office was opened in 2005 is a remarkable achievement with more than two million man-hours being expended and a large proportion of these during offshore construction campaigns.

“This work has been executed using local labour and enormous credit must go to the construction team for their management of many potentially high risk work scopes. However, it is also important to recognise the role played by the KCA Deutag and our clients in supporting and controlling the execution of the work. This close working relationship has been instrumental in delivering this exceptional safety performance.”
The T-202 Successfully Spuds In Dubai

The T-202, a 3,000hp rig, commenced operation on 3rd September, 2015 in Dubai having been completely refurbished in a period of just six months by the KCA Deutag Projects team based in the Lamprell yard in Ajman.

After demobilising from Libya, the rig had been cold stacked in a completely dismantled state. Therefore it was a mammoth task to bring everything together to ensure it was ready for safe, effective and trouble-free operations in the timeframe.

Project Manager, Christian Vahle arrived in mid-February, 2015 to start the project. To meet the timetable, resources had to be increased. So, when the project reached the final stages, operations involvement was increased to plan ahead for the rig handover. The client was also more involved at this point working through various acceptance requirements to ensure it was fully aware of progress and equipment repair/overhaul status.

Rig mobilisation to the first location was started when the last phase of the trial rig-up was ongoing. As the rig was going to drill in Dubai, the equipment had to go through customs clearance twice. Customs clearance at Ajman was more difficult than usual because it was Ramadhan which reduced working hours for the customs department. UAE rig equipment transportation laws also had to be considered as 75% of the rig equipment could only be moved in certain hours during the night.

With the correct planning the move to the first drilling location in Al Khuba was completed in 14 days on 22nd August, 2015. At the same time, operations and project teams started preparing for final rig acceptance on location. The rig went through an extensive commissioning process. With close collaboration between everyone involved, the equipment was accepted in line with client agreed criteria. The rig camp was also fully refurbished. The challenge here was to manage both rig and camp refurbishments simultaneously whilst ensuring the quality of the work.

Expressing his thoughts on the project Christian Vahle said “There were a lot of things to consider. As the rig was completely dismantled with major rig components at various workshops, we had to assemble it from drawings. Therefore, we put in place a robust plan to ensure we met the deadline. We also had to have the right team in place, with the right approach, and take into consideration the added complication of local laws which restrict Summer time working hours.

I greatly appreciate the support of the Project Team in Bad Bentheim, E&M Oman and the Operations Team in Dubai in refurbishing the rig so successfully.”

In terms of operations, the whole crew was new to the rig so they were all trained by dedicated trainers on KCA Deutag’s worldwide standards, the rig and given client specific training.

Training the crews before starting operations also delivered benefits particularly during rigging up, where additional training could be provided if gaps were identified. An HSE trainer was available on location to ensure safety standards were met and experienced personnel were brought in from other parts of the business to provide technical training. The training matrix was also regularly shared with the client to highlight each crew member’s competency for the role they would adopt once operations commenced.

Operations Manager, Adam Robinson says “Each and every member of the T-202 team worked relentlessly to deliver their element of the project. Their professionalism and dedication is the main contributing factor to the successful startup of the rig. I would also like to thank the Logistics and SCM teams in Dubai and Germany for their support. It has been phenomenal.”

Adam concluded “As the industry goes through this difficult time and companies are reducing their drilling campaigns, it is more important than ever for KCA Deutag to effectively deliver on its existing projects. This project is very important to us as it may open up potential opportunities for KCA Deutag elsewhere in the UAE. Operating safely and succeeding globally is our slogan around the world and sums up the KCA Deutag Way.”
Nurlan Baghirov, an experienced health and safety professional, joined KCA Deutag in 2014 and currently works as an advisor in the Deep Water Gunashli offshore drilling platform in Azerbaijan.

He is a “Doctor of philosophy in economics and management” and an author of 6 books and 20 scientific articles. Nurlan believes in the importance of learning and he continuously develops himself. He said: “We have to find every single opportunity to increase our knowledge and experience, so that we have more to contribute both in our personal and work lives. My main inspiration is that I love my job and being in a position where I am able to help others work safely and live healthily. I feel very much part of the KCA Deutag global family.”

Recently, Nurlan graduated from the University of Portsmouth in the UK where he gained his second qualification as a Graduate of IOSH in Occupational Health and Safety Management which is an internationally recognized degree. Earlier this year he also published his second book in English called “Health and Safety in Horizon” which comprises the 7 scientific essays he wrote as part of his post-graduate study at the university.

