

Soviets select Denver company to plan oil bidding in U.S.S.R.

DENVER (AP) — The Soviet Union announced Tuesday it has hired Wavetech Geophysical Inc. to help it open the country to competitive bidding for oil and gas exploration and production by Western companies.

Data on the tracts in Soviet Central Asia will be made available to interested companies for bidding exclusively through the joint venture between the Ministry of Geology of the U.S.S.R. and the Denver-based oil and gas exploration services company.

The announcement said Soviet oil and gas officials will visit the United States in late 1990 to make the invitation to bid available.

“Up until this time it had been on a one-to-one basis” with prospective companies, said Wavetech president Edward Gendelman. “This is a shift to a more organized and uniform approach . . . which gives oil companies an up-front definition of all terms and conditions.”

The Soviet Union produced about 12.1 million barrels of oil a day last year, a sixth of the world's total and more than Saudi Arabia, Iraq and Kuwait combined. It exported 3.7 million barrels a day — more than Iraq — with about half going to the West.

However, the antiquated and long mismanaged Soviet petroleum industry has been unable to boost production to take advantage of the Gulf crisis, and may produce 500,000 fewer bar-

rels a day this year than last, Western experts say.

Experts say the Soviets are expected to gain hundreds of millions of dollars in additional hard currency in the coming months if the higher oil prices stand.

According to a joint announcement made by the U.S.S.R. Ministry of Geology and the government of the Republic of Turkmen, small tract competitive bidding will be used to select the participating western companies. Exploration and production agreements will be signed with the successful bidders and will conform with existing Soviet legislation on joint ventures.

Gendelman, who was born in the Soviet Union and is fluent in Russian, said he has been working with the Soviets for about 2½ years.

“My company will be preparing the exploration data packages for the companies interested in the territories,” he said.

Gendelman said that Soviet explorations rate the reserves potential of the offered territories very high. There is a number of large oil and gas fields discovered in the offered areas, and the Soviets say there are more than 100 major undrilled prospective structures.