

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 21 May 1980

COMMISSION REPORT TO THE COUNCIL ON PROGRESS OF
WORK ON COMMUNITY PROJECTS IN THE HYDROCARBONS
SECTOR AND THE EXPENDITURE OF THEIR IMPLEMENTATION
(application of Article 8 of Council Regulation (EEC) No. 3056/73
of 9 November 1973 on the support of Community projects in the
hydrocarbons sector)

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Commission Report to the Council

on

progress of work on Community projects in the hydrocarbons sector
and the expenditure on their implementation

(application of Article 8 of Council Regulation (EEC) No. 3056/73
of 9 November 1973 on the support of Community projects in the
hydrocarbons sector)*

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* OJ No. L 312/1 of 13 November 1973

EXPLANATORY MEMORANDUM

1. On 9 November 1973 the Council of the European Communities adopted Regulation (EEC) No. 3056/73 on support, for Community projects in the hydrocarbons sector. This support is designed to encourage technical development activities directly associated with prospecting for, extracting, storing or transport of hydrocarbons, which tend by their nature, to improve the security of the Community's supplies of hydrocarbons.
2. In its Decisions of 1974, 1976, 1977 and 1978, the Council approved the grant of measures of support for the implementation of 144 projects (of which 23 have been withdrawn by the promoters): totalling 163 million EUA. The Commission was instructed to negotiate and conclude the necessary support contracts with the beneficiaries, and to administer them.
3. Pursuant to Article 8 of Regulation (EEC) No. 3056/73, those responsible for implementing projects supported by the Community submit to the Commission, which informs the Council thereof, reports on the progress of work and the expenditure incurred on their implementation.
4. Reports have been submitted on 46 schemes of the first two rounds of projects. Essential data concerning them and expenditure incurred in implementing the first four rounds of projects are set out in the attached document, addressed by the Commission to the Council. This document is complementary to another report drawn up pursuant to Article 10 of that Regulation on the results of work completed, which is intended for the Council and the Parliament.

Commission Report to the Council on progress of work on
Community projects in the hydrocarbons sector and the
expenditure on their implementation.

1. This report contains information on the progress of work and the financial position of Community projects which have so far benefitted from the support measures decided by the Council.
2. This report has been drawn up by the Commission pursuant to Article 8 of Regulation No. 3056/73, on the basis of information received directly from the undertakings responsible for carrying out the projects.
3. This information which runs to 30 June 1979, covers four sets of projects :
 - the 16 * approved by the Council in December 1974,
 - the 30 ** approved by the Council in May 1976,
 - the 32 *** approved by the Council in October 1977 and
 - the 43 **** approved by the Council in October 1978.
4. The appended annex gives global information (table 1) for the four rounds of projects and detailed information on the situation of each individual project (tables 2,3,4 and 5). Table 6 gives details with regard to the reimbursement of the support.

* 21 originally approved
** 34 originally approved
*** 40 originally approved
**** 49 originally approved

ANNEX

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TABLE 1

APPLICATION OF COUNCIL REGULATION (EEC) No. 3056/73 OF 9 NOVEMBER 1973

Deadline for call for proposals	Date of Council Decision	Number of projects carried out	Budgetary resources available	Contracts concluded on	Date work to start	Time limit for starting work	Amount comitted	Amount paid at 30.6.1979	Amount still to be paid
1	2	3	4	5	6	7	8	9	10
			Million U.A.	up to	up to	column 6 - column 1	E.U.A.	F.U.A.	E.U.A.
31.3.1974	19.12.1974	16	25 (fin. year 1974)	31.12.1975	April 1975	13 months	36.577.152 ²⁾	34.724.214	1.847.938
28.2.1975	4.05.1976	30	25 (fin. year 1975)	31.12.1976	July 1976	16 months	31.466.349 ³⁾	19.140.407	12.325.942
28.2.1977	25.10.1977	32	28 (fin. year 1976)	30.06.1978	May 1977	14 months	37.740.187 ⁴⁾	14.156.426	23.583.761
28.2.1978	30.10.1978	36	50 (fin. year 1977)	30.06.1979	March 1978	16 months	31.565.372 ⁵⁾	7.228.395	24.336.977
TOTAL		114 ¹⁾							

