

INTERNATIONAL DEVELOPMENTS

The following (from AAPG Explorer, August 1997) is a listing of "worldwide activity...compiled courtesy of Petroconsultants, industry press releases, news reports and interviews with the EXPLORER." Note that Venezuela, the Former Soviet Union Caspian Area, and Mexico are reported on in detail on pages 4, 8, and 12, respectively in the August 1997 issue of the AAPG Explorer.

AFRICA

Algeria

Anadarko Petroleum reports testing over 1,200 barrels of oil a day on a wildcat five miles north of the giant Qoubba Field, discovered by Anadarko and partners in 1994.

Bids are being sought for enhanced recovery operations in the Zohanet and Amenas Nord gas fields.

Angola

Interest in deep water possibilities has the Angola government looking at five ultra-deep blocks to be offered, possibly later this year. At least eight companies have subscribed to a Western Geophysical spec seismic shoot of 11,500 kilometers in ultra-deep waters in the Lower Congo and Kwanza Basins.

Meanwhile, state-owned Sonangol is busy promoting a data package for the onshore 25,000-square-kilometer Kwanza Basin and the 7,000-square kilometer Lower Congo Basin.

Egypt

Bids are due Sept. 30 on 15 blocks that includes areas in the Western Desert, Western Mediterranean deep water, Gulf of Suez and Upper Egypt Basin and onshore in Southern Egypt.

Eritrea

Gearing up for a push to attract explorationists, new incentives have been adopted and consultants retained to prepare acreage for bids.

Namibia

State-owned Namcor is studying options for a bid round after Western Geophysical's 2-D survey of the offshore Namibe Basin.

Other options include onshore basins in the northeast and southeast.

Nigeria

Continuing its reputation as a politically hobbled producing superstar, this sixth-largest exporter of oil was embarrassed in June with a gasoline shortage.

With repairs for its four refineries held up due to ministerial gridlock, scarce diesel grounded busses in Lagos and other cities, alarming business leaders already concerned about Nigeria's battered economy.

Meanwhile, formerly flared natural gas is now being exported from Chevron's Escravos LNG project, with dry gas also being delivered to the Nigerian Gas Co. for industry use.

Tunisia

Eurogas, with a syndicate of American and Canadian independents, will drill two wildcats, one in the Dahar Uplift south of the Atlas Mountain front and the other in the Bazma prospect.

EUROPE

Bulgaria

Ten onshore tracts await government blessings, with a tender call expected in early 1998.

Croatia

A tender call is expected for 15 blocks in the Pannonian Basin.

Separately, two blocks in the Dinarides Foreland area of the southern Adriatic are being promoted, with data available from five wells and 7,850 kilometers of vintage seismic.

Denmark

An "open door" policy for bids has been adopted to licensing in all areas of the country - except for the Danish continental shelf west of the Central Graben where bids can come for any of the blocks in those areas.

Meanwhile, a licensing round continues for offshore acreage in the Central Graben.

Ireland

The Rockall Trough Frontier Licensing round drew 17 bidders, with all 58 blocks receiving bids being awarded to 16 different companies.

Italy

Local subsidence was cited in the denial of Agip's proposed Alto Adriatico project in the northern Adriatic. It was a 15-field, one trillion cubic feet of gas development project linked to an existing treatment facility at Ravenna.

Latvia

The First Licensing Round, which will be chosen from 91 tracts with 6,800 square kilometers onshore and 21,400 square kilometers offshore in the Baltic Syncline, still awaits government approval. PGS Norway is technical advisor.

Norway

Companies joined the government in the confidence expressed in the Barents Sea license area with all seven awards offered being accepted, with Norwegian companies Saga and Statoil being named operators in the licensed areas.

Meanwhile, Statoil has been doing some wheeling and dealing, with Chevron taking an equity swap in the Draugen Field for some Chevron interest in the UK Alba Field; an equity swap with BP in the Draugen and other Norwegian areas for BP's stake in three UK fields; and other deals with Total, Elf and Norsk Hydro.

Petroconsultants said the total resources involved in the agreements was 340 million barrels of oil and 1.3 trillion cubic feet of gas.

Poland

Two tracts totaling 259 square kilometers west of Krakow in the Upper Silesian Basin will be explored by Texaco to help evaluate the commercial potential of tapping coalbed methane.

Romania

With seven of 15 blocks receiving First Licensing Round bids, a second round is being prepared that will include unallocated first round areas as well and new areas.

Switzerland

The SEAG consortium, which includes Exxon and Shell, is looking to Anschutz Corp. to spark an exploration campaign in this country that has had one gas discovery in its history.

That well was plugged in 1994 after producing 2.6 bcf over 10 years.