Studying and working at the same time is challenging, but Nurlan managed both of them successfully. He said: “For me studying at my own expense and on my own time means combining work and education for mutual benefit. I believe that the more professional we become, the more we can contribute to our company which will result in better career opportunities.” He encourages everyone to embrace this principle and to believe in their own success.

After 30 years of loyal service with KCA Deutag, Gordon Bruce optimisation engineer in the Azerbaijan Business unit, retired on the 17th August 2015.

During his long career with the Offshore Division he has served the company in various positions rising from Roustabout to Rig Manager.

All his colleagues in Azerbaijan wish him all the best in his well-deserved retirement!
High Power, Multi-Well Drilling Rig For Brunei

Contributed by: Land

Following the lessons previously learned a 5,000 PSI accumulator unit with “shear assist” function was sourced from a new supplier. This new unit is designed to fulfill the latest API standard, as well as the client’s well control requirements.

Along with the rig, the Land E&M Project Department delivered the second edition of a “Well Control Data Book”. This reference manual for supervisors and mechanics contains detailed information about the well control equipment supplied with the rig.

Holger Egbers, Manager of the Projects Group said: “It’s great to see how collaboration between different parts of KCA Deutag and Bentec can deliver real success and a new standard in rig performance. Thanks especially to the KCA Deutag operations team in Brunei for their invaluable input and expertise.”

Key Milestones:

- May 2014: Contract award
- November 2014: HAZID workshop
- December 2014: Fabrication commences
- May 2015: Mast raised
- June 2015: Rig handover (Bentec > KCA Deutag)
- September 2015: Rig arrives in Brunei
- October 2015: T-203 spuds

The T-203, the new build 2,000 HP Rig with a hook load capacity of 1,300,000 lbs, started up operation in October 2015. Fifteen months earlier an enthusiastic project team was set up to manage the timely delivery of the rig package and auxiliary equipment. One of their biggest challenges was to ensure that these were fully compliant with international, KCA Deutag and client specifications. The rig is a Bentec desert type rig design, enhanced through rigorous application of the DROPS program, thorough well control measures, ergonomic equipment design and equipment automation that promotes the “hands-off” philosophy.

The T-203 is equipped with four Bentec 1,600 HP Mud Pumps, its new Iron Roughneck (IR) and Rig Walking System (RWS). Both (IR and RWS) are the first of their kind in our rig fleet. The RWS permits the rig to “walk” in X and Y direction with full setback load. “Walking” distance is 24m in X direction, but can be extended further in both directions. To accelerate rig walking operations, the trip/strip tank, mud gas separator, choke manifold and the two stair towers are connected to the substructure and remain installed while “walking”.

Furthermore the rig is equipped with the first TD-750-HT Top Drive also built by Bentec. The continuous torque of 74,000 ft/lbs was a minimum requirement for the drilling program in Brunei.

Because of the BOP stack the rig floor height of 40ft made it necessary to develop stair towers, which are similar to stair cases typically in fixed industrial buildings or on offshore platforms. To increase safety while servicing the BOP, a new BOP working platform was developed by a specialised engineering and construction company. The platform can be installed without crane support, is adjustable in height, has safe access ladders in any height and allows working around the BOP without removing handrails.

The mixing and hopper skid, features a jib crane and lifting table, to allow ergonomic manual handling of large bags and sack materials. The entire skid is placed at ground level eliminating falling hazards related to elevated hopper platforms on other rigs.

The T-203 is a Bentec desert type rig design, enhanced through rigorous application of the DROPS program, thorough well control measures, ergonomic equipment design and equipment automation that promotes the “hands-off” philosophy.
In his 19th year at KCA Deutag, the communications team finds out more about Simon Drew, our new President of Land

Tell us about your role at KCA Deutag

As of the middle of this year I took over responsibility for the Group’s Land division. This covers all the countries where we operate land rigs plus the business unit functional teams. At the moment the Land division is facing challenges as a result of the current conditions in the industry, which we are working hard to address. On the positive side we have three major territories where activity is holding up well (Russia, Algeria and Oman). We also have a number of new rigs which have been deployed over the last ten years. We just need to make sure we continue to position the business to respond well in this downturn, on the basis that it is likely to last through 2016. We should control what we can and always be on the lookout for those new opportunities that will doubtless come up.

How do you like to relax outside work?

As I’ve already mentioned, I like building things. So when we were living in the United States I bought every tool known to man and made quite a lot of furniture, including the cot my sons slept in. I build things on a smaller scale now due to a lack of space, but a couple of years ago we moved into a new house and I built a boat in the lounge before we decorated it. The boat has since been launched successfully on the Thames.

