



UK drilling: Azinor has signed agreements with Maersk Drilling and Seapulse

Azinor attracts Seapulse, Maersk Drilling for UK wells

Private-equity backed explorer commits to drilling on Boaz and Hinson prospects in 2020

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Azinor Catalyst has signed agreements with Maersk Drilling and newcomer Seapulse that has allowed the private equity-backed North Sea exploration specialist to commit to drilling two UK North Sea wells in 2020.

The two firm wells – one each on the Boaz and Hinson prospects – will form part of a three-well campaign next year.

Azinor said it has now made commitments to the UK Oil & Gas Authority (OGA) over the drilling.

Seacrest Capital-backed Azinor says it has signed a letter of intent with Maersk Drilling to deliver the full campaign under the scope of the master alliance agreement the Danish company entered into in December with exploration start-up Seapulse, which also has Seacrest as one its backers.

Preparations for the drilling are already under way, Azinor said, and a fully integrated agreement for Maersk to provide end-to-end drilling services for all three operations is expected to be finalised in due course.

Azinor has also signed farm-out agreements with Seapulse for the drilling of Boaz and Hinson. Farm-out negotiations for a third well, Goose, are progressing and an announcement is expected in due course, Azinor said.

Azinor Catalyst managing director Nick Terrell said: “We are delighted to commit to

drilling these high-value North Sea exploration opportunities.

"What is particularly pleasing, is that not only will we benefit from bringing Seapulse into the partnership, but we will be partnering with Maersk Drilling under the Seapulse –Maersk Drilling alliance, which will bring additional operational efficiencies during our back-to-back three-well drilling campaign."

Seapulse is a 50:50 joint venture between Seacrest and High Power Petroleum, a subsidiary of technology company I-Pulse.

Seapulse signed an alliance agreement with Maersk Drilling at the end of last year for a two-year offshore drilling programme in multiple basins.

Azinor said in December it had received a letter of intent from an unnamed company covering the possible acquisition of non-operating interests in the wells originally planned for drilling later this year.

The three prospects are estimated to contain combined gross unrisksed Pmean prospective resources of 495 million barrels of oil equivalent.

Boaz, located in the South Viking Graben, is a large untested Triassic titled fault block immediately adjacent to the UK-Norway median line with estimated gross unrisksed Pmean prospective resources of 242 million barrels of oil equivalent.

Goose, in the Outer Moray Firth about 12 kilometres north of the Claymore field, is a stratigraphic trap with a Lower Cretaceous Scapa sandstone objective. It has estimated gross unrisksed Pmean prospective resources of 75 million barrels of oil equivalent.

Hinson is located in the West Central Graben and comprises a large Upper Jurassic stratigraphic target with similarities to CNOOC International's recent Glengorm discovery, which lies nearby. Hinson has estimated gross unrisksed Pmean prospective resources of 178 million barrels of oil equivalent.

The company last year drilled a successful appraisal of the Agar-Plantain oil discovery.

Azinor started drilling the 9/14a-17B Agar-Plantain appraisal in August using the semi-submersible Transocean Leader, announcing the results in November.

Azinor operated that well with a 25% interest after bringing in Edinburgh-based Cairn Energy, which took a 50% working interest, and Faroe Petroleum, which took a 25% interest.

Upstream reported in March that Seacrest was exploring the potential sale of all or part of Azinor.

Industry sources with knowledge of the process told Upstream that Seacrest was looking to "test the market".

The process is understood to have been triggered by several unsolicited off-market approaches to Seacrest for individual Azinor assets, as well as a larger corporate approach.

Neither Seacrest nor Azinor have commented.