

finance, build, and operate a pipeline to move hydrocarbons from sites in Kazakhstan and Azerbaijan to present or future terminals on the Persian Gulf, Mediterranean Sea, and/or Black Sea (OGJ, June 22, p. 27).

Soviet press reports indicated construction costs could range from \$700 million to \$1.6 billion, depending on the route selected.

The group, Caspian Pipeline Consortium Ltd., may take on more members but only if they are hydrocarbon producing countries whose territory the pipeline system traverses or companies producing hydrocarbons in countries that are members of the pipeline group.

Chevron last month signed a memorandum of understanding to join the group at a future date (OGJ, June 29, Newsletter). That agreement also outlined Chevron's desire to obtain "priority access" to the pipeline for all crude it plans to produce in Tengiz and Korolev fields.

Oman will arrange all project debt financing, while Kazakhstan and Azerbaijan will commit reserves to earn credit support. In addition, Kazakhstan and Azerbaijan will provide rights-of-way, rights of access, use of infrastructure, use of existing pipelines and other facilities, and tax holidays.

Komiquest venture

Komiquest Ltd. Liability Society started working over wells in the Komi republic after registration in late June of a joint enterprise agreement.

Komiquest is a joint venture of Quest Petroleum Exploration Gesellschaft GmbH, Komineft Production Association, and Usinsk NGDU.

Quest Petroleum is owned 50% by Quest Oil Trading BV and 50% by Mannai Corp. of Qatar.

Mannai is providing \$10 million to work over wells on Komiquest acreage. In addition, Mannai has agreed to provide \$1 million at the rate of \$150,000/month to fund exploration.

Barry Ehrl, president of Star Valley Resources Corp., Vancouver, said Komiquest is the fifth oil and gas production joint venture to begin operating in the Russian federation.

Komiquest started working over wells on joint venture acreage the day after the enterprise was registered. Plans have been laid so far to work over 23 wells.

Star Valley owns a 14.06% interest in Quest Oil Trading.

Komi operating areas

Ehrl said Komiquest is authorized to operate in South Vozey, West Vozey, South Famen, and Ufimskaya oil fields. Quest Petroleum and Komineft/Usinsk NGDU will share equally all incremental production resulting from workovers and new wells.

Komiquest expects to start generating cash flow within the next 3 months from workovers. Partners hope to use that cash to begin drilling wells, possibly before yearend.

Quest field technicians for several weeks have been assessing technical problems of wells in joint venture fields. Most impediments to production involve problems with surface equipment. Ehrl estimated that as many as 7,000 wells eventually could be worked over by the joint venture.

"Work on the first 23 wells won't be anything complicated," he said. "Initial workovers will cost less than \$100,000/well."

Ehrl said Komiquest western partners are working on an oil and gas agreement in Kazakhstan, "but we put that on the back burner while we closed the Komiquest joint venture."

Richmond's deal

The British press reported that Richmond received Russian government approval and registration of its joint venture in Russia with Krasnoleninsk Oil & Gas of Nyagan, Tyumen oblast.

The venture, designated Taloil, is a limited liability partnership owned 61% by Krasnoleninsk and 39% by Richmond Oil & Gas (Russia).

Taloil will operate oil fields producing about 10,000 b/d in three areas along the Ob River about 200 miles south of the Arctic Circle.

Total area allocated to Taloil covers 3,250 sq miles and represents reserves estimated at 85 million bbl. Production is from 595 wells under waterflood with 212 water injection wells.

Taloil expects to hike production significantly along the lines of recommendations from a feasibility study Richmond conducted, using advanced technology and western field practices.

Taloil will be able to export for hard currency all the oil it produces for shipment through an existing pipeline to the Black Sea. The pipeline has been on stream for 7 years.

Richmond's share of production started with the government's approval of the joint venture registration. The company will pursue outside financing for its share of the investment.

Tomsk round

Wavetech Geophysical Inc., Denver, disclosed further details of the Tomsk bidding round it announced earlier (see map, OGJ, May 18, p. 34).

The area open for bids includes more than 70,000 sq km that encom-

passes Parabeiski and Pudinski gas wells in the southeast part of the western Siberian basin.

A model contract for the bidding round, along with geological and geophysical data, test data, logs, core descriptions, and an overview report, will be available at the Denver meetings for discussion with officials of the Russian federation, Tomsk oblast administration, Tomskneftgasgeologia, and Tomskneft.

The Tomsk round acreage includes many large discoveries and partly developed fields, none of which is producing, said Wavetech.

A major pipeline runs through the northeast part of the bid area, with a link extending to discoveries in the western part of the area. The trunk line has substantial unused capacity, and a feeder pipeline currently transports only test production from two excluded fields that remain under Tomskneft's jurisdiction.

The bid area is divided into 20 blocks, each covering 2,000-6,000 sq km.

The area contains Jurassic sandstones with large oil, gas, and condensate reserves as well as major new oil fields discovered in the underlying Paleozoic, Wavetech said.

"The Paleozoic reservoirs consist of brecciated cherts (the 'weathered Paleozoic') that often exceed 200 m in thickness and intensely fractured, brecciated, and karsted Paleozoic carbonates," Wavetech said.

"This intense fracturing and brecciation does not appear to be a localized phenomenon but is the norm throughout at least the western half of the bidding sector, persisting throughout the entire penetrated Paleozoic section of that area.

"Bit drops of up to 7 m and intense lost circulation zones are numerous throughout the Paleozoic section. Paleozoic oil columns of more than 200 m are very common in the...fields, with untreated flow rates of up to 3,000 b/d. Development drilling by Tomskneftgasgeologia continues to substantially expand the Paleozoic productive area and reserves of these fields."

Global's projects

Global said one of its projects involves recovery of flared casinghead gas from certain wells in supergiant Urengoi field. The other involves operating and producing oil and condensate from certain reservoirs in Pestsovoe field, adjacent to Urengoi.

UGP is a production association operating several fields in the Yamal-Nenets area.

In addition, Global has signed a protocol with Tyumen Gas Technol-