

Circle Oil discovers oil and gas in Egypt

Contributed by Egypt News
Wednesday, 20 May 2009

Oil and gas exploration and production company Circle Oil has discovered oil and gas in the Geyad-1X exploration well on the North West Gemsa Concession in Egypt.

The company has said that the discovery is in the Kareem Formation sandstones with the well testing oil and gas at a sustained average combined rate from two pay zones of 2,809 barrels of oil per day and 3.04 million standard cubic feet per day on a 64/64-inch choke.

The total calculated net thickness of the two pay zones is approximately 29ft. The upper pay zone identified in the Kareem Shagar Formation is 10ft thick and the lower pay zone in the Kareem Rahmi Formation is 19ft thick.

The lower Kareem Rahmi Formation zone has been tested at a sustained rate of 1,174 barrels of oil per day and 1.324 million standard cubic feet per day. The upper Kareem Shagar Formation zone was not tested separately.

A full technical evaluation of all the results is underway to further assess the resource and to permit development planning. An assessment of reserves has not yet been completed. The well is currently being completed as a potential producer with a view to early production.

David Hough, CEO of Circle Oil, said that "this successful exploration well is yet more excellent news for Circle and we look forward to its near term appraisal and development. We can continue to be justifiably very happy with the results of the 2008-09 drilling program as a result of which Circle is now gaining due recognition as a growing exploration and production company."

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