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CHINA BUYS \$1.5 MILLION SYSTEM

China National Petroleum Corporation (CNPC) is the first buyer of Phoenix's new V-5 System 2000 — a system designed to CNPC's requirements. The CNPC buyer delegation, including the familiar faces of some old friends, visited our Scarborough offices last September.

CNPC's purchase of the 110-channel system for \$1.5 million is the biggest sale ever for Phoenix. It is also somewhat of a landmark in the high-technology trade with developing countries: although China is the world's largest user of MT, this is the first time that China's requirements dictated the design of a new generation of equipment.

CNPC's purchase is a response to macroeconomic forces. In 1995 China became a net importer of oil because domestic production is now unable to meet demand. Rapid economic growth

means rapidly increasing oil and gas consumption. Energy consumption is highly correlated with the level of per capita income. In order to maintain economic growth, China must quickly find new domestic oil and gas to keep its energy import bill manageable.

If new deposits are not found, China could soon import as much oil as India, whose oil import bill topped \$7 billion in 1995.

Landmark sale biggest ever for Phoenix



The V-5 System 2000 will mainly be used in South China where there are many sedimentary basins covered by dense limestone. Seismic exploration techniques used in these areas produce unsatisfactory results. Therefore, CNPC is stressing and forcing the develop-

ment of the electromagnetic techniques, principally MT, which can easily "see" through the resistive limestones and provide images of the structures below. It is thought that there are large, gas-prone structures in South China — the large population can easily absorb all the gas that might ever be produced there.

The advantages of the new V-5 2000 are many. Its logistic flexibility is well suited to South China's often rugged terrain and limited road access. Its light weight and large number of channels increase productivity and reduce the cost of acquiring MT data.

The new system also provides 3-D coverage and better quality data which in turn provide better interpretation. The V-5 System 2000 will accelerate the development of South China's oil and gas reserves and support the continued growth of the Chinese economy.



Phoenix Vice-President Mits Yamashita waves from local ferry while crossing the Min Jiang River in Sichuan Province, South China.

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