

# A Good Fit

Expanding its operations outside of North America, BNK Petroleum says it is hoping for ‘a home run’ as it drills for shale gas in Europe.



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[ BY ALAN DORICH ]

There are some U.S. companies that might not think to explore shale gas resources in Europe, but BNK Petroleum Inc. is not one of those firms, President and CEO Wolf Regener says. Based in

Camarillo, Calif., the company specializes in the exploration, acquisition and production of gas and oil reserves.

Regener notes that BNK originally was a division of Bankers Petroleum Ltd. and has performed shale gas exploration

in the United States since 2005. BNK took on its first project in Palo Duro, Texas, where it leased acreage. Afterward, the company drilled science wells and acquired nearly all of Vintage Petroleum’s unconventional assets from Occidental Petroleum for \$30 million.

Still under the ownership of Bankers, BNK then began drilling in Oklahoma and New York. “The company drilled its first encouraging vertical well in Oklahoma in late 2006 and followed this by expanding its operations with four horizontal wells in the Carter/Johnson County project in 2007, now referred to as BNK’s Tishomingo field,” it says.

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// WOLF REGENER, president and CEO

In 2008, the company finally separated from Bankers Petroleum. That same year, BNK set its sights across the ocean. “We wanted to see where else we could apply [our] knowledge gaze,” Regener recalls. “Europe seemed like a really good fit.”

For one thing, he says, the gas consumption rates in Europe are similar to those found in North America. Additionally, “The shales that we are pursuing [in Europe look] like the shale in North America,” Regener adds.

Today, BNK has 1 million net acres in Poland, 2.4 million acres in Germany and 61,000 acres in Spain. “We also have other applications throughout Europe for additional projects,” he says.

In addition, the company still has operations in Oklahoma. Today, “We have 39 million barrels of oil equivalent in that reserve,” he says.

The company has acquired properties

## PROFILE

**BNK Petroleum Inc.** [www.bnkpipeline.com](http://www.bnkpipeline.com) | 2011 U.S. budget: \$16 million

Headquarters: Camarillo, Calif. | Employees: 22 | Specialty: Oil and gas exploration



BNK was one of the first companies to look for shale gas in Europe.

in multiple regions to increase its success rate. “Not every shale play is going to work, even though it looks good,” he admits. “Even if one of them works, it would be a big home run.”

### ONE OF THE FIRST

Active in the oil and gas industry since 1986, Regener has held senior positions at Tartan Energy, Alanmar Energy and R&R Resources.

He explains that BNK has given him the opportunity to be one of the first to look for shale gas in Europe. By being ahead of most companies, “We were able to select acreage that we felt was really the best,” he says.

When BNK sought permission to explore, it received surprised reactions from government officials. “They weren’t really aware that shale gas might be [prominent] in their areas,” Regener

recalls. “That’s really confirmed to me that we were one of the first ones looking in [these] areas.”

He admits BNK has found there is a cultural learning curve to working overseas. “Every area is different,” he says, but notes that the employment of locals has helped it through these challenges.

Regener says he is pleased by the work of the BNK team, which has been kept small in the company’s first years. “Our geologists and geophysicists have done a very good job finding good places [to drill],” he says. The company is currently staffing up as more projects reach the operations phase.

Once it does, Regener expects strong results. “I hope we are lucky enough to make a number of these shale plays work and grow BNK into a larger company than we are,” he says.

Regener wants the company to be-

### Aiming for Longevity

Based in Calgary, Alberta, Bankers Petroleum Ltd. specializes in oil and gas exploration and production. “The company is targeting growth in production and reserves through application of new and proven technologies by a strong, experienced technical team,” the company says.

The company’s main operations are in Albania. “Bankers’ strategy is focused on petroleum assets that have long-life reserves with production growth potential,” it says. “Employing its knowledge base and technical expertise, the company is working to optimize its existing assets from the application of primary, secondary and [enhanced oil recovery] extraction technology, creating long-term value for shareholders.”

According to Bankers Petroleum, it operates in the Patos Marinza field, which is east of Fier. “This 44,000-acre heavy oil field is the largest onshore oilfield in continental Europe, with 5.7 billion barrels of original oil in place,” the company says.

It adds that it has a 25-year license under an agreement with Albetrol Sh.A and the National Petroleum Agency of Albania. “Bankers has a strong management team and a focused strategy for growth both from primary recovery and accessing other opportunities to increase field recovery,” it says. “Since we took over operations in June 2004, production has increased from 600 barrels of oil per day (bopd) to approximately 10,000 bopd in June 2010.”

come a dominant energy producer in continental Europe. “I really enjoy what we do and we’ll do a lot of good [as we] find natural gas in Europe where it’s needed,” he says. **EMI**