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## Ungani exceeds expectations

POTENTIAL farmines are keen on Buru Energy's 2018 four-well program targeting the proven Ungani Dolomite and Reeves discovery as well as new high-potential concepts for both oil and gas in the Canning Basin, while oil production charges along.

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Buru's 1250bbl storage tank under construction.

The news is a welcome enticer for Buru as it prepares to spud Ungani-5 this week while waiting on highly anticipated logging data from the Ungani-4 development well which intersected an oil column similar to other wells in the field.

Buru could not complete wireline logging of the reservoir as the shale above the reservoir section was bridging off the lower section of the hole, prompting the company to re-think Ungani-5's completion so as to avoid similar hassles.

Ungani-4 revealed that the top of the reservoir appears to be more than 60m, though Buru executive chairman Eric Streitberg said 60m could be a conservative number.

That optimism prompted Buru to move on Ungani-5 to test the eastern fault block of the Ungani field and appraise the Ungani-3 well which, while an oil discovery, was interpreted to have not accessed the reservoir's more porous section.

"The positive results of Ungani-4 to date are very encouraging so it is frustrating that we will have to wait a little longer to see exactly what we have," Streitberg said yesterday.

However, he said Buru was confident it has a good well and was moving forward to get it onto production as soon as the completion has been run by starting to build the flowline back to the facility, which will allow it to put the well on production rapidly.

This gives Buru both flexibility and extra production capacity going forward.

Buru, which first made a significant conventional oil discovery at Ungani-1 in October 2011, is now enjoying the upside of rising oil prices, with Singapore-based trader Trafigura paying \$4.15 million, or about A\$75/barrel, for 55,000bbl oil from the field.

While the final realised price will depend on the average Brent price over November, the price for the previous lifting was \$62/bbl, with the next one due in the New Year when Trafigura has ship availability.

Streitberg said that recent oil lifting from storage tank 10 by the MT Marlin Apatite was "very welcome" as it captured the recent surge in the oil price and gave Buru's balance sheet a "nice lift", and he's now looking forward to the next one in January.

At their lowest settings, Buru's recently installed electrical submersible pumps are consistently producing 1800bopd, which is more than the current storage and road tanker capacity.

The pumps are therefore being cycled to produce on average the current system capacity of about 1200bopd, and additional trucking has been ordered and will be progressively available over coming weeks.

The completion of the storage capacity additions will also give extra storage and oil handling capacity.

Installing the new tanks will boost the fluid handling by up to 8000bpd of fluid and the oil handling capacity from 2400bbl to 4900bbl, with both due to be wrapped by mid-December before the Ungani-4 tie-in.

Since the new ESPs were commissioned on October 22, Ungani oil production into the Wyndham has averaged about 1190bopd, which Buru expects to increase once the additional

storage tankage is installed, additional trucks come online and Ungani-4 is tied in.

Buru was trading up at 29c this morning.



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