

Buru mobilises rig for 2019 campaign

BURU Energy has mobilised the specialised NGD Loc 405 drilling rig for its 2019 drilling Ungani drilling campaign and expects it to arrive on site over the weekend.



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The company said its crew has also been mobilised, the rig camp is currently being rigged up and that following assembly a final acceptance inspection will be carried out prior to spudding the Ungani-6 well.

Buru (50%) and its joint venture partner Roc Oil (50%) have agreed to a minimum four well work commitment.

Construction of the Ungani-6 well site has now been completed with the drill pad liner installed and the drilling cutting sump completed and lined.

The rig will drill a section of the Ungani-6 well to the top of the Ungani reservoir. Drilling and subsequent casing is expected to take around three weeks.

Following casing the rig will then be moved to the Ungani-7 site to drill and case the second well in the campaign.

A third well, the Yakka Munga-1 exploration well, will be drilled after that. The wildcat Yakka Munga-1 will be drilled to a depth of 2,100m targeting the Reeves Formation sandstone play.

"This sequence is expected to be completed by around mid-June at which point [a separate rig] will be mobilised to drill the respective underbalanced horizontal reservoir sections in the Ungani-6 and Ungani-7 wells," Buru said.

The fourth well in the drilling campaign will be drilled in the third quarter of this year following ongoing "detailed technical work" on the Raphael prospect.

The technical work includes reprocessing of seismic and further quantification of the source, seal and reservoir parameters of the prospect.

Over the last 12 months Buru sold 352,688 barrels of oil from its producing assets, bringing in gross revenue of A\$31.6 million.

Buru's share of revenue from the Ungani oilfield specifically totalled A\$19.8 million at an average received price of A\$88/bbl.

At December 31 2018 the company said it had total equity of \$94.3 million.

In May 2018 Roc Oil Limited purchased a 50% interest in the Ungani Oilfield for a total cash payment of \$64 million and agreed to farm in for a 50% interest in exploration permits EP 391, EP 428 and EP 436 by paying \$20 million of a \$25 million exploration program of up to four wells.

Separately Buru and its neighbour in the Canning Basin, Doriemus, had jointly commissioned a study across their proximate licenses in the Butler Sand prospect and would drill the Butler-1 well on Doriemus acreage close to Buru's border later this year.

The campaign could use the Loc 405 rig after it completes Buru's drilling campaign.

Buru was unchanged this morning at 25.5 cents per share.



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