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Gulfsands Petroleum and Emerald Energy confirm oil in KH-12 well in Khurbet East

by Sergei Balashov



Gulfsands Petroleum (LSE: GPX) and Emerald Energy (LSE: EEN) both reported that cumulative production from the Khurbet East field had reached over 4 million barrels, and also reported results from production testing at the Yousefieh field, also in Block 26 in Syria.

Drilling operations have been concluded on delineation well KHE-12, which reached a total depth of 2070 metres and encountered a net reservoir section of about 10 metres with average porosity of 18%. The reservoir parameters and the viscous oil were similar in quality to those encountered in the KH-8 well, the company said in the statement. Flow testing operations are planned for the reservoir to determine the fluids that will be produced.

Gulfsands CEO Ric Malcolm said the results from the KHE-12 well, located 3.2 kilometres south of the KH-8 well, previously the most southerly in the Khurbet East field, indicated the potential for further southern extension.

A natural oil flow of about 1,660 barrels per day (bopd) with a water cut of 30% was indicated at the KHE-11 well, which will be completed as a future production well after logging and testing operations are concluded.

Gulfsands and Emerald also reported on the results of production testing at other wells in the Yousefieh field.

The Yousefieh-1 well, drilled in November 2008 and re-entered in August this year, underwent production testing, flowing oil at a rate of 356 bopd over a 7 hour period and at 823 bopd under artificial lift with nitrogen and through a 2 inch choke. The well is currently being completed for future production. The testing zone in the Yousefieh-2 well was of lower quality, flowing oil at 139 bopd with a 49% water cut.

Gulfsands Petroleum holds a 50% working interest and operates the Block 26 in North East Syria, which covers 8,250 sq km (square kilometres) and encompasses existing fields, which currently produce 100,000 bopd. Emerald Energy holds the remaining 50%. The company has already secured commercial approval for the Khurbet East field, expecting to proceed with an application for commercial development of the Yousefieh field later this year after wrapping up the drilling and testing operations on the Yousefieh-3 appraisal well, set to be spudded this week.

Proven and probable reserves attributable to Gulfsands at 31 December 2008 were 28.7 mmbbl (million barrels of oil) (working interest) and 10.9 mmbbl (entitlement).