

RANGE RESOURCES

WIDE-RANGING POTENTIAL



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Trinidad Chief Operations Officer, Walter Cukavac discusses the incredible progress made by Range Resources in the little over two years that it has been present on the Caribbean island

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It was in 2011 that Range Resources entered into the oil market of Trinidad. A listed oil and gas exploration, development and production company already boasting interests in Puntland, Somalia, Texas, USA and the Republic of Georgia, Range's arrival on the Caribbean's southernmost island nation was instigated through the acquisition of 100 percent interest in three production licences, Morne Diablo, South Quarry and Beach Marcelle.

Each located within producing onshore oilfields, Range's newly acquired assets were complemented by the acquisition of a local, fully operational drilling company possessing six drilling rigs and further completion and workover rigs, and operational personnel.

The Morne Diablo onshore licence comprises 9,300 acres along the south coast of the island and is subject to a farm-in agreement with Trinidad's national oil company, Petrotrin. Range has extended its existing FOA until 31 December 2021. The licence has 2D and 3D seismic coverage and features multi-productive horizons, all of which are currently being targeted. Of its 300 plus wells, 165 are currently producing with 33 new development wells having been added since its acquisition in 2011 and potential for a further 100 wells to be drilled over the coming years.

Comprising of 3,700 acres of land, the South Quarry onshore licence is another of Range Resources' three original acquisitions. Subject to the same type of farm-in agreement with Petrotrin as Morne Diablo, the licence also shares characteristics such as the fact that it been subject to 2D and 3D seismic and

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with a combined working knowledge of over three hundred years. Our facility is API and ISO 9001 certified. The principal area of business includes Machine Shop Services, Sales and Supply and Rental of drilling and cleanout tools and associated equipment. We are pleased to be associated with Range Resources and welcome them to our shores and wish them every success in their future undertakings as we continue to provide our services to meet their specific needs.



Gulf Group of Companies have been servicing the Oil and Gas Industry in our Twin Island Republic of Trinidad and Tobago, South America and the Caribbean for the past Thirty-Seven years on a twenty-four hour basis

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is home to multiple horizons that are being actively explored. The field was discovered in 1938 and resulted in over 90 wells drilled to date, 14 of which are currently producing. What makes South Quarry stand out however is the fact that there are numerous oil seeps present in areas yet to experience any significant appraisal work. This has led Range to mobilise one of its shallower rigs from Morne Diablo programme across to South Quarry to undertake appraisal of some of the oil seeps along with the development of an inventory of up to 20 wells.

Beach Marcelle on the other hand is a 3,900 acre licence subject to an Incremental

Production Sharing Contract with Petrotrin, which extends in ten year periods. The licence contains four individual fault blocks that will be targeted using a waterflood EOR programme, while a technical study carried out in 2012 also identified more than 50 infill well locations. In total, there are currently 230 wells found on the Beach Marcelle licence.

“It was the availability of these licences and the drilling company that really presented us with the opportunity to come in and establish ourselves as a significant player in Trinidad,” explains Trinidad Chief Operations Officer, Walter Cukavac. “In the time since we have made

142

Of Range Resources' wells are currently producing oil in Trinidad



considerable strides, doubling our employee count to 240 people, adding a new technical administrative office which allows us to do more in house engineering and evaluation of projects, and increasing the operational capability of our drilling company.”

This latter development has seen the company bring a further two drilling rigs online and complete the drilling of more than 30 wells. “There are very few independent operators in this market that possess the infrastructure that Range has to offer,” Cukavac continues. “Trinidad is a small market in relative terms and this naturally presents some limitations for companies when it comes to things like gaining access to rigs and equipment at short notice. Our capabilities allow us to execute our projects with our own equipment and better control the timing of our activities.”

Boasting a stable economic and political climate, a judicial system based on English common law and solid infrastructure in the form of roads and transportation networks, Trinidad is clearly a great place to be for a business like Range Resources.

“What we have established in the country is an experienced management team dedicated to the longer term outlook in Trinidad,” Cukavac says. “I think historically

the smaller operators in Trinidad have shared certain characteristics that have seen them collectively play a low risk game based on short term goals. What makes Range different is the fact that we are undertaking field development plans that are setting us up for years to come. We know it will take more than drilling one or two new wells to make a telling difference and we have a huge inventory of close to 200 wells to drill.

This is what will make a real difference over time.”

The difference Cukavac speaks of doesn’t just come in the form of benefits for Range Resources. It also means positive developments for the areas around which the company operates and the communities who live there. Aware of the sensitive nature of Trinidad’s ecology, it has always been the aim of the company to optimise its operations in order to minimise the footprint it leaves behind. Part of its efforts have seen Range focus on the drilling of slimmer, six inch holes which utilise less drilling fluids, while the reusing of water

4,000
BARRELS OF OIL PER DAY
.....
Range’s production target for the end of 2014

as often as possible has also had a positive impact on Trinidad’s environment.

When it comes to supporting local Trinidadians, it is important to first consider the fact that some 98 percent of Range’s workforce are nationals of the island. “Almost all of our technical staff call Trinidad home, while we have also made great strides to bring in young engineering talent from local schools that we train, mentor and help to absorb the right culture that we line our business with from top to bottom,” Cukavac enthuses. “In addition to the work we do

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onsite we also continue to support local businesses, endeavouring to maximise our local content of supporting items, and also provide capital and sponsorship of several local schools and charities.”

As we speak, Range is in the process of ramping up its drilling activity in Trinidad, with the next ten wells scheduled to be

accessed by its production and work over rigs in the coming weeks. This is all part of its plans to lift and maintain the oil production to 4,000 barrels of oil per day by the end of 2014, before increasing this again to 9,000 by the end of 2015 through conventional and unconventional work programmes.

Equally if not more significant is the fact

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that Range now finds itself close to finalising a partnership with Niko Resources, a deal that will give it access to 280,000 acres of onshore and offshore acreage. “Access to this acreage, which itself has a huge upside in terms of reserve potential, will allow us to consolidate an even larger presence in Trinidad,” Cukavac says. “It also follows on from our participation in the recent onshore bidding round for the St. Mary’s Block. This is a 35,000 acre block, again with massive reserve potential, that really typifies the kind of long term projects that we want to target in Trinidad.”

Consolidating acreage that will bring the long term opportunities it desires is clearly high on the list of the company’s priorities moving forward. Nevertheless, as Cukavac

concludes, Range remains conscious of its own need to press forward with the progress it has made across the business. “To date we have ramped up our personnel levels and our internal infrastructure, now it is time to put that to use in order to increase our oil production levels and revenues. As our work force matures technically and gains greater capabilities we will be able to take on increasingly complex types of drilling and production work that will ultimately allow us to further reduce costs and increase profitability.” **BE**

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