

## **E&A remains deflated, but some glimmers.**

Exploration and appraisal activity levels on the UKCS remain at nine mobile rigs with 4 semisubmersibles, 4 jackups and one drillship operating. So far this year the number of well starts is 27 of which 18 are well spuds and 9 are sidetracks. The level of exploration spuds (8) and appraisal spuds (10) remain broadly similar although just one exploration sidetrack is noted compared with 8 appraisal sidetracks.

20 production and development wells are active, over 50% utilising mobile drilling units, contributing to a year-to-date tally of 92 wells (52 wells spuds and 40 sidetracks), marginally up on the same point in 2010. About one third of the development/production spuds this year are new developments; the remainder generally considered infill wells and there are no signs that 2011 development drilling numbers won't outstrip 2010 at year end.

The West of Shetland area is currently the most active in the UK with four mobile units now operating. Hess's Cambo appraisal Well 204/10a-4 using the Chevron-contracted Stena Carron drillship, in 3,550ft of water, was abandoned on 22 August and a sidetrack, Well 204/10a-4Z, immediately initiated. Operations continue in the shallower waters (500ft) over the Clair Ridge with BP's southwest Clair Field appraisal Well 206/12a-3 and the semisubmersible Byford Dolphin, whilst 25 miles (40 kms) to the northeast and on trend, Faroe Petroleum is wrapping up operations on its first operated UKCS well with an (untested) oil discovery made in Well 206/5a-3 on the Fulla Prospect in the Devonian-Carboniferous Clair Group and the overlying Cretaceous Whiting sandstones. Total completed its DST operation on the re-entered Edradour Discovery, Well 206/4-2, in mid August ahead of end-month suspension after which the Sedco 714 semisubmersible will return to Total's Block 3/14a for further exploratory drilling.

Just one rig, Awilco's WilHunter, is operating in E&A mode in the Northern North Sea where Nautical has commenced a planned horizontal sidetrack, Well 9/2b-5Z, to establish commercial flow rates at Kraken. The pilot hole, Well 9/2b-5, successfully found the targeted and oil-bearing Palaeocene sands.

In the Central North Sea, the last of the 2010-initiated drilling programmes continues with BG's Jackdaw appraisal, Well 30/2a-8, using the Gorilla VI. The jackup has now been on station at the high pressure-high temperature accumulation for over a year. Just 14 miles (22 kms) to the west, GDF SUEZ spudded, at the end of July, Well 30/1a-11 on the HPHT Faraday Prospect using the Galaxy II jack up. The other long-running programme, also in the HPHT province, on Maersk's Culzean accumulation has temporarily finished with abandonment of Well 22/25a-10Y, after 141 days in the second sidetrack. The hiatus will be short lived as the jackup Ensco 101 imminently prepares to spud the second in this two-well appraisal programme on Culzean, which will extend into 2012.

Away from the deep HPHT province, Nexen is drilling an appraisal, Well 20/4a-10, on Polecat South (Upper Jurassic) with the semisubmersible Transocean Prospect, which spudded towards the end of July. Polecat was discovered by Nexen in 2005.

Two rigs remain active in the Southern North Sea where Tullow's Well 49/30b-10 on the Foxtrot Prospect is shortly to suspend having encountered only water-wet Bunter sands, although a deeper Rotliegendes objective may be accessed from a common surface location in future. The short duration programme utilised the Ensco 80 jackup following suspension of Tullow's Well 44/19b-7A on the Cameron Prospect as a potential future Carboniferous producer. The discovery lies just 3.2 miles (5.3 kms) to the south of the near term development - and recently renamed as Katy - Harrison Discovery where operator ConocoPhillips is expected shortly to submit a Field Development Plan.

Operations at E.ON's Well 42/28d-12 on the Tolmount Prospect continue with the jackup Ensco 92 now approaching two months on location, which might suggest, if not yet confirmed, that re-siting the well location has overcome the drilling problems associated with a Jurassic interval encountered on the previous attempt to successfully evaluate the Rotliegendes prospect and satisfy the drilling commitment.

Recent results from Faroe and Tullow offer some encouragement in the deflated UKCS scene although the outcome of Total's test programme on Edradour and Maersk's HPHT Culzean appraisal remain under wraps for the time being. Whilst the pilot hole on Nautical's appraisal was also encouraging, Nautical will hope it is merely a precursor to a successful test programme in the ongoing horizontal sidetrack.

With a number of drilling approvals in the pipeline, activity levels were bound to pick up on those reported previously, but without some remarkable turnaround, which by reason could only impact from sometime in 2012, this year is likely to be a very poor one in terms of E&A well numbers with a possible 2011 total of just 30 or so wells, excluding sidetracks, being put down. Development and production drilling should ensure that utilisation of mobile units is bolstered and here, drilling levels may well outstrip those of 2010.