

Development Plan

The BP documents include a two-part plan to bring the field into production. The first phase (1993-1995) (1992-200m, 1993-475m, 1994-420m, 1995-144m 1996-56m) calls for investment of US\$ 1.4 billion in transport infrastructure, making current pipelines suitable to transport additional crude, pumping stations, storage tanks and separation plants to bring production up to 50,000 b/d by 1994 and 150,000 b/d by 1995 from the current test level of 10,000 b/d.

The second phase calls for increasing production to 400,000 b/d in 1996 and finally 600,000 by 1997 through drilling more wells and linking them, making Cusiana the highest producing single field in Colombia's history. Work is now being done on conceptual engineering for Phase II. Production by 1997 could reach 800,000 b/d if reserves are proven to be as high as 2.5 billion barrels. It is currently under consideration whether a new pipeline will be built parallel to the existing Oleoducto de Colombia or whether Cusiana will be linked to the Caño Limon field to make use of its existing pipeline to the port of Coveñas or even potentially a new pipeline through Venezuela.

Financing

To meet its share of the costs, Ecopetrol will have to invest US\$ 450 million in 1993 and 94 in the Cusiana project and for which they are negotiating a US\$ 300 million credit from the Eximbank and the remaining US\$ 150 million will be raised through the issuing of bonds that Ecopetrol will place in the stock markets of the country.

As operator, BP will do all the procurement and logistics for the project. The procurement needs have been described by BP as "starting a new oilfield". Distral/Williams Bros. are working on a turnkey production facility for the project with Lancaster Steel doing Williams Brother's procurement.

Drilling

This year, BP will have 7 drilling rigs in Colombia, to drill wells of more than 5 km deep (18,000 feet), each well takes between 6 and 9 months to drill and costs approximately US\$ 25 million. By the end of 1994 12 wells should be in production.