

TULLOW Oil says it expects production at its Jubilee oil field to average between 70,000 and 90,000 barrels of oil equivalent per day (boepd) for 2012.

"Gross Jubilee production is currently over 70,000 boepd and following a number of remedial activities, it is expected to average 70,000 to 90,000 boepd in 2012," the company said in a trading statement and operational update.

It said Jubilee field production would ramp back up in 2012 towards the field plateau rate of 120,000 boepd as the Phase I remedial programme began to take effect from January 2012 and the new Phase 1A wells were brought on stream from the second quarter.

"The final outcome will be dependent on the well performance achieved, the downtime required to execute the recompletions and the scheduling of available rigs for other operations to ensure the group's exploration and appraisal commitments are also fulfilled," it said.

Gross production from the field reached 88,000 boepd during 2011 before declining to approximately 70,000 boepd at year-end, with an average production for the-year of 66,000 boepd.

"The cause of this decline in well productivity has been identified as a technical issue related to the design of the well completions and is not expected to have any impact on field reserves and resources. Remedial work aimed at recovering lost well productivity has commenced with the successful sidetracking of the J-07 production well utilising a new completion design," the statement said.

The well was flow tested to the rig at rates of up to 15,000 boepd and started production to the FPSO in early January. The production rate is being gradually increased to allow close monitoring of the performance of the new completion over the next two to three months.

It is expected that the redesigned completion will be utilized in the new Phase 1A wells and the

sidetrack of a further three existing Phase 1 wells in 2012. The cost of these Phase 1 recompletions, including J-07, will be approximately \$400 million gross.

The government of Ghana's approval for the next phase of development, Phase 1A, was received on January 9, 2012. This development will consist of eight new wells — five producers and three additional water injectors — and the expansion of the sub-sea network.

It will be conducted over an 18-month-period. The total cost of Phase 1A is expected to be approximately \$1.1 billion. The Phase 1A production wells are expected to commence drilling in February, 2012.

Source: Daily Graphic