

Joint Croatia-Montenegro oil drilling concession attracted Chevron, MOL, Statoil, GazpromNeft and Total, two countries may face issues in project management

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Montenegro and Croatia are planning tenders for oil research and exploitation of undersea sites, Prevlaka peninsula is the problem.

Intentions of Montenegro to announce international tenders for oil and gas research and exploitation of the richest undersea sites where border layer is unresolved question of land borders can be the problem.

Croatian media stated that final agreement for sea border between Croatia and Montenegro will directly influence on distribution of potentially big incomes from exploitation of hydrocarbon sites placed on border areas.

“Vecernji list” reports that Croatian Economy Ministry plans to propose an announcement of joint tender for research and exploitation to Montenegro.

“This is logical because value and attractiveness would increase so everyone would have some advantage of it. This can be the last stimulation to solve a question of sea borders within an agreement”, Croatian Ministry of Economy said to “Vecernji list”.

Ex Industry Minister in Croatian Government and recent member of Ina Oil Company Supervisory Board said to “Vijesti” that the law which predicts concessions need to be adopted and that this is a long lasting job which will last for half a year or a year, at least.

“Considering that we are neighbors and that sea separation lines are always disputable, they would become disputable when something is found”. Therefore I think that it wouldn’t be so bad to precise all modalities and terms that can be disputable”, Stern said.

We can only guess concrete amounts of reservoirs, but we can conclude from former researches that they are significant.

Montenegrin Ministry of Economy and Deputy Minister, Vladan Dubljevic, is in charge of mining and geological research, they haven’t met the proposal yet but they will reconsider all initiations.

“This is one more quality indicator in realization of Montenegrin projects in context of required legislative for this pioneer project on Balkan”, Ministry answered.

They said that models of international border cooperation in resources’ sharing are well-known in practice and Montenegro is interested in this form.

“It is very important for every offer that principles of resources direction are identical or almost equal in both countries”, it was stated from Governmental department.

They stressed that Montenegro intends to announce a tender for oil and gas research soon.

Most renowned companies in the world including: Norwegian Statoil, Russian Gaspromneft, French Total, Hungarian Mol and Italian Edison, answered to be interested.

Croatian Ministry of Economy plans to propose Montenegro more serious research of hydrocarbon in South part of East Jadran’s Coast because no similar work had been done until 1990.

American Company Chevron which made 10 oil drillings in Croatian and Montenegrin part of Jadran did research at the end of 70s and in the beginning of 80s.

One of the most successful was drilling South Jadran 3 placed 30 miles northwest from Budva. Presence of oil was discovered in this location, but amounts were estimated as commercially unprofitable”, “Vecernji List” published.

Oil price was 20 to 40 dollars at the time and it is around 100 dollars what makes drilling profitable.

“The problem is that it is placed near current temporary limit line which was determined by an international agreement between Croatia and Montenegro from 2002 when Croatia took control over land border on Prevlaka, but it was introduced temporary border regime at sea”, it is written in “Vecernji List”.

Retired Geologist from Ina, Stanko Kadija, who has been doing researches of underwater areas for years, said that sites are determined to be bigger than it was intended and that they are separated in two parts and that smaller part is below drilling and bigger part is on west toward Croatian territorial sea.

Cooperation is recommended

Gas&Oil Company Consult, Srecko Simunovic said to “Vijesti” that cooperation between two countries in the area of undersea regions would be recommendable especially because it is a influence principle in EU.

“Any cooperation between two countries is welcomed and it is definitely. International rules, especially when we talk about Croatia which is in entrance hall of EU accession, recommend that”, Sumanovic said. He said that if some company which is interested for concessions asks their consult services, they will gladly provide them. “We would recommend them to involve in this business because it is very interesting.

Contract predicts solution to the conflict

Oil companies that research regions according to concession contracts want to have been offered a possibility to predict future conflicts that can occur because of future oil field.

“There are a lot of experiences in Caspian Sea with these problems that are never solved. I think that we can make a good contract with help of international experts for research rights”, Stern believes.

He added that he believes that there will be companies interested for research of mid and south Jadran sea because it would be a profitable job on condition to find oil and gas.