

Tullow extends TEN finds offshore Ghana

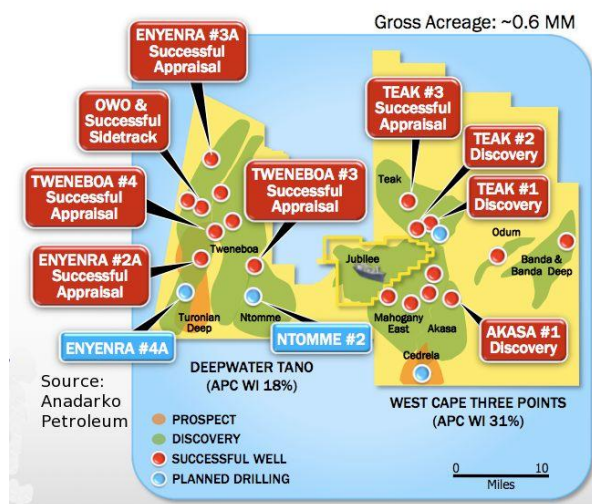
Exploration offshore Ghana continues to impress, but the Jubilee field has not quite lived up to expectations. Tullow Oil announced an operational update on January 18, noting a successful appraisal well, Ntomme-2A, on the Deepwater Tano block.

The well was drilled 4 km from the Tweneboa-3 sidetrack, which discovered the Ntomme field. The Ntomme-2A appears to have discovered 39 metres of 35 degree API gravity oil pay. Earlier results from the field had suggested it was a gas condensate discovery.

The appraisal well was drilled in water of 1,730 metres and reached a depth of 3,905 metres, it is being deepened to a planned total depth of 4,010 metres. Once drilling is complete, a drill-stem test will be carried out.

Also participating in Deepwater Tano are Kosmos Energy, Anadarko Petroleum, Sabre Oil and Gas and Ghana National Petroleum Corporation (GNPC).

Up to three exploration wells are planned for Deepwater Tano this year: Wawa-1, Turonian Deep-1 and Sapele-1.



New discoveries on the block – Tweneboa, Enyenra and Ntomme, collectively known as TEN – are likely to be developed through an integrated scheme, using a single production facility, Tullow said.

Front-end engineering and design (FEED) began on the TEN project in August 2011. Subsea infrastructure is being handled by IntecSea, while planning for the floating production, storage and offloading (FPSO) unit is being undertaken by three contractors in Singapore.

The development plan will be submitted to the Ghanaian government in the third quarter of this year, with first production then expected 30 months after approval.

Jubilee

First phase development on the Jubilee field was completed in October last year, with the last of 17 wells completed and brought on stream. Flaring has stopped and gas is being reinjected at a rate of 2.27 million cubic metres per day.

Production averaged 66,000 barrels per day in 2011, peaking at 88,000 bpd before falling back to 70,000 bpd at the end of the year. The decline, Tullow said, was not expected to have an impact on reserves but was rather a question of well completion.

The J-07 well was sidetracked using a new design – flow tested at 15,000 bpd – and began producing to the Jubilee’s FPSO in early January. Recompletion of wells under the first phase, tackling the under-performance, is expected to cost US\$400 million gross.

A note from Canaccord Genuity said production in 2012 from Jubilee was to average 70,000-90,000 bpd in 2012, down from its previous estimate of 110,000 bpd. The performance of J-07 and the new technique, Canaccord said, will “be a key catalyst.”

Accra approved the next phase of Jubilee’s development, Phase 1A, on January 9. This will consist of eight new wells, including five producers, and will be carried out over 18 months. The total cost will be US\$1.1 billion and work is to begin in February. ■