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## **On Petroecuador's Joint Venture With Conoco-headed Consortium For Heavy Crude Production In Amazon Region**

*by Barbara Khol*

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According to statements by the state-run oil company Petroecuador, terms have been finalized on a 20-year joint venture contract with a consortium headed by Conoco to exploit a 400 ha. area of the Amazon. The contract specifies the drilling of 112 wells for extraction of heavy and extra heavy crude from deposits estimated at 220 million barrels. Conoco has 35% of controlling stock in the joint venture. Other consortium members are the Overseas Petroleum and Investment Corporation of Taiwan, and North American companies Maxus Ecuador Inc., Nomeco Ecuador, Murphy and Canam Offshore. No details are available on profit distribution between Petroecuador and the consortium. In addition to \$100 million already invested in oil exploration, Conoco plans to spend \$700 million on drilling operations. The company will also construct a new highway and a 200-km. oil pipeline. Petroecuador spokespersons say production is expected to begin in 1993 at 4,792 barrels per day, rising to 45,437 bpd by 1995, and then dropping to 15,775 bpd by 2010. According to Petroecuador president Luis Roman, Conoco will purchase 24,117 bpd of diesel fuel for generating electricity at rigs and work camps. Extraction of light crude from the Ecuadoran Amazon has taken place for decades. The venture with Conoco marks the first production of heavy and extra heavy crude in the region. (Basic data from AFP, 08/21/91)

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