- 1) Not included in this figure are projects withdrawn, two projects have been combined and some 4th round projects are still under discussion
- 2) The amount initially committed for 21 projects totalled 42.503.159 U.A.
- 3) The amount initially committed for 35 projects totalled 39.448.635 U.A.
- 4) The amount initially committed for 39 projects totalled 53.408.600 U.A.
- 5) The amount initially committed for 49 projects totalled 39.149.300 E.U.A. ever the figure shown in the table corresponds to the contracts signed by June 30, 1979.

TABLE 2

FINANCING OF THE FIRST SET OF COMMUNITY PROJECTS IN THE HYDROCARBON SECTOR

(1974 - 1976)

Situation at 30 June 1979

(UA/EUA)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
1/75	Seismic data acquisition equipment C.G.G.	432.000	-	Project completed
2/75	Deep sea drilling G.E.R.T.H.	5.280.000	-	"
3/75	Dynamically positioned drillship OFFSHORE EUROPE	4.100.000	-	Project retired
4/75	Deep sea production to 1000 m. G.E.R.T.H.	7.340.000	-	Project completed
6/75	Flowline and pipeline diverless SEAL	3.245.200	1.446.052	-
9/75	SEAL' ultimate system wellhead SEAL	1.062.600	-	Project completed
10/75	Automated subsea wellhead TECNOMARE	798.560	-	"
11/75	Research into the exploitation of heavy oil deposits in the Adriatic AGIP/SHELL	1.262.073	-	"
12/75	Acquisition of a production technique for the exploitation of deep sea deposits of hydrocarbons LEA	960.000	-	"
13/75	Remote-controlled subsea handling vehicle WINN TECHNOLOGY	384.000	-	"
15/75	Subsea crude oil storage reservoir TECNOMARE	720.000	115.365	Project completed final payment to be made

(contd.)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
16/75	Research into the utilization of underground petroleum reservoirs for the storage of liquid and/or gaseous hydrocarbons AGIP	621.600	-	Project completed
17/75	Cryogenic underground storage of liquified natural gas in a rock structure GEOSTOCK	762.000	-	"
18/75	Deep sea steel pipeline G.E.R.T.H.	3.816.000	-	"
19/75	Deep sea pipelaying TECNOMARE	937.339	211.216	Technically completed. Final payment to be made
20/75	Laying of a subsea pipeline in the Straits of Messina SNAM	2.218.837	-	Project completed
21/75	Laying of a subsea pipeline between Sicily and Tunisia SNAM	4.973.750	-	"

TABLE 3

FINANCING OF THE SECOND SET OF COMMUNITY PROJECTS IN THE HYDROCARBON SECTOR

(1975 - 1977)

Situation at 30 June 1979

(UA/EUA)

code	Title of project and contractor	Engagements	Payments to be made	Remarks
01.02/76	Study of particular problems involved in seismic prospection G.E.R.T.H.-C.G.G.	1.361.133	259.179	-
01.03/76	Research into method and geophysical techniques related to particularly complex geological situations AGIP - C.G.G.	1.820.000	573.981	-
01.04/76	Geotechnical studies of sea-bed and subsoil in deep water conditions C.G.G.-SERCEL	78.800	-	Project completed
02.06/76	Design and development of new drilling equipment for a dynamically positioned drillship BEN ODECO	1.483.200	-	"
03.12/76	Development of an automated mooring system WHARTON ENG. Co.	630.000	177.768	-
03.13/76	Exploitation of oil and gas fields in deep water using floating platforms TECNOMARE	640.000	211.031	-
03.20/76	Intermediate and deep-sea production plat- forms VICKERS	1.769.200	660.152	-
03.21/76	Research and development project for production of oil and gas from deep waters TAYLOR WOODROW	2.668.800	594.321	-
03.27/76	Novel offshore production system B.P. TRADING	4.656.000	1.509.412	-
03.28/76	Mobile offshore natural gas liquefaction plant PREUSSAG	571.748	165.973	-