I have also just started helping with the coaching at my sons’ rugby club, so rather than stand watching for a couple of hours I now run around with them. If I get time I play golf and fish, but that’s rare at the moment.

What are you currently reading or watching on TV?

I’ve just finished a book called “The Reader”, which I found on a shelf in the flat I am staying in in Aberdeen. It’s a very interesting novel from the Second World War. I do also watch some TV. For the last month or two it was the Rugby World Cup absorbing all my time – even though England did especially badly!

Do you have any words of wisdom you’d like to share?

“Worry only about that which you can change....”

What did you want to be when you were growing up?

I grew up on a farm and worked pretty much every holiday outside. So I was very determined not to have an office job and to do something outdoors, hopefully involving building things, which I also enjoyed. That didn’t last more than 18 months and I have been in an office ever since! To be honest, I wasn’t someone who knew at the age of 9 that they were going to be a fireman, for example. I just wanted to do something that was going to give me fresh challenges and problems to solve.

How do you usually start your day?

Lots of coffee, although I am trying to cut down and at least not have any before I get to the office.

What’s your favourite thing about your job?

I enjoy working with the team of people at KCA Deutag to solve new or different challenges. I have been very lucky that there are some great people here who are open and willing to share their knowledge and experience, and that there are always fresh challenges that need addressing.

How did you get to where you are now?

I joined KCA Deutag straight from university and I always said that there was no reason to go anywhere else as there is always something new and interesting to do here every day. It has been a very good company to work for. I have been given lots of things to get involved in and most have worked out well.

What’s your favourite thing about your job?

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“Worry only about that which you can change....”
Russia Shapes The Drilling Engineers of The Future

Contributed by: Land

KCA Deutag’s Russian operation follows tradition and sticks to its motto “Continuous investment in our people ensures the correct level of competence for the job”.

In line with this motto in March 2014 the Combined Drilling Services (CDS) department initiated a new training program for future drilling engineers. Its aim was not only to enhance KCA Deutag’s competitiveness and deliver its vision of becoming the world’s most successful drilling and engineering contractor, but also establish it as the company that can deliver combined drilling services at the highest level.

The program helps trainees to acquire a wide range of knowledge in various areas of drilling such as cementing, drilling fluids, workover operations and directional drilling.

The program takes three years to complete. During this period trainees, work with assigned mentors. Their constant guidance helps to control the quality and type of training they receive, identifying their strengths and weaknesses and any gaps in their management skills at an early stage. The main requirements for enrolment in the programme are that candidates are highly educated and are either graduates or people who are furthering their careers with KCA Deutag. They must be able to speak English, although the program is bilingual, allowing trainees to improve their language skills and they must also pass an admission test.

The focus of the programme is to ensure that trainees get all the experience they need to fully understand KCA Deutag’s policies, standards and procedures from the very beginning. Thus, all trainees get extensive experience as Floormen and Derrickmen, and latterly as Night Toolpushers once they have completed the theoretical course and training for each position. All trainees work in the main shift so that they acquire as many practical skills as possible.

Besides a clear structure of working shifts, the program introduces a self-learning module that includes a Well Engineering Handbook which addresses eight topics. These are QHSE, Execution, Design, Geoscience, Evaluation, Logistics & Procurement, Business and HR.

During the first presentation all trainees get acquainted with every step in their development and how the programme will work.

“This course was successfully passed by every participant.”

The new training programme was launched last year and the first theoretical course ran from 11th May to 13th of June. It included topics such as: directional drilling, drilling fluids, logging, workover operations, well completion and cementing.

This course was successfully passed by every participant in the development program. For the trainees, this is only the beginning of what we hope will be a fulfilling career with us. However, we know that this is time and money well spent.
Using our state of the art drilling simulator to offer quality training in various aspects of drilling activities, DART® in Aberdeen is currently offering the following courses:

- Stripping
- Managed Pressure Drilling (MPD)
- IADC WellSHARP available upon request
- Cyber Chair Training including Pipe Handling
- Drilling the Well on the Simulator (DWO) Upload Clients Well & Drill Aberdeen only
- IWCF Drilling Well Control Level 2
- IWCF Drilling Well Control Level 3
- IWCF Drilling Well Control Level 4
- IWCF courses are Surface BOP Stack combined available upon request
- Stuck Pipe Prevention
- These courses can all be delivered in Aberdeen or using our portable simulator, we can deliver almost anywhere else in the World.

For more information contact dart@kcadeutag.com or visit the DART® UK page on Kompass http://kompass.kcadeutag.com/KCAD/functions/DARTUK/SitePages/Home.aspx