

## 1.0 INTRODUCTION

Colombia is a country covering 1,140,000 sq. km., with a population of 32 million people. It is the only South American country with direct access to both the Pacific and Caribbean/Atlantic Oceans, providing excellent access to world markets.

In Colombia there are six main sedimentary areas which are divided into 13 basins covering 779,203 sq. km. (See Figure 1.1). These sedimentary basins are located in the following six areas: the Magdalena Valley, the northern coastal plain and offshore Caribbean Sea, the eastern slope of the Andes Mountains and Llanos Plains, the eastern Amazon jungle, the western Amazon jungle, and the Pacific coast and offshore. Exploration has, however, been carried out in only eight of these basins.

The Colombian oil industry began in 1905 when concession agreements were signed between the Government of Colombia (GOC) and private companies. Early production came from wells in the middle Magdalena Valley and on the eastern slope of the Andes Mountains near the Venezuelan border. Exploration moved to other areas in the 1960's and Texaco discovered oil in the Putumayo Basin. (See Figure 1.1) The next significant discovery was in the 1970's by Texaco, of a gas field on the Guajira Peninsula in northeastern Colombia. In the 1980's, Occidental discovered the first major oil field (Caño Limon) in the Llanos Basin. With the discovery of the Cusiana Field by British Petroleum in 1988, Colombia doubled its oil reserves and as a result will become a net exporter in the future.

Ecopetrol, the Colombian National Oil Company, has 82 association contracts and 4 concession contracts with approximately 50 companies. (See Figure 1.2) These concessions cover 9 million hectares. In April 1994, Ecopetrol will offer a further 3.8 million hectares for bid through association contracts. There are presently also an additional 72 million hectares available on request for bid to any interested party.

The current production rates are 456,000 bbls/d (Ecopetrol 97,000 bbl/d) of oil and 380 mmcf/d (Ecopetrol 40 mmcf/d) of gas. The estimated reserves for Colombia are 3.36 billion bbls. of oil and 8.3 TCF. of gas.