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**Economic, Agricultural, Environmental
and Regional Policy Committee
of the Saeima of the Republic of Latvia**
Jēkaba iela 11, Rīga, LV 1811

Dear Deputies, Commissioners.

Baltic Hydrocarbon Exploration and Production Association has informed me about the projected law "On amendments to the law "On Subsoil"" (No. 418/Lp11) and proposals of the Ministry of Economics to include in this Law some limitations and to establish that hydrocarbon test production in the license area may be performed not longer than 180 days regardless of number of the wells used; the onshore hydrocarbon producing well is to be arranged only in such a manner, that rectangular projection of any point of the well on the surface of the geoid was not closer than 100 meters to any plot of land not pertaining to the particular license area, unless the subsoil user has received a written consent of the respective landlord to arrange a well in some other manner.

Taking into consideration that such limitations of hydrocarbon exploration and production are inadmissible, I find it necessary to bring to your notice that any **interruption in well operation has a negative affect on a volume of oil production** and may lead to additional expenses. In 1966-1980 I have been performing oil wells exploration works; also I have been working at determination of Kuldīga oil field deposits and exploration of 7 small oil reservoirs in Ordovician rocks, participated in and managed the data integration for more than 30 exploration objects. Therefore I can declare bindingly that the proposal to perform hydrocarbon test production not longer than 180 days regardless of number of the wells has no grounds, and the above proposal is disconnected from the technology of hydrocarbon exploration works. **The wells are to be drilled progressively, and each of them after completion must be put into production.** Test production may be performed in one or several wells depending on dimensions of the field and volume of deposits. **Test production of hydrocarbon is an integral part of exploration** to explore and choose the best pumping-out technology. Successful commencement and continuation of the test production is a precondition of field development and production increase, because pumping-out process gives influx. Any interruption of pumping-out (interruption in well operation) may cause irreversible processes which may be due to geological structure. For example, exploring Kuldīga oil field it was found that the oil contains Cambrian age sandstones deposited in the upper zone of local branhialticline structure. Subject to the classification of oil fields this is an oil field floating in underground waters, which from below grounds on Cambrian salt water and is

covered with dense, fluid impervious clays. The oil may be described as a low-sulfur, paraffin, tarry oil, having a density approximately 0,90 g/cm³. **Low underground temperature (~21°C) and considerable content of heavy fractions make the oil very viscous and obstructs both influx and pumping-out.** It means that interruption of pumping-out automatically causes interruption of influx, negative influence of salt water and clays, which taken together may lead to further inoperability of the well.

Taking into consideration that in western Latvia are discovered 6 small oil deposits any reduction of exploration territory by limitation of number of wells can't be supported. The well must be arranged so that they were usable for oil production. Also must be taken into consideration complicated procedure of license area determination and order of issue of the license.

For that reason **no one can specify for license-holder location of wells; within the license area it is his prerogative right and results of exploration,** economic solution for his investments and planning of income. Subsoil must be used rationally on the whole licensed territory in order maximally explore the deposit and to interest the license-holder into investments in exploration and production of hydrocarbons.

I hope that will be taken a right decision, directed towards the support of hydrocarbon exploration and production, and proposal of the Ministry of Economics will not be supported.

Please inform me about the next meeting of Economic, Agricultural, Environmental and Regional Policy Committee where will be considered amendments to the law "On Subsoil" (projected law No. 418 /Lp11) because **I wish to take part in this meeting and to express my competent point of view** about most appropriate regulation of this branch. Please inform me about the above mentioned by e-mail, my address: astrids.freimanis@gmail.com.

2 May 2013

Best regards,

Astrīds Freimanis, Dr.geol.