



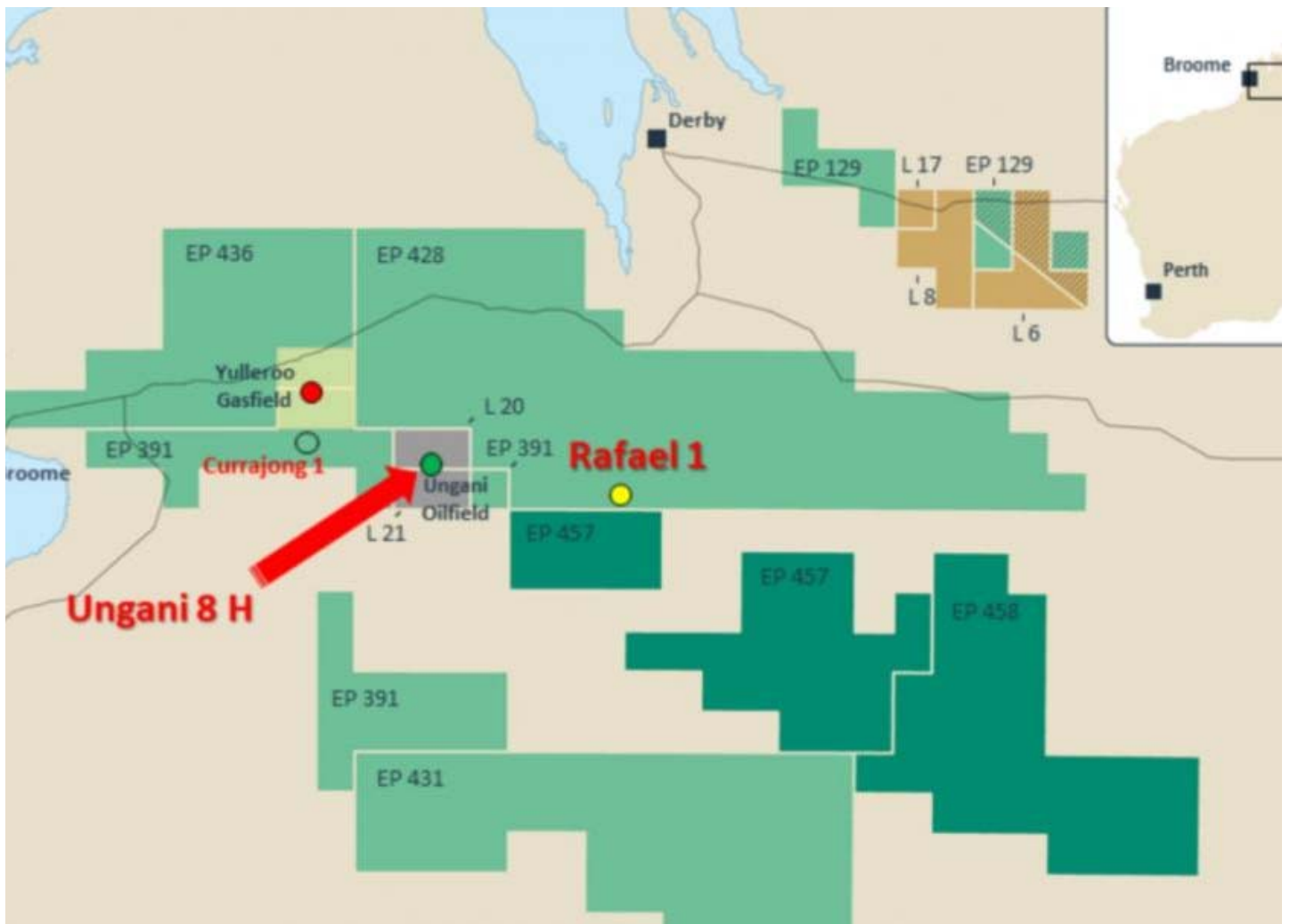
BULLS N' BEARS

ANNOUNCEMENTS

1 DAY AGO

Buru spuds another Canning Basin Ungani oil well

By [Matt Birney](#)



The Ungani 8H development well is located close to its production facility. Credit: File

Buru Energy continues to press hard in its hunt for Canning Basin oil having just spudded another well at the producing Ungani field in WA's Canning Basin. Surrounded by almost all the necessary infrastructure, Buru will be aiming to boost production and sales from Ungani 8H whilst the oil price remains relatively strong.

The contracted Ensign 963 rig kicked off Saturday afternoon in the area known as Production License L20 and is expected to take 32 days to drill and complete.

The Ungani 8H well is located around 700 metres to the northwest of the Ungani 1 and 2 wellheads and the Ungani Production Facility in the Canning Basin. From there the oil is trucked to the port of Wyndham for export to Singapore.

Interestingly, Buru's remote location in the Kimberley region of WA has isolated it from the problems facing several of its Perth Basin peers that have had the door slammed shut on exports of their liquids due to the imminent closure of BP's Kwinana refinery as it transitions to a clean energy facility. This is Buru's eighth well on the Ungani structure and part of a follow up campaign aiming to drain the north-eastern part of the central fault block, or "CFB" of the Ungani Field.

Buru had an earlier crack in 2019 when its Ungani 6H and 6H ST/1 wells targeted the same culmination within the CFB but were unable to complete the planned horizontal reservoir section due to operational issues.

The company said lessons learned when drilling the 6H wells included drilling the well with larger bore and casing sizes than were previously used.

The new design for the Ungani 8H completion program allowed contingency for additional casing strings and was successfully implemented when drilling the preceding Ungani 7H well.

Buru Energy Executive Chairman, Eric Streitberg said: *"We are very pleased to be drilling a further development well on the Ungani Oilfield to take advantage of the current strong oil price environment. The well will also provide valuable information as to the remaining production potential of the field."*

"We have also planned the well carefully taking in to account our learnings from the Ungani 6 and 7 drilling campaign to ensure we have the potential for the best outcome from drilling the horizontal section of the well."

Oil prices have been on a relatively steady march in the past 18 months having sunk below US\$20 a barrel in April 2020. Since that time the commodity has made a rapid recovery to be sitting over US\$69 per barrel. This is one of the highest levels since November 2014 despite being off its recent US\$82 a barrel high in October.

Ungani 8H is a brownfield horizontal development well on the established Ungani field that should complement the recent exploration success of the Rafael-1 "wet gas" discovery well to the east, which Buru is aiming to production test in January once Covid-related travel restrictions are overcome.

Drilling at Rafael also helped identify an additional potential reservoir section in the well.

Buru said the new zone has "good to excellent" gas shows and weak oil shows in cuttings. Logs suggest there is potentially a gross 75 metre hydrocarbon column that is most probably wet gas in the conventional reservoir section of the well, with approximately 10m of net pay present in this upper section.

Management said that a specialised gas chromatograph tool also recorded hydrogen peaks of up to 9.8 per cent in the well, along with elevated helium values.

The company is now banking on being able to get its crews to the Rafael site for production testing early in the new year and if it does hit the pay zone Buru's first quarterly should produce a few smiles around the boardroom and a welcome read for shareholders.