

E&P Daily

EXCLUSIVE NEWS SERVICE FOR THE GLOBAL OIL AND GAS INDUSTRY

Norway Kayak oil discovery

Statoil has made an oil discovery with the 7219/9-2 (Kayak) exploration well on the Johan Castberg licence offshore Norway.

Totalling between 25m and 50m boe of recoverable reserves and “the discovery may provide valuable additional volumes for the Johan Castberg development,” Statoil said.

“The discovery also opens other exploration opportunities in the same area. The Kayak well has for the first time proven resources in this type of play in the Barents Sea,” Statoil added.

“We are very pleased to have made a good discovery in our first completed well in the Barents Sea this year. We are particularly pleased to have proven resources in a type of play that has not been explored before. This opens interesting opportunities,” said Jez Averty, Statoil’s senior vice president for exploration Norway and the UK.

“Efforts will be made to find a commercial solution for the Kayak discovery towards the Johan Castberg licence, and to bring out other similar prospects in the Barents Sea,” Averty noted.

The Kayak discovery holds between 25m and 50m boe of recoverable reserves, meaning “the development of the discovery towards the Johan Castberg field will be considered.” Statoil added.

(for full story see Hot News at www.ogilviepub.com).

Statoil gears up for UK wells

Statoil is preparing to kick off a three-well exploration drilling campaign on the UK Continental Shelf (UKCS) – with the *Transocean Spitsbergen* semi-submersible rig set to spud the first well in “early July”.

“This is an exciting campaign testing three very different opportunities on the UKCS. We hope to make discoveries that can add value to existing projects and also provide the resources necessary for new developments on the UKCS,” said Jenny Morris, VP Exploration UK at Statoil.

The wells will be drilled in a continuous campaign that is expected to last for two to three months. The first well, Mariner Segment 9, could prove additional resources and increase the extent of the Mariner heavy oil field.

After completing the well, which is expected to take between 15 and 25 days, the rig will move to drill the Jock Scott prospect on the underexplored margins of the Viking Graben. The well is expected to be completed in 20-40 days (for full story see Hot News at www.ogilviepub.com).

\$700m for Nigerian project

State-owned Nigerian National Petroleum Corp (NNPC), First Exploration & Production and Schlumberger have signed a tripartite agreement for the development of the Anyala and Madu fields in the OML 83 and OML 85 blocks off Nigeria.

“Under the deal, Schlumberger will contribute the required services in kind and capital for the project development until first oil. The joint project team will leverage the technical expertise of Schlumberger and the extensive local knowledge of the partners,” Schlumberger said.

“The investment in the project, phased over several years, is estimated at US \$700m. The agreement is based on a guaranteed project return and includes a payment assurance bank facility.”

OML 83 and OML 85 are in shallow waters 40km offshore Nigeria in the Niger Delta. The Anyala and Madu fields are discoveries with a combined STOIP of more than 450m bbl and GIIP of more than 22.66 Bcm (800 Bcf).

First E&P holds a 40% operating stake in the licences and NNPC holds the remaining 60%.

The project will be developed with an existing FPSO and first oil is set for 2019.

Faroe gets Norway permit

The Norwegian Petroleum Directorate (NPD) has granted Faroe Petroleum Norge a drilling permit for appraisal well 31/7-2 A in Production Licence 740 (PL 740) offshore Norway.

Well 31/7-2 A will be drilled by the *Deepsea Bergen* rig. The area in PL 740 constitutes a part of Blocks 31/7 and 30/9. PL 740 was awarded in APA 2013 in February 2014. This is the fourth well to be drilled within the licence.

Faroe operates PL 740 with a 50% stake, while Point Resources holds the other 50%.

