



SUMMARY: FOLL ESTABLISHMENT OF GREEK NATIONAL ENERGY BOARD (REF A) AND PUBLIC PETROLEUM CORPORATION (REF B), EMBASSY OFFICERS RECENTLY CALLED ON SENIOR OFFICIALS OF BOTH ORGANIZATIONS TO DISCUSS SCOPE OF THEIR ACTIVITIES AND REVIEW CURRENT ENERGY DEVELOPMENTS. EMBASSY IS PREPARING FOR SEPTEL AN ANALYSIS OF OVERALL GREEK ENERGY SITUATION. END SUMMARY

1. NEW ENERGY ORGANIZATIONS: IT IS APPARENT FROM DISCUSSIONS WITH PROFESSOR KYRAKOULIS ZACHOS, DIRECTOR OF THE PUBLIC PETROLEUM CORPORATION (TEP), AND EXECUTIVE SECRETARY RAPHAEL MOISIS OF THE NATIONAL ENERGY BORAD THAT, OF THE TWO ORGANIZATIONS, TEP IS TAKING THE LEAD IN ENERGY FIELD. ZACHOS IS CHAIRMAN
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FOR ALL OIL AND GAS CONCESSION NEGOTIATIONS, AND TEP IS CURRENTLY DEVELOPING OVERALL GREEK PETROLEUM POLICY. TEP, BACKED BY APPARENT PERSONAL INTEREST OF PM CARAMANLIS, IS FOCAL POINT FOR GREEK EFFORT TO REDUCE COSTLY DEPENDENCE ON IMPORTED CRUDE. ENERGY BOARD, BY CONTRAST, CURRENTLY FUNCTIONS AS SMALL ADVISORY GROUP ON ENERGY MATTERS TO MINISTER OF COORDINATION PAPALIGOURAS. PRESENT OPERATIONS ARE CONCENTRATED ON LONG RANGE DEVELOPMENT OF COMPUTERIZED ENERGY DATA BANK AND A HOUSEHOLD HEATING CONSERVATION SYSTEM TO BE IMPLEMENTED BY NOVEMBER 1976. MOISIS EMPHASIZED THAT BOARD SECRETARIEAT, CURRENTLY CONSISTING OF SIX PERSONS, HAS NO INTENTION OF DEVELOPING INTO SEPARATE AGENCY.

2. PETROLEUM EXPLORATION: ZACHOS STATED THAT DURING 1976, POSSIBLY BY LATE FEBRUARY, TEP WILL INVITE INTERNATIONAL TENDERS FOR OIL EXPLORATION AND DEVELOPMENT IN THE FOLLOWING THREE AREAS
A. ON-SHORE AND OFF-SHORE IN THESSALONIKI REGION AND THERMAIKOS GULF.
B. ON-SHORE AND OFF-SHORE NEAR PREVEZA IN WESTERN GREECE, AND
C. OFF THE SOUTHNRN TIP OF ZANTE (ZAKINTHOS) ISLAND.
FINDINGS FROM SEISMIC RESEARCH IN THE NESTOS PLAIN NEAR KAVALA, RECENTLY CONCLUDED BY ROGERS EXPLORATIONS INC. OF HOUSTON, WILL SOON BE AVAILABLE, AND DURING JANUARY 1976 TEP WILL INVITE DRILLING CONTRACTORS TO TENDER FOR TWO OR THREE GEOLOGICAL DRILLINGS IN THE NESTOS PLAIN (ATHENS 7463).

3. OCEANIC CONCESSION: ZACHOS REPORTED THAT A THIRD EXPLORATORY WELL, DRILLED BY OCEANIC EXPLORATION CO. OF DENVER IN AN AREA ADJACENT TO PRINOS I AND II WELLS, STRUCT OIL DECEMBER 6 AT 8000 FEET, INDICATING THAT



DAILY PRODUCTION OF CRUDE MAY EXCEED INITIAL ESTIMATES OF 2.5 MILLION TONS ANNUALLY. OCEANIC PLANS TO DRILL A FOURTH WELL IN JANUARY 1976, AND ZACHOS PREDICTED THAT THE MAGNITUDE OF PRINOS OIL RESERVES WILL BE DETERMINED BY LATE MARCH 1976. ADDITIONALLY, OCEANIC'S REVISED CONTRACT PROVIDES FOR EXPLORATION WITHIN A FOUR YEAR PERIOD OF A FURTHER 15 STRUCTURES IN ITS THASSOS CONCESSION.
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4. NATURAL GAS: ZACHOS INDICATED THAT NATURAL GAS DEPOSITS HAD BEEN FOUND SOUTH OF THE PRINOS OIL FIELD AND THAT GAS COULD BE USED LOCALLY IN PRODUCTION OF AMMONIA AND PETROCHEMICALS. OCEANIC'S FIRST PRIORITY, HOWEVER, IS FOR EXPLOITATION OF PETROLEUM RESOURCES, AND NO PLANS HAVE YET BEEN DRAWN UP FOR DETERMINING THE EXTENT OF GAS DEPOSITS. TEP MAY IN THE FUTURE INVITE LOCAL FERTILIZER PRODUCERS TO FINANCE NATURAL GAS EXPLORATION. IF COMMERCIAL QUANTITIES ARE FOUND, INCENTIVES WILL BE OFFERED FOR PRIVATE INVESTORS TO DEVELOP AND USE NATURAL GAS.

5. GREEK-TURKISH OIL DISPUTE: REFERRING TO GREECE'S DISPUTE WITH TURKEY OVER OIL EXPLORATION RIGHTS ON THE AEGEAN CONTINENTAL SHELF, ZACHOS COMMENTED THAT THE EASTERN AEGEAN RANKS FOR GREECE THIRD IN PRIORITY FOR OIL EXPLORATION. FIRST PRIORITY IS THE NORTHERN AEGEAN, WHERE 25 PROMISING OIL STRUCTURES HAVE BEEN IDENTIFIED OUTSIDE THE OCEANIC CONCESSION AREA. SECOND PRIORITY IN IONIAN SEA, WHICH IS KNOWN TO INCLUDE UNEXPLORED POTENTIAL OIL-BEARING STRUCTURES LARGER THAN THOSE IN AEGEAN. ZACHOS OBSERVED THAT THE DISPUTE HAS BEEN OVER-PUBLICIZED AND DID NOT APPEAR CONCERNED THAT IT WOULD FLARE UP IN THE NEAR FUTURE.

6. DORCHESTER GAS CO.: IN REPLY TO QUESTION BY ECON COUNSELOR ON PROBLEMS OF DORCHESTER GAS CO. OF AMARILLO.
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