



## Eye on Ecopetrol

### Andrés Reyes, Director of the Colombian Petroleum Institute

By Tomás de la Calle

Next June 11th the Colombian Petroleum Institute (ICP) turns 28 years old. HCC spoke with Andrés Reyes, the current Director of the Institute, for the latest developments and future plans.

#### **What has changed since the transformation of Ecopetrol (ECP)?**

Lately we have focused on being the instrument and technology support for ECP for research and development (R & D) in the whole hydrocarbons chain, from exploration and production to marketing of the products. Our goal is to introduce a differentiator, technology, to create competitive advantage for ECP currently focused on the development of heavy crude. To this we are dedicated.

#### **According to reports appearing in the newspapers, it seems that you devote more effort to upstream than to downstream. Is that really the case?**

No. The latest news refers to patents filed by ECP from ICP in recent years. What happens is that the strategy is different between upstream and downstream. In the case of downstream, strategy focuses on protecting inventions via patents. In the case of upstream, it is better to maintain confidentiality for investigations and achievements; it does not seem relevant to protect them by patents but to use them within the company.

#### **At some point in the past, the impression was given that ECP had asked the ICP to generate their own income by providing services to oil companies in the country. Is this perception accurate?**

The ICP is able to provide oil company services certified to international standards of high quality and that's part of what we do. However, this is not the heart of our mission. As I indicated earlier, our main purpose is to leverage, through technology and research, the performance of ECP.

#### **What is the investment budget for R & D?**

We have significant resources dedicated to research that allow us to conduct investigations and priority activities for the company. Our idea is to obtain an investment budget of around 1% of ECP's total CAPEX, something we are not far from achieving. However, the big challenge, beyond the budget, is to have aligned research projects and really make a difference in the results of the company. The budget is the consequence.

#### **Cenpes (the Petrobras research center equivalent to what ICP represents for ECP) has been so successful that we would like to ask how you compare yourself with them?**

Well, actually Cenpes of Brazil has been quite successful since it is at the level of the research centers of the super-majors such as ExxonMobil. They work through strategic alliances with service companies (Schlumberger, Halliburton, etc..) which have proven very successful. The great contribution of Cenpes Petrobras has been the development of deep-water technology and in general everything related to 'pre-salt' in the Santos Basin - undoubtedly a huge technological challenge. Likewise the ICP is working with great emphasis on the major upstream development in Colombia, namely, exploration, production optimization, transportation and refining of heavy crude. We focus on improving extraction techniques and recovery factors for this type of crude oil, which is the most abundant in the country.

#### **What are the challenges in attracting and retaining talent?**

At this time we have a direct payroll of 200 professionals including PhDs, masters and specialists. The challenge is great because in addition to the need for people with a vocation for research, we must create critical mass and be very

competitive with our salaries to prevent losses to other companies.

#### **What is or will be the relationship of ICP to the newly created Technology Fund under the new royalty law?**

Actually the biggest contributor to the Fund is ECP which produces about 70% of oil and gas in the country. We have supported Colciencias and the Departmental Science and Technology (S&T) Councils with ideas and proposals. We have also met with some of the institutions responsible for designing projects and we have shared our views. ECP is very important to the country and we have a very strong S&T environment, financially supported by these new rules.

#### **And finally, what could we expect from the relationship of ICP with the ANH?**

Well, with ANH we have always had a very close relationship. What will happen soon is that ANH will move the National Litoteca (the archive of core samples, gravel etc), which has always been in the ICP, to a new and modern facility located near the present operation. This source of upstream data has been indispensable for investigations. The current facilities will become the repository for ECP samples and will remain the mainstay of our research.

Andrés Reyes is a geologist from Santander Industrial University with an MSc in Sedimentology of U. of Reading (UK) and a specialization in Project Management and administrative skills from the U of the Andes. He has worked in various activities related to oil exploration and for over a year has been the Director of the Colombian Petroleum Institute. He has published more than 20 technical papers and recently co-edited the publication "Tectonic and climatic shaping of the northern Andes and southern Caribbean margin" in the Elsevier Journal of South American Earth Sciences.