

Romania: Prospex Oil & Gas started gas production at its Suceava concession

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Date : September 23, 2018

UK-based company Prospex Oil and Gas announced that it has started gas production at Bainet gas field within its Suceava concession in northeastern Romania.

Non-executive Chairman of Prospex, Bill Smith said that the start of first gas production in Romania is a milestone event, which transforms Prospex Oil & Gas into a revenue generative investment company. With multiple similar prospects already identified on the license, each of which can be explored and developed at relatively low cost, Suceava represents an excellent, low risk opportunity to scale up the company's revenues. Gas produced at the field is sold into the national grid operated by Transgaz at the Romanian market prices of some 6 euro per 1,000 cubic feet.

Last year, Prospex Oil & Gas announced that the operator of its Bainet-1 well on the Suceava concession in Romania – Raffles Energy has found gas and expects that the experimental production will start in the second quarter of 2018. The company that the Bainet-1 well was drilled to a total depth of 600 meters and encountered 9 meters of reservoir with 8 meters of net gas pay consisting of a good quality Sarmatian sandstone reservoir. During a final 11-hour test, natural gas containing over 99 % methane flowed at a rate of approximately 33,000 cubic meters per day through a 8 mm choke.

Drilling the Bainet-1 well started in mid-November 2017 and was performed by by Weatherford Drilling International. In August, Prospex Oil and Gas acquired a 50 % economic interest in the exploration area of the EIV-1 Suceava concession through its 100 % owned subsidiary PXOG Massey for 750,000 euros. The acquisition consists of the exploration area with the Grancesti SE-1 undeveloped discovery, a number of prospects at varying stages of development and some leads. The remaining stake in this exploration area is held by Raffles Energy, an established gas producer in Romania.

Prospex Oil and Gas is focused on high impact onshore and shallow offshore European opportunities with short timelines to production. The company's management acquires undervalued projects with multiple, tangible value trigger points that can be realized within 12 months of acquisition and then applying low cost re-evaluation techniques to identify and de-risk prospects.