SEAG holds acreage in the eastern Molasse Basin and is seeking

rights in the area west toward Lake Geneva.

United Kingdom

Elements of the Eastern Trough Area Project, the first major integrated North Sea development, are coming together on schedule and under budget. The project will provide the plumbing to produce from seven fields. Three of the four fields are operated by Shell. Three platforms from two locations are being installed during the summer weather window, with production due in late 1998.

Marathon's tight-holed exploration well in the East Shetland platform reported 33 meters of oil pay in Tertiary sands.

Opening of unlicensed acreage to application is part of the revised British Energy Ministry plan, which will soon set a timetable for future offshore rounds to be held on an annual basis for the foreseeable future.

Alwyn North Field reserves in the East Shetland Basin have been boosted by operator Total to one billion barrels of oil equivalent from the original 200 million BOE and 953 mmcf, due to recent successes.

A looming Eighth Onshore Licensing Round is expected to draw significant interest in coalbed methane opportunities, according to Petroconsultants.

LATIN AMERICA

Argentina

A "hurry up" bid deadline on relinquished blocks available for relicensing is drawing groans from exploration companies.

The original Sept. 30 deadline was moved to July 31 due to civil unrest in the areas involved in the revision.

Bolivia

New, attractive regulations, pri-

vatization of the state-run YPFB oil company and a green light for the Bolivia-to-Brazil gas pipeline is Bolivia's move to try for the producing big time.

Authorities want to quadruple its 30,000-barrel-a-day production early in the 21st century.

The bid deadline is Sept. 12 for 611,000 square kilometers of unlicensed, prospective acreage. Beginning in 1998 there will be two annual acreage nominations, followed by a competitive tender offer.

Brazil

Petrobras says 68 companies have submitted 991 proposals for 138 upstream projects being opened to outside participation. Also, 57 exploration projects are being considered in the country's 29 major sedimentary basins, of which only eight are under production or development. Petrobras also said 138 development projects are being considered.

Meanwhile, top officials of Petrobras and PDVSA, the Venezuelan oil company, continue discussions on shared exploration and production projects.

The two oil giants also continued talks on increasing imports of oil and oil products from Venezuela, making it Brazil's second-largest supplier at 130,000 barrels a day, topped only by Argentina at 142,000 and ahead of Saudi Arabia's 123,000 barrels a day.

Colombia

A story on Colombian activity will appear in the September EXPLORER.

Mexico

See report on page 12.

Peru

It's start-all-over on bids on two offshore blocks offered in a mini-tender. Perupetro will re-tender after lobbying for better royalty rate offers.

Meanwhile, a mini-tender is open for the 9,951-square-kilometer Ucayali Basin Block 38, about 110 kilometers northwest of the Camisea gas field complex.

Trinidad & Tobago

Companies await details on an imminent joint venture bid round covering eight onshore blocks on Trinidad.

Venezuela

See report on page 4.

CIS Former Soviet Union Caspian Sea Area

See report on page 8.

Georgia

Arco is looking to acquire up to 90 percent interest in a 8,500-square-kilometer tract in the Black Sea from JKC Corp., of the United Kingdom.

Western Siberia

The region will offer 27 blocks - with 13 open only to Russian operators.

Australia

There sure are a lot of people who are glad the long-standing Timor Gap fuss was solved in the early 1990s. To wit: BHP's Hingkip 1 wildcat has reportedly encountered an 85-meter gross gas column with higher liquids content than the nearby Bayu-Undan field complex. The well is about six kilometers north of the Undan discovery and about 10 kilometers northwest of the appraisal.

A two-phase offering is set, with 27 blocks offshore three states due bids in November, with a sec-

ond phase offering 19 blocks off Western Australia due bids in March.

ASIA

Cambodia

A 20,000-kilometer onshore airborne survey by Japan National Oil Corp. was under way in preparation for the country's Fifth Licensing Round.

Recent bloodshed and anarchy, however, will no doubt spike the plans for the near future.

China

Opportunities continue to open in this sleeping giant.

□ Newly formed China National Star Petroleum is reportedly reviewing acreage onshore in northern Tarim, northern Ordos, southern Songliao and Sichuan basins, as well as in the South China Sea for blocks offerings.

□ An international competitive tender in September will select a joint partner/group for development of an oil field in the Bohai Gulf, 25 kilometers from Jingtang port. The field reserves are estimated at 850 million barrels of oil.

□ Also in the Bohai Bay, Noble Affiliate's Energy Development Corp. was awarded exploration and development rights for 475 square kilometers in shallow waters adjacent to the giant Shengli oil field.

The block is west of another block acquired by Noble earlier this year.

