

ENSCO PLC

FORM 8-K (Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): 13 September 2010

Enscopl

(Exact name of registrant as specified in its charter)

England and Wales
(State or other jurisdiction of
incorporation)

1- 8097
(Commission File Number)

98-0635229
(I.R.S. Employer
Identification No.)

6 Chesterfield Gardens
London, England W1J 5BQ

(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: **44 (0) 20 7659 4660**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.02 Results of Operations and Financial Condition

Attached hereto as Exhibit 99.1 is a Fleet Status Report of Ensco plc as of 13 September 2010.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Fleet Status Report of Ensco plc as of 13 September 2010. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Enscopl

Date: 13 September 2010

/s/ DAVID A. ARMOUR
David A. Armour
Vice President - Finance

/s/ DOUGLAS J. MANKO
Douglas J. Manko
Controller and Assistant Secretary

EXHIBIT INDEX

Exhibit No.

Description

99.1

Fleet Status Report of Ensco plc as of 13 September 2010.



**EnSCO plc
Fleet Status Report
13 September 2010**

FORWARD LOOKING STATEMENTS DISCLOSURE

Statements contained in this Fleet Status Report regarding the status of developments in the U.S. Gulf of Mexico, our estimated rig availability, contract duration, future rig rates and cost adjustments, customers or contract status (including letters of intent) are forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include references to the status of our U.S. Gulf of Mexico contracts in general and potential force majeure in particular, our beliefs regarding commencement of the ENSCO 8502 contract, future rig rates, cost adjustments, utilization, rig enhancement projections, shipyard construction or work completion, and other contract or letter of intent commitments, including new rig commitments, contract terms, the period of time and number of rigs that will be in a shipyard for repairs, maintenance, enhancement or construction and scheduled delivery dates for new rigs. Numerous factors could cause actual rig, customer and contract status to differ materially from those contemplated in the forward-looking statements, including: any regulatory or legislative activity that may impact our U.S. Gulf of Mexico operations or that may adversely affect our existing drilling contracts for ENSCO 8500 Series® rigs or our U.S. Gulf of Mexico jackup rigs, such as a determination of a force majeure event; the impact of the BP Macondo well incident, and the government and industry response thereto, upon future deepwater and other offshore drilling operations in general, and, in particular, any moratorium or suspension of drilling operations or permits; legislative or regulatory action impacting rig equipment, pollution liability or other matters relating to U.S. or global offshore drilling activities; industry conditions and competition, including changes in rig supply and demand or new technology; prices of oil and natural gas, and their impact upon future levels of drilling activity and expenditures; declines in drilling activity, which may cause us to idle or stack additional rigs; excess rig availability or increased supply resulting from delivery of newbuild drilling rigs or reactivation of stacked rigs or a slowdown in offshore drilling; concentration of our fleet in premium jackups; concentration of our deepwater rigs in the U.S. Gulf of Mexico, cyclical nature of the industry; worldwide expenditures for oil and natural gas drilling; operational risks, including excessive unplanned downtime due to drilling moratoria or suspensions, regulatory, legislative or permitting requirements, rig or equipment failure, damage or repair in general and hazards created by severe storms and hurricanes in particular; changes in the dates our rigs will enter a shipyard, be delivered, return to service or enter service; risks inherent to shipyard rig construction, repair or enhancement, including risks associated with concentration of our ENSCO 8500 Series® rig construction contracts in a single shipyard in Singapore, unexpected delays in equipment delivery and engineering, equipment or design issues following shipyard delivery; changes in the commencement dates of new contracts; renegotiation, nullification, cancellation or breach of contracts or letters of intent with customers or other parties, including failure to negotiate definitive contracts following announcements or receipt of letters of intent; risks associated with mediation, arbitration or litigation in general and as respects the ENSCO 8502 contract dispute in particular; risks associated with offshore rig operations or rig relocations; availability of transport vessels to relocate rigs; self-imposed or regulatory limitations on drilling locations during hurricane season; impact of current and future government laws and regulations and interpretations, modifications or repeal thereof, affecting the oil and gas industry in general and our operations in particular, including environmental liability, financial responsibility, insurance requirements or taxation; our ability to attract and retain skilled personnel; governmental action and political and economic uncertainties, including expropriation, nationalization, confiscation or deprivation of our assets; terrorism or military action impacting our operations, assets or financial performance. The factors identified above are believed to be important factors (but not necessarily all of the important factors) that could cause actual rig, customer and contract status to differ materially from those expressed in any forward-looking statement made by us. Other factors not discussed herein could also have material adverse effects on us such as other risks as described from time to time as Risk Factors and otherwise in the Company's SEC filings. Copies of such SEC filings may be obtained at no charge by contacting our Investor Relations Department at 214-397-3045 or by referring to the Investor Relations section of our website at www.enscoplc.com. All forward-looking statements included in this Fleet Status Report are expressly qualified in their entirety by the foregoing cautionary statements. All information in this report is as of the date posted. The Company undertakes no duty to update any forward-looking statement, to conform the statement to actual results, reflect changes in the Company's expectations or otherwise update any forward-looking statement (or its associated cautionary language), whether as a result of new information or future events.



