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FUTURE OPPORTUNITIES FOR EXPLORATION IN PAPUA NEW GUINEA

Against a backdrop of increased global oil exploration activity in the wake of high oil prices, Papua New Guinea continues to labour under a set of commonly held prejudices when competing for the global exploration dollar. It is too easy to glibly consign PNG to the "too expensive and too risky" basket.

This paper challenges these assumptions in the light of recent industry developments that have resulted in a focussed but potentially commercially rewarding in-country drilling campaign.

These recent developments include not only technological breakthroughs but also a range of cost cutting and commercial initiatives. One of the key changes has been the way different Joint Venture groups have started to work together in order to pool both technical and logistical resources. However the most significant impetus to exploration has been the success in acquiring moderate to good quality seismic data in the foldbelt.

BP and their partners pioneered this in the wake of the Karius 1 exploration well, drilled in 1995 to test what was believed at the time to be a major part of the Hides gas field. Importantly, had we been able to acquire seismic data over the Karius anticline earlier, the well would certainly not have been drilled at the location that was chosen.

Their success in obtaining coherent data was mainly due to extensive acquisition parameter testing and attention to geophone coupling with the Darai limestone outcrop.

Since then a continuous programme of acquisition has resulted in the reduction of risk in mapping sub-surface structure. Acquisition has concentrated on surface structures close to existing oilfield infrastructure and per kilometer costs have almost halved in the last three years.

Based on the success seen to date, a forward programme of shooting is being planned over the next two years.