

A North Sea Giant

Tim Dodson is exploration manager for Statoil in on the Norwegian Continental shelf. We talk to him about the company's assets offshore Norway and the rest of the world.

Statoil is by far the largest operator on the Norwegian Continental Shelf (NCS). How much oil and gas does your company produce per day?

In 2005 Statoil produced 985,000 barrels (157,000 m³) of oil equivalents (boe) per day from NCS, 562,000 boe (89,000 m³) of this was oil and liquids and 423 000 boe (67,000 m³) was gas. It is our ambition to increase this level and maintain a production of 1 mill (159,000 m³) boe per day until 2015.

And what is your estimate of the Statoil's reserves in the same area?

Statoil's proven reserves for the Norwegian Continental Shelf was 3462 million boe (550,000 m³) at the end of 2005. 1142 million boe (181,000 m³) of this was oil and liquids.

Exploration is in the focus nowadays, but how much do you think the reserves can be increased in the future by better reservoir management?

It is our ambition to increase the recovery factor for liquids on our Statoil operated platform fields in Norway to 70%. For fields developed with subsea wells the ambition for the recovery factor is 55%. These numbers are to be compared to around 60% and 40% respectively without these efforts. Better reservoir management is a main ingredient to make this significant increase possible.

Statoil has had a fairly aggressive exploration campaign last year, being part of 20 out of 23 wells on the NCS. Is this the beginning of a new trend in which the Norwegian reserves will start to climb again?

We think we have many promising prospects to be drilled in the years to come. These are situated both in mature and frontier areas and some of them have the potential to significantly raise the reserves some years from now. We have secured drilling capacity on long term contracts making us able to maintain a high activity level for the years to come.

Which sedimentary basins on the NCS do you consider have the best potential for giant discoveries in the future?

The more frontier basins in the Barents Sea and the Norwegian Sea have the highest potential, but recent discoveries like Onyx and Goliat have shown that it is still possible to make big discoveries in rather well known areas.

Statoil has turned into an international oil company. In how many and which geological provinces are you present today?

The Statoil-BP alliance in the 90's brought us into countries like Azerbaijan, Angola and Nigeria. Since then Statoil has performed a screening process of all sedimentary basins in the world before entering into new opportunities. The countries we are present in today reflect which of these basins were attractive and accessible for Statoil. I can also say that the basins on the NCS did fairly well in this ranking. Statoil is now present in 19 geological provinces outside Norway: West of Shetlands and the North Sea on the UK Continental Shelf, in the Faroe Islands, in the Atlantic Margin of Ireland, in the US Gulf of Mexico, onshore and offshore Venezuela, three basins offshore Brazil, the Niger Delta, offshore Angola, onshore Algeria and onshore Libya, offshore Egypt, South Pars in Iran, the south Caspian in Azerbaijan, the Kutei basin in Indonesia and the Pearl River Mouth basin in China.

Which exploration areas outside the NCS do you look upon as the most promising?

According to our ranking: the Circum Arctic basins; Gulf of Mexico; Atlantic margins of South America; Atlantic margin of Africa from Nigeria to Angola; North Africa; Caspian region; Middle East; South and East Asia are the most promising outside NCS.

According to the Norwegian Petroleum Directorate, some 25-30 billion barrels (of oil equivalents) are yet to be found on the NCS. Which countries and what geological provinces in other parts of the



Photo: Halfdan Carstensen

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world would have equivalent resources to be found that is also accessible by the international oil companies?

Our evaluations show that the general regions with such large yet-to-find resources are the Circum Arctic basins, the Gulf of Mexico, North Africa and the Middle East.

How do you look upon the future of global oil production? Do you believe we are about to peak in the near future?

I see that most easy discoveries are made worldwide, and that all companies are struggling to replace reserves in the long term as only one supergiant oil field has been found in the last 25 years. I think there still is a large potential for more discoveries to be made, for smaller and more remote fields to be developed and to increase the recovery from each field. Increasing world oil production will be a challenge, but I think we will stay on a high production level for many years to come. When we will reach the actual peak is hard to tell and is of course also dependant of the future oil price.