July 22, 1988

The Harbour Master,
Ministry of Transport,
Transport and Harbours Department,
Battery Road,
Kingston,
GEORGETOWN.

Dear Comrade,

This is to inform you that the Government of Guyana has recently signed an offshore Petroleum Agreement with two U.S based oil companies. The boundaries of the Petroleum concession is as follows:

NW boundary - 58° 25' 00" West Longitude; 8° 20' 00" North Latitude;
NE boundary - 57° 20' 00" West Longitude; 8° 00' 00" North Latitude;
SE boundary - 57° 45' 00" West Longitude; 6° 50' 00" North Latitude;
SW boundary - 58° 24' 30" West Longitude; 7° 12' 30" North Latitude;

This company will be conducting preliminary seismic surveys mainly in the Northern portion of the concession. Western Geophysical, a U.S based company is contracted to carry out the surveys between July 25 and August 6, 1988. The surveys require a motor vessel (the M.V Western Anchorage) which will be towing a 3km. cable that will contain sensitive and delicate electronic equipment and which can easily be damaged by passing ships.

The base of operations will be the Pegasus Hotel and the person in charge is Mr. Major C. Smith. Mr. Smith will be supplying details of the vessel
and any other information you may require. The vessel is expected in Port Georgetown on Monday 25th July, 1980 and will be berthed at the John Fernandes Wharf.

Your kind assistance in facilitating this programme will be appreciated.

All for your information.

Yours Co-operatively,

[Signature]
Brian Suarez,
DIRECTOR, PETROLEUM UNIT.
The Government of Guyana today granted a Petroleum Prospecting Licence to LASMO Oil (Guyana) Ltd, a subsidiary of London and Scottish Marine Oil Company PLC of the United Kingdom and BHP Petroleum (Guyana) Ltd, a subsidiary of Broken Hill Proprietary Co. Ltd of Australia acting together as the Licensee in respect of an area of approximately 11400 sq. km. offshore. The Licence will be for a period of three (3) years in the first instance, renewable for two (2) consecutive periods of three (3) years each, making for a maximum exploration period of nine (9) years.

The Government, represented by the Deputy Prime Minister, Planning and Development, also signed a Petroleum Agreement with the same companies covering exploration for and production of petroleum in the area covered by the Licence.

During Phase I of the exploration term, the companies will complete about 2000 km. of necessary seismic surveys. If the companies elect to continue exploring beyond Phase I, they could drill at least four (4) exploration wells.

The Agreement which allows for the sharing of production in the event of any commercial development describes the regime under which petroleum extracted will be shared between the companies on the one hand
and the Government on the other. The two (2) companies will be providing their own funds to explore for and to extract petroleum.

The signing of this Agreement ends two (2) years of discussions and negotiations which were begun when the new Petroleum (Exploration and Production) Act 1986 was enacted and oil companies were invited to participate in the exploration activities. This Licence is the third granted for prospecting for petroleum in Guyana, the second off-shore.

The Guyana Natural Resources Agency (GNRA), which has negotiated the Agreement, will be responsible for its administration and implementation on behalf of the Government and will monitor and oversee the proposed petroleum operations and all matters relating to those operations.

GUYANA NATURAL RESOURCES AGENCY:


Oil Concessions (Guyana)
Guyana, two more oil coys sign exploration agreement

The Government of Guyana yesterday granted a production sharing contract to LASMO Oil Company, a subsidiary of London and Amsterdam-based company LASMO PLC. The contract covers an area of approximately 3,200 square miles in the offshore South-West basin.

The licence expenditure for the initial period of three years is estimated at $5 million. A production sharing agreement for the subsequent three years each, making for a maximum exploration period of nine years is required.

Signing the agreement on behalf of the Government were Deputy Prime Minister Planning and Development, Harry Paris, and C.N. Davidson Kelly, one of LASMO's directors. At the signing ceremony, Deputy Prime Minister Eric Williams announced that the contract has been registered under the PetroGuyana Act.

