PEL-84 Well Placed To Be Analogous Producer

AWE acquired its 100% interest in Otway Basin permit, PEL-84, in February 2001 and, confident of its prospectivity, is now seeking farminees to join in accelerated exploration in the 587 km² permit area, which is situated in southeastern South Australia, near the Victorian border.

To meet the first year requirements of their work commitment, AWE recently reprocessed 264 km of 2D data over the highly prospective southern portion of the permit area, which lies immediately adjacent to the producing fields of Haselgrove and Ladbroke Grove in PEL-32. Based on the results of the reprocessed data, the company is planning to acquire 100 to 150 km² of 3D seismic over the area.

AWE Managing Director, Bruce Phillips, said PEL-84 showed promising seismic AVO amplitude anomalies that were similar to those in the adjacent producing fields.

AWE holds a 24.3% interest in the Origin-operated Katnook, Ladbroke Grove, Hazelgrove and Redman fields in PEL-32. The fields are fault block structures, which hold gas columns of 80 m to more than 100 m, and currently produce 26 Tj/d, which is sold into local markets. Supply contracts with a local paper mill and the township of Mount Gambier have recently been extended until 2010.

Gas is also supplied to a power station operated by Origin Energy, adjacent to the existing Katnook gas plant. The power station was expanded to 80 MW in 2000 and current demand for joint venture gas is high.

"The demand for gas in the area is currently greater than the supply and any new discovery would be quickly commercialised through access to existing production infrastructure", Phillips said. PEL 84 is less than 5 km from the producing fields in PEL 32 and we consider it to be of similar potential."

AWE has an added advantage of access to the new gas pipeline, which will link Port Campbell and Adelaide. The infrastructure will pass through PEL 84, allowing any finds to be quickly and economically tied in to the national grid.

AWE Exploration Manager, Leigh Brooks, said the PEL 84 permit area is in the Jurassic to Early Cretaceous Penola Trough, and the main reservoir in the southern part of the block is the Early Cretaceous Pretty Hill Formation. "The Pretty Hill is a mappable quartzose sandstone sequence that forms the producing reservoir for the adjacent gas fields."

Brooks said that with the exception of the Ladbroke Grove field, which contains significant CO_2, other producing fields in the area contain sweet gas with condensate yields of up to 20 bbl/MMcf. "The potential exists within PEL 84 for several modest sized fields up to 20 Bcf in size", he said.

AWE's remaining commitments within the permit area are third year geological and geophysical studies, a well in the fourth year, followed by additional geological and geophysical studies in the fifth year.

PESA News No. 55 (2001)