

# Pemex and Talos agree to co-development of Zama oil field

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LONDON, UK, March 24, 2023 /EINPresswire.com/ -- Pemex (Petróleos Mexicanos) and Talos Energy have signed off on a strategy for the development of the giant Zama oil field. The deal provides for the participation of Talos and its partners in operational decisions, following the awarding of operatorship to the Mexican state oil operator Pemex.

The development plan provides for the establishment of an integrated project team made up of Pemex, Talos and the latter's partners Wintershall Dea and Harbour Energy. The plan was sent to Mexico's oil regulator for approval on March 23 and will see the partners work together to develop the field, which could produce 800 million barrels of oil.

The outcome presents something of an olive branch for Talos, given that the operatorship was awarded to Pemex after it had been confirmed that the Zama megafield was bleeding into one of its reservoirs. Talos, which is based in Houston, Texas, initially sought arbitration over an alleged breach of the USMCA free trade agreement and filed a notice of intent, though it has since relented.

Talos CEO Tim Duncan said in an interview that two parties will share duties on operating and drilling decision-making as a result of the development plan. "We will have a hand in the design and execution of everything related to that development plan." Nevertheless, the unit operating committee that the integrated project teams are required to report to is controlled by Pemex.

The policy direction of the AMLO administration has resulted in an increased share of Mexico's oil territory for Pemex. Energy reforms made in 2013–4 by the incumbent president's predecessor, which made it possible for the Talos-led consortium to discover the field in the first place, have also been reversed.

Pemex has announced that, according to the plan, 46 wells will be drilled with two offshore platforms, while the oil and gas is to be sent to a new onshore facility at the Dos Bocas port. Zama is ultimately expected to provide around 10% of Mexico's total oil production with an expected daily output of 180,000 boe, according to a statement issued yesterday by Pemex.

The parties will finalize their investments pending regulator approval of the field development plan. Wintershall Dea announced in a statement that it would take a final investment decision in 2024.

Around USD 350 million has already been invested in the project by Talos and its partners, with Pemex so far holding back. A total injection of USD 4–5 billion in investments is likely to be required over the next 30 years in order to fully develop Zama.

German group BASF owns 72.7% of Wintershall Dea with remainder is held by Russian investors Mikhail Fridman, Petr Aven and German Khan.

<https://www.bloomberg.com/news/articles/2023-03-23/pemex-sends-zama-field-development-plan-to-mexico-regulator>

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