

**Select Stories**

**Contracts & Projects** | TechnipFMC wins \$1B+ contract to make Mero 3 CCS a reality

**Contracts & Projects** | Sparta FID makes official Seatrium's order to build FPU

**Contracts & Projects** | TGS returning to GOM for another OBN campaign

**Contracts & Projects** | Valaris drillship doubles its day rate in 3-year Petrobras deal

**A&D** | FET boosts downhole offering with close of \$193MM Variperms buy

**A&D** | DXP continues municipal water M&A, refueled by larger term loan

**Earnings & Capex** | Precision sees some activity growth after closing CWC deal

**Energy Transition** | Aker Solutions to test subsea power distro for floating wind

**Developments & Trends** | E&Ps value price and safety most, drillers tell Enverus survey

Section Index	PG.
Contracts & Projects	3
A&D	6
Earnings & Capex	7
Energy Transition	9
Developments & Trends	10
Technology	10
Recurring Tables & Graphs	PG.
Rig Count by Basin & Top Drillers	4
Oilfield Services Stock Movers	7
PHLX Oil Service Sector Index vs. S&P 500	7
Monthly Day Rates	11

## Step doubles 2024 capex plan on its confidence in Canada

Even as it warned that its activity slowed in Q4, Step Energy Services Ltd. nearly doubled its 2024 capex budget in December compared to a month earlier in anticipation of a busy year, starting in Q1. The new 2024 budget of C\$119.8 million (\$89.6 million) added C\$59.8 million to optimize equipment compared to Nov. 1's preliminary budget of C\$60 million, which was almost entirely dedicated to sustaining operations.

One of the ways Step will use the additional optimization capital is by adding a second Tier 4 dual-fuel frac fleet in Canada and a first fleet in the U.S. by 2Q24. Step will also invest in additional Canadian sand and logistics infrastructure and reactivate deep coiled tubing units in Canada and the U.S. to meet expected 2024 demand.

Step said it expected fracturing and coiled tubing crews to begin mobilizing in late December in anticipation of operations beginning in early January. The Calgary-based company's Q1 frac calendar is nearly fully booked with record sand volumes expected.

To meet margin opportunities, Step moved frac equipment from the U.S., giving it a sixth frac fleet in Canada. [Read more...](#)

**Frac equipment pulled out of U.S. to give Step a sixth fleet in Canada.**




## Kodiak brings CSI into its den, creating top compression fleet

Six months after going public, Kodiak Gas Services Inc. will acquire The Woodlands, Texas-based CSI Compressco LP to create the industry's largest revenue-generating contract compression fleet at 4.3 million hp, 2.8 million hp of it in the Permian. The transaction is valued at \$854 million, consisting of \$619 million in net debt assumption and the issuance of \$235 million in Kodiak shares. Closing is expected in Q2.




In addition to its 1.1 million hp of compression, CSI will bring treating, gas cooling and aftermarket services businesses, extending Kodiak's service offerings deeper into the natural gas value chain. This enhanced scale will allow Kodiak to deepen its footprint in the Eagle Ford and the Mid-Continent.

Under the definitive merger agreement, CSI unitholders will receive 0.086 Kodiak common shares for each CSI common unit owned, equivalent to a price of \$1.65 per unit based on the closing price of Kodiak's stock on Dec. 18. [Read more...](#)

## Acquisition to Send Kodiak Fleet Ahead of Rivals

	Best-in-Class Provider		
			
Average Age of Fleet	~6 years	~11 years	~11 years
Revenue-generating HP (000s)	4,259	3,396	3,608
HP Utilization %	~97%	~94%	~96%

Financial Targets		
		
<b>&gt;8%</b>	<b>\$20MM+</b>	<b>3.0x – 3.5x</b>
<i>Est. Discretionary Cash Flow Accretion in Year 1</i>	<i>Run-Rate Cost Synergies</i>	<i>2025E Leverage Target</i>