(contd.)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
03.29/76	LNG and methanol production on platforms SALZGITTER A.G.	653.880	-	Project completed
03.31/76	Offshore production system (Exboy project) FREEMAN FOX & PARTNERS	720.000	330.805	-
03.32/76	Mobile platform for power generation using the gas production of small oil-fields DEUTSCHE BABCOCK & WILCOX AG	1.120.000	325.124	
04.04/76	Production offshore in arctic zones G.E.R.T.H.	2.282.800	434.677	-
04.08/76	Separation processes B.P. TRADING Co.	452.000	-	Project completed
05.01/76	Improved crude oil production and treatment B.P. TRADING Co.	596.800	-	"
05.02/76	Project of a pilot microemulsion and polymer flood in the Chateaufrenard reser- voir G.E.R.T.H.	1.400.000	266.580	-
05.03/76	Development of heavy oil production processes in the Federal Republic of Germany WINTERSHALL	554.000	-	Project completed
05.04/76	Hydrocarbon recovery from chalk deposits SHELL INTERNATIONAL.	4.666.298	4.274.616	-
05.05/76	Exploitation of oil shale deposits G.E.R.T.H.	141.200	-	Project completed
06.05/76	Swell damper to protect offshore installations BERTIN & Cie.	81.020	53.996	-
07.01/76	Specialised service ship for offshore soil investigation PREUSSAG A.G.	1.052.459	-	Project completed
07.02/76	Soil investigation in the North Sea FUGRO CESCO	82.873	21.690	-

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
07.05/76	Service ship for submersibles BRUCKER-PHYSIK	1.350.563	1.111.250	-
07.08/76	A submerged vehicle tool system WINN TECHNOLOGY	454.208	56.692	-
07.09/76	Subsea viewing and visualisation system FERRANTI OFFSHORE	166.800	-	Project retired
09.06/76	New technology for pipe-laying at sea BOUYGUES	609.000	405.868	-
10.04/76	Development of a flexible pipeline and laying, lifting and repairing techniques for deep waters COFLEXIP	434.000	94.667	-
10.06	LNG loading arm DAVID BROWN VOSPER	996.000	457.613	-
12.03/76	Cryogenic pipeline for LNG transportation O.T.P.	310.500	-	Project completed
13.04/76	Development of fuel cells as autonomous ener energy sources underwater ALSTHOM	732.300	-	-

TABLE 4

FINANCING OF THE THIRD SET OF COMMUNITY PROJECTS IN THE HYDROCARBON SECTOR

(1976 - 1978)

Situation at 30 June 1979

(UA/EUA)

Code	Title of project and contractor	Engagements	Payment to be made	Remarks
<u>PROSPECTING</u>				
01.05/77	Marine seismic source development S & A GEOPHYSICAL LTD.	192.000	-	-
01.09/77	Equipment, operational procedure and possibilities of seismology using transverse waves COMPAGNIE GENERALE DE GEOPHYSIQUE (CGG)	133.112	93.103	-
<u>DRILLING</u>				
02.08/77	Dynamically positioned drillship for deep water drilling NOREX B.V.	3.934.033	-	Retired
02.09/77	Deep sea drilling techniques G.E.R.T.H.	2.160.528	1.386.118	-
<u>HYDROCARBON PRODUCTION AN TREATMENT SYSTEMS</u>				
03.33/77	Total subsea production system SIR ROBERT MCALPINE & SONS Ltd. ROLLS ROYCE LTD. - BICC POWER CABLES LTD.	2.539.981	1.764.291	-
03.34/77	No 2 production installation Depth 100-200 m G.E.R.T.H.	5.617.380	3.743.700	-
03.35/77	Deep sea production techniques and equipment G.E.R.T.H.	5.581.368	2.313.001	-
03.37/77	Maintenance of sub-sea equipment G.E.R.T.H.	1.172.448	781.377	-

