LUKOIL

PRESS RELEASE
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LUKOIL DRILLED THE FIRST PRODUCTION WELL IN THE EASTERN PART OF THE YURY KORCHAGIN FIELD

PJSC "LUKOIL" announces the completion of drilling of the first production well from the wellhead platform at the Yury Korchagin field in the Caspian Sea. The well was drilled within the second field development stage implemented to involve into production the Eastern part of the field.

The single-bore well with horizontal completion was drilled from a jack-up rig. The measured depth of the well is 5,217 meters, the reach is 4,235 meters. The well's initial flow rate is approximately 500 tons of crude oil per day. The use of a lower completion system with multi-position inflow control valves provides for the most efficient use of the well's potential.

In addition, the construction of a 1,408 meters sidetrack was completed in the single-bore production well #14 under the additional drilling program within the first field development stage. The upgraded well with isolated bores will make it possible to produce crude oil from the original bore and the sidetrack separately thus increasing the hydrocarbon recovery factor.

The implementation of the Yury Korchagin field's second development stage and of the additional drilling program at the first development stage will allow for production increase and extension of the production plateau at the field.

Information:
The Yury Korchagin field is the first discovery of the LUKOIL Group in the North Caspian oil and gas province made in 2000. Commercial production at the field started in 2010. All offshore facilities for the development of the field have been built in the Astrakhan Region.

The development of the field is carried out in two stages.

The first stage includes a fixed offshore ice-resistant platform with a drilling facility, a living quarter platform and an offshore transshipment facility.

The second stage includes a wellhead platform (mini-platform), as well as a multi-phase intra-field pipeline and power cable connections with the fixed offshore ice-resistant platform of the first stage.

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