



# OLD OIL FIELDS TO BE REOPENED FOR EXTRACTION

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Old oil fields in eastern Anatolia that had been closed due to the high costs of extraction have become energy resource options once again because of soaring oil prices.

Although officials had announced that the fields were closed due to economic inefficiency, there had always been speculation that foreign exploration firms did not want Turkey to extract its own oil.

Foreign oil firms are waiting for a new Turkish oil code to be implemented. The bill had passed in Parliament in January 2007 but was vetoed by then-President Ahmet Necdet Sezer. A British firm is already seeking to extract 1.1 billion barrels of

heavy oil -- a type of crude oil which does not flow easily -- from the west Raman region in Batman. The Petroleum Platform Association is the umbrella organization of 28 important oil exploration and production firms -- including Shell, Petrol Ofisi, ENI, Çalık and Turcas. Secretary-General Murat Yazıcı of the association said there had not been exploration activities along 99 percent of Turkey's shores and 80 percent of its territory. He said many firms had lined up for reopening old fields and for doing new exploration.

Yazıcı stated that people can't really claim that there is no oil in Turkey under the current circumstances. He said to judge whether there is oil or not, one must explore the majority of

potential fields. He said 20,000 oil wells are being drilled every year in the world; however, in Turkey only 3,326 wells have been drilled since the foundation of the republic in 1923. "So we are not able to say whether there is oil or not," he said.

Yazıcı noted the importance of the new oil code, saying that the bill should be put on Parliament's agenda again as soon as possible. He said exploration and extraction demand would significantly increase after the legal groundwork has been laid. Yazıcı noted that a British firm was ready to make the necessary investments in west Raman but did not mention the firm's name.

Minister of Energy and Natural Resources Hilmi Güler had said in a statement last week

that they are scrutinizing the oil code and that a new draft will be submitted to Parliament soon.

Yazıcı said the closure of an oil well totally depends on the economic efficiency of the extraction. "Otherwise it is impossible for a firm not to extract the oil it discovered," he said. He stated that the closure of inefficient wells with concrete is done to prevent any possible leakage or explosion but if another company wants to drill deeper it can drill through the concrete layer. "New technologies allow deeper drillings," he noted. Currently, Turkey can produce only 10 percent of its oil needs, meeting the remainder of its supply needs via imports and paying around \$40 billion annually for the import of energy resources.