



Pet projects

TOGY talks to

Güntekin KÖKSAL

President

PET HOLDING

Ali AK

General Manager

PETOIL

Established in 1990 as a member of the Turkish PET Holding group of companies, PETOIL was the first company to sign a production-sharing contract with the Kurdistan Regional Government. Involved in the Shakal, Bina Bawi, Chia Surkh and Pulkhana licences, the company and its partners plan to drill a minimum of five wells across these assets in 2011. PETOIL also has an interest in Yemen. ■

THE OIL & GAS YEAR: 2010 was a year of political tension in Kurdistan. What is expected in 2011?

ALI AK: 2011 should be a good year. In the earlier years, nobody wanted to come here when there were large jobs in such places as Kazakhstan, Libya and Russia. Now everyone is comfortable, security is good and Erbil is flourishing. Companies and workers are eager to come. In Pulkhana we are working with Egyptian drilling company Sakson, while in Bina Bawi we are partnering with Turkish company Aladdin Middle East. PETOIL will hold a tender process for Chia Surkh and anticipates a start to development in the second half of 2011. We will also open a tender for Shakal.

TOGY: Bina Bawi-1 well had gas shows, while Bina Bawi-2 was difficult and abandoned. Will Bina Bawi-3 and Bina Bawi-4 be spudded this year?

AA: We spudded Bina Bawi-3 in January 2011. The end target is the Permian or Palaeozoic, including the Triassic, Jurassic and Cretaceous, and a total depth of more than 4,000 metres. Our next well after that will be in early March 2011 in Pulkhana, where Canadian company ShaMaran Petroleum is the operator.

TOGY: Has PETOIL's experience enabled the company to better understand and develop the fold belt geological formation in the Kurdistan Region?

AA: PETOIL is from Turkey. The southeast of the country is part of the same fold belt as Kurdistan. The geological sequence of formations are almost the same. Kurdistan is a carbonate country, with Dolomites and other types of limestone. The structure porosities are similar too, so we are quite familiar with the geological operations.

TOGY: How did PETOIL start its relationship with its current partners in Kurdistan?

AA: We brought Oil Search in from Papua New Guinea. We were partners with them in Yemen

and invited them to Iraqi Kurdistan. Lundin came by itself, while Austrian industrial and energy group OMV came for the Mala Omar block. We had brought in US oil and gas company Prime Natural Resources in the very early days of our involvement in Iraqi Kurdistan.

TOGY: How does PETOIL's approach to business differ from those of Western companies?

GÜNTEKIN KÖKSAL: The larger Western companies' way of thinking is different from ours. We are very practical, fast and cheap. Western companies are more expensive, they do things more slowly, and decision-making takes time. We can make decisions quickly whereas other companies may take longer to get things in motion.

AA: We are also culturally familiar here. That is a big advantage. We feel more secure here than do Western people. Because of that we have better relations with people and less security expenses. We can travel without guards.

TOGY: What are PETOIL's plans for expansion?

GK: We have been pursuing a partnership with a big company, which is the path that we would prefer. If it does not work, then we will probably go public. In six months time we will have reshaped 90 percent of our organisation.

TOGY: What is the ultimate goal for PETOIL?

GK: First of all we have to handle these four fields in Iraqi Kurdistan. They are nice structures, as each has, we believe, hundreds of millions of barrels of oil. Secondly, we are trying to enlarge our activities through a service company. We also have some other projects, including composite housing, mining, marble and real estate.

AA: Our short-term goal is to produce oil, and it may happen in 2011. With our partners, we plan to start early production in some of our projects. ■