

Shallow water field development plan worth USD 4.5 billion receives Mexican regulator's approval

LONDON, UK, June 5, 2023 /EINPresswire.com/ -- The Comisión Nacional de Hidrocarburos (CNH), the body responsible for regulating Mexico's hydrocarbons industry, has approved a development plan for the Zama shallow water field, which is located off the coast of Tabasco state in the Sureste Basin. The plan was submitted by state-owned petroleum operator Pemex and its partners.

The consortium can now greenlight the project and inject USD 4.5 billion of capital into development, with the first results expected by 2025.

Mexico's oil and gas sector has opened up to foreign investment in the wake of recent constitutional reforms, and Zama marks the country's first offshore discovery made by a private sector company.

US independent company Talos Energy was responsible for the find in 2017 in the Gulf of Mexico's Block 7. The Mexican government then handed the operating rights over to Pemex, after a controversial unitization ruling.

The plan approved by CNH oversees a pair of fixed production platforms, Zama-A and Zama-B, as well as 46 development wells, 29 of which are oil producers.

Zama-A's output will flow to Zama-B, followed by oil and gas processing and, subsequently, the delivery of the hydrocarbons via two 63.5-kilometre-long pipelines to the Port of Dos Bocas, where new onshore facilities are being established.

Most of the funds being injected into the project will be realized in 2024–2025, to be used primarily for the construction of the wells and the oil and gas production facilities. Peak production of 180,000 boe and 70 million cubic feet of gas per day is expected to be achieved by 2029–2030, according to CNH.

Pemex holds an operating stake of 50.4% in Zama, in partnership with German operator Wintershall Dea (19.8%), the abovementioned Talos Energy (17.4%), and independent Harbour Energy (12.4%), which is listed in London.

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

The Zama contract provides for 30 years of production sharing, and is set to expire in August 2049.

<https://www.upstreamonline.com/field-development/mexico-approves-4-5-billion-zama-development-plan/2-1-1460907>

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