

II. PETROLEUM SECTOR

A. GENERAL DESCRIPTION

1. **General Overview**

The Chilean petroleum sector includes the following activities:

- Exploration and exploitation of petroleum fields
- Importing, transportation, and refining of crude
- Importing, production, transportation, and distribution to primary and final users of petroleum derivatives, including gasoline and propane obtained from natural gas

1.1 **Exploration and production**

More than sixteen sedimentary basins have been studied along the Chilean territory, both inland and offshore. The offshore sedimentary basins run along a narrow submarine strip between the coastal line and the Chile-Peru submarine depression. Sedimentary deposits, are up to 4,000 meters (13,000 ft) deep, and include submarine layers from the High Cretaceous and Tertiary ages.

Inland sedimentary basins are found in: the Straits of Magellan (or Magallanes), the southernmost end of the Central Valley, and northern Chile. Of these sites, the most significant is the Magallanes basin, located east of the Andes mountains. It has a central layer of over 8,000 meters (26,000 ft) deep, including marine strata from the Higher Jurassic, Cretaceous, and Lower Tertiary ages, and continental strata from the Higher Tertiary age.

Nearly 300,000 sq.km (116,000 sq.mi) of sedimentary basins are known. However, the Magallanes basin, representing 29% of the total area, has been the only oil producing basin, and represents 90% of the exploration activity. In fact, other than the Magallanes sites, only 94 exploratory oil wells have been drilled in more than 210,000 sq.km (81,000 sq.mi). 18 of those drillings have been done offshore.

The only active company operating in the Magallanes basin is the state-owned NATIONAL PETROLEUM COMPANY (ENAP), which concentrated its activities, up to the late sixties, on