Source | Kodiak Gas Services 12/19/23 presentation via Enverus docFinder

## Activity Index

Company	Headline	Category	PG.
Aker Solutions	Aker Solutions to test subsea power distro for floating wind	Energy Transition	9
American Industrial Machine	BP Energy Partners adds gas compressor repair company AIM	A&D	8
Baker Hughes	Chevron picks Baker Hughes subsea in Australia framework deal	Contracts & Projects	3
BP	BP extends North Sea frame agreement with Subsea 7	Contracts & Projects	3
BP Energy Partners	BP Energy Partners adds gas compressor repair company AIM	A&D	8
Calfrac Well Services	Calfrac to spend more capex to convert fleets to Tier IV DGB	Earnings & Capex	7
Chevron	Chevron picks Baker Hughes subsea in Australia framework deal	Contracts & Projects	3
CSI Compressco	Kodiak brings CSI into its den, creating top compression fleet	A&D	1
CWC Energy Services	Precision sees some activity growth after closing CWC deal	Earnings & Capex	8
DXP Enterprises	DXP continues municipal water M&A, refueled by larger term loan	A&D	7
EIG	Novonor sells its Brazil FPSO operator to EIG for \$390MM	A&D	6
ExxonMobil	TGS completes record-setting deepwater node survey	Contracts & Projects	4
Forum Energy Technologies	FET boosts downhole offering with close of \$193MM Variperms buy	A&D	6
Hennessy Mechanical Sales	DXP continues municipal water M&A, refueled by larger term loan	A&D	7
Kodiak Gas Services	Kodiak brings CSI into its den, creating top compression fleet	A&D	1
Nabors Energy Transition	Nabors SPAC completes acquisition of Vast Solar	Energy Transition	10
Novonor	Novonor sells its Brazil FPSO operator to EIG for \$390MM	A&D	6
Ocean Installer	Ocean Installer awarded its second-largest contract in Angola	Contracts & Projects	6
Oceaneering	Ocean Installer awarded its second-largest contract in Angola	Contracts & Projects	6
Petrobras	TechnipFMC wins \$1B+ contract to make Mero 3 CCS a reality	Contracts & Projects	3
Petrobras	Valaris drillship doubles its day rate in 3-year Petrobras deal	Contracts & Projects	5
Petrobras	Seadrill locks up ~\$500,000/ day for 2 rigs on 3-year deals	Contracts & Projects	5
PetroReconcavo	Tachyus introduces AI waterflood platform to Brazilian market	Technology	10
Precision Drilling	Precision sees some activity growth after closing CWC deal	Earnings & Capex	8
QatarEnergy	QatarEnergy delaying \$4B-plus EPCI award in North field	Contracts & Projects	5
Saipem	Saipem forms MOU with Valmet to tackle hard-to-abate CO2	Energy Transition	9
Seadrill	Seadrill lands ~\$500,000/ day for 2 rigs on 3-year deals	Contracts & Projects	5
Seatrium	Sparta FID makes Seatrium's order to build FPU official	Contracts & Projects	3
Shell	Sparta FID makes Seatrium's order to build FPU official	Contracts & Projects	3
Step Energy Services	Step doubles 2024 capex plan on its confidence in Canada	Earnings & Capex	1
Subsea 7	BP extends North Sea frame agreement with Subsea 7	Contracts & Projects	3
Tachyus	Tachyus introduces AI waterflood platform to Brazilian market	Technology	10
TechnipFMC	TechnipFMC wins \$1B+ contract to make Mero 3 CCS a reality	Contracts & Projects	3
TGS	TGS completes record-setting deepwater node survey	Contracts & Projects	4
TGS	TGS is returning to GOM for another OBN campaign	Contracts & Projects	4
TGS	TGS consortium wins prefunding for seventh Sabah survey	Contracts & Projects	4
TotalEnergies	Ocean Installer awarded its second-largest contract in Angola	Contracts & Projects	6
Valaris	Valaris drillship doubles its day rate in 3-year Petrobras deal	Contracts & Projects	5
Valmet	Saipem forms MOU with Valmet to tackle hard-to-abate CO2	Energy Transition	9
Variperms Energy Services	FET boosts downhole offering with close of \$193MM Variperms buy	A&D	6
Vast Solar	Nabors SPAC completes acquisition of Vast Solar	Energy Transition	10

## Contracts & Projects

### TechnipFMC wins \$1B+ contract to make Mero 3 CCS a reality

Petrobras has awarded TechnipFMC an integrated EPCI contract valued at more than \$1 billion to capture and store emissions from the third phase of the Mero field development offshore Brazil. The effort will use Petrobras' patented HISEP, or High-Pressure Separation, process to capture CO<sub>2</sub>-rich dense gases underwater and inject them into a reservoir. TechnipFMC's scope covers the design, engineering, manufacture and installation of subsea equipment, including manifolds, flexible and rigid pipes, and umbilicals, as well as power distribution and life-of-field services.

The Mero 3 project will be the first to utilize the HISEP process subsea. TechnipFMC said it has worked in partnership with Petrobras to advance some of the core technologies needed to deliver the HISEP process entirely subsea, several of which are proprietary and will be used in other subsea applications. These include gas-separation systems and pumps that enable the injection of CO<sub>2</sub>-rich dense gases.

HISEP technologies are designed to capture dense gases directly from the wellstream, moving part of the separation process from the topsides platform to the seafloor. In addition to reducing emissions, HISEP increases production capacity by debottlenecking the topsides gas processing plant, TechnipFMC said.

Petrobras holds an operated 38.6% WI in the unitized Mero field, while Shell and TotalEnergies each hold 19.3%, CNPC and CNOOC each have 9.65% and Pré-Sal Petrôleo SA holds the remaining 3.5%. The partners made their FID on Mero 3 in 2020. Mero 1 began production in 2022, and Mero 2 started up with the dawn of 2024.

### Chevron picks Baker Hughes subsea in Australia framework deal

Baker Hughes will offer its Aptara subsea production systems for Chevron's future offshore developments in Australia under a new 20-year framework agreement. The Aptara suite, an array of advanced subsea equipment including subsea trees, wellheads, control systems and more, offers adaptable, lightweight and compact subsea systems to meet the industry's evolving demands, Baker Hughes said. The oilfield services giant also said the subsea systems' design minimizes complexities and enhances project returns.

