



BP on track with 2017 upstream projects

Two more BP projects have entered production, the fourth and fifth of seven project start-ups planned this year



Juniper Photo: BP

BP recently announced that the Juniper field in Trinidad (pictured above) and Persephone project in Australia have come onstream, following the start-ups earlier this year of the first phase of the West Nile Delta development in Egypt, the Trinidad Onshore Compression (TROC) project and the Quad 204 redevelopment in the UK. A further two projects – the first phase of the Khazzan tight gas development in Oman and development of the Zohr gas field offshore Egypt – are expected to begin production before the end of the year.

Bob Dudley, BP Group Chief Executive said: 'This is a significant year for BP and, with five of our seven planned major projects now onstream, delivery of our plan is firmly on track. This year's projects will deliver a key part of the 800,000 boe/d production from new projects that we expect by the end of the decade. Importantly, these new projects, with their lower development costs and higher margins, also further improve BP's resilience to the price environment.'

Juniper is the largest new project to start up in Trinidad for several years and BP's first subsea field development in the country. It is expected to boost BP Trinidad and Tobago's (BPTT; 70% owned by BP and 30% Repsol) gas production capacity by around 590mn cf/d. The development produces gas from the Corallita and Lantana fields via the new Juniper platform,

located 80 km off the south-east coast of Trinidad in water approximately 110 metres deep. Gas then flows to the Mahogany B hub via a new 10 km flowline. Juniper is BPTT's 14th offshore platform in Trinidad.

In June, BPTT announced that it had sanctioned development of the Angelin gas field, which is expected to start production in late 2019. BPTT also announced two significant gas discoveries with the Savannah and Macadamia exploration wells, offshore Trinidad. The results of these wells have unlocked approximately 2tn cf of gas in place to underpin new developments in these areas.

According to BP's regional president for Trinidad and Tobago, Norman Christie: 'Trinidad and Tobago have seen a gas shortfall since about 2011. There has not been enough gas to meet the islands' needs for both LNG production and to feed the petrochemical plants. Our new TROC and Juniper projects start to reverse the situation – they won't completely eliminate the shortfalls but significantly mitigate them.'

He continued: 'Years of effort and negotiation have also come to fruition this year with the completion of a new sales agreement with the National Gas Company (NGC), updating one that has been in existence for 20 years. On the margins side, this new agreement recognises the need to incentivise the upstream – with

some different pricing structures – while making sure that the rest of the gas value chain still works.'

'There is some more flexibility now about how much gas will go for export, depending on prices and markets, but in future, as a rule of thumb, the split between domestic and export will be around half and half.'

Meanwhile, the Persephone project off the coast of Western Australia is operated by Woodside Energy and is part of the North West Shelf Project joint venture. The development comprises two subsea wells tied back to the existing North Rankin complex by a 7 km flowline. Located about 140 km north-west of Karratha, Western Australia, in water depths of around 125 metres, at peak production the project is expected to produce around 48mn cf/d of gas net for BP. BP holds a 16.67% interest in Persephone.

North Sea

Cygnus Bravo first gas



Photo: Engie E&P

First gas has been exported from Cygnus Bravo, the satellite wellhead platform in the Southern North Sea's Cygnus development, operated by Engie E&P UK. Production was exported to Cygnus Alpha, which itself has been at a plateau of 250mn cf/d since mid-December 2016. Combined output then travels from the Alpha processing unit, via a 55 km link to the Esmond Transmission System – which ultimately lands at the Bacton gas terminal in Norfolk.

The overall Cygnus complex comprises four platforms and two subsea structures. It contributes 5% of UK gas production; sufficient to heat the equivalent of 1.5mn UK homes.

Cygnus holds estimated 2P (proved and probable) reserves of approximately 110mn boe. Engie E&P UK is the operator, holding a 38.75% interest, partnered by Centrica (48.75%) and Bayerngas (12.5%).