

17 Taranaki Blocks Up For Grabs

The New Zealand Government has announced a further petroleum exploration bidding round for 17 blocks in the Taranaki Basin that includes prime northern offshore and onshore acreage.

Bids for this latest round close on October 30th, while Canterbury Basin blocks close May 30th and on September 30th for the deep water Taranaki. The offshore Northland Basin has been set aside for bidding in late 2003 or early 2004.

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New Zealand Associate Minister of Energy, Harry Duynhoven, made the move as the nation comes to grips with the reality of a rapidly depleting Maui field.

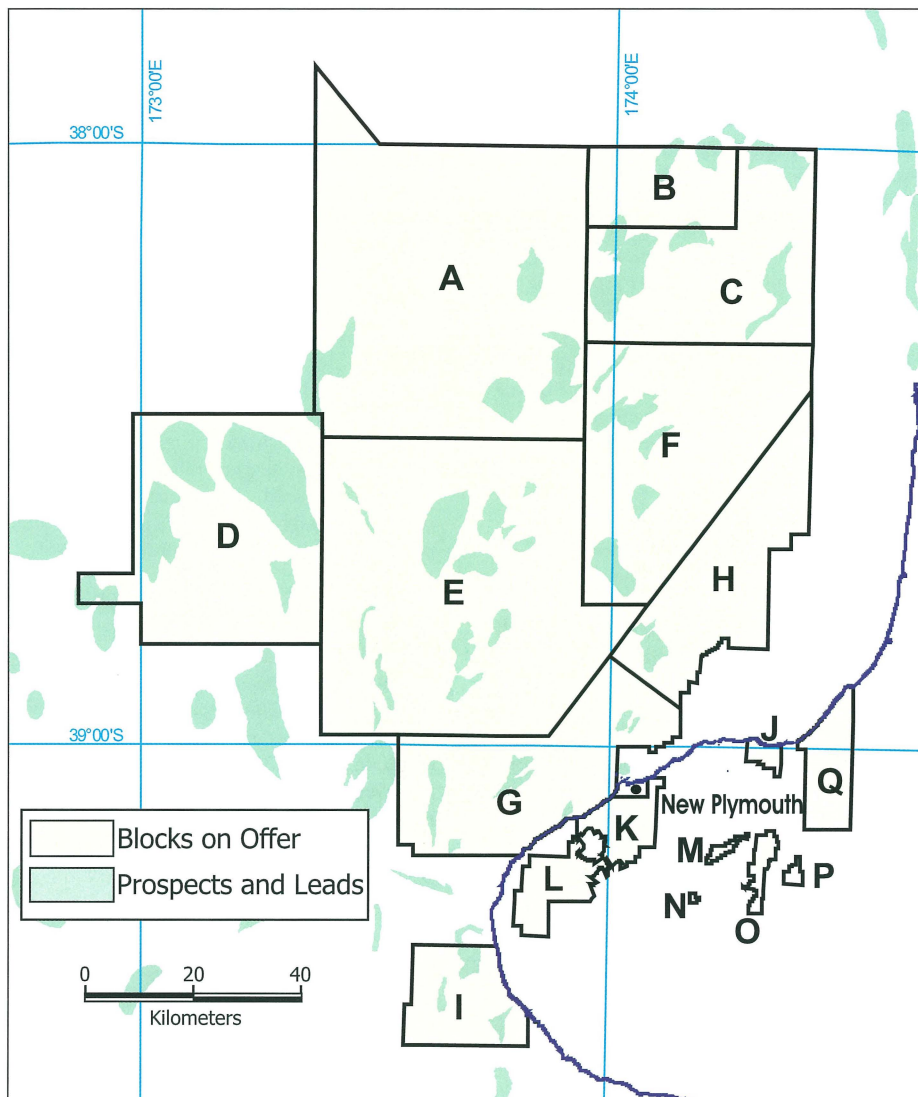
"The energy sector faces major challenges over the next few years. New Zealand needs new discoveries of oil and gas through continuing exploration", the Minister said.

Duynhoven said he is confident that changing market dynamics, including looming gas shortages brought about by the depleting Maui field and increasing wellhead prices, coupled with Taranaki's existing infrastructure, should attract the attention of explorers.

Some of the names that have already been mentioned in the media include Apache, Unocal and Woodside.

As for the 17 blocks themselves, eight are onshore and nine offshore. The onshore blocks on offer cover an area of 590 km² or (146,000 acres). The blocks are to the east near the Tarata thrust that contains the TAWN gas-condensate and oil fields. Other onshore blocks are located adjacent to fields containing the Kapuni Group sandstones and Miocene turbidities.

The nine offshore blocks, which cover an area of 12,180 km² or (3 MM acres), are bounded to the south by the Pohokura gas-condensate discovery, the Tui-1 oil discovery to the southwest and by the Karewa-1 discovery to the north of the block.



Taranaki Basin, northern offshore and onshore acreage.

According to petroleum exploration consultants, GeoSphere Exploration, the offshore area north of New Plymouth, dubbed the Northern Taranaki Graben, is the most promising exploration theatre in New Zealand for finding large oil accumulations.

GeoSphere said the source rocks are oil prone and mature. In addition, hydrocarbon migration paths appear to be largely controlled by basin deformation and faulting. "Reservoir sequences are well developed and spread throughout the stratigraphic column", GeoSphere said.

"Numerous leads with recoverable reserves estimates in excess of 100 MMbbl have been identified and large reaches of the graben,

north and south of PEP38468, are yet to be re-evaluated."

GeoSphere said exploration of the graben has in the past been neglected because of the discouragement of numerous igneous features and the depth to many of the traditional reservoir sequences.

"However, volcanism and subsidence may be beneficial to the hydrocarbon system in controlling deposition of source and reservoir rocks, forcing maturation, directing migration and providing seal rocks."

Many wells around the periphery of the graben have made discoveries, such as those at the Pohokura and Kora accumulations, and significant shows have been recorded, such as those at Tangaroa-1 and Turi-1 wells.