The agreement is significant in that it is the first of its kind to be signed in Guyana's history. The two companies, Eni (Italy) and Gulf Oil (US), plan to undertake exploration activities in the South-West basin, which is characterized by a unique geological setting.

The agreement is expected to provide significant economic benefits to Guyana, particularly in terms of job creation and increased revenue from petroleum exploration.

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Exploration agreement

(From previous)

The exploration term the companies will complete about 2000 km of necessary seismic surveys. If the companies elect to continue exploring beyond that phase, they could drill at least four exploration wells. The companies have already spent about $1 million (US) on the local project, officials told newsmen shortly after the signing ceremony. However, they did not disclose, specifically what sums are targeted to be spent over the next few years on the venture.

Oil Concessions
(Guyana)
ANNEX A

DESCRIPTION OF CONTRACT AREA

Description of Area to be granted under Petroleum Prospecting Licence pursuant to Article 3 of the Petroleum Agreement.

The area comprising approximately 11,418 square kilometres described herein consisting of graticular blocks identified herein and shown on the map attached as Annex B.

Longitude and Latitude measurements are West and North respectively

Commencing at Point "a", 57° 20' Long., 7° 30' Lat.; Eastwards to Point "b", 57° 00' Long., 7° 30' Lat.; Southwards to Point "c", 57° 00' Long., 7° 20' Lat.; Eastwards to Point "d", 56° 50' Long., 7° 20' Lat.; Southwards to Point "e", 56° 50' Long., 7° 15' Lat.; Eastwards to Point "f", 56° 45' Long., 7° 15' Lat.; Southwards to Point "g", 56° 45' Long., 7° 10' Lat.; Eastwards to Point "h", 56° 40' Long., 7° 10' Lat.; Southwards to Point "i", 56° 40' Long., 7° 00' Lat.; Eastwards to Point "j", 56° 35' Long., 7° 00' Lat.; Southwards to Point "k", 56° 35' Long., 6° 55' Lat.; South-West to Point "l", 56° 55' Long., 6° 25' Lat.; Westwards to Point "m", 57° 05' Long., 6° 25' Lat.; Northwards to Point "n", 57° 05' Long., 6° 30' Lat.; Westwards to Point "o", 57° 25' Long., 6° 30' Lat.; Northwards to Point "p", 57° 25' Long., 6° 35' Lat.; Westwards to Point "q", 57° 45' Long., 6° 35' Lat.; Northwards to Point "r", 57° 45' Long., 6° 40' Lat.; Westwards to Point "s", 57° 50' Long., 6° 40' Lat.; Northwards to Point "t", 57° 50' Long., 6° 50' Lat.; Eastwards to Point "u", 57° 45' Long., 6° 50' Lat.; Northwards to Point "v", 57° 45' Long., 7° 05' Lat.; Eastwards to Point "w", 57° 40' Long., 7° 05' Lat.; Northwards to Point "x", 57° 40' Long., 7° 25' Lat.; Eastwards to Point "y", 57° 20' Long., 7° 25' Lat.; Northwards to Point "a", 57° 20' Long., 7° 30' Lat.
ANNEX A (CONT'D)

Consisting of the Following 5' x 5' Graticular Blocks
as Shown in the Map in Annex B

Q - 81 - 84, 89 - 96, 101 - 108, 113 - 120, 125 - 132, 136 - 144

R - 97 - 98, 109 - 111, 121 - 124, 133 - 136

X - 4 - 12, 16 - 24, 27 - 36, 39 - 48, 52 - 60, 68 - 72, 84

Y - 1 - 5, 13 - 16, 17(Part), 25 - 27, 28(Part), 29(Part), 37 - 39, 40(Part), 49 - 50, 51(Part), 52(Part), 61, 62(Part), 63(Part), 73, 74(Part)
OFFSHORE GUYANA
ARE GRANTED UNDER A
PETROLEUM PROSPECTING LICENCE
TO
LASMO OIL (GUYANA) LIMITED AND BHP PETROLEUM (GUYANA) INC.

