

A Case for International Exploration and Production Operations by Independent Operators: Abstract

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ABSTRACT

If reserve replacement goals are not being achieved domestically, foreign consideration must follow. The United States petroleum production has spiraled downward from a high in 1970 of 9.6MMBO/D to current production of 6.6MMBO/D. Prudhoe Bay Field (discovered in 1968) is the last major reserve developed. It is now declining. At the best, recovery from this field equals less than two years of present demand in the United States.

Independents as well as majors have a distinct economic role to play in the international theater. Evaluation is no different from analyzing any financial endeavor. As with any play/prospect, knowledge of the territory is tantamount to success. This includes the geology, tectonics, history of the area, data and data sources, and an exploration, commercial and political risk/reward evaluation. Further, internalize the organization's goals, implementation of these goals and the key processes used. This introspection includes, but is not limited to: corporate strengths and weaknesses, financial and staff resources, and accompanied flexibilities and stick-to-it approach.

The decision made. International interest high. Then what? Focus on the organization's expertise to evaluate target types. Consider alliances that complement your own. A decision tree template can be constructed to aid in the process. International decisions are not unlike ones made domestically; and without realistic prospects for growth, the international scene is the theater of choice. With this approach, many competitors are positioning themselves for the 21st Century.

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