

Settling in at Hebron



Hebron project senior manager Hareesh Pillai and Lynn Ann Nicholosi, Hebron's business manager, are part of the management team for the offshore oil project. — Photo by Joe Gibbons/The Telegram

Project team gets to know local industry

By **MOIRA BAIRD**
THE TELEGRAM

Hareesh Pillai, the senior manager of the Hebron project, is billed as the most popular man in St. John's — at least, in local offshore oil industry circles.

He'll oversee the development of Hebron, Newfoundland and Labrador's fourth offshore oilfield scheduled to pump first oil by late 2017.

Pillai, who is also vice-president of ExxonMobil Canada, arrived in St. John's in January. And he's not taking

his new-found popularity too seriously.

"The problem with this is I don't know if people just like me or there's some other agenda," he said laughing.

Pillai says he's received a warm welcome from everyone he has met in the province.

"The warmest people I've seen any place ... and whether or not it's liking me for me or liking me for the job, they're just very nice people."

Pillai and the seven-member Hebron project team have been holding workshops with local contrac-

tors, familiarizing them with schedules and the kind of work they can bid on in the near future.

Three workshops were held in St. John's, Clarenville and Marystown last week, and another is scheduled for mid-May in Corner Brook.

"We'll have more of these kinds of workshops," said Pillai.

ExxonMobil is the lead partner in the Hebron consortium that includes Chevron, Petro-Canada, StatoilHydro and the province's energy company, Nalcor Energy.

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A native of Kuala Lumpur, Malaysia, Pillai is a petroleum engineer who has held a wide range of jobs in his nearly three decades with ExxonMobil.

"I've had about 22 jobs in 27 years," he said.

He ran ExxonMobil's U.S. onshore operating business west of the Mississippi. From Brussels, he guided the company's global implementation of software that integrates procurement, inventory, accounting and financial data.

Pillai also managed projects in offshore Malaysia, including the 2006 installation of the 17,800-tonne Guntong gas compression hub — an eight-legged jacket and six-module platform that was the largest in Malaysian waters at the time.

As Hebron's top executive based in the province, Pillai's task is managing his project team, the Hebron partners and liaising with government officials and regulators.

"The senior project manager's position is really a stakeholder-management job," he said. "I manage both the external stakeholders and the internal stakeholders and bring the whole project together. A large amount of the technical expertise comes from my team."

That team includes a technical manager, GBS manager, topsides manager and a business and procurement manager.

"I have to have a level of broad overview of the business that I can use to bring it all together."

Hebron will be Pillai's first GBS project.

ExxonMobil, though, is no stranger to gravity base structures like the Hibernia GBS, the one-of-a-kind concrete pedestal that sits on the Grand Banks seabed and is designed to withstand impacts with icebergs.

ExxonMobil is partnered in 18 GBS projects around the world; of these, the company operates 10.

"It's a strength we bring to this project," said Pillai. "We're not new to the business, but Hebron's very complex and it's a huge project."

The company has another GBS project underway at Sakhalin, an island off the east coast of Russia. Sakhalin consists of three oil and gas fields, including one dubbed Arkutun-Dagi that will utilize a GBS and is moving along just ahead of the Hebron project.

"It's great to have a project right ahead of you that is getting some of those lessons and pass-

ing them along to us. That's important, as well, from a design and technical perspective," said Lynn Ann Nicholosi, Hebron's business manager.

Nicholosi is a graduate of Memorial University's engineering school and a St. John's native who grew up in the Kavanagh household on Waldegrave Street. Recently returned from Houston, she is the first point of contact for local business people bidding on Hebron work.

Nicholosi has spent much of her career in the business side of offshore projects.

In 1998, she worked with FMC Technologies as a quality manager on the Terra Nova project in Houston, Texas.

"We built the turret and the mooring system for Terra Nova," said Nicholosi. "I enjoyed it so much I stayed with FMC for seven years."

The disconnectable turret and mooring system is part of the Terra Nova floating production, storage and off-loading (FPSO) vessel. It allows the FPSO to unhook from the oilfield in case of emergency, such as an approaching iceberg that cannot be moved off course.

Nicholosi was FMC's project manager in building another FPSO mooring system, this

time for an ExxonMobil offshore project in Chad, West Africa.

Following that project, ExxonMobil offered her a job and Nicholosi joined the company in 2005.

"I've been mostly involved in the business side of the projects ... business manager, project controls lead on several projects, including PNG (Papua New Guinea) gas project in Brisbane, Australia."

Nicholosi also worked in offshore Nigeria in 2006, and the following year she was an area supervisor.

"I looked after all the business managers in the Americas, Russia, the Pacific rim."

Nicholosi joined the Hebron project in February, a move that brings her career full circle in Canada.

"My first work-term was with ExxonMobil back in 1993," said Nicholosi. "I was 22 and went up to Montreal with the design office, so I've been affiliated with the ExxonMobil for my whole career, really, but only working directly for ExxonMobil for the last four years."