Total Area 11,418 sq kms

Oil Concessions
(Guyana)
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Soviets seek foreign partners to help boost petrochem output, p. 14
Texaco Canada offered for sale in latest wave of restructuring, p. 28
Preliminary hazards analysis conducted on FCCU complex, p. 60
Developing an expert system for strategic exploration planning, p. 75
Gujiana awards offshore licenses to two combines

Exploration is set to resume off Guyana.

The government and its Guyana Natural Resources Agency (GNRA) have awarded two offshore exploration licenses.

One went to a combine of Guyana Exploration Ltd., an Isle of Man company owned by U.S. interests, and Petrel Petroleum Corp., Houston. GNRA awarded the other license to a combine of Lasmo Oil (Guyana) Ltd. and BHP Petroleum (Guyana) Inc.

Guyana has seen no exploration since 1953, when Mobil Oil Co. Ltd., Calgary, shut down operations after testing oil in noncommercial volumes in an offshore wildcat at about 200 miles south of Georgetown (see map, OOG, Aug. 26, 1983). The license is subject to an exploration requirement.

Offshore, as Royal Dutch/Shell Group affiliate had noncommercial hydrocarbon shows in the Abaiby wildcat.

Word of pending offshore contracts caused a political stir in neighboring Venezuela, which long has disputed its border with Guyana, claiming territory as far east as the Essequibo River. Venezuela's Foreign Ministry later said the contract areas are outside the disputed region (OGJ, July 11, p. 31).

Contracts similar. The new licenses are similar, both based on production sharing agreements in the event of discoveries.

Lasmo, with a 60% interest, and BHP, 40%, will begin drilling 2,000 line km of seismic survey on the 11,418 sq km Satira block within the next few months.

The license has an initial term of 3 years with options for two successive 3-year periods.

Lasmo has an option to drill, depending on seismic results. If drilling is successful, the partners can apply for a 20-year production license.

Guyana Exploration and Petrel also agreed to conduct 2,000 line km of seismic survey. The Western Anchorage seismic vessel began operations July 29.

The combine plans to begin drilling early next year in an exploration period lasting as long as 10 years. The combine's block covers 12,700 sq km.

Piper flames out; structure to be strengthened

Flames from the last of five wells that were on fire at Occidental Petroleum's (Caledonia's) Piper Alpha platform are still visible in the North Sea.

Red Adair teams killed one of the last burning wells, and the final fire was extinguished.

"Aided by good weather, crews are preparing to plug all 35 wells on the platform.

"The operation is expected to take about 2 weeks.

"The first platform rehabilitation project was to cement one of the damaged platform legs. Oxy also ordered a steel "X" frame that will be clamped to the east side of the jacket 50-120 ft below the waterline to strengthen the structure.

"The 104-ft-long, 18-in. "X" frame with chevron-truss reinforcements will be installed by a crane and ROVs because it is still too dangerous to send divers into the water around the platform.

"Once the "X" frame is in place and a complete survey of the debris on the seabed complete, divers will attempt to recover the accommodation unit, thought to contain many missing bodies.

"The death toll from the July 6 explosions that blew away most of Piper Alpha's topsides is 167. Oxy said 122 bodies are still missing.

"Construction of the strengthening frame is underway at McDermott International's Airdsore, Scotland, yard.

"Work will take about 1 month to complete.

"Cement was run into the 81 leg. Oxy installed a 21-in. clamp on the explosion hole in the platform legs.

"A 21 ft cement plug was placed in the tubing leg from 25 ft above the water line to 68 ft below the water line.

"BHP's kill of the well is the Kingsnorth U.K. semisubmersible support vessel was anchored off the platform.

"It has remained on station, dynamic positioning since the explosion.

"Oxy also moved the other support vessel, to remove a pipeline to Flotta terminal on the Shetland Islands. The line is part of the Claymore platform, which was tied to the platform through Claymore Oil Concessions (Guyana)