

DATELINE

Angola • Sonangol, the Angolan national oil company, and Esso E&P Ltd., an Exxon Corp. affiliate, signed a production-sharing agreement (PSA) for Angola Deepwater Block 25. The block covers approximately 1.2 million acres in water depths ranging from 2,300 to 7,200 ft. Exxon affiliates now have PSAs in seven high-potential deepwater blocks offshore Angola. Discoveries in two of these blocks represent recoverable-reserves potential of more than 4 billion bbl of oil equivalent.

Argentina • Petrólera Argentina San Jorge S.A. recently discovered a new field in its Rio Negro Norte block in Neuquén basin. The Anticlinal de Mariá well, located in the northwest of Rio Negro province, tested at a combined flow rate of 3,050 BOPD. The new well is located within 2 miles of the Loma Negra field, discovered in 1997 and currently being developed.

Brazil • PennzEnergy Co. and Petróleo Brasileiro S.A. (Petrobrás) will jointly explore Block BSeal4 in the Sergipe-Alagoas basin offshore Brazil. Through a recent agreement between the two companies, PennzEnergy gained a 30% working interest in the block and will serve as operator. Petrobrás holds 70% interest. In the next 2 years, the companies plan to acquire 250 to 350 km² of 3D-Seismic data and drill one exploratory well.

Côte d'Ivoire • Ocean Energy Inc. will soon begin drilling on its East Grand Lahou prospect on deepwater Block CI-105, located offshore Côte d'Ivoire. The U.S. \$30 million wildcat well, the first deepwater well in the Côte d'Ivoire, will be drilled in 3,000-ft-deep water in the concession held by Ocean Energy, Shell Côte d'Ivoire. E&P B.V., and the country's Petroci State Oil Co. (Reuters)

Egypt • A new concession agreement between BP-Amoco and the Egyptian government will help maintain the country's Gulf of Suez fields despite current low prices. Over the next 6 years, BP-Amoco will invest U.S. \$450 million to maintain production and prolong the life of the fields. In a joint venture with Egyptian General

Petroleum Co., BP-Amoco currently produces 300,000 gross BOPD from the fields.

Malaysia • Esso Production Malaysia Inc., an Exxon Corp. affiliate, recently began production from the Tapis E oil platform, located 120 miles off the coast of Terengganu, peninsular Malaysia. Production is expected to reach a peak average rate of 25,000 BOPD. Discovered in 1969, the Tapis oil field is home to five platforms, including Tapis E, located in 200 ft of water. Drilling on the 19 development wells off Tapis E began late last year, and the first well was completed successfully in January.

Nigeria • Texaco and Statoil recently announced a discovery in a wildcat well on Offshore Prospecting Lease (OPL) Block 218, located in deep water approximately 70 miles offshore Nigeria in the central Niger delta. Preliminary data indicate the reservoirs could contain up to several hundred million bbl of recoverable oil. Texaco holds 46.15% interest in Block 218, with Statoil holding the balance and operatorship.

North Sea • Reaching its full design capacity, the Britannia field in the North Sea has become Saga Petroleum's second largest gas producer, next to Troll field offshore Norway. Britannia will account for approximately 35% of the company's gas sales this year. The field produces approximately 740 MMcf/D of gas and 50,000 B/D of condensate.

Russia • U.S. and Russian oil officials praised a new PSA law that eases foreign investment in energy exploration in Russia. The law establishes a special tax regime for producing companies and defines how the value of raw materials is divided between producers and local authorities. At a recent meeting in Washington, DC, U.S. Energy Secretary Bill Richardson and Russian Fuel and Energy Minister Sergei Generalov highlighted the benefits of the PSA law. Two separate deals between Russian oil giant Lukoil and two foreign oil companies, Houston-based Conoco Inc. and Timan Pechora Co., were announced. The Conoco-Lukoil deal furthers the former's exploration venture in Russia's north territories and could be worth

more than U.S. \$200 billion over a 30- to 40-year development period. Lukoil's deal with Timan Pechora Co. involves exploration of the Arctic Timan Pechora basin. Timan Pechora Co. is owned by a consortium that includes U.S. oil giants Exxon and Texaco. (Reuters)

Syria • Syrian Petroleum Co. completed a second well in the northeastern Abu Rabah gas field, increasing the field's production capacity to 2×10⁶ m³/d of gas and 200 m³/d of condensate. The new well will be connected to the country's gas network and supply electricity generators and other industrial projects in Syria. Each of the wells has a production capacity of 1×10⁶ m³/d of gas and 100 m³/d of condensate. (Reuters)

Thailand • Santa Fe Energy Resources Inc. recently signed a petroleum concession agreement with Thailand's Ministry of Industry for Block B7/38. The block, located approximately 200 miles south-southwest of Bangkok, contains approximately 2.3 million acres. Several oil leads were identified on initial evaluation of the block. Santa Fe Energy Resources (Thailand) will operate the block and hold a 100% working interest. The company plans a 3-year work program totaling U.S. \$9 million.

U.S. • The U.S. Senate approved a plan to establish a U.S. \$500 million loan program to help ailing oil and gas companies suffering from low world oil prices. The proposal would create an Emergency Oil and Gas Guaranteed Loan Program to ensure that independent, U.S.-based oil and gas firms get low-interest loans to recover from low oil prices. The U.S. Senate also approved a provision to increase marginal well production by reducing federal oil royalty payments. U.S.-based independent oil and gas companies and other small oil firms are eligible for help under the program. The program, which will provide no more than U.S. \$500 million in total loan guarantees, allows companies to borrow from as little as U.S. \$250,000 to no more than U.S. \$10 million. The loan authority expires 31 December 2001; loans need to be repaid by 31 December 2010. **JPT**