BRENT/WTI LATEST PRICE

Prices rise on US output data

Oil futures rose after data pointed to moderating US output but analysts said news of rising OPEC production could temper gains. The prices at 10.30 GMT, compared to the previous London close, were as follows:

WTI Aug \$46.25 a bbl +22c



Brent Sep \$48.97 a bbl +20c



ADES bags Egypt drilling job

ADES International has won a contract from Italy's Eni for a new drilling campaign offshore Egypt.

The contract was awarded by Belayim Petroleum Co (Petrobel), a joint venture between Eni and state-owned Egyptian General Petroleum Corp (EGPC), for a three-month drilling campaign to be led by ADES' jack-up rig *ADMARINE 88*.

The contract has the scope to be extended on a well-by-well basis thereafter. ADES said.

Petrobel has also renewed an existing contract for ADES' *ADMARINE V* jack-up rig for a six-month period on a call out basis, following its recent expiry, with an option to extend the contract for a further six months.

Both contracts were chartered for work on Petrobel-Eni concessions in Egypt's Gulf of Suez.

ADES has also entered a farm-in agreement for its *ADMARINE VIII* jack-up rig with Fanar Petroleum Co, under the umbrella of its existing contract with the South Abu Zenima Petroleum Co (Petrozenima).

The farm-in agreement's planned work scope will see the rig perform a FRAC job on the concession's North July well to improve its productivity. Work is due to start before the end of July.

EMGS' Barents Sea work

Electromagnetic Geoservices (EMGS) has entered into a prefunding and late sales agreement related to 3D CSEM data surveys in the Barents Sea offshore Norway.

"The agreement represents revenues of approximately US \$2.5m. The data will be acquired during second half of 2017," EMGS said.

China pipeline blast

At least eight people have lost their lives following an explosion at natural gas pipeline in Guizhou province, southwest China, according to reports.

The explosion happened in Shazi yesterday after a pipeline operated by state-owned China National Petroleum Corp (CNPC) was damaged by a landslide caused by heavy rains, said local reports.

As well as eight people being killed, at least 35 people were injured and taken to hospital, including four in a serious condition, reports added.

Premier boost Wytch Farm stake

Premier Oil has sealed a deal to acquire an extra 3.75% stake in Licences PL089 and P534, which contain the UK Wytch Farm field, from Maersk Oil North Sea UK.

Premier is paying US \$15.2m (£11.7m) in cash for the equity, less final completion adjustments which will reduce the overall consideration paid. The acquisition will be financed from existing cash resources with a rapid payback estimated at two years, the company said.

As a result, Premier's interest in the Wytch Farm field will increase by 3.71% to 33.8%, adding around 2.7m boe of 2P and 2C reserves and resources as at 1 January 2017. The field is producing around 15,000 boe/d so far this year.

"The acquisition is value accretive and allows Premier to accelerate the use of its existing pool of tax losses," Premier said.

"This acquisition follows the service of a notice of intention to sell by Maersk and the subsequent exercise by Premier and Perenco of their rights of pre-emption," Premier added.

The acquisition is conditional upon governmental and third party approvals and is expected to be completed by the end of August.

Statoil to study CCS

Gassnova has taken on Statoil to evaluate the development of carbon storage on the Norwegian Continental Shelf (NCS) – a project that "will be the first storage site in the world receiving CO₂ from several industrial sources", said Statoil.

The storage project is part of Norwegian authorities' efforts to develop full-scale carbon capture and storage (CCS) in Norway. It will capture CO₂ from three onshore industrial facilities in Eastern Norway and transport CO₂ by ship from the capture area to a receiving plant onshore located on the west coast of Norway.

At the receiving plant, CO₂ will be pumped over from the ship to tanks onshore, prior to being transported through pipelines on the seabed to several injection wells east of the Troll field on the NCS.

There are several possible locations for the receiving plant, and the final choice will be based on criteria such as safety, costs and expansion flexibility (*for full story see Hot News at www.ogilviepub.com*).

END TODAY'S E&P DAILY 03.07.17

Newsdesk: London, UK: 44 (0)191 567 8497

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