

Exploring the “Empty Quarter” in Saudi Arabia – the Application of a Play Based Exploration Strategy to Overcome the Challenges of a New Upstream Venture

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The South Rub Al-Khali Company Limited (“SRAK”) has entered into an agreement with the Kingdom of Saudi Arabia for the exploration, appraisal, development and production of non-associated gas, condensate and natural gas liquids in Contract Areas 1 (Blocks 82-85) and 2 (Blocks 5-9) in the South Rub ‘al Khali Basin of Saudi Arabia. SRAK is an Incorporated Joint Venture between Shell (40%), Saudi Aramco (30%) and Total (30%).

Exploration activities are governed by a first five year exploration term. Work commitments for the first exploration term encompass a major seismic acquisition programme of 16,000 km of 2-D data and the drilling of seven exploration wells. The exploration acreage covers an area of approximately 210,000 km², equivalent to 10% of Saudi Arabia’s land area. SRAK’s exploration efforts are focused on the Palaeozoic reservoirs. The remote South Rub ‘al Khali Basin is only lightly explored, and the presence of a working (Palaeozoic) hydrocarbon system has yet to be demonstrated.

Two years into the first exploration term, this paper focuses on the venture related as well as technical challenges that have been and are continuing to be faced and how they are being addressed and overcome through the rigorous application of play based exploration methodologies.

The South Rub Al-Khali Company Limited will have spudded its first exploration well in May 2006 and the preliminary results from this rank wildcat exploration well and the implications on the prospectivity of the area will be discussed.