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IN TODAY ENB Briefs: Norwest now Jingemia operator, Xstate receives Raven payment, Total invests in gas-powered trucks, and more

James Bowen 11 May 2018 11:13 News



Shelley Robertson

Norwest

RMCA Australia has assumed the operator role for the Jingemia oil field in the onshore Perth Basin of Western Australia, taking over from Cyclone Energy.

RMCA holds 60% of the project, with Cyclone holding 33.722% and Norwest Energy the remaining 6.278%

Norwest managing director and CEO Shelley Robertson said that while Cyclone had done the heavy lifting in getting the project restarted, the company now looked forward to a fresh perspective and approach to project delivery.

"Recent Brent oil prices are encouraging, and our BP Kwinana Refinery offtake contract and the associated logistics operation remain in place," Robertson said.

"The joint venture remains optimistic at the potential for further exploration success within the Jingemina oil field and elsewhere within the license boundaries."

"The RMCA Group are an effective global operation and we support them in their role as incoming operator of the Jingemina project. We hope this will provide the catalyst for an acceleration of activity within the largely underexplored, underdeveloped Perth Basin."

Xstate

Xstate Resources has received a US\$35,000 non-refundable deposit from Raven Energy for the transfer of the former's working interest in the Dempsey project in California.

Under the terms of the binding letter of intent between the two companies, Raven now has an exclusive period until July 15, 2018 to pay the balance of \$465,000 or make an additional non-refundable deposit of \$35,000 to extend closing to August 31 this year, at which point the balance is due and payable.

A further \$500,000 payment is due in cash or Raven shares 90 days after closing and the deferred payment method is at the sole discretion of Raven.

The Dempsey project includes Xstate's working interests in the Dempsey-1-15 well currently being drilled, surrounding leases, land, mineral ownership, wells and related production infrastructure.

Following completion of the project sale to Raven, Xstate's sole exposure in the Sacramento Basin will be its working interest in the Alvares appraisal well and area of mutual interest.

UN

The United Nations is expected to hold a new session of climate change talks in Bangkok after difficulty in making progress at recent negotiations in Bonn.

A continuing area of conflict is over the participation of fossil fuel companies at the talks.

Talks on developing a conflict of interest policy have not led to any resolution, with groups both in favour of and opposed to such a strategy - the latter including the US and Australia - only agreeing to more talks.

Permian

US president Donald Trump's decision to walk away from the Iran nuclear deal could add to a troublesome glut of gas being produced by drillers in the Permian Basin.

The Iran decision has contributed the highest oil prices in three years, which is likely to boost already sky-high production of crude from the Permian, inevitably adding to the supply of gas that is produced alongside.

The Permian's oil boom has also filled gas pipelines in the region to capacity and made prices the cheapest of any major US hub, with any subsequent rise likely to lead to gas project shutdowns or an increase in flaring of excess production.

Geopolitics

The US Energy Information Administration has cited geopolitical concerns as a key contributor as it forecast a US\$7 per barrel increase in the average price for oil this year.

The agency expects the price for Brent crude oil to be about \$71 per barrel for the year, up from \$64 in April's estimation.

The forecast was issued before president Donald Trump pulled the US out of the nuclear deal with Iran.

Japex

The Japan Petroleum Exploration Co is reported to be seeking new cargoes of LNG after its joint venture project in western Canada was abandoned last year.

Japex is said to want three to six new cargoes of LNG per year starting from 2020 and has also given sellers the option of delivering cargoes over five or 10 years, with offers due by the end of this week.

India

India has scrapped a duty on the import of solar modules that had led to a backup of shipments at the country's ports.

Several consignments of solar modules, worth a total of more than \$150 million, were held up for more than three months after Indian customs officials demanded some be classified as "electric motors and generators" and thus subject to a 7.5% import duty.

Angola

A senior analyst for Africa at Verisk Maplecroft believes Angola may be on the cusp of an oil production turnaround.

This comes in response to an announcement from Italy's Eni that it had reached a production plateau of 24,000 barrels per day at its Ochigufu field less than two months after operations began.

This will allow the company's operated production from its assets in the region to hold steady at more than 150,000 barrels per day.



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