

is the operator of Blueberry Hill with a 42.9 percent working interest. PXP holds a 47.9 percent working interest.

Chevron heads deeper at Hurricane Deep sidetrack

Chevron is currently drilling the Hurricane Deep sidetrack well on South Marsh Island Block 217 below 13,400 feet towards a proposed total depth of 21,750 feet. The sidetrack is being drilled with Parker inland barge Parker 76B in around 11 feet of water.

The Hurricane Deep sidetrack is located on the southern flank of the Flatrock structure. This up dip test well is targeting the Gyro sand encountered in the Hurricane Deep well No. 226 and deeper potential. The No. 226 well was drilled to a true vertical depth of 20,712 feet in the first quarter of 2007 and logs indicated an exceptionally thick upper Gyro sand totaling 900 gross feet, the top 40 feet of which was hydrocarbon bearing. The up dip well may contain a thicker hydrocarbon column.

Chevron is the operator of the well. McMoRan Exploration Co. owns a 25 percent working interest while Plains Exploration & Production holds a 30 percent working interest.

Marine News

Marcon brokers 48 vessels in 2009

Vessel and barge broker Marcon International handled 45 sales and three charters for a total of 48 vessels and barges brokered in 2009. Marcon expects sales of several additional vessels to close within the next week.

The company had a slower year than 2008, when it sold or chartered 67 vessels and barges. Marcon has brokered a total of 1,078 vessels since its first sale in 1983.

Field Development News

EPL to focus on East Bay in 2010

Energy Partners Ltd. (EPL) will focus on converting non-producing reserves and stabilizing production in 2010, including the development of bypassed oil reserves at its East Bay field offshore Louisiana. EPL has set a \$39 million initial development budget for 2010, including \$20 million for seven low-risk sidetracks, \$15 million for 30 workovers and \$4 million for capital enhancements.

A field study of the East Bay field is currently underway and EPL has identified several locations to develop. The company expects its 2010 average production from the East Bay

field to increase somewhere in the range of 20 percent to 40 percent, up to 3,000 to 3,500 net BOE/d. Reprocessing of existing 3D seismic data in the East Bay is expected in the first quarter of 2010.

EPL's 2010 development project schedule includes around 10 workovers in the East Bay region, beginning in the second quarter of 2010. Around five sidetracks will be drilled in the area over the first half of the year. Various low cost enhancements at the field will be carried out throughout 2010.

In the company's South Timbalier and Bay Marchand areas, 12 workovers are planned throughout the year, with two sidetracks in Bay Marchand scheduled for the second quarter. Eight workovers are planned for other EPL assets, including blocks in the Eugene Island, East Cameron and South Marsh Island areas.

EPL will also be carrying out an extensive plugging and abandonment (P&A) and decommissioning plan, mainly focused on the East Bay field. This program includes 124 wells and 46 platforms and jackets at a cost of \$11.7 million. Nine wells were removed from the East Bay field in the fourth quarter of 2009, while another 80 wells and 42 jackets will be removed in 2010. Due to its P&A and decommissioning program, EPL will benefit from reduced maintenance and reduced hurricane exposure and repair costs.

With a focus on its shelf properties, the company is considering marketing all or a portion of its deepwater Gulf of Mexico portfolio. Options under consideration include selling or trading inventory for assets or prospects on the shelf. EPL's deepwater portfolio includes 20 undeveloped leases and 11 prospects/leads in water depths ranging from 1,050 to 5,200 feet.

Oil & Gas Business

Keppel FELS sets record year for rig deliveries

Singapore-based shipyard Keppel FELS has completed a record year by delivering 13 rigs on time and within budget. Through 2009, Keppel delivered eight jackups, four semisubmersibles and one semisubmersible drilling tender.

Keppel FELS Executive Director Wong Kok Seng said, "We were able to achieve this by consistently striving for operational excellence and innovation, backed by strong project management and close partnerships with our unions, customers, contractors and vendors."

The yard's most recent delivery is the semisubmersible drilling tender West Vencedor, which has been delivered to Sadrill. West Vencedor is expected to commence develop-