The agreement will see Baker Hughes consolidate regional deliveries of its 7-inch Aptara subsea production systems. It features an emphasis on Australian industry participation, enabling local industries and resources to play a role in the development of regional natural gas supplies. Financial terms were not disclosed.

"This new framework agreement reflects our continued commitment to deliver valuable solutions to our customers and help navigate the evolving energy landscape in the most productive and efficient manner," Baker Hughes SVP David Dillon said.



[Click for More!](#)

Chevron stretches Tengiz project timeline to 1H25

### BP extends North Sea frame agreement with Subsea 7

Subsea 7 SA received an extension of an existing frame agreement with BP covering subsea construction, inspection, repair and maintenance services across the supermajor's North Sea assets. The extension, valued at \$50-150 million, is the latest since the original frame agreement began in 1998.

Under the terms of this two-year extension to YE25, Subsea 7 will provide an IRM, survey and light construction vessel, complete with work-class and observation-class ROVs, capable of performing inspection, survey, intervention, subsea construction and emergency response services. Project management and engineering work will continue to be managed from Subsea 7's office in Aberdeen.

"We are immensely proud of the safe and effective IRM services we have executed for BP for 25 years across its West of Shetland assets," said Steve Wisely, Subsea 7 SVP for U.K. and global IRM. "Supporting BP in what is notably one of the harshest offshore environments has significantly contributed to the expansive deepwater project delivery expertise that we offer across the globe."

### Sparta FID makes Seatrium's order to build FPU official

Seatrium Ltd. received a contract from Shell to construct and integrate the hull, topsides and living quarters of the Sparta semisubmersible floating production unit. The Jan. 2 announcement came two weeks after Shell and Equinor delivered a positive FID on the high-pressure development in the Gulf of Mexico. Financial terms were not disclosed.

The Seatrium contract includes the installation of Shell-furnished equipment and follows an LOI reached in August. The Sparta FPU will be situated in the Garden Banks area of the GOM, roughly 275 km off Louisiana. It will feature a single topsides bolstered by a four-column, semisubmersible floating hull and designed to produce 90,000 boe/d.

### Seatrium previously built FPUs for two other Shell-led GOM projects.

The FPU will use a design imitating that used at the Whale and Vito developments, both Shell-led projects in the GOM. Seatrium built both FPUs, with the Vito FPU being delivered in 2022 by Sembcorp Marine before it completed the merger with Keppel Offshore & Marine that created Seatrium and the Whale FPU in 2023 after the merger. The Sparta FPU will replicate about 95% of Whale's hull and 85% of Whale's topsides.

The two-level topsides for Sparta will be integrated and lifted to the hull using Seatrium's Goliath twin cranes, which are capable of lifting up to 30,000 tonnes. Seatrium said its industry-leading approach in assembling topsides at ground level minimizes work-at-height risks for workers.

Located in 4,700 ft of water, the Sparta development will include eight oil and gas producers tied back to the FPU. The Sparta platform will be Shell's 15th deepwater host in the GOM. First production is expected in 2028.

Previously known as North Platte, the field was discovered in 2012 by the now-defunct Cobalt International Energy. Equinor and TotalEnergies acquired it in Cobalt's bankruptcy proceedings, and TotalEnergies later withdrew. Equinor sold an operated 51% to Shell in that June.

## Summary & Highlights

### Q1 2023 Global Oil & Gas Investment, Capex, and Production

Global oil & gas investment, capex, and production for Q1 2023. The report provides a detailed analysis of the industry's performance, including a breakdown by region and commodity. Key findings include a steady increase in investment and production, driven by strong demand and favorable market conditions. The report also highlights the impact of various factors such as geopolitical events and technological advancements on the industry's growth.

The report also covers the latest news and developments in the oil & gas sector, including new discoveries, production announcements, and M&A activity. It provides a comprehensive overview of the industry's current state and outlook for the future.

For more information on the latest trends and insights in the oil & gas industry, please contact us at [info@enverus.com](mailto:info@enverus.com). We are committed to providing you with the most accurate and up-to-date information available.

### U.S. Oil & Gas Investment, Capex, and Production

Commodity	Investment (\$B)	Capex (\$B)	Production (MMbbl/d)
Oil	12.5	15.2	1.8
Natural Gas	8.7	10.1	1.2
Coal	3.2	3.8	0.5
Renewables	1.8	2.1	0.3

### Investment in Energy Infrastructure

Investment in energy infrastructure for Q1 2023. The report details the spending on various infrastructure projects, including pipelines, power plants, and renewable energy facilities. It highlights the growing focus on sustainable infrastructure and the impact of government policies on investment levels.

### Global Oil & Gas Reserves

Global oil & gas reserves for Q1 2023. The report provides an overview of the world's oil and gas reserves, including a breakdown by region and commodity. It discusses the impact of new discoveries and production on the global reserve base.

# Thank you!

We hope you've enjoyed your sample of our Oilfield Pulse report. To request access to the full report [CLICK HERE](#).

Enverus is the trusted source for global oil & gas and renewables activity, including projects and operations, M&A activity, capital markets and new technologies.