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OIL & GAS

Hebron by the numbers

Construction by 2012, first oil by 2017

By MOIRA BAIRD
THE TELEGRAM

It's been a long time coming, but the Hebron offshore development is finally a work in progress.

Discovered in 1981, the Hebron oilfield has been shelved and unshelved a few times in the past decade.

Following the signing of last summer's deal, the oil companies led by ExxonMobil Canada are now aiming to develop 566 million barrels of Hebron crude by late 2017.

Last month, ExxonMobil filed documents with the offshore regulator, triggering an environmental assessment of the oil project.

Last week, project manager Hareesh Pillai and his seven-member project team started holding information sessions with local contractors.

Later this month, the Hebron project office in downtown St. John's will officially open. And by year-end, ExxonMobil expects to file a development plan application (DPA) with the offshore board.

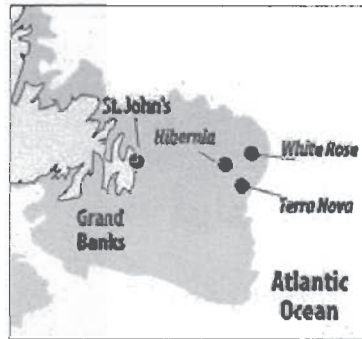
"The development application includes a benefits plan and includes socio-economic surveys ... those are probably the biggest ticket items that we have," said Pillai.

If all goes well, Lynn Ann Nicholosi, Hebron's business manager, figures the DPA approval process will take about a year.

"We've targeted it to be complete at the end of next year," she said.

Project sanction by the partners — when they officially move ahead with Hebron — is scheduled for the first half of 2012.

That's the same year construction and fabrication of the production platform is



A map illustrating the location of various oil projects off the coast of Newfoundland.
— Telegram photo illustration

scheduled to begin, and it's expected to continue until 2015 or possibly 2016.

To develop Hebron, the partners will use a gravity base structure (GBS) to be built at Bull Arm, Trinity Bay. Later, it will be installed on the Grand Banks seabed in 92 metres of water.

Similar to the Hibernia GBS, the Hebron concrete pedestal will be a bit smaller and about 100,000 tonnes lighter.

Next month, ExxonMobil will begin pre-qualifying companies that will bid on the contracts to design and build the GBS and the topsides modules.

"These are large-scope contracts," said Nicholosi. "We plan to award those contracts mid-next year — May, June timeframe of 2010."

Shortly afterward, in 2010, the Hebron

partners will start preparing the Bull Arm site to build the 300,000-tonne GBS.

"One of the first things is to rebuild the berm wall, so we can have a drydock, again, instead of the wetdock that it currently is," said Nicholosi.

The berm is essentially a wall that holds back the waters of Trinity Bay as the Hebron GBS is built. It's the same process that was used for Hibernia.

As well, Pillai says the Bull Arm accommodations site needs "considerable upgrades."

"Those quarters and recreational facilities haven't been upkeep, let's say, since the Hibernia days."

Also in need of work are the heavy lift cranes.

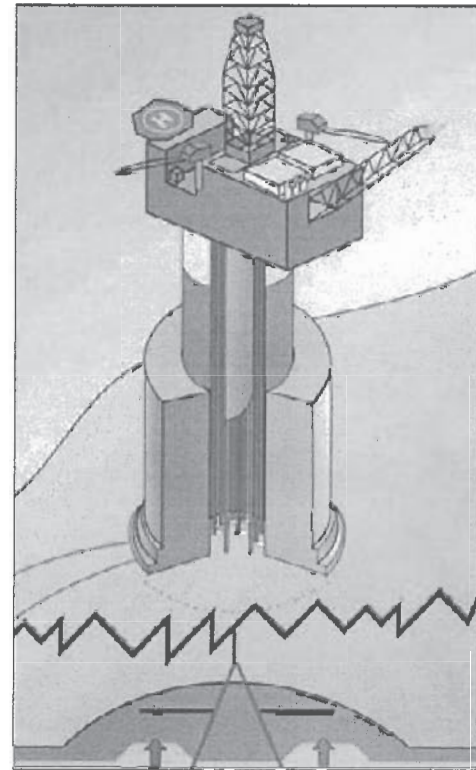
To do this, Pillai says ExxonMobil will work with the Bull Arm Site Corp., a subsidiary of Nalcor Energy, which holds a 4.9 per cent ownership stake in Hebron.

One of the major challenges for the Hebron development will be the availability of local skilled labour — something ExxonMobil plans to monitor regularly.

"We'll be doing labour-capacity studies later this year," said Nicholosi.

Those studies will be carried out as needed to ensure a pool of labour is available when GBS construction at Bull Arm is scheduled to begin in 2012.

"Foremost in our mind is labour availability," said Pillai. "Everything we've looked at today generally suggests there's a pool of people — we might have to compete for it and competition never fazes us."



Gravity base structures (GBS) are intended for offshore oil platforms. A structure like the one above will be employed at the Hebron oilfield. — Telegram photo illustration

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ExxonMobil is no stranger to gravity base structures