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Shell starts production at Dover field in US Gulf, the second tieback to Appomattox hub

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728 words
9 April 2025
Platts Gas Daily
GASD
ISSN: 0885-5935, Volume 42, Issue 68
English

* Discovered Dover field in 2018, took FID in 2023

* Field to produce roughly 20,000 b/d at peak output

* Contains about 44.5 million boe gross resource

Shell has begun production at Dover in the US Gulf of Mexico, the second subsea tieback to the major's existing Appomattox production hub, the company said.

Dover, located in the US Gulf's eastern Mississippi Canyon area about 170 miles offshore southeast of New Orleans in about 7,500 feet of water, will add an estimated 20,000 b/d of oil equivalent at peak, Shell said in an April 8 statement.

"Shell continues to unlock more value from the prolific basins in our portfolio," Colette Hirstius, executive vice president of the major's Gulf operation, said. "Dover [helps maximize] production of our deepwater hubs."

"The high-margin, lower-carbon barrels from the Gulf of America are essential to our energy system, both now and in the future," Hirstius added.

Shell estimates Dover to contain 44.5 million barrels of oil equivalent of gross recoverable resources.

Generally, producers have said "stand-alone" new developments are undertaken only for large fields of more than roughly 100 million boe or so since they take years to plan and billions of dollars to construct.

Subsea tiebacks are a relatively quick way to get smaller-size prospects online and contribute to an operator's revenue stream by hooking them up to nearby existing infrastructure -- preferably that they also own -- thereby lessening the lead time from discovery to production to months instead of years.

Rydberg also tied back to Appomattox

Shell's Rydberg field, located about five miles northeast of Dover, was the first subsea tieback to Appomattox. It came online in February 2024.

Shell operates Appomattox with 79% working interest, while INEOS Energy Petroleum has 21%. However, Shell owns 100% working interest in the Dover field.

Shell discovered Dover in 2018 and took the final investment decision for it in May 2023. Dover will be produced with up to two wells connected through a 17.5-mile flowline and riser.

"Looks like Shell is tying up the loose ends from their Norphlet play," an emerging US Gulf play type, George Laguros, a US Gulf analyst with S&P Global Commodity Insights, said. "Interestingly, Shell drilled Gettysburg (aka Gettysburg West) in that trend, then walked away."

Laguros said Kosmos Energy, a US Gulf producer, picked up a new lease on that same block and now has transferred 75% and operatorship to Shell. "So maybe they are thinking of adding that to the list of tiebacks to Appomattox," he added.

US Gulf oil production in Q1 averaged 1.85 million b/d, according to Commodity Insights estimates.

Dover follows January Whale startup

Dover's startup follows the long-awaited debut of Shell's much bigger Whale field on the other side of the US Gulf. Whale, in the Gulf's Alaminos Canyon area, is located in 8,600 feet of water, with a total of 15 wells to be tied back to the host via subsea infrastructure. Shell estimated its gross recoverable resources at 480 million boe.

Shell's Norphlet crude production in the vicinity comes from perforations at around 24,000-27,000 feet, Jeff Gosmano, also an upstream analyst with Commodity Insights, said in an April 8 note, adding that the company also owns the Ft. Sumter project northwest of Dover.

Appomattox, Rydberg, Dover and Ft. Sumter are all in the US Gulf's Norphlet play, an Upper Jurassic-period formation characterized by high pressures and well temperatures, where good-quality oil can be found in high-quality sandstone, according to the **Bureau of Economic Geology**.

Because the Norphlet is a Jurassic-era play, it's much older than the Miocene and has "very different" depositional environments, Laguros said.

"Norphlet is aeolian deposition ... think of sand dunes formed by wind," he said. "So that was deposited while that area of the Gulf was land. Miocene, on the other hand, was turbidite deposition under water ... similar to what's going on now offshore from the Mississippi Delta."

Also located in the area around Dover is BP's producing Fourier natural gas field, which is immediately north of Ft. Sumter, Gosmano noted.

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