

Well Slot – February 2011

Hannon Westwood's analysis of drilling on the UKCS in 2010 shows that 67 exploration and appraisal wells commenced during the year; 28 exploration spuds & 5 sidetracks and 20 appraisal spuds & 14 sidetracks. Compared with 2009 exploration starts are 27% higher with 6 more wells with appraisal starts nearly 18% higher with 3 more wells. These figures disguise a slight decrease of 6% in overall activity, accounting for 4 wells, when sidetracks are included. Appraisal sidetracks were considerably lower than in 2009 at 14 compared with 28, though exploration sidetracks were almost par at 5 vs. 6. Approaching half (45%) of activity occurred in the Central North Sea (30 wells), with 16 wells in the SNS, 13 in the NNS and four starts each West of Shetland and West of Britain (East Irish Sea Basin) areas.

Seven E&A wells, all utilising mobile units, are currently active in the UK sector, two up on the level reported this time last year. On development and production drilling, 14 wells are active utilising seven platform based rigs and seven mobile units.

In the Northern North Sea a single exploration well is active; Total's 3/15a-14 on the Oban Prospect, which spudded at the tail end of December with the Sedco 714 semi.

To the West of Shetland, Chevron's deepwater Lagavulin Prospect well, 217/15-1, spudded 4 October with drill ship Stena Carron, has now been active for 120 days and has had to sidetrack. Total has confirmed the Edradour prospect well, 206/4-2, to be a gas-condensate discovery. Drilled by the Sedco 714 semi, the well was suspended after an operation lasting 130 days. The rig is now in the NNS drilling the Oban well for Total.

In the Central North Sea four wells are ongoing. EnCore, with the Galaxy II jack-up, is drilling Catcher North appraisal well 28/9-3, the second of only two spuds to date in 2011. It follows success in the Eocene in Varadero exploration well 28/9-2. Maersk's Culzean HPHT appraisal sidetrack 22/25a-10Z continues with the Ensco 101 jack-up. Also continuing from 2010 are BG's Jackdaw appraisal 30/2a-8 with the Rowan Gorilla VI jack-up and Talisman's Josephine appraisal 30/13a-9 with the Ocean Princess semi. That well was temporarily suspended in September 2010 and re-entered in late November.

One well is active in the Southern North Sea where, on 3 January, RWE spudded 42/13a-6, the first UKCS well of 2011 and an appraisal of East Breagh ahead of field development. Centrica's Pegasus prospect well, 43/13b-6Z was abandoned in January after 34 days and the jack-up Noble Julie Robertson moved to Great Yarmouth for major refurbishment work expected to last a number of weeks.

Carry-overs from 2010 amount to five wells, the success rate for 2010, previously hovering at 40%, has already improved with a positive result from Varadero. The outcome of Centrica's Pegasus remains under wraps for the time being although 15 days at total depth should have been sufficient for testing.

It will be a few weeks yet before the full picture for 2010 is revealed but further positive outcomes are expected from ongoing wells. The number of new well spuds demonstrates the re-emergence of a positive attitude to exploration in 2010. The forecast well pool remains healthy and is only minimally diminished by a spate of acreage relinquishments (including Wherry in the gas basin). And with the oil price recently breaking the \$100 mark, the January blues might be behind us.