□ Chevron is shooting seismic on its two blocks in Bohai Bay in the Shengli Field area as well.

The area covers 5,250 square kilometers. Petronas Carigali is a 40 percent partner.

□ Onshore, Chevron will explore deeper zones in the Shengli Field as well, with a 1,800-square-kilometer tract award.

Shengli is China's second-largest oil field, with production at 650,000 barrels a day.

□ State company China National Petroleum Corp. confirmed that an inventory is under way to put together an offering for later this year, probably to include exploration of marginal areas near existing fields.

□ The recent completion of a 301-mile pipeline through the Tarim and Turpan-Hami oil fields in Xinjiang Province is hoped to spur development in the remote northwest. Cost was estimated at \$265 million (U.S.).

India

The government is sprucing up its investment deals to attract explorationists. The deals now include fixed onshore royalties of 12.5 percent, offshore at 10 percent, a tax holiday for seven years of production in the northeast region and the 30 percent state participation has been eliminated.

Indonesia

An appraisal well by Santa Fe Energy tested almost 3,000 barrels of oil and 1.8 million cubic feet of gas a day 1.4 kilometers from the onshore South Sumatra discovery.

Chevron sold its wholly owned subsidiary, Sumatra Gulf Oil, to Premier Oil. In its sale, Chevron is divesting its two-thirds interest in the Natuna Sea Block "A."

Chevron, through Caltex and Amoseas Indonesia, has remaining interests in nine other contract areas in the country.

Amoseas, a business unit jointly held by Chevron and Texaco, tested a geothermal well near Garut, West Java. The single discovery will generate enough steam to power a third of the total requirement of the 700-megawatt power plant currently under construc-

tion at Darajat.

Caltex also is shooting 3-D seismic on a 9,821-square-kilometer tract offshore North Sumatra. Water depths in the area north of Caltex's Nias offshore tract range from 10 to 650 meters.

Malaysia

Block PM-3 is a winner.

International Petroleum completed a second successful test on its wildcat offshore peninsular Malaysia about four kilometers west of the Bunga Raya Field. Not only is the wildcat a nice gas test, the company says it is the twelfth successful well on the block, giving the company a 100 percent success rate in Malaysia.

Partners include Petronas, Sands Petroleum and PetroVietnam.

Myanmar

Texaco's holdings are being looked at by Malaysia's Petronas, should Texaco choose to leave the country due to U.S. sanctions against the military-led government.

Papua New Guinea

The Moran project in the Papyuyan Fold Belt north of the Kutubu Field has encountered an 800-meter vertical oil column while drilling to a total depth of 4,176 meters. The Chevron well was spudded from a second cellar

on the Moran discovery location.

Blocks in the virtually virgin *(editor's note: Is this possible?)* North New Guinea Basin will be offered with frontier terms, if the political turmoil caused by the resignation of the prime minister calms sufficiently.

Philippines

The government is pushing forward with agreements involving Shell, Occidental and British Gas to purchase gas over 20-year periods to power new turbine power plants. It is hoped the agreements will diversify the country's fuel mix away from imported crude.

Also, the country continues to seek ways to spur exploration.

Thailand

Two discoveries by Thaipo, a subsidiary of Pogo Producing, in Block B8/32 10 miles apart offshore the Gulf of Thailand have prompted more exploration in a long, narrow graben system between two adjacent folds.

Partner Rutherford-Moran said there is an "extensive inventory of prospects."

Seven tracts totaling 71,506 square kilometers in the Andaman Sea are being reoffered by the Department of Mineral Resources.

Also, data are being gathered for an offering that Petroconsultants reports may include up to 100

blocks which may be offered under new and more attractive terms.

MIDDLE EAST

Iran

The five upstream oil and gas projects and six downstream ventures to foreign companies promoted at the Tehran Energy Conference in 1995 are still being negotiated directly, out-of-round.

The National Iranian Oil Co. says the government plans to offer Persian Gulf and Straits of Hormuz areas for international participation. No terms or timetable has been announced.

Syria

The 20-million-barrel Kisha Field in the Euphrates Graben in east central Syria has been brought onstream by a consortium whose partners include Tuyllow Oil, Clyde Petroleum, Petronas, Pict Petroleum and Seafeld Resources.

Qatar

The southern portion of the onshore Dukham Field yielded two new gas pools, testing a total of 67 mm cubic feet of gas a day and 2,000 barrels of condensate.

United Arab Emirates

Abu Dhabi National Oil Co. is moving ahead with a \$1 billion gas gathering and distribution

plan that will include a 185-kilometer subsea pipeline connecting the Khuff gas area to a new gas processing facility at Taweelah.

A Norwegian engineering company was awarded the front-end design contract. □