**EnSCO plc
Fleet Status Report
13 September 2010**

Important Note Regarding U.S. Gulf of Mexico:

Certain EnSCO rigs currently in the U.S. Gulf of Mexico are affected by a drilling moratorium/suspension and other actions imposed by the U.S. Department of Interior. This moratorium/suspension, related recent Notices to Lessees (NTLs) and other actions are being challenged in litigation by EnSCO and others. The operations of certain EnSCO rigs not expressly covered by the moratorium/suspension are or may be delayed due to new requirements imposed by the NTLs and delays in the drilling permit approval process. Current or future NTLs or other directives may impact our customers' ability to obtain permits and commence or continue deep or shallow water operations in the U.S. Gulf of Mexico. At present, we are unable to determine the extent that these factors will impact our contracts, operations and/or financial results.

All rigs involved in prior force majeure notices are working as of the date of this report. Since the previous Fleet Status Report, except as provided below, no new contractual force majeure notices have been received from customers. EnSCO has rejected all force majeure notices received to date as invalid under the terms of the applicable drilling contracts.

In the event of valid force majeure circumstances, the contracts for our ultra-deepwater semisubmersible rigs currently in the U.S. Gulf of Mexico generally provide that a reduced rate applies for a specified number of days (approximately ten weeks depending on the contract) after which our customers have a right to terminate subject to payment of a significant portion of the day rate for the remainder of the contract term. For our jackup rigs in the U.S. Gulf of Mexico, the contractual force majeure provisions generally provide for payment of full day rate for a specified number of days (approximately two weeks depending on the contract) after which our customers have a right to terminate without further payment. We are working with our customers on mutually agreeable contingency plans for our rigs in the U.S. Gulf of Mexico and, in certain cases, we have negotiated day rate adjustments as noted in this report.

EnSCO notified its customer that the 731-day term for ENSCO 8502 commenced as of 13 August 2010. Under the contract, the term commenced when: (a) the rig completed deep sea trials, (b) the rig became available and was fully manned, and (c) the rig was moved 1,000 ft. from the location where acceptance testing was completed. Prior to submission of notice that the term commenced, the customer stated that it is not obligated to accept the rig, pursuant to the terms of the contract, in the current circumstances. Thereafter, the customer asserted that the contract term has not commenced, that its use of the rig has been prevented by force majeure and that it is not obligated to accept the rig under current circumstances. EnSCO believes the rig complies with all contractual requirements and that the contract term has commenced pursuant to the contract. Accordingly, EnSCO disagrees with the customer's position and is reviewing available remedies to resolve the dispute.

