Upstream Petroleum Activities in the Philippines

Redentor D. Pascual
Department of Energy
Petroleum Resources Development Division

Location
Sedimentary Basins of the Philippines

PETROLEUM SERVICE CONTRACTS

- 1 Geophysical Survey & Exploration Contract
- 25 Service Contracts
- 6 Applications for Service Contracts
SC 6A - PHILODRILL
NW Palawan (897 km²)

- Three main prospects that were mapped are:
  - Malajon Oil Prospect: 725 MMBO
  - Malajon Gas Prospect: 1.1 TCF
  - Barselisa Prospect: 1,240 MMBO

SC 6B – PHILODRILL
NW Palawan (567 km²)

- Finalizing proposal to reactivate Cadlao oilfield for production
- Cadlao produced about 11 MMBO between 1981 and 1991
SC 14 - PHILODRILL
NW Palawan (709 km²)

- Preparations for reactivation of Galoc & West Linapacan fields
- As of end 2005,
  - Nido produced 18 MMBO
  - Matinloc 12 MMBO
  - West Linapacan 9 MMBO
  - North Matinloc 2 MMBO
  - Total produced 41 MMBO
- Matinloc production rate is 241 bopd
- Nido production rate is 331 bopd

SC 37 – PNOC-EC
Cagayan Basin (360 km²)

- Total recoverable reserves of 4 BCF
- Current production rate - 1 mmcfgpd
- Power plant resumed operations in September 2005
- Total production in 2005 was 93 MMSCFG
- Total production to date is 2.8 BCF
SC 38 – SPEX B.V.
NW Palawan (830 km²)

- Malampaya field has produced 248.7 BCFG & 12.9 MMBC since inception in Oct. 2001
- Current production rate:
  - 297 MMCFGPD
  - 14 MBCPD
- Used mainly to fuel the Sta. Rita, San Lorenzo & Ilijan Power Plants with a total output of 2,700 MW
- Condensate is exported

SC 40 – Forum
North Cebu (4,580 km²)

- Conducted feasibility study on the development of Libertad gas & presently working on the economic and marketing aspects of the project
- Declaration of Commerciality signed in December 2005
- Gas recoverable reserve is 0.7 (P90), 0.9 (P50), 1 (P10)
- Acquired 312 ln-km of seismic survey and interpretation is ongoing
SC 41- Basic Consolidated (Sulu Sea – 8,324 km²)

- Deed of Assignment from Unocal to Basic Consolidated on 10 April 2005
- Currently conducting Geological & Geophysical studies
- Drilled 4 exploration wells
- Acquired 1,897 sq-km of 3D seismic data

SC 43, Premiere Oil Ragay Gulf (10,880 km²)

- Work Plan
  - Contract Year 1 & 2
    - Geological & Geophysical studies
    - Seismic reprocessing
    - Acquire 250 ln-km seismic data
  - Contract Year 3
    - Drill 1 well
  - Contract Year 4 to 7
    - Drill 3 wells
- Acquired 160 ln-km of seismic data
- Reprocessing & interpretation on-going
**SC 44, GAS to GRID**  
**Central Cebu (1,000 km²)**

- 1\textsuperscript{st} phase, Geological & Geophysical Studies; drill 1 well
- 2\textsuperscript{nd} phase, drill 2 exploration wells and acquire 100 ln-km of seismic data
- 3\textsuperscript{rd} phase, drill another 2 wells & acquire 100 line-km of seismic
- Drilled Nuevo Malolos-1 with oil & gas shows; Well was temporarily plugged

**SC 45 – South Sea Petroleum Holdings Ltd.**  
**Agusan-Davao Basin (7,480 km²)**

- SC signed on 15 December 2004
- Presented 2006 Work Program and proposed aeromagnetic survey instead of seismic
SC 46 – JAPEX
Tañon Strait (2,580 km²)

- Converted GSEC 102 to SC 46, contract signed on 21 Dec 05
- Acquired 752 In-km seismic data over the contract area
- Interpretation of data completed
- Preparation to conduct drilling is ongoing
- Expected to drill a total of four wells

SC 47 – Petronas/PNOC-EC
Offshore Mindoro (14,667 km²)

- Converted GSEC 100 into Service Contract 47 on 10 January 2005
- Conducting data maturation, and Geophysical & Geological Studies before drilling in the 2nd Quarter of 2006 subject to the availability of a rig
SC 48 – Aragorn Power & Energy Corporation
Cagayan Basin (7,480 km²)

- SC signed on 22 Feb. 2005
- Conduct geological & geophysical studies & drill 1 well for the 1st Sub-phase
- Currently coordinating with a contractor to conduct re-evaluation of the area
- Preparing prospectus for inviting investors / farminees to the project

SC 49 – Phil-Mal PetroEnergy
South Cebu (2,650 km²)

- SC signed on 1 March 2005
- Conduct Geological and Geophysical Studies for the 1st phase
- Drill 1 exploration well for the 2nd phase
- Currently processing transfer of assignment to Ranhill Sdn. Bhd. (90%) of Malaysia with Phil-Mal retaining 10%
SC 50 – Norasian Energy
NW Palawan (1,720 km²)
• Contract signed on 11 March 2005
• Evaluation of the Caluit-1B well completed
• Drill 1 Horizontal Well for the 2nd Sub-Phase
• Currently negotiating for a drilling rig to be used for the Caluit-1B re-entry
• Site survey to be carried out by the 2nd Qtr of 2006