(contd.)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
03.39/77	The co-ordination and development of "TFL" techniques for servicing remote subsea oil wells BRITISH PETROLEUM Co.	288.923	200.688	-
03.40/77	Full scale development of separation processes BRITISH PETROLEUM Co.	1.168.391	231.878	
03.41/77	Oil-water separation through high speed centrifugal process BERTIN & Cie.	252.062	132.319	
03.42/77	Extension of uses of articulated columns G.E.R.T.H.	913.184	608.591	
03.43/77	TLP improvement SCOTT LITHGOW/GEFEY	1.609.714	1.095.916	
03.44/77	Development of a piled anchoring system at great depth OFFSHORE BELGIUM N.V.	3.513.102	2.438.573	
03.45/77	Concrete structures for marine production storage and transportation of hydrocarbons IMS/DYCKERHOFF & WIDMANN	1.233.911	888.319	
03.46/77	Design and development of riser pipeline installation on existing gravity structures SHELL U.K. Ltd.	288.000	132.322	
03.47/77	Waterlight shelters for sub-sea wellheads SEA TANK Co.	141.875	-	Project withdrawn
03.48/77	Floating natural gas liquefaction plant for offshore liquefaction and loading of associated gas PREUSSAG AG/ACKER GROUP Ltd./LINDE AG	910.263	640.077	
03.49/77	Development of a offshore gas gathering system incorporating gas liquefaction terminals DAVID BROWN VOSPER (OFFSHORE) Ltd.	291.998	202.824	

(contd.)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
03.50/77	Improvements to gas detection systems J & S SIEGER Ltd.	152.399	105.557	
03.53/77	Development of a flexible high pressure riser unit FOSTER WHEELER OFFSHORE LTD.	1.386.355	636.963	
<u>SECONDARY RECOVERY</u>				
05.06/77	Development of brine soluble polymers ad associated chemicals for the enhanced recovery of petroleum BRITISH PETROLEUM Co.	509.901	317.464	
05.07/77	Pilot for heavy oil recovery injection (Lacq Supérieur) G.E.R.T.H	900.221	321.983	
05.08/77	Use of enhanced oil recovery processes in the Cortemaggiore field, Italy AGIP S.p.A.	1.728.000	642.065	
<u>AUXILIARY VESSELS, SUBMERSIBLES AND NAVIGATION SYSTEMS</u>				
07.13/77	Underwater vehicle for burying electrical cables and flexible pipe TECNOMARE S.p.A.	1.445.664	561.494	
07.14/77	Development of an underwater machine capable of trenching in rocky sea bottoms to bury sea lines SAIPEM	1.600.812	1.058.930	
07.15/77	Medium range circular positioning system (MEROPS) SERCEL	32.698	-	Project completed
07.16/77	Navigation system for prospecting for hydrocarbon reserves on the Con- tinental Slope PRAKLA-SEISMOS GmbH	240.946	244.804	

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
07.15/77	Development of advanced seabed instrumentation CHANSITER INVESTMENT Ltd.	262.270	182.180	-
07.21/77	Underwater cleaning machine INSTITUTE FOR INDUSTRIAL RESEARCH AND STANDARD (IIRS)	42.576	-	Retired
<u>PIPELINES</u>				
09.07/77	Deep sea connecting techniques and pipelines G.E.R.T.H.	745.383	353.631	-
10.12/77	Development design and construction of a pipeline booster station with integrated waste heat utilization BORSIG GmbH	2.242.214	1.582.316	-
10.13/77	Pipeline scanning system GRAVATOM INDUSTRIES Ltd.	-	-	Retired
<u>TRANSPORT OF GAS BY TANKER</u>				
12.04/77	Verolme liquefied natural gas carrier NAVAL PROJECT DEVELOPMENT Co. "ROTTERDAM" B.V.	971.856	426.368	-
<u>STORAGE</u>				
14.02/77	LNG storage in salt cavities RUHRGAS AG/KAVERNEN BAU UND BETRIEBS GmbH	419.373	294.894	-
<u>MATERIALS TESTING</u>				
15.03/77	Total structural monitoring system for offshore platform INSTITUTE FOR INDUSTRIAL RESEARCH AND STANDARDS (IIRS)	140.753	99.706	-

TABLE 5 .

