

# Soviets hope to drum up oil interest



## Denver visit to promote Russian drilling

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Soviet energy officials eager to make deals and reap hard currency will come to Denver this week to drum up interest in 7,000 square miles of prime oil and gas properties that now sit untapped in the north of the Russian Republic.

The visit is part of a gradual privatization of the Soviet oil industry that is leading major exploration companies to strike multimillion dollar deals in the vast nation.

And the Denver visit may unlock one of the most heralded exploration areas: the Timan Pechora Basin, located hard by the Ural Mountains and estimated to hold billions of barrels of "sweet," low-sulfur crude.

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to hold billions of barrels of "sweet," low-sulfur crude.

"It's an extremely lucrative area because it's good high-gravity oil that sits close to existing pipelines," said Jack Holten, vice president of exploration at Wavetech Geophysical Inc., a Denver oil services firm that is helping coordinate the bidding.

Holten estimates each of the 22 tracts could fetch tens of millions of dollars when formal bidding begins next spring. Such a windfall would help a nation that relies on oil for roughly half of its hard-currency revenues but is caught in a squeeze due to a faltering economy and 16 percent dropoff in oil production since 1988, to 10.5 million barrels a day.

Soviet officials on Wednesday and Thursday will detail current production efforts in the basin and try to lure major oil companies to help. Firms that could show interest include giants such as Tex-

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aco, Shell and Amoco, as well as large and mid-size independents, Holten said.

The opening of the basin will be among the biggest moves yet to al-

low foreign drilling in the Soviet Union. Already, Chevron Corp. has struck a joint venture to drill in the Tenghiz oil field in the republic of Kazakhstan, which has estimated reserves 2.5 times as much as Alaska's Prudhoe Bay.