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Gazprom breaks ground on integrated gas processing and petchem cluster in Ust-Luga

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Abstract

Current production from the leases comprises 22 MMcf/d (net to Jura 6.05 MMcf/d) of Conventional Natural Gas (CNG) and 174 bbl/d (net to Jura 46.85 Bbl/d) of Natural Gas Liquids (NGLs) at an average NGL yield of 7.90 bbl/MMcf. CNG production from the leases is being sold to Sui Southern Gas Co. Ltd. NGLs production is sold directly to refineries in Pakistan. Petroleum Exploration (Pvt.) Ltd. is operator of the block. Jura Energy holds 27.5% interest. TransGlobe details 2020 drilling program TransGlobe Energy Corp., Calgary, expects to spend $37.1 million for a 2020 drilling program that includes 16 wells in Egypt wells four wells in Canada. Average production in 2020 is expected to be 14,500-15,500 boe/d with a midpoint of 15,000 boe/d, with Egypt expected to produce 11,900-12,700 boe/d and Canada expected to produce 2,600–2,800 boe/d. Production in 2019 averaged 16,000 boe/d for the year. In Egypt, the company expects to spend $23.7 million this year on 12 development wells and four exploration wells, principally focused on the Eastern Desert. The program has $5.4 million (23%) allocated to exploration and $18.3 million (77%) to development. Development wells include four wells in West Bakr, one Red Bed appraisal well in the NW Exploration wells include one well in West Bakr, two wells in NW Gharib in the East Desert, and one well in South Ghazalat in the Western Desert. Gharib 3X pool, six wells targeting the Arta Nukul reservoir in West Gharib and NW Gharib, and a single well in the SGZ-6X pool, targeting the lower Bahariya reservoir in the Western Desert. Additional activity for 2020 involves ten recompletions in West Bakr, four recompletions in West Gharib, water handling expansion at West Bakr, and development/ maintenance projects in the Eastern Desert (West Bakr, NW Gharib, and West Gharib). Negotiations continue with the Egyptian government to amend, extend, and consolidate the company's Eastern Desert concession agreements.

Introduction

In Canada, $13.4 million is earmarked for a 2020 drilling program of four horizontal, multi-stage stimulated wells targeting the Cardium light oil resource at Harmattan with additional maintenance/ development capital.

Hess Malaysia, Kuala Lumpur, started first gas from the Zetung wells in Phase II of the North Malay Basin (NMB) integrated gas development project in Malaysia. Phase II includes development of Zetung and Anggerik fields south of the Bergading Central Processing Platform 300 km offshore, and installation of a three-legged terminal wellhead platform with associated pipelines. Anggerik wells are expected to come onstream in April.

Phase I comprised an early production system and full-field development which achieved first gas in 2013 and 2017, respectively. Hess earlier this year sanctioned Phase 3 with first gas planned for fourth-quarter 2021.

NMB is a long-life natural gas asset comprised of nine discovered natural gas fields with an estimated gross recoverable resource of more than 1.5 tcf natural gas and more than 20 million bbl condensate.

In January, the company said $170 million of its 2020 budget is allocated for production activities at NMB and the Malaysia/Thailand joint development area in the Gulf of Thailand (OGJ Online, Jan. 28, 2020).

Hess Malaysia, a subsidiary of Hess Corp. is operator of NMB with 50% interest. Partner is Petronas Carigali Sdn Bhd with 50%.

Processing—Quick Takes

ADNOC lets contracts for Abu Dhabi gas mega project

Abu Dhabi National Oil Co. (ADNOC) has let two contracts to Petrofac Ltd. subsidiary Petrofac Emirates LLC and a joint venture of Petrofac and Sapura Energy Bhd. to provide engineering, procurement, and construction (EPC) for ADNOC's Dalma gas development project located 90 km northwest of Abu Dhabi City, UAE, a key part of the Ghasha Concession portfolio of projects encompassing Hail, Ghasha, and Dalma ultra-sour gas fields in the Emirate of Abu Dhabi (OGJ Online, Aug. 15, 2017).

The two EPC contracts, which have a total combined value of more than $1.65 billion, cover EPC services—including novated long-lead items, transportation, offshore installation, and commissioning—for Dalma gas field development, as well as offshore packages at Arzanah island and surrounding offshore fields about 140 km off Abu Dhabi's northwest coast, ADNOC and Petrofac said in separate Feb. 18 releases.

As part of the first $1.065-billion, 33-month, lump-sum contract, Petrofac will provide EPC services for gas processing installations at Arzanah island, including inlet facilities with gas processing and compression units, power generation units, utilities, and other associated infrastructure, the service provider said.

Under the second 30-month, lump-sum contract—valued at $591 million—the Petrofac-led JV with Sapura Energy will deliver EPC services for three new wellhead platforms, removal and replacement of an existing topside, new pipelines, subsea umbilicals, composite, and fiberoptic cables, according to Petrofac.

Hess reports first gas from North Malay Basin Phase II

Scheduled to be completed in 2022, work under both contracts will enable the Dalma gas development project—which is central to ADNOC's strategic objective of enabling the UAE's gas self-sufficiency—to produce around 340 MMcfd of natural gas, ADNOC said.

The Hail, Ghasha, and Dalma ultrasour gas development project will tap into the Arab basin, which is estimated to hold multiple trillions of standard cubic feet of recoverable gas, according to ADNOC's web site. More than 120,000 b/d of oil and condensates also are expected to be produced when the project is fully on stream.

ADNOC most recently let a contract to KBR Inc. to provide project management consultancy (PMC) services for the Ghasha Concession portfolio of projects (OGJ Online, Feb. 3, 2020).

