

Colombia's Ecopetrol Joins US's Anadarko to Explore Oil Off Brazil Coast

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Ecopetrol S.A., the Colombian state-owned oil company said Tuesday, April 14, that it signed an agreement with US-based Anadarko Petroleum Corporation to explore for crude oil off the coast of Brazil. Ecopetrol's subsidiary in Brazil will hold a 50% stake in block BMC-29, the company said in a statement.

"The BMC-29 Concession is an offshore concession located in the Campos Basin of Brazil that has a water depth between 30 and 100 meters and an area of 179 km³. The Concession was awarded to Anadarko during the sixth round of auctions in Brazil and it is currently in the exploratory phase," Ecopetrol said.

The agreement signed with the US oil company is part of Ecopetrol's strategy of expanding internationally, especially in Brazil. The Colombian oil company is involved in other exploration and production projects in Brazil via joint ventures with Petrobras, Vale and Petrogal in the Campos, Santos and Pará and Maranhão basins.

Ecopetrol, Colombia's largest company, accounts for more than 60% of domestic petroleum production in the country, pumping an average of 447,000 barrels per day of crude. The Colombian oil company has exploration and production operations in Brazil, Gulf of Mexico and Peru.

On Monday Colombian Mines and Energy minister Hernan Martinez said oil had been discovered in a field operated by Hocol, subsidiary of France's Maurel&Prom. The area is where most of Colombian oil is currently extracted.

"We don't know the potential yet but the Huron well has a significant formation," said Mr. Martinez.

The Niscota block where the well is was awarded to Ecopetrol together with Hocol, Talisman and Total following BP desistance.

Ecopetrol also confirmed an oil discovery at the Quriyana-1 well, located in the municipality of Orito in the province of Putumayo, Colombia. The company said it began drilling into the Quriyana-1 exploratory well on November 5, 2008 and reached a total depth of 2.800 meters in the first week of February 2009.

On reaching target depth, the company carried out the tests known as DST (drill stem test) in the sandstones of the Caballos formation, both in the lower and the upper section. The identified reservoirs were tested through perforations into five zones within the formation, located at depths between 2.300 and 2.800 meters.

According to the company, the lower Caballos formation contributed an average stable flow of 96 oil barrels per day (bpd) and the upper sandstones produced an average stable flow of 195 bpd.

In a related announcement Ecopetrol through its affiliate, Ecopetrol America, said it had submitted competitive bids for 26 blocks in the central part of the US Gulf of Mexico. The company has said that in 15 of the bids, Ecopetrol was the sole participant. In the remaining 11 bids, Ecopetrol participated jointly with Repsol E&P USA, with Ecopetrol's participation ranging from 40% to 60%.

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