

## COLOMBIAN PETROLEUM INDUSTRY

### 1. Ecopetrol

The Colombian petroleum industry is dominated by the National Company, Empresa Colombiana de Petroleos S.A. (Ecopetrol). Presently Ecopetrol has 82 association contracts and 4 concession contracts covering 9 million hectares with approximately 50 companies. In April 1994, Ecopetrol will offer a further 3.8 million hectares for bid through association contracts.

#### 1.1 Exploration

Companies with association contracts pay all exploration costs. Once a discovery is made and the field declared commercial, Ecopetrol can back in for 50%. At this point, Ecopetrol will reimburse the company for 50% of the exploration costs and assume 50% of the future production costs.

In 1994, Ecopetrol will drill eight exploration and ten development wells. The budget is broken down as follows:

- \$50 million US. for seismic surveys and exploration drilling.
- \$40 million US. for 3D seismic surveys and development drilling.
- \$60 million US. for development of new fields, if their exploration wells are successful.

#### 1.2 Gas Distribution

Ecopetrol is expanding its domestic gas distribution network. The first phase has been bid and ENRON appears to have been the successful bidder. The second phase is for a line from Barrancabermeja to Vasconia with branch lines to Bogota, Cali and Medellin.

#### 1.3 Refining

There are tentative plans for a new 100 thousand barrel per day (MBPD) refinery but a decision has not been made yet for the location.