Linde starts units to support Texas petrochemical plant

Linde PLC has commissioned a new air separation unit (ASU) in Freeport, Tex., as part of a long-term agreement to supply MEGlobal Americas Inc.'s new monoethylene glycol (MEG) plant at Dow Chemical Co.'s Oyster Creek petrochemical complex in Freeport (OGJ Online, Oct. 14, 2019).

Alongside supplying oxygen and nitrogen to MEGlobal Oyster Creek for use in its MEG manufacturing process, the new ASU also will supply Linde's industrial gas pipeline system, adding new argon capacity, Linde said.

In addition to the ASU, Linde started a new carbon dioxide (CO2) plant in Freeport that will recycle crude CO2 supplied from an unidentified MEGlobal process.

The crude CO2 will be purified and liquefied into commercial grades to serve customers in a variety of industries, including food and beverage, where it is used to carbonate drinks, as well as to freeze, chill, preserve, and package food, the service provider said.

"The new ASU and the expansion of our [US] Gulf Coast pipeline system further strengthen Linde's ability to reliably supply customers throughout the region and positions us for future growth in the USGC," said Jeff Barnhard, Linde's vice-president for the US South region.

The service provider disclosed no details regarding capacities of either the ASU or CO2 plant.

MEGlobal Americas—a subsidiary of Equate Petrochemical Co. of Kuwait's Dubai-based MEGlobal International FZE—officially began production at its 750,000-tonne/year MEG plant on Oct. 14, 2019, as part of MEGlobal's program to create greater flexibility to satisfy growing demand for ethylene glycol products in the US and Asia-Pacific markets, as well as its strategy to expand the company's global footprint (OGJ Online, Sept. 12, 2019).

Equate Petrochemical is an international JV of Kuwait's state-owned Petrochemical Industries Co., 42.5%; Dow, 42.5%; Boubyan Petrochemical Co., 9%; and Qurain Petrochemical Industries Co., 6%.

BPGIC proposes storage, refining expansions at Fujairah

Brooge Holdings Ltd. subsidiary Brooge Petroleum & Gas Investment Co. FZC (BPGIC) has signed a land lease agreement with Fujairah Oil Industrial Zone (FOIZ) for additional land on which BPGIC plans to expand its crude oil storage and refining operations in Fujairah, UAE, near the East coast port of Fujairah on the Gulf of Oman.

As part of the agreement, BPGIC will lease a strategically located and prime plot of land with a total area of about 450,000 sq m for its proposed Phase 3 expansion of operations that, if completed, would make BPGIC the largest oil storage and service provider in Fujairah, BPGIC said in a series of posts to its official Twitter account as well as a separate news release.

"We are thrilled to announce that we have secured a lease for this strategic and sizeable plot of land in [FOIZ], which can accommodate additional capacity of over [three and a half] times our facilities currently operating and under construction. When the Phase 3 expansion is completed, we expect to become the largest oil storage and service provider in the increasingly important FOIZ [and] port of Fujairah," said Nicolaas Paardenkooper, chief executive officer of both Brooge Holdings and BPGIC.

BPGIC plans to use the additional land to expand its storage and refining capacity to complement installations built at part of the Phase 1 and Phase 2 developments at the site, which following Phase 2's completion, will total 1 million cu m of storage.

BPGIC's initial studies indicate that the newly leased land could accommodate up to about 3.5 million cu m of storage tanks, as well as a potential refinery with a capacity of up to 180,000 b/d.

Currently in discussions with potential collaborators that include several top global oil majors who have expressed interest in collaborating on the expansion, BPGIC said it also has a signed memorandum of understanding (MOU) in place for the Phase 3 development. The operator, however, revealed no further details regarding the MOU.

Last year, BPGIC announced it was building a 250,000-b/d refinery at Fujairah designed to produce bunker fuel that would become the first plant of its kind in the Middle East and North Africa to comply with the International Marine Organization's (IMO) new regulations requiring ships to use marine fuels with a sulfur content below 0.5% (OGJ Online, May 13, 2019).

While the first phase of BPGIC's proposed refinery was scheduled to be completed by first-quarter 2020, the operator has yet to confirm official commissioning of the plant.

Transportation—Quick Takes

Kosmos inks Greater Tortue LNG deal with BP

Kosmos Energy, Dallas, signed a contract with BP Gas Marketing Ltd., a subsidiary of BP Plc, for the supply of 2.45 million tonnes/year (mtpy) of LNG from Phase 1 of the Greater Tortue Ahmeyim natural gas project offshore Mauritania and Senegal for an initial 20-year term.

The Greater Tortue Ahmeyim Phase 1 development was sanctioned in December 2018 (OGJ Online, Dec. 21, 2018). The project will produce gas from a deepwater subsea system and mid-water floating production, storage, and offloading vessel to a 2.5-million mtpy floating LNG unit at a nearshore hub on the Mauritania and Senegal maritime border. Kosmos estimates total recoverable gas in the field at around 15 tcf.

The project will provide LNG for export, as well as make gas available for domestic use in both Mauritania and Senegal. First gas for the project is expected first-half 2022.

Following signing of the agreement, Kosmos intends to book net proved reserves of 100 MMboe associated with Phase 1, as evaluated by reserve auditor Ryder Scott Co. LP.

Tortue Ahmeyim field development is on the C-8 block offshore Mauritania and the Saint-Louis Profond block offshore Senegal. BP operates Tortue with 61%. Partners are Kosmos 29%, Senegal-state Petrosen 5%, and Mauritania state firm SMHPM 5%.

Rio Grande LNG receives non-FTA export authorization

NextDecade Corp. received an order from the US Department of Energy granting authorization to export LNG from its Rio Grande LNG facility at the Port of Brownsville in South Texas to non-free trade agreement (non-FTA) countries.