The full impact of the regulatory developments discussed in this note and potential new regulatory, legislative or permitting requirements has not yet been determined but could have a further material adverse effect upon our results of operations.



EnSCO plc Fleet Status Report 13 September 2010

Monthly Changes

Bolded rig names and underlined text signify changes in rig status from the previous month.

| Segment Region / Rig | Design (1) | Water Depth' (1) | Customer/Status | Day Rate \$000's US | Location | Est. Avail/ Contract Change | Comments |
|--|------------------------|---------------------|---------------------|------------------------|----------------|-----------------------------------|---|
| <u>Deepwater</u> | | | | | | | |
| Australia ENSCO 7500 | Dynamically Positioned | 8000 | Shipyard | ----- | Singapore | Feb. 11 | Customer to pay lump sum of approx. \$26 million (likely recognized in 2011) subject to downward adjustment if rig is subsequently mobilizing under a new contract by late 2010/early 2011 |
| U.S. Gulf of Mexico - See Page 2 "Important Note Regarding U.S. Gulf of Mexico" ENSCO 8500 | Dynamically Positioned | 8500 | Eni/Anadarko | Mid 290s | Gulf of Mexico | Jun. 13 | Plus lump sum payment of \$20 million and one-time reimbursable costs of \$27 million amortized over contract. Plus cost adjustments and four 1-year same-rate options. Special negotiated rate at 75% of day rate for 16 days already incurred in 3Q10, currently at full day rate. Scheduled downtime for upgrades (est. 19 days) deferred from 3Q to 4Q |
| ENSCO 8501 | Dynamically Positioned | 8500 | Nexen/ Noble Energy | Mid 370s | Gulf of Mexico | May 13 | Mob costs are reimbursed at \$18,000 per day over primary contract term. Plus cost adjustments and unpriced options. Special negotiated rate at 75% of day rate for 6 days already incurred in 3Q10, currently at full day rate. Expect 4 days downtime in 4Q for scheduled upgrades |
| ENSCO 8502 | Dynamically Positioned | 8500 | Nexen | Mid 480s | Gulf of Mexico | Aug. 12 | See Important Note Regarding U.S. Gulf of Mexico and disclosures regarding pending contractual dispute. Mob day rate of mid 170s and reimbursable mobilization expenses and upgrades amortized over contract through Aug. 12. In total, these equal approx. \$38,000 per day over the contract term. Contract can extend to 3 or 4 year term at operator's election at the same day rate. Rates are subject to additional future cost adjustments |
| ENSCO 8503 | Dynamically Positioned | 8500 | Under construction | | Singapore | 4Q10 | Contracted to Cobalt scheduled to commence early 2011 for 2 years, low 520s plus cost adjustments and priced & unpriced options |
| Under Construction - uncontracted | | | | | | | |
| ENSCO 8504 | Dynamically Positioned | 8500 | Under construction | | Singapore | 2H11 | |
| ENSCO 8505 | Dynamically Positioned | 8500 | Under construction | | Singapore | 1H12 | |
| ENSCO 8506 | Dynamically Positioned | 8500 | Under construction | | Singapore | 2H12 | |

(1) ENSCO 8500 Series ® rigs are 6th generation, proprietary design, ultra-deepwater, dynamically positioned semisubmersibles and may be modified to drill in up to 10,000' water depths.