FINANCING OF THE FOURTH SET OF COMMUNITY PROJECTS IN THE HYDROCARBON SECTOR

(1978 - 1980)

Situation on 30 June 1979

(UA/EUA)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
01.10/78	Development of optimal technological procedures for the recording, processing and interpretation of seismic transverse waves AGIP S.p.A.	60.590	60.590	
01.11/78	Correlator stacker demultiplexer SERCEL	310.209	215.350	30% advance paid
01.12/78	Seismic Transverse waves. Development of optimal technological procedures for the recording, processing and interpretation G.E.R.T.H.	64.125	63.595	
01.13/78	Development of a seismic technology aiming at improving the resolution of infra-saliferous hydrocarbons problems in the Mediterranean Sea CO. GENERALE DE GEOPHYSIQUE	239.987	239.987	
01.14/78	Pre-site surveys for geophysical measurements in ice-covered waters PRAKLA SEISMOS GmbH			
<u>DRILLING</u>				
02.10/78	Horizontal drilling technology for improving oil recovery G.E.R.T.H.	3.947.766	2.740.581	30% advance paid
02.11/78	Oil and gas show analyser on drilling sites G.E.R.T.H.	168.005	116.631	30% advance paid
02.12/78	Field operable source rock analyser using pyrolysis G.E.R.T.H.	212.253	147.348	30% advance paid

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(contd.)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
02.13/78	Design and development of electronic interconnections for the off-shore applications	87.342	61.082	30% advance paid
<u>PRODUCTION SYSTEMS</u>				
03.56/78	Jack-up rigs project CFEM	241.982	169.388	30% advance paid
03.57/78	Increased production capacity by TFL techniques B.P.	191.732	134.792	30% advance paid
03.58/78	Production system for LNG and associated gas in North Sea SALZGITTER	2.751.317	1.875.365	30% advance paid
03.59/78	Design and development of an insert well head completion system for the subsea production of hydrocarbons SHELL INTL. MAATSCHAPPIJ BV	2.052.246	1.433.206	30% advance paid
03.60/78	Design, construction and field testing of a surface controlled sub-surface safety valve system in oil and gas wells SHELL INTERNATIONAL PET. MEV	511.978	354.278	30% advance paid
03.61/78	Articulated columns : preparation for industrial realisations G.E.R.T.H.	836.567	580.754	30% advance paid
03.62/78	Production pilot No. 2 G.E.R.T.H.			
03.63/78	Deep sea production equipments G.E.R.T.H.	2.074.133	1.439.885	30% advance paid
03.67/78	Development of a process for the exploitation of heavy oil BRITISH GAS	1.323.218	1.323.218	

(contd.)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
03.68/78	Design of a production circuit for viscous heavy oils (Rospo Mare) G.E.R.T.H.	318.034	220.782	30% advance paid
03.70/78	Development of columns not sensi- tive for motions LINDE AG	374.537	374.537	
<u>SECONDARY RECOVERY</u>				
05.09/78	Development of drainage system for the recovery of heavy oil (Rospo Mare) ELF ITALIANA	508.763	508.763	
05.10/78	Application of new techniques to make possible the economic exploitation of the Piroppo Field AGIP	2.556.360	1.762.398	30% advance paid
05.11/78	Improving recovery from heavy oil reservoirs G.E.R.T.H.	380.258	263.979	30% advance paid
05.12/78	Development of an electrical system to prevent "water coning" in wells SYMINEX	795.084	551.956	30% advance paid
05.13/78	Polymer controlled water flooding onshore injection tests B.P.	532.817	394.584	30% advance paid
<u>METHODS OF AUXILIARY TRANSPORT</u>				
06.07/78	New hydraulic offshore pile hammer BSP	335.984	238.840	30% advance paid
<u>AUXILIARY SHIPS, SUBMERSIBLES & SYSTEM OF NAVIGATION</u>				

(contd.)

