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Jan Müller

09 - 11 - 2012

Monitoring wells on both sides of the border

Drilling commenced on the 26th of March. It has just been announced that a result will probably not be known until between Christmas and the New Year. This is the BP North Uist well on the UK side of the border. On both sides of the border All the international oil companies, and not least the public authorities, have their eyes on two wells in particular, currently being drilled on the Atlantic margin area the area between Shetland and the Faroes. of the wells is the Brugdan 2 well in Faroe waters and the other is the North Uist well in UK waters. One reason why the Faroes are so interested in both wells is that both the Faroe oil companies are involved in these two wells. Atlantic Petroleum is involved with Brugdan 2 in Faroe waters, while Faroe Petroleum is involved with North Uist in UK waters. Brugdan 2 The Brugdan 2 well was spudded on the 17th of June and the operating company Statoil, estimated at the time that the drilling operation would last for app. 4 to 5 months. Next Wednesday it will be four months and fourteen days since the drilling commenced and therefore only two more drilling weeks should remain. But, and there is a large BUT, as no information has leaked out about the drilling operation and we do not even know if the whole drilling operation has gone smoothly, or how many drilling days have accumulated. There is nothing unusual, when drilling in a partly unknown foreign area, with many unknown and high-risk factors, that drilling exceeds the allotted drilling estimation period. The weather however has been good and this will have pushed the operation in the right direction. North Uist The foregoing is something the oil companies drilling the North Uist prospect well must acknowledge. Drilling began on this deep water well west of Shetland on the 26th of March and it has just been announced that a drilling result will not be available until around the New Year. Drilling will then have gone on for almost nine months

and this will probably become the most expensive well in this part of the world ever undertaken. BP is the operating company and Faroe Petroleum holds a 6% stake in the well. Nexen Energy, who is a partner to this well drilling, now proclaims the drilling has been disturbed by mechanical problems. Sources say that BP has endeavoured to ensure everything is one hundred per cent in order to eliminate any incident as this is their first deep water well since the Macondo disaster in the Gulf of Mexico. It has been rumoured that there have been some problems with the BOP equipment intended to protect the well in the event of an unexpected gas discharge. Observers within the oil industry estimate that in spite of the high costs and problems incurred, this could well be a very large discovery in the end. One of the reasons behind these optimistic views is the close proximity of the well to the large Rosebank and Cambo oil discoveries in the vicinity and also that expectations for making either oil or gas discoveries in this area were high. Several targets are part of the prospect. The other oil companies involved are Idemitsu and Cieco; both have been involved in the exploration of the Faroes. If we are to summarise these two much discussed wells on the Atlantic Margin frontier, it looks as if we will all become much the wiser when Christmas approaches.