

E&P Daily

EXCLUSIVE NEWS SERVICE FOR THE GLOBAL OIL AND GAS INDUSTRY

Gamma joy for StatoilHydro

StatoilHydro has hit a 71-106 Bcf (2-3 Bcm) gas pocket with its Gamma well near the Mikkel field in the Norwegian Sea.

The find will likely be developed as a tieback to the Åsgard field, the Norwegian Petroleum Directorate (NPD) said.

The purpose of well 6407/6-6 was to investigate the potential for gas in sandstone of the Middle Jurassic age in Gamma, which is located about 8km southeast of the Mikkel field.

The NPD said: "The well proved wet gas and although it has not been tested, comprehensive data collection and sampling has been carried out. Plans are being made to connect the gas discovery to the infrastructure in the area (Åsgard)."

Production Licence 312 was awarded in the APA (Awards in Predefined Areas) in 2003.

The well was drilled to a total depth of 8,229ft (2,508m) under the surface of the sea and terminated in rock of the Early Jurassic. The well was drilled in a water depth of 742ft (226m).

The well will now be plugged before the *Ocean Vanguard* rig moves to drill a development well on the Alve field in the Norwegian Sea. The partners in PL 312 are StatoilHydro (59%), ExxonMobil (24%) and Eni (17%).

Fox takes tilt at UK Bourbon

Fox Petroleum will develop the Bourbon field in the UK North Sea as a tieback to the Eider or Magnus platforms if an exploration well due to be drilled on the prospect hits pay.

Fox said it would be working with its joint venture partners Valiant Petroleum and Petrofac Energy to develop the project during this year. Fox has agreed to buy a 46% stake in the project in return for paying 89% of the cost of an exploration well to be drilled this year.

Fox said evaluation results for the prospect in the Central North Sea have revealed that its 46% stake could amount to a high estimate of almost 54m stock tank oil initially in place (STOIIIP).

Oil services company RPS Energy has risked the Bourbon prospect at 28.1%, based on both the likely reservoir presence and quality, together with its proximity to the Eider field.

Fox said in a statement: "The principal risk on the Bourbon prospect is structural in terms of whether the horst feature currently interpreted really exists or whether the faults can seal against the general up-to-the-west regional dip that culminates at Eider.

Roc steady in Cabinda

Roc Oil now expects to complete its latest well onshore the Angolan enclave of Cabinda by the end of February, with three more wells to follow.

The firm is drilling the Milho-1 well with the *Simmons 80* rig in this exploration programme which is the first onshore Cabinda for decades.

The previous three wells in its Cabinda South block have had mixed results. The first resulted in a heavy oil discovery with the Massambala-1 well, while the second and third exploration wells in the block, Cevada-1 and Soja-1 were drilled. Although both wells had good hydrocarbon shows neither was judged to be commercial.

New record for Shell

Royal Dutch Shell said today that fourth quarter 2007 earnings, on a current cost of supplies (CCS) basis, were US \$6.7 Bn compared to \$6 Bn a year ago.

Full year 2007 CCS earnings were a record for a UK company, coming in at \$27.6 Bn, compared to \$25.4 Bn for the full year 2006.

Shell's boss Jeroen van der Veer said: "We made good progress in 2007, launched new projects upstream and downstream, and achieved exploration successes." Much of the rise in profits has been attributed to rising oil prices.

BW scales Brazil turret

BW Offshore has been awarded a contract for the turret and mooring system for the FPSO for StatoilHydro's Peregrino oil field off Brazil.

BW Offshore technology division APL has been awarded the contract by Maersk, which won the FPSO deal. The contract is for the large STP 5000 turret, including swivel stack and mooring lines. BW Offshore will be responsible for the engineering, procurement and construction of the system, scheduled for delivery in mid 2009.

BRENT/WTI LATEST PRICE

Oil drops on US demand dip

Crude fell after a US government report showed that gasoline demand dropped to the lowest level in two years. The prices at 10.30 GMT, compared to the previous London close, were as follows:

WTI Mar \$91.18 a bbl -111c



Brent Mar \$91.56 a bbl -96c



MORE FOLLOWS...

StatoilHydro puts GE in frame

StatoilHydro has awarded GE Oil & Gas two frame agreements worth more than US \$300m to supply compression equipment and services for its operations.

The deals cover the delivery of complete gas turbine and electric motor driven compressor sets, compressor revamp bundles, commissioning, capital and operational spares for high-pressure, gas re-injection applications, and services and maintenance activities of new and existing machines. Shipments are expected to begin in early 2009, while the first start-ups are anticipated between 2010 and 2011.

Vroon adds to fleet

Vroon Offshore Services (VOS) has added a new vessel to its North Sea field support and emergency response fleet with the acquisition of the *Caledonia Master*.

The multi-function offshore support ship is presently in the first year of a 10-year contract with Chevron Upstream Europe, where it is carrying out emergency response and field support duties on the Captain field.

VOS now operates a total of 59 vessels from bases in Aberdeen (Scotland), Den Helder (the Netherlands) and Genoa (Italy), and has a total of 23 new build vessels on order.

Green light on Norway Stetind

StatoilHydro has been given the green light by the Petroleum Safety Authority Norway to drill exploration well 6605/8-2 with the *Transocean Leader*.

The Stetind prospect is in Production Licence 283 and is located in the Voring Basin around 125km northwest of Norne. Drilling is due to start in February and expected to take around 98 days.

Tullow leaves Congo beat

Tullow Oil has sold its stake in the M'Boundi field in Congo Brazzaville to Korea National Oil Company (KNOC) for US \$435m in cash.

The M'Boundi field was discovered in May 2001 by Maurel and Prom and is one of the largest oil fields to be found onshore Africa in recent years.

"This transaction provides Tullow with the financial flexibility to advance its appraisal and development programmes in Ghana and Uganda and to continue the development of its business," Tullow said.

TS Marine receives \$105m boost

Aberdeen-based subsea player TS Marine Contracting has been given a US \$105m boost by investors 3i and ABN Amro to help tackle its growth plans.

TS Marine operates in niche subsea markets including well intervention, decommissioning, plus construction support, and which has bases worldwide plus offices in Bergen and Perth and Lagos. The company has predicted 2007 turnover at \$109m, with 50% derived from foreign business.

Chief executive Alasdair Cowie said the \$105m from 3i and ABN Amro will allow fast-tracking of growth plans. The company believes the global subsea sector could grow from \$33 Bn in 2007 to \$41 Bn by 2011.

"Global expenditure in subsea decommissioning and rigless intervention is forecast to rise by 170% over the next eight years," Cowie said.

"Key to our ability to tackle the expansion in this market is access to high specification assets that meet current and future industry demands," he added.

Pearl's plan for Kalimantan

Pearl Energy has submitted a plan of development to the Indonesian government for the Ruby gas field in the Sebuku production sharing contract offshore East Kalimantan.

The plan of development followed a successful appraisal drilling programme in early 2007 and forecasts a plateau production rate of 100 MMcf/d (2.8 MMcm/d) for four years followed by a five-year tail-off period with total production volume over the nine years of 240 Bcf (6.8 Bcm) of gas.

Murphy's Sabah success

Murphy Oil has made a deepwater gas discovery called Biris in Block H off Sabah, East Malaysia.

Claiborne Deming, president and CEO, said: "This discovery adds to the resource base in that area and moves us closer to a critical commercial development".

Block H also holds the Rotan-1 discovery, which was drilled in water depths of 3,773ft (1,150m) and hit a 279ft (85m) gas column in early 2007.

Murphy previously said that the Rotan find could be delivering gas to Petronas' LNG complex in Malaysia by 2012.

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