EnSCO plc Fleet Status Report 13 September 2010

| Segment Region / Rig | Design | Water Depth' | Customer/Status | Day Rate \$000's US | Location | Est. Avail/ Contract Change | Comments |
|---------------------------------|---------------------|-----------------|-------------------|------------------------|--------------|-----------------------------------|--|
| Asia & Pacific Rim | | | | | | | |
| Middle East/India | | | | | | | |
| ENSCO 54 | F&G L-780 Mod II-C | 300 | ADOC/Bunduq | High 120s | Qatar | Jul. 11 | Rate changes in mid Nov. 10 to high 50s. Plus cost adjustments and well-to-well option at mutually agreed rate |
| ENSCO 76 | MLT Super 116-C | 350 | Saudi Aramco | High 130s | Saudi Arabia | Feb. 11 | |
| ENSCO 84 | MLT 82 SD-C | 250 | Cold stacked | | Bahrain | | |
| ENSCO 88 | MLT 82 SD-C | 250 | Ras Gas | Mid 60s | Qatar | Mar. 12 | Plus options |
| ENSCO 94 | Hitachi 250-C | 250 | Ras Gas | Mid 60s | Qatar | Dec. 11 | Plus options. Previously scheduled 3Q10 shipyard work postponed. |
| ENSCO 95 | Hitachi 250-C | 250 | Shipyard | ----- | Bahrain | Dec. 10 | ----- |
| ENSCO 96 | Hitachi 250-C | 250 | Available | | Bahrain | | |
| ENSCO 97 | MLT 82 SD-C | 250 | Available | | Bahrain | | |
| Southeast Asia/Australia | | | | | | | |
| ENSCO 52 | F&G L-780 Mod II-C | 300 | Petronas Carigali | Mid 160s | Malaysia | Nov. 10 | Plus cost adjustments and unpriced options |
| ENSCO 53 | F&G L-780 Mod II-C | 300 | Available | | Malaysia | | |
| ENSCO 56 | F&G L-780 Mod II-C | 300 | Pertamina | Mid 70s | Indonesia | Jan. 11 | Plus options |
| ENSCO 67 | MLT 84-CE | 400 | Pertamina | Mid 80s | Indonesia | Dec. 10 | ----- |
| ENSCO 104 | KFELS MOD V-B | 400 | ConocoPhillips | Low 170s | Australia | Oct. 10 | Plus cost adjustments. Then expect to work to Feb. 11, mid 120s |
| ENSCO 106 | KFELS MOD V-B | 400 | Newfield | Mid 90s | Malaysia | Oct. 10 | One unpriced 1-year option |
| ENSCO 107 | KFELS MOD V-B | 400 | Premier Oil | Low 110s | Vietnam | May 12 | Plus five 1-well options at index rate |
| ENSCO 108 | KFELS MOD V-B | 400 | Total | Low 140s | Brunei | Jul. 11 | Rate change mid Dec. 10 to mid 120s. Plus one 1-well option at market rate |
| ENSCO 109 | KFELS MOD V-Super B | 350 | Apache | Low 100s | Australia | May 11 | Plus cost adjustments and one unpriced option |
| ENSCO I | Barge Rig | | Cold stacked | | Singapore | | |