SC 51 – Norasian Energy
East Visayan Basin (4,440 km²)
• SC signed on 08 July 2005
• Conducted Information Education Campaign (IEC) in preparation for seismic survey (July – Sep 2006)
• Acquire a minimum of 250 In-km of 2D seismic data
• Perform an engineering study on Villaba-1 well
SC 52 – EF Durkee & Assos.
Piat San Jose, Cagayan (960 km²)

- SC signed on 08 July 2005
- Completed 1st part of geochemical survey
- Plan to acquire a minimum of 25,000 linear meters of geochemical survey (2nd part) over an area of at least 2,050 hectares
- Acquire a minimum of 200 surface geochemical auger samples
- Conduct Geophysical Studies

SC 53 – Laxmi Organic Industries
Onshore Mindoro (6,600 km²)

- SC signed on 08 July 2005
- Work Plan (1st Sub-phase)
  - Conduct Geophysical & Geological Studies, and
  - Drill 1 exploration well
**SC 54 – Nido Petroleum**  
NW Palawan (5,376 km²)

- SC signed on 5 August 2005
- Completed Geological and Geophysical Studies
- Awaiting decision to drill a well or acquire seismic data (group shoot) due to rig availability

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**SC 55 – Norasian Energy**  
West Palawan (9,000 km²)

- SC signed 5 August 2005
- Acquisition of at least 400 ln-km of 2D seismic data
- Process & interpret 358 ln-km of existing 2D seismic data acquired in 2002
- Reprocess & interpret 200 ln-km of 2D seismic, gravity & magnetic data of BGR
- Ongoing tape copying of old BGR lines for reprocessing & interpretation
SC 56 – BHP Billiton Petroleum
Sulu Sea (8,620 km²)

- SC signed on 5 August 2005
- Deed of Assignment from BHP Billiton to Mitra Energy Ltd. under evaluation
- Acquire, process and interpret 2,200 km of 2D seismic data for the 1st phase

SC 57 – PNOC-EC
North Calamian (7,200 km²)

- SC signed on 15 September 2005
- Conduct seismic interpretation / basin evaluation of available data in preparation for the acquisition of 1,000 ln-km of offshore 2D seismic data
- Reprocess 1,000 ln-km of vintage seismic data
SC 58 – PNOC-EC
West Calamian (13,440 km²)

- SC signed on 12 January 2006
- Conduct seismic interpretation / basin evaluation of available data in preparation for the acquisition of 1,000 In-km of offshore 2D seismic data
- Reprocess 1,000 In-km of existing seismic data

SC 59 – PNOC-EC
West Balabac (14,760 km²)

- SC signed on 13 January 2006
- Conduct seismic interpretation / basin evaluation of available data in preparation for seismic reprocessing and / or regional seismic acquisition of about 1,000 In-km
**SC 60 – SPEX B.V.**  
NE Palawan (10,080 km²)

- SC signed on 27 January 2006
- Preparation for acquiring and processing of 450 sq km of 3D seismic data
- Undertake geological / basin evaluation of the area

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**GSEC 101 – Forum**  
Reed Bank (10,360 km²)

- Deed of Assignment transferred from Sterling to Forum
- Feasibility Study on GTL option for the gas completed
- Acquired 250 sq km of 3D seismic data
- Processing of data is ongoing
<table>
<thead>
<tr>
<th>Applicant</th>
<th>Location</th>
<th>Area</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>PNOC-EC</td>
<td>NW Palawan</td>
<td>3,253 hectares</td>
<td>Proposed SC under review</td>
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<tr>
<td>Ranhill/Burgundy</td>
<td>Agusan-Davao Basin</td>
<td>528,000 hectares</td>
<td>Final stage of evaluation</td>
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<tr>
<td>Ranhill/Burgundy</td>
<td>Sulu Sea Basin</td>
<td>748,000 hectares</td>
<td>Final stage of evaluation</td>
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<tr>
<td>Miocene Mining &amp; Energy Corp.</td>
<td>Northern Cagayan</td>
<td>732,000 hectares</td>
<td>Final stage of evaluation</td>
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<tr>
<td>Burgundy Global Asset Mgt Ltd.</td>
<td>Cotabato Basin</td>
<td>668,000 hectares</td>
<td>Final stage of evaluation</td>
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<td>Ed Kooper Intl. Holdings Corp.</td>
<td>Central Luzon</td>
<td>744,000 hectares</td>
<td>Additional requirements needed</td>
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</tbody>
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**CONCLUSION**

- The future of the petroleum industry in the Philippines is **bright** due to the ff:
  1. Shift to Petroleum Contracting Rounds
  2. Adjustments to the Fiscal Terms
  3. Thorough studies carried out with the help of CCOP member countries
  4. Formulation of a new and comprehensive Petroleum Policy and Management Strategies as a result of this project
THANK YOU!
DAGHAN SALAMAT!