

## RUSSIA



Link: the Berkut platform at the Arkutun-Dagi oilfield in Russia

Photo: ROSNEFT

# Arkutun-Dagi field on stream for Sakhalin 1

Exxon Mobil-led consortium begins production at third and final field via Berkut platform, the biggest of its kind in Russia

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THE ExxonMobil-led Sakhalin 1 consortium has started oil production at the Arkutun-Dagi oilfield about 25 kilometres north-east of Sakhalin Island in Russia's Far Eastern region.

Arkutun-Dagi is the third and the last of the three fields that are being developed by operator Exxon Neftegas under a production sharing agreement with the Russian government.

Oil from Arkutun-Dagi is to be produced from the Berkut fixed platform, which comprises a 42,000-tonne topsides that was installed on a concrete gravity based structure in June last year.

According to Exxon Neftegas, the platform is the biggest of its kind in Russia, with an overall op-

erational weight nearing 200,000 tonnes.

Because of its complexity, the topsides were built by Daewoo Shipbuilding & Marine Engineering in South Korea between 2010 and 2014, with the drilling rig supplied by Samsung Heavy Industries.

The construction of the GBS was carried out in Russia, with work being completed between 2010 and 2012 in the port of Vostochny in the Far East by a Russian contractor, assisted in design and project management by Norway's Kvaerner.

Berkut is linked to the shore by two subsea pipelines, the first to send a mixture of oil, gas and water to the onshore Chayvo processing facilities and the sec-

ond to bring water back to the platform for injection into the reservoir.

The operator expects to gradually increase output to the project's planned plateau of 90,000 barrels of oil per day after it drills all 28 development wells, with all production to be exported to international markets via the Rosneft-operated De-Kastri marine terminal on the mainland Khabarovsk region.

Another 16 water injection and one cuttings re-injection wells are planned to be spudded from the platform.

ExxonMobil said that production from the field will bring total Sakhalin 1 output up to 200,000 bpd.

The project's gas reserves that

are estimated at 485 billion cubic metres.

According to a recent estimate by the Russian Audit Chamber, the inability of Exxon Neftegas to start large-scale gas production at the Chayvo field have led the country's government to forfeit revenues of \$4.3 billion.

Authorities have been blocking attempts by the operator to build a subsea gas pipeline to Japan for years, instead telling Exxon Neftegas to sell gas to state controlled gas monopoly Gazprom at a reduced price.

Rosneft and US supermajor ExxonMobil are now planning to build a liquefied natural gas plant of their own in the south of Sakhalin Island before the end of 2018.

## Rosgeologia proposal gets backing from Prime Minister

RUSSIAN Prime Minister Dmitry Medvedev has agreed to a long-discussed proposal to assign just one company to handle all exploration jobs that are financed from the federal budget, with the goal of presenting the government with new prospective oil and gas blocks, writes Vladimir Afanasiev.

Though the official resolution on the assignment of state-run Rosgeologia has yet to be published, Medvedev reportedly provided his written agreement to the proposal in the second half of

December, according to Moscow business newspaper RBC Daily.

Authorities earlier allocated 32 billion rubles (\$500 million) to pay for exploration services that were previously tendered among Russian state and privately held players.

Today, Russian oil and gas producers have to pay a production tax on their output, with authorities committing to forward part of the proceeds from the collection of this tax to appraise and explore previously uncharted areas in East Siberia and West Siberia, the

Urals and other regions in the country.

The government ordered the creation of Rosgeologia in July 2011, allocating the company and state ministries almost two years to amalgamate 37 smaller state-owned exploration companies into a single geological holding.

Rosgeologia announced ambitious plans to become a major player on the Russian exploration market in the second half of 2013 following the nomination of a former military interpreter and

diplomat, Roman Panov, as its executive director.

Since then, the company has made several efforts to obtain the right to apply for appraisal licences for Russian offshore blocks that presently can be explored only by state-controlled oil producer Rosneft and gas monopoly Gazprom.

Earlier, Rosgeologia said it expects its revenues to rise between 5% and 7% this year, from a total of about 10.4 billion rubles in 2014.

## Output begins at Boyla

NORWEGIAN independent Det Norske Oljeselskap has started production at the Boyla field in the North Sea, making use of capacity at the nearby Alvheim floating production, storage and offloading vessel, writes Beate Schjolberg.

The Nkr5 billion (\$657 million) subsea project consists of two producers and a water-injection well tied back to the Alvheim FPSO via a 28-kilometre pipeline. Boyla has reserves of about 23 million barrels of oil and will produce 20,000 boepd at its peak.

Det Norske took over as operator of both Boyla and Alvheim through last year's acquisition of Marathon Oil Norway.

The company holds a 65% interest in Boyla, with Core Energy and Lundin as partners on 20% and 15%, respectively.

Last week, Det Norske and its Alvheim partners Lundin and ConocoPhillips decided to develop two small discoveries in the licence as satellites to Alvheim.

The Viper and Kobra discoveries together contain about 8 million barrels of oil, and some gas.

Viper-Kobra is due on stream at the end of 2016 at a cost of about Nkr1.8 billion. The discoveries will be developed via one well each going into a four-slot template, leaving room for future discoveries.

The wellstream will go to the subsea Volund field, and from there to Alvheim.

The first contracts for Viper-Kobra are due to be awarded this month, according to Det Norske.

## Total starts production

FRANCE'S Total has started production from its West Franklin phase two gas and condensate development in the UK North Sea.

The high-pressure, high-temperature project will boost production at the Elgin-Franklin hub in the Central Graben area by 40,000 barrels of oil equivalent per day.

Total senior vice president for exploration and production Michael Borrell said start-up would consolidate production capacity of the Elgin-Franklin hub, where significant reserves and more exploration opportunities lie.

BG Group's managing director for E&P in Europe, Ernst den Hartigh, said the project has advanced the partners' technical know-how for high-pressure, high-temperature developments, with the field bearing reservoir pressures of more than 1000 bars and temperatures in excess of 200 degrees Celsius.

The West Franklin phase two project is developing reserves of 85 million boe. Situated in blocks 209/05b and 29/04d, the West Franklin field was discovered in 2003