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
07.22/78	Development of controls, drives and tools for under water application ZF/HERION	356,913	356,913	
07.25/78	Development of trenching equipment for submarine pipelines NETHERLANDS, OFFSHORE Co.			Combined with 07.27/78
07.27/78	Development of a system to embed submarine pipelines in the sea bed LAND AND MARINE ENGINEERING	1,842,135	1,194,642	30% advance paid
07.29/78	Improvement of the technology of deep sea exploration G.E.R.T.H.	397,254	397,254	
<u>PIPELAYING</u>				
09.13/78	The development of a pipeline pig LPS	453,949	317,765	30% advance paid
<u>TRANSPORT FOR PIPELINE</u>				
10.14/78	Cryogenic flexible pipes COFLEXIP	303,404	303,404	
10.16/78	Development of thigh pressure flexible piping DUNLOP LTD	941,091	661,609	30% advance paid
10.17/78	The development of improved system for trans- ferring liquefied gases (LNG) SALZGITTER/FMC	864,055	603,812	30% advance paid
<u>TRANSPORT OF LNG BY SHIP</u>				
12.05/78	The proving of a internal insulation and barrier system for storage of LNG SHELL RESEARCH LTD.	2,504,663	2,504,633	
<u>UNDERWATER PRODUCTION OF ELECTRICITY</u>				

Code	Title of project and contractor	Engagements	Payments to be made	Remarks
13.05/78	High density subsea power source COMEX	246.837	246.837	
<u>STORAGE</u>				
14.03/78	Hydrocarbon storage SIR ROBERT MCALPINE & SONS LTD	621.440	621.440	
14.04/78	Self installing subsea storage EMH/HOLCROW EWBANK & CO.	642.808	449.964	30% advance paid
14.06/78	Development of unlined concrete storage facilities for LNG TAYLOR WOODROW CONSTRUCTION CO.	637.980	637.980	
<u>MATERIAL TESTING</u>				
15.03/78	Total structural monitoring for offshore platforms IIRDS	23.215	23.215	
15.06/78	Diagnostic methods for offshore structures TECNOMARE	399.496	399.496	
15.07/78	Measurement of the environmental factors and the stresses in struc- tures to attempt an improvement in struc- ture design AGIP	169.653	148.757	30% advance paid
15.08/78	Development of a system for monitoring and optimizing structural design of offshore platforms SYMINEX	285.193	197.984	30% advance paid

SITUATION OF REIMBURSEMENTS AT 30 JUNE 1979

	Project	Contractor	end of reimburse- ment period	level of the subsidy to be reimbursed
No.	Title			
1	2	3	4	5
01.05/77	Marine seismic source development	S.A. Geophysical Ltd.	20.07.1989	£ 62,420
07.15/77	Merops	Sercel	01.07.1988	FF 181.611
01.04/76	Merops, measurement system	Sercel	01.07.1988	FF 437.670
02.06/76	Drilling equipment for a dynamically positioned drillship	Ben Odeco	01.04.1988	£ 618,000
07.01/76	Specialised ship for offshore soil investigation	Preussag AG	immediate	DM 1.408.006,43
1/75	SN 348	C.G.G.	01.05.1970/90	FF 2.399.410
2/75	Deep Sea Drilling	G.E.R.T.H.	01.11.1977/75	FF 824.814
3/75	Drilling in 600 m from a dynamically positioned drillship	Offshore Europe	01.05.1994	FB 205.000.000
4/75	Deep sea production to 1000 m	G.E.R.T.H.	01.01.1982/87	FF /2.354.000
2/75	Deep sea drilling	G.E.R.T.H.	immediate	FF 21.482 101.274

SITUATION OF REIMBURSEMENTS AT 30 JUNE 1979

	Project	Contractor	end of reimburse- ment period	level of the subsidy to be reimbursed	
No.	Title				
1	2	3	4	5	6
18/75	Deep Sea steel pipeline	G.E.R.T.H.	20.10.1978*	FF 2.250.000 FF 332.253,60 FF 553.756,- FF 270.043,26	
Note:	Two companies will commence repayments in 1981				
	*reimbursement made in one payment on 4.4.79				

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