Agenda

- Background of Project
- Beacon West Energy Group
- Repairs completed to Date
  - New decking on main deck
  - Crane repairs
  - Transformers
- Upcoming Repairs / Maintenance
  - Replacement of Building Modules
  - Safety Systems
  - Rig Repairs
- Summary
Platform Holly - Background

- Platform Holly was initially set in 1966 by Arco
- Operated by Arco and then Mobil until 1998 – sold to Venoco, Inc.
- Successfully operated by Venoco until the Plains pipeline spill in May 2015 – platform production has been shut-in since that point in time
- Venoco quitclaimed the offshore leases and Platform Holly back to the State of California in April 2017 prior to filing for bankruptcy
- State of California selected Beacon West Energy Group in mid-2017 to assume operational control from Venoco operations on September 14, 2017
- Established an Engagement Agreement with ExxonMobil to address platform & rig repair plus Plug and Abandonment (P&A) operations
Beacon West Energy Group, LLC

Who is Beacon West?

- A new company established in mid-2017 to tackle contract operating opportunities initially in the Santa Barbara Channel
- Four principals of company have over 120 years of oil and gas operating experience
- Team of individuals have won awards from many regulators in California over the last decade with other operator
- Company has grown to ~70 staff and is operating 3 platforms and 2 onshore facilities in the SB Channel region (CSLC & Chevron)
- Company takes pride to ensure it provides the “Right People with the Right Tools - To do the Right Job, the Right Way”
Decommissioning Activity

Major work scopes to be completed prior to starting P&A work include:

1. Replace deck plate on top drill deck
2. Re-certification of existing crane
3. Removal of Generator set
4. Refurbishment of some process equipment required for P&A work including 2 transformers
5. Replacement of building modules
6. Ongoing certification of all safety related devices (H₂S detectors, Fire & Gas detectors, Fire suppression system, Alarm system)

7. Rig repair including:
   - Draw works
   - Rotary Table
   - Mud pumps
   - Mud pits
   - Drillers’s console
   - Electronics
   - Generators
   - Air compressors
   - Tuggers
   - Crown block
Deck Plate Repairs

BEFORE
Deck Plate Repairs

AFTER

Approximately 4000 sqft replaced
Pedestal Crane Re-Certification
Pedestal Crane Re-Certification
Pedestal Crane Re-Certification
Generator Set Removal
Generator Set Removal
Transformer Repairs / Replacement

Drilling Transformer
- Severely corroded
- Removed and refurbished onshore and re-installed
- Associated switchgear replaced simultaneously

2300 V transformer
- In need of replacement as repair is not possible
- Replacement transformer available from Venoco’s inventory (former project)
- Installation later this year
Replacement Building Modules

- 6 building modules on Holly used for offices, briefing areas, galley, locker room, breathing air equipment storage and medical facility
- Installed in late 1990’s with a plan for a 10 year life span
- The buildings were planned for replacement in 2016 by prior operator
- Significant deterioration, mold, structurally compromised, safety compromised as purge air no longer worked properly
- Replacement of 3 pairs of building modules – southeast, southwest & northwest
Replacement Building Modules - Demo
Replacement Building Modules

Scaffolding for new module installation
Replacement Building Modules - Fabrication
Replacement Building Modules - Fabrication
Replacement Building Modules - Installation

- Current platform crane can not reach the locations for installation of new modules
- Rental “bullfrog” crane will be mobilized to the platform and erected at 3 different locations to install the 3 pairs of modules
- 1 week to install / move crane on the platform – 16 truckloads of equipment coming from Louisiana
- Electrified crane to meet CA emissions requirements
- Installation of crane to start in 2 weeks and once installed commissioned and tested, the SE building modules will be set in their location
Rig Repairs

- Rig was installed in late 1990’s and it has not worked since a drilling program ended in 2014
- Rig contrator has been engaged by ExxonMobil to perform the rig repairs
- Phase 1 of the repairs started in late August ending in about 2 weeks.
- Phase 2 of the repairs will start in earnest after the replacement building modules are mostly installed
- Items to be repaired include:
  - Draw works
  - Rotary Table
  - Mud pumps
  - Mud pits
  - Crown section
  - Drillers’s console
  - Electronics
  - Generators
  - Air compressors
  - Tuggers (completed)
High Level - Schedule of Activities

Anticipated Date for EOF Readiness for P&A Activities

- **Oct 1**

**EOF Readiness for P&A Activities**

- **Feb 3**

**EOF Readiness for P&A Activities**

- **Apr 22**

**EOF Readiness for P&A Activities**

- **May 15 - Sep 6**
- **May 31 - Oct 13**
- **Sep 28 - Nov 2**
- **Oct 8 - Oct 13**
- **Jun 27 - Nov 25**
- **Oct 4 - Oct 14**
- **Sep 15 - Jan 14**
- **Dec 30 - Jan 5**
- **Dec 8 - Apr 12**

**P/F P & E IRM**

- **P/F Bldgs - Supply/Ship**
- **P/F Bldgs - End Offshore Slickline Diagnostic Campaign**
- **P/F Bldgs - Award P/F Rig Repair Contract**
- **P/F Bldgs - End Offshore Slickline Diagnostic Campaign**
- **Receive Bldgs in Ventura CA**
- **P/F Bldgs - P/F Rig Repair**
- **P/F Bldgs - P/F Bldgs - Demo Existing Bldgs**
- **P/F Bldgs - P/F Bldgs - Install & Commission**
- **P/F Bldgs - P/F Bldgs - Install Temporary Crane on P/F**
- **P/F Bldgs - P/F Bldgs - Demob Temporary Crane from P/F**
- **EM Diagnostic Campaign**
- **P/F Rig Repair – Survey and Demo Phase 1**
- **P/F Rig Repair - Procurement Phase 2**
- **P/F Rig Repair - Offshore Phase 3**
Summary

- Platform Holly and the associated rig require a significant amount of work to be ready to P&A the 30 Platform Holly wells.

- The platform is very small which makes simultaneous work very challenging – requires innovative & unique solutions such as night construction operations.

- POB is limited to 45 which also constrains activities.

- Multiple companies working on items which takes time to work out accepted procedures and create synergies.

- Regular team meetings help to manage priorities and understand options available for working together.

- Much more work to come but the platform and rig will soon be ready for the next phase of P&A activity.
Thank You

Questions??

Larry Huskins
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Beacon West Energy Group, LLC

California State
Lands Commission