

Kosmos extends Teak field with appraisal well

Kosmos Energy has confirmed a northern extension to the Teak discovery, offshore Ghana in the West Cape Three Points block. The company said the result provided great encouragement for further development in an area close to the Jubilee field, West Africa's largest offshore discovery in the last decade.

Teak-3A was drilled to test the potential structural and stratigraphic extension of the reservoirs at Teak-1, the original discovery well, which is approximately 4 km south.

Results analysis of wireline logs, reservoir pressures and fluid samples from the Teak-3A appraisal well suggest its hydrocarbon-bearing reservoirs are similar to those already encountered.

Kosmos reported a find of approximately 35 metres of hydrocarbons "in multiple good-quality" Campanian and Turonian reservoirs in a press release dated November 17, identifying 13 metres of 36-39 degree API gravity and 22 metres of gas-condensate pay.

Tudor Pickering Holt described the appraisal as "good news, but not great." The US analysts noted the result indicated the field was larger than previously thought, estimating a resource of 400 million barrels of oil equivalent. However, TPH said, the well suggests the field is around 40% gas and 60% liquids, while Jubilee is 85% oil.

The Teak complex is also more complicated, with more reservoirs than Jubilee, and will require more appraisal and a longer development lead time, TPH said.

Calling Teak's extension "a significant milestone," Kosmos' president and CEO, Brian Maxted, said it had "significantly extended the productive area of the discovery."

Although further operational work and technical studies would be needed to assess the full extent of the field, he said the results were very encouraging, providing "further momentum for additional development" of the block's resources. "We look forward to a number of additional near-term appraisal and exploration well results," he said.

Teak-3A was drilled to a total depth of 3,222 metres in 444 metres of water by the Transocean Marianas semi-submersible, which will be released upon completion of work at the well.

Kosmos expects to drill a further appraisal well, Teak-4A, during the second quarter of 2012, with additional appraisal work planned for the field in the second half of next year.

Kosmos has a 30.875% interest in the West Cape Three Points block, where it is operator. Anadarko Petroleum also holds a share of 30.875%. Tullow Oil has a stake of 26.396% and Sabre Oil & Gas Holdings 1.854%. The remaining 10% is a carried interest held by the Ghana National Petroleum Corporation.