



Development: the Tengiz field in Kazakhstan
Photo: CHEVRON

Enka and Bechtel in Tengiz deal

Joint venture lands major contract on \$2 billion 3GP project

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A joint venture of Turkey's Enka Group and Bechtel of the US has been awarded a major contract for work on the \$36.8 billion Tengiz Future Growth Project-Wellhead Pressure Management Project (FGP-WPMP) development in Kazakhstan.

Operator TengizChevroil (TCO) selected the 50:50 Senimdi Kurylys joint venture to carry out mechanical, electrical and instrumentation installation works on what is known as the 3GP project.

Senimdi Kurylys' contract has a duration of 45 months and is due for completion in the first quarter of 2022.

Industry sources said another contractor — Athens-based Consolidated Contractors Company (CCC) — is also set to be awarded work on the 3GP project, but this could not be confirmed.

CB&I of the US had also been bidding for this work, but fell out of favour during clarification talks earlier this year.

Overall, the 3GP package was understood to have an estimated value of more than \$2 billion.

The US-Turkish joint venture and CCC were also chasing a second key contract — 3GI — that forms another part of the FGP-WPMP scheme.

However, one market source said that this package, which is expected to be worth about \$500 million, may have been awarded to Russian company Velesstroy.

Reports in Kazakhstan suggested Velesstroy has promised the Astana-based government that if it is awarded a Tengiz contract, it will employ 1500 Kazakh nationals for the job.

All these Kazakh workers were recruited and trained by Velesstroy for work it has been carrying out on the Yamal liquefied natural gas project in the Russian Arctic.

Velesstroy is also said to have promised the Kazakh authorities that 805 of the goods and services it needs for the Tengiz contract would be sourced locally.

TengizChevroil's FGP scheme is designed to extend the field's production plateau and keep existing plants producing at full capacity, while the WPMP scheme will deploy sour gas injection technology to enhance oil recovery.

A key element of the 3GP workscope is to re-integrate and hook up 142 pre-assembled units (PAUs) — weighing about 140,000 tonnes in total and built by Daewoo Shipbuilding & Marine Engineering in South Korea — into 69 modules.

Also required is the installation of 46 pipe racks, fabricated in Kazakhstan and weighing 41,000 tonnes, and five modular gas turbine generators built in Italy.

Other worksopes cover the installation of 4000 tonnes of structural steel, piping and mechanical equipment plus at least 2300 kilometres of electrical, instrumentation and telecom cables.

The 3GI package calls for the re-integration and hook up of 35 PAUs — built by Daewoo and weighing 41,000 tonnes — into 19 modules, as well as installing 29 pipe racks weighing 7700 tonnes and built by local yard Ersai.

Stick-build installation of structural steel and piping is also needed, as is other related work such as installing 430 kilometres of cabling and erecting buildings.

Another significant Tengiz FGP-WPMP contract — the tendering status of which is unclear — covers multiple well pads, metering stations and facility modifications.

This package is also known as MEI, which stands for the “mechanical, electrical and instrumentation gathering area” contract, and may be as large as the 3GP order in terms of man-hour numbers.

The workscope involves site preparation, civil works, mechanical equipment and piping, electrical and instrumentation plus construction services.

About 4000 tonnes of steelwork needs to be installed, while about 9000 piles must be hammered into place.

In Areas 51D and 51B of the Tengiz field, 13 drill pads supporting more than 50 wells are needed along with four metering stations, while brownfield modifications are called for in Area 51E.

The fourth and final FGP-WPMP contract was awarded to Italy's Bonatti in November in a consortium with Kazakh player Montazhspetsstroy.

This package covers the construction and pre-commissioning of about 377 kilometres of flowlines to transport fluids from Tengiz and the nearby Korolev field to the new FGP processing facilities.

The flowlines — a mixture of steel and plastic and ranging in diameters between four inches and 26 inches — will handle high-pressure sour gas, for injection purposes, as well water, fuel gas and diesel.

Due to start up in 2022, the FGP-WPMP scheme aims to produce about 260,000 barrels per day, boosting total oil output from Tengiz to about 850,000 bpd.

US supermajor Chevron has a 50% stake in TCO and is partnered by US supermajor ExxonMobil with 25%, state-owned KazMunaiGas on 20% and LukArco on 5%.