EnSCO plc Fleet Status Report 13 September 2010

| Segment / Region / Rig | Design | Water Depth' | Customer/Status | Day Rate \$000's US | Location | Est. Avail/ Contract Change | Comments |
|--|------------------|--------------|-----------------|---------------------|----------------|-----------------------------|--|
| Europe & Africa | | | | | | | |
| North Sea | | | | | | | |
| ENSCO 70 | Hitachi K1032N | 250 | Shipyard | ----- | UK | Oct. 10 | Next to Maersk for accommodation work to Dec. 10, high 60s, plus same rate options |
| E NSCO 71 | Hitachi K1032N | 225 | Maersk | High 80s | Denmark | Jan. 11 | Plus three 1-year options |
| ENSCO 72 | Hitachi K1025N | 225 | RWE | High 80s | UK | Dec. 10 | Plus options |
| ENSCO 80 | MLT 116-CE | 225 | ConocoPhillips | Low 110s | UK | Jul. 12 | Rate to be mutually agreed annually |
| ENSCO 92 | MLT 116-C | 225 | Granby | Mid 80s | UK | Oct. 10 | ----- |
| E NSCO 100 | MLT 150-88-C | 350 | GDF Suez | Mid 120s | UK | Dec. 10 | Sublet to Valiant |
| ENSCO 101 | KFELS MOD V-A | 400 | Maersk | Low 170s | UK | Oct. 11 | One unpriced option |
| ENSCO 102 | KFELS MOD V-A | 400 | ConocoPhillips | Mid 190s | UK | Dec. 11 | Plus cost adjustments. Expect to work at low 200s beginning Jun. 11 for approximately 3 years. Plus cost adjustments and unpriced options |
| Mediterranean | | | | | | | |
| ENSCO 85 | MLT 116-C | 300 | Shipyard | ----- | Tunisia | Sep. 10 | Estimated 13 days in shipyard, zero rate. Next to PVFP mid Sep. to Nov. 10, mid 90s |
| ENSCO 10 5 | KFELS MOD V-B | 400 | BG | Mid 150s | Tunisia | Jan. 11 | Plus cost adjustments and seven 1-well options at same rate. Completed 32 days in shipyard (4 days on 50% day rate, 28 days at zero rate) in 3Q for inspection and upgrade |
| North & South America | | | | | | | |
| U.S. Gulf of Mexico - See Page 2 "Important Note Regarding U.S. Gulf of Mexico" | | | | | | | |
| ENSCO 60 | Levingston 111-C | 300 | Cold stacked | | Gulf of Mexico | | |
| ENSCO 68 | MLT 84-CE | 400 | Chevron | High 80s | Gulf of Mexico | Jan. 11 | Plus cost adjustments not included in day rate |
| ENSCO 75 | MLT Super 116-C | 400 | Apache | High 90s | Gulf of Mexico | Jan. 11 | |
| ENSCO 82 | MLT 116-C | 300 | Chevron | Mid 50s | Gulf of Mexico | Jan. 11 | Plus cost adjustments not included in day rate |
| ENSCO 86 | MLT 82 SD-C | 250 | Apache | Mid 50s | Gulf of Mexico | Jan. 11 | |
| ENSCO 87 | MLT 116-C | 350 | Apache | Mid 70s | Gulf of Mexico | Jan. 11 | |
| ENSCO 90 | MLT 82 SD-C | 250 | Available | | Gulf of Mexico | | |
| ENSCO 99 | MLT 82 SD-C | 250 | Nexen | Low 50s | Gulf of Mexico | Sep. 10 | Next to Stone to Nov. 10, mid 50s |
| Mexico | | | | | | | |
| ENSCO 81 | MLT 116-C | 350 | Pemex | Mid 70s | Mexico | Dec. 10 | |
| ENSCO 83 | MLT 82 SD-C | 250 | Pemex | Low 110s | Mexico | Nov. 12 | Plus cost adjustments |
| ENSCO 89 | MLT 82 SD-C | 250 | Pemex | Low 80s | Mexico | Mar. 12 | Rates adjust to global index rate every 3 months (next Nov. 10) |
| ENSCO 93 | MLT 82 SD-C | 250 | Pemex | Mid 80s | Mexico | Mar. 12 | Rates adjust to global index rate every 3 months (next Oct. 10) |
| ENSCO 98 | MLT 82 SD-C | 250 | Pemex | Low 110s | Mexico | Apr. 12 | Plus cost adjustments |

Note: The day rates reflected in this Fleet Status Report are the operating day rates charged to customers, which may include estimated contractual adjustments for changes in operating costs and/or reimbursable cost adjustments for ongoing expenses such as crew, catering, insurance and taxes. The day rates, however, do not include certain types of non-recurring revenues such as lump sum mobilization payments, revenues earned during mobilizations, revenues associated with contract preparation and other non-recurring reimbursable items such as mobilizations and capital enhancements. Routine and non-routine downtime may reduce the actual revenues recognized during the contract term. Additionally, the Company occasionally negotiates special rates with customers as noted in the comments that reduce revenues recognized during the contract term. Please refer to the Company's SEC filings for more information.