Oman invites bids for 5 new onshore, offshore blocks

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By Conrad Prabhu –

MUSCAT — The Sultanate's government has invited local and international oil and gas companies to participate in a new bid round covering a total of five blocks onshore and offshore Oman.

Up for grabs as part of the Oman Bid Round 2014 are offshore Blocks 18 and 59 and onshore Blocks 43A, 54 and 58. "Interested companies having relevant technical and financial capabilities are welcomed to bid for the blocks and thereby requested to follow and fulfil the bid process," said the Ministry of Oil and Gas in its invitation announcing the new licensing round. The deadline for the submission of sealed bids against these blocks is October 31, 2014, the ministry added.

The latest bidding round underscores ongoing efforts by the Omani government, represented by the Ministry of Oil and Gas, to unearth and commercialise the Sultanate's hydrocarbon potential, currently the mainstay of the country's economic development. The hydrocarbon sector accounted for around 50 per cent of nominal GDP during 2013.

Offshore Block 18 is located in the North Sohar Basin between the Batinah coast and the Makran Accretionary Prism. Previously held by India's Reliance Industries Limited until its relinquishment in 2011, the concession covers an area of 21,140 sq kilometres with water depths ranging from 30 to 3,000 metres. Around 10,000 kilometres of 2D and 2,048 sq km of 3D seismic have already been acquired from the block. Three wells have been drilled by previous operators with a number of plays identified so far, according to the ministry.

Also on offer is offshore Block 59 which, with an area of 40,488 sq kilometres, is one of the largest concessions within the Sultanate's upstream sector. This mammoth block is located off Oman's central east coast.

Commenting on the characteristics of the concession, the Ministry said: "The Block is an accommodate basin for deposition western clastic influx and delimited from the east by its own Basin with water depths ranging 0-3600m. The Block is covered with about 8000 km of 2D seismic. Several prospects and leads in the area have been mapped on high quality 2D-data." Among the most promising of the blocks on offer is onshore Block 54, which flanks the world-class South Oman Salt Basin. The latter Basin has a stock tank original oil in place (STOIIP) potential of 16.5 billion barrels with a daily production of 173,000 barrels. Covering an area of 5,632 sq kilometres and located in the southeastern part of the country, the block adjoins PDO's Block 6 and Oxy's Block 53 Mukhaizna field. Just south of the concession are Blocks 3 and 4, where production averages in excess of 20,000 barrels per day of oil.

Underscoring the block's potential is the recent discovery of new fields in adjoining blocks. "The Block is covered with about 7,000 km of 2D and 400 sq kilometres of 3D seismic. Seven wells been drilled within the block with hydrocarbon shows in some of the wells," the Ministry said.

In contrast, however, onshore Block 43A, located north of the Oman Mountains, is under-explored with only one well drilled and some 1,200 km of 2D seismic of various vintages acquired to date. The concession covers an area of about 6,879 sq kilometres.

Rounding off the portfolio of open blocks on offer is onshore Block 58, which is situated on the southern edge of the Western Flank and covers an area of 2,277 sq kilometres between the South Oman Salt Basin and Rub Al Khali Basin.

"The block is considered as under-explored, giving it a unique setting to explore and develop its deep (structures)," said the Ministry in a description of the concession. "The block is covered by around 2500 km of multi-quality 2D. Only one exploration well penetrated the block with a (target depth) of 4275m. The block is positioned along the Western Margin where the world class hydrocarbon producing South Oman salt Basin is present," it added.

As many as 16 local and international companies are currently exploring for hydrocarbons — and in some cases producing as well — under production sharing agreements signed with the Ministry of Oil and Gas. (OEPPA Business Development Dept)

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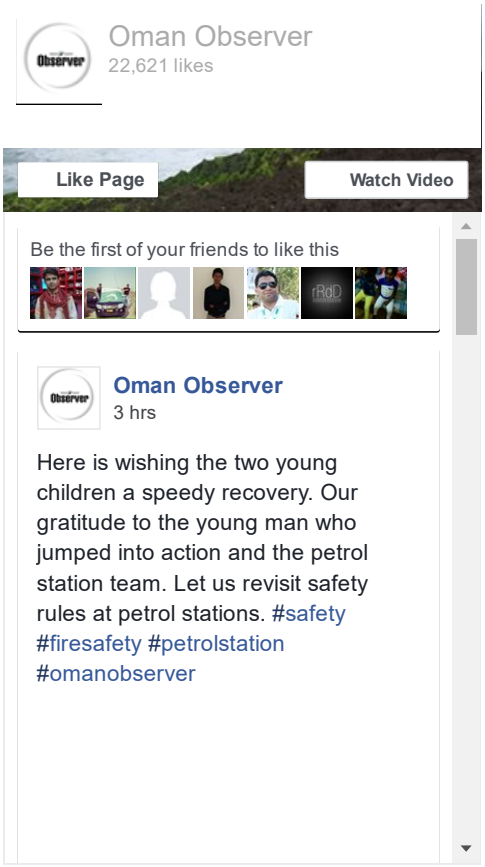

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