

Exploration Trends in Middle East Mature Basins

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ABSTRACT

The Middle East has experienced more than a century of exploration drilling and a large proportion of the world's conventional hydrocarbon reserves are reservoid in its mature basins. Whilst the perception is often that the modern Middle East hydrocarbon industry is development focused, investigation of exploration trends show that this is not always the case. Trends in exploration drilling do, however, vary by basin. In the Zagros Basin, sanctions and regional politics restricted exploration drilling for many years until a resurgence between 2010 and 2014 resulted in successful discoveries particularly in Iran and the Kurdistan Region of Iraq. Increasing political unrest combined with low oil prices has curtailed this resurgence in 2015 but long term prospects remain promising particularly in a potentially sanctions-free Iran. The exploration trends in the Central Arabian and Rub Al Khali basins are a little harder to interpret with variations in drilling levels on a year-to-year basis. However, this may be due to a paucity of available data (countries reporting only successful wildcats and not disclosing unsuccessful wells) rather than reflecting actual drilling levels. Even though exploration may not have declined in some countries, success rates generally have, and the size of discoveries made is also in decline. Many existing field development projects are also now implementing improved and enhanced recovery techniques. The increasing demand for gas, particularly in the Gulf countries, has led to a focus on deeper appraisal drilling, investigating new and previously bypassed plays. An analysis of the largest new discoveries in the Middle East over the last ten years indicates that more than 50% of them predominantly discovered gas. Due to the combination of these factors, we expect to see future exploration efforts focused on deeper gas plays, such as the Khuff and pre-Khuff, in mature Middle East basins.