

Geodynamics Set To Acquire Own Rig As Shortages Bite

Geothermal energy company Geodynamics is preparing to buy its own drilling rig, due to a shortage of appropriate rigs in Australia, to drill its first commercial scale well, Habanero-3, due to spud towards the middle of this year.

Chief Executive Officer, Adrian Williams, said there is not a rig currently in Australia that is capable of drilling commercial scale geothermal wells such as Habanero-3 and the record level of drilling activity globally is making securing a rig a challenge.

"We have been pursuing the conventional engagement of a drilling contractor and the opportunity exists, but the challenge is to meet our target time line for Habanero-3", Williams said.

“The acquisition of a new generation rig will guarantee the company access to a rig to meet its current and longer term drilling programme.”

"Given our immediate and future drilling programme, and an outlook that sees the availability of drilling contractors and rigs remaining very tight for some years, we have been exploring the option of acquiring our own rig. In this case, we would engage a contractor to manage, crew and operate the rig to drill wells for us."

He said the acquisition of a new generation rig will provide Geodynamics with the most efficient rig in Australia and guarantee the company access to a rig to meet its current and longer term drilling programme.

"We have a short list of latest technology rigs that are currently being inspected and evaluated and we have available a highly capable contractor to drill Habanero-3 with such a rig. He said a decision is expected to be made with respect to the rig within the next few weeks.

Meanwhile, Geodynamics is gearing up on other fronts to drill the Habanero-3 well which is designed to enable completion of a circulation test; prove geothermal reserves to complete Stage One of the company's business plan; and be connected into the first commercial scale, 40 MW power generation project.

Williams said detailed design and well planning is being carried out by Geodynamics' own staff with the support of consultants such as Peak Group for particular packages of work. He said all of this work is on track.

"Although the very buoyant oil and gas industry is stretching suppliers of items such as well casing, we have been successful in placing

orders that are expected to meet that target", he said.

Tenders have been awarded for critical long lead items including: the well casing, comprising 830 t of steel pipe with diameters ranging from 95/8" to 26"; the well head, which connects the top of the casing to the surface valving and control systems during drilling; and the Christmas tree. ■