

Sakhalin-1 project offshore Russia reaches targeted peak production rate

EXXON MOBIL ANNOUNCED that phase one of the Sakhalin-1 project offshore Eastern Russia, led by its subsidiary **Exxon Neftegaz**, has reached its targeted peak production rate of 250,000 bbl/day. Phase one of the project consists of the Chayvo field onshore processing

facility and a 140-mile pipeline to transport crude west across Sakhalin Island and the Tatar Strait to the DeKastri terminal in the Russian Far East, where it is exported to international buyers. Natural gas production for the peak winter season in 2007 has been 140 mil-

lion cu ft/day and is being marketed to domestic customers in the Khabarovsk Krai. The Sakhalin-1 project includes 3 offshore fields: Chayvo, Odoptu and Arkutun Dagi. It is one of the largest single foreign direct investments in Russia. ♠



The Doyon 14 rig drills a gas hydrate research well on Alaska's North Slope in February as part of a joint project of BP Exploration Alaska and the US Department of Energy.

BP Exploration Alaska successfully drills gas hydrate research well on North Slope

BP EXPLORATION ALASKA successfully drilled a research well on the North Slope in partnership with the US Department of Energy and the US Geological Survey to collect samples and gather knowledge about gas hydrates.

The stratigraphic test well enabled BP and the DOE to gather core, log, reservoir performance and fluid data from an ice pad location at Milne Point. The drilling began 3 February. Field teams began pulling hydrate core samples on 10 February. Extensive well logging and wireline formation testing was completed between 14-18 February.

"With this project, we have significantly increased our understanding of gas hydrate-bearing formations on the

Alaska North Slope," said **Scott Digert**, BP resource manager and the project's technical adviser.

The test well is part of the partnership between BP and the DOE, which began in 2002. The DOE funded the estimated \$4.6 million cost of drilling the Milne test well. BP contributed seismic data, staffing and program oversight.

Drilling crews collected about 430 ft of core samples. The cylindrical core segments were initially analyzed on site due to the time- and temperature-dependent data requirements. They will be shipped to Anchorage, then distributed to gas hydrate researchers. Subsequent data collection and analysis will continue for several months. ♠

MMS releases findings in GOM ocean currents study

THE US MINERALS Management Service has released findings from a year-long study of strong ocean currents in the northern Gulf of Mexico.

From March 2003 through April 2004, oceanographers investigated an area off the Mississippi Delta, where these deepwater current energies are known to concentrate. In this area, high-velocity currents develop in waves lasting for different periods of time. Currents that developed in waves that peaked every 10 days are reflected back into the deepwater Gulf rather than moving west along the coast as would typically be expected. However, there are less powerful currents that develop in waves peaking every 20-30 days. Initial findings indicate that these longer-period waves move westward.

According to Dr **Alexis Lugo-Fernandez**, an MMS physical oceanographer, "The study confirmed that there are two layers of currents. The top layer is more powerful, stronger. In motion near the bottom, however, are 'small' eddies some 50-70 km in size. We also confirmed that there is a high energy current in front of and over the Sigsbee Escarpment, a steep section of the continental slope offshore Louisiana and Texas. The escarpment blocks that high energy current from moving onto the Continental Slope."

The study, performed by **Science Applications International Corp.**, is available online at www.gomr.mms.gov. ♠

BG Group awarded 2 licenses in Norwegian APA 2006 licensing round

BG GROUP ANNOUNCED it has been awarded interests in 2 new licenses in the Norwegian APA 2006 licensing round. The awards cover one license in the Southern North Sea, which contains the Bream discovery, and one license in the North Tampen Area in the Northern North Sea. BG will be operator in the Southern North Sea license.

"In just over 3 years we have built up a significant portfolio of prospects in off-shore Norway. We now have interests in 23 licenses, 14 of which are BG-operated. Our commitment to the NCS (Norwegian Continental Shelf) is reflected in our intention to drill 5 exploration wells in 2007," said **Mark Carne**, BG Group executive vice president and managing

director Europe and Central Asia.

The Southern North Sea license carries a commitment for a well to be drilled within 2 years. The Northern North Sea license, with **Gaz de France** as operator, carries a commitment for seismic and a future drill-or-drop decision within 3 years. ♠



Transocean drilling operation achieves all environmental goals

Transocean's Jack Bates drilled 13 development wells immediately adjacent to the Ningaloo Reef in Australia. During all phases of the operation, the pristine, unique environment of the area were preserved — a priority when the project began in January 2005. In May 2006, when the team completed operations, all environmental goals were achieved. Below is a grey reef shark found in the Ningaloo Reef. ♠



ENSCO 100 secured for UKCS multi-well campaign

AGR GROUP, A Norway-based oil technology and services group, has contracted the jackup ENSCO 100 for a new multi-client, multi-well campaign in the UK sector of the North Sea. The one-year contract period, agreed with its UK-based **AGR Peak** operation, is due to commence in July 2007. There is an option for AGR Peak to extend this period for another year. AGR will provide full well project management, including rig and support services, for the operation. The value of the contract is in excess of \$85 million. ♠

Rig signed for Slater Dome project

NEW FRONTIER ENERGY announced an agreement securing a rig for the company's 2007 Slater Dome development program. The contract specifies that New Frontier Energy will drill a minimum of 5 wells and as many as 20, with the initial well expected to be spud in June. "We are pleased to have secured a drilling rig capable of supporting our 2007 development drilling program at the Slater Dome area," said **Paul G Laird**, president and CEO of New Frontier Energy. ♠

2 NDC rigs complete 11 years without LTI

TWO NATIONAL DRILLING Company land rigs operating in the United Arab Emirates have successfully completed 11 years of operations without a lost-time injury. Rig ND-17 completed this achievement in August 2006 and ND-01 in February 2007. During the period, each rig worked 4.8 million manhours and drilled one million ft from over 100 wells, including drilling and re-entry. ♠