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On Monday September 20, 2021, the Guyana Extractive Industries Transparency Initiative (GYEITI) inaugurated the 2nd Multi-Stakeholder Group (MSG) the decision-making body for GYEITI. This body will have a lifespan of three years and will be expected to meet on a monthly basis to make decisions on the further implementation of EITI in Guyana and to take action on a number of recommendations for the improvement of governance in Guyana's extractive sectors. The MSG comprises four

members each from Government, Industry and Civil Society along with an alternate for each member.

Two of the most pressing issues to face the new MSG are EITI Validation and the compilation of Guyana's 3rd EITI Report for Fiscal Year 2019. In the photograph above, Minister of Natural Resources Hon Vickram Bharrat (centre) and the Permanent Secretary of the Ministry of Natural Resources Mr Joslyn McKenzie (right) hand out letters of appointment to the new members and alternates of the MSG.

PETROLEUM EXPLORATION HISTORY IN GUYANA (Extracted from Guyana's FY 2018 EITI Report)

The beginning of petroleum exploration in Guyana dates back to the 18th century when several oil and gas seeps and hydrocarbon indications were recorded. Offshore oil capabilities were also recorded by Dutch explorers who reported gobs of pitch floating in the Atlantic.

The first substantial effort to locate petroleum started in 1916 when exploration deposits were drilled in the Waini area of the country's North West District. However, one of these deposits recorded gas and pitch. In 1926, a deposit was drilled on the west coast of Berbice at the Bath Sugar Estate and the gas recovered there was used for domestic purposes.

In 1938, multiple reports of oil seepages in Guyana (then British Guiana) piqued the interest of the Trinidad Leaseholds Co. Ltd., and the first oil prospecting license was applied for and subsequently granted. In 1939, seismic exploration over the eastern part of the Atlantic Coast spurred the company to drill a deep test well, known as Rose Hall No.1 or (BG-1), at a site near New Amsterdam.

During 1950s :

In 1958, a regional survey of the shelf was conducted by Standard Oil of California, but no wells were drilled.

During the 1960s

In 1965, the giant Tambaredjo Field was discovered in onshore Suriname. Exploration licenses granted to Shell and Conoco for an onshore and offshore block. Shell and Conoco assigned 50% of its rights to Tenneco. Shell conducted seismic surveys in 1965 then started a drilling campaign in 1966. They sank six wells to obtain stratigraphic information and test the heavy oil along the fringe of the Guyana Basin. In 1967, the Conoco/Tenneco partnership sank two offshore wells.

During the 1970s

Five holes were drilled in 1974, four by Shell and one by Deminex. Indeed, Shell drilled Mahaica 1 which terminated at 8,104 feet in Paleocene sediments, Berbice 2 which terminated at 10,049 feet in Upper Oligocene sediments, Abary 1 in the deepest part of the offshore basin close to a target seismic horizon and Mahaica 2 located close to the shore than Mahaica 1. No hydrocarbon shows were found.

During the 1980s

The most successful oil exploration to date was Home Oil's programme of 1981 and 1982, when they sank the Lethem 1 and Karanambo 1 wells in the Takutu Basin, striking oil flowing at 400 barrels a day in Karanambo 1, in the northwest of the concession struck oil from fractured Apoteri volcanics of Jurassic age.

During the 1990s

After ten (10) years of the discovery of oil in Karanambo 1 well in fractured Apoteri volcanics of the Takutu Basin by Home Oil, Guyana Hunt Oil drilled Turantsink 1 well 25 miles south of Karanambo 1 at the northern edge of the Takutu basin in December 1992. Oil shows were found in several sections. The well was abandoned in 1993 at a depth of 11,600 feet in Apoteri volcanics. Hunt Oil relinquished their Takutu concession at the end of 1993.

Total joined the partnership of Petrel Petroleum Corporation and Guyana Exploration Ltd in 1989. The group sank the Arapaima 1 offshore well between 1991 and 1992 to test the upper and lower Cretaceous calcareous shale reef formations along the edge of the Guyana offshore basin. A good reservoir quality was found in sandstone, but the calcareous formations had low porosities. Gas shows were found in certain horizons. This well was abandoned at 11,090 feet.

In 1991, Mobil Corporation acquired rights for offshore exploration and started a geological and geochemical exploration programme. Lasmo/BHP failed to raise funds for their proposed drill programme which was based on the results of their offshore seismic survey completed in 1989 and they withdrew in 1991. Likewise, the Petrel/GEL partnership could not attract funding for additional exploration, so they withdrew in 1992. Mobil could not attract partners either to jointly drill a well and they withdrew in 1994.

Between 1992 and 1994, GGMC participated as an associate member in the South American Mapping Project (SAMMP) which was sponsored by six major oil and mining companies (AMOCO, BHP, CONOCO, Exxon, JNOC and UNOCAL) to gather aeromagnetic and marine magnetic data on the South American continent and its offshore continental margin to compile, display and prepare a digital dataset and produce a comprehensive report.

2000s onwards

In September 2007, Guyana and Suriname finally resolved the maritime dispute through the arbitration of the UN Tribunal of the Law of the Sea, luring back international Exploration and Production companies, such as CGX Energy Inc, Repsol and Exxon Mobil Corporation, which together with partners CNOOC Ltd and Hess Corporation signed PSC Stabroek with the Guyanese government. Meanwhile, a cohort of wildcatters who had great success off West Africa came to the basin believing the petroleum systems in Guyana were supposed to be the mirror images of those in West Africa, these including Tullow Oil plc, Kosmos Energy Ltd and Eco Atlantic Oil & Gas Ltd.

In 2008, ExxonMobil initiated oil and gas exploration activities in Guyana, collecting and evaluating substantial 3D seismic data that led to the company safely drilling its first exploration well in 2015 named Liza-1. The Liza discovery was announced in May 2015.

Since the discovery of the giant Liza field in 2015. ExxonMobil has made more than 20 further discoveries at the prolific Stabroek Block where estimated resources exceed 9 billion barrels of oil equivalent. Esso Exploration and Production Guyana Limited signed a Production Sharing Agreement (PSA) in 2016 and paid the Guyanese Government a signing bonus of US\$18 million into a bank account owned by the Government of Guyana at the Bank of Guyana.

During 2019 only, seven (7) discoveries in Guyana' offshore basin were made: Five (5) from ExxonMobil and two (2) from Tullow Oil in the Orinduik block. Repsol made its first discovery at the Carapa-1 well, announced in January 2020 by Tullow Oil, at the Kanuku Block.

On December 20, 2019, the floating production, storage and offloading (FPSO) vessel Liza Destiny began producing oil from offshore Guyana. This milestone comes less than five years after the initial discovery of the Liza field.

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