

STRATEGY



Task: Sonatrach chief executive Abdelmoumen Ould Kaddour
Photo: TOLGA SEZGIN

Halcon aims for Delaware

US INDEPENDENT Halcon Resources is to concentrate on investments on the Delaware sub-basin after exiting another US shale tract in a \$1.4 billion deal with a private equity-backed player.

The Houston-based company has offloaded its operated Williston basin acreage to Bruin E&P Partners, a portfolio company of ArcLight Capital Partners, in an all cash deal that is expected to close within two months.

The acreage being sold represents around 29,000 barrels of oil equivalent per day of net production.

Although Halcon is holding onto non-operated acreage in the Williston, it said it “may monetise those assets in the future”.

The company has also vowed to continue to operate two rigs in the Delaware sub-basin to the end of this year, and expects to exit 2017 with more than 13,000 boepd of net production.

Halcon chief executive Floyd Wilson said: “The sale of our Williston basin operated assets transforms Halcon into a single-basin company focused on the Delaware basin where we have more than 41,000 net acres in Ward and Pecos counties representing decades of highly economic drilling inventory.

“The cash proceeds from this transaction and related debt reduction provide us with a strong balance sheet and liquidity to execute our growth plans.”

Sonatrach looks to bring back foreign investment

Algerian state company keen to attract fresh business again after suffering **during downturn**

MARK HILLIER
Istanbul

ALGERIAN state oil company Sonatrach is targeting a new relationship with oil companies as it looks to reinvigorate its oil and gas sector after the downturn caused by the oil price crash.

Recently installed chief executive Abdelmoumen Ould Kaddour, speaking in an interview with Upstream during the World Petroleum Congress on Tuesday, said that in the three months since he was appointed to the job he has set about the task of improving sentiment towards the Algerian oil and gas sector.

Algeria has plans for capital investment of as much as \$53 billion in the period from 2017 through 2021 but knows that it has had difficulty attracting investment from foreign players after the downturn amid concerns about the terms under which they have been operating.

Ould Kaddour said this meant that Sonatrach and its partners needed to develop a “new vision” for the sector.

“Definitely there is a need for developing a new relationship,” he said, adding that “the first step is that we need to talk to each

other”. Since his appointment Ould Kaddour said Sonatrach has been putting a lot of effort into trying to resolve issues with operators.

Sonatrach was involved in more than 10 arbitration cases with its partners when he took on the job, most of which related to upstream ventures. Already, five of these have been resolved, the new chief executive said.

He noted as an example the agreement with French supermajor Total that was signed in April to amicably resolve earlier disputes between the two sides and set the stage for the pair to develop a new contractual framework for the delayed Timimoun gas project along with Spain’s Cepsa.

“We are looking at resolving outstanding issues and also looking at the future,” he said of the Sonatrach approach, adding that with Total the Algerian state operator is already looking at other new opportunities, such as introducing solar energy to power its oil and gas operations.

A pilot project to test such renewable technology is already being undertaken with Italian

operator Eni at Bir Rebaa and other operators are also interested, he explained.

Ould Kaddour also acknowledged the concerns oil companies have had over the Algerian taxation system and said that these were being addressed along with the challenges of bureaucracy and an oil law that has widely been seen as unattractive by oil companies in a lower oil price environment.

“We want to make sure that the profit is shared by both sides,” he said.

Improving the taxation system and reviewing the hydrocarbon law are key priorities for Algeria and with those to be addressed first it is likely to be next year before the North African producer starts to turn its attention to fresh licence rounds.

In the meantime, however, Ould Kaddour said Sonatrach is already starting to see the steps it has taken being reflected in a more positive attitude from operators. That was shown, he suggested, in meetings he has already held at WPC with the likes of BP, Statoil, Total and Cepsa.

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