

Origin Commits To Drill In Permit PEP38262, Offshore Canterbury Basin, New Zealand

O rigin Energy Resources (NZ), Operator and 100% interest holder of offshore Canterbury Basin permit PEP 38262, recently announced it intends to progress into permit-year four.

The commitment carries a responsibility to drill an exploration well.

The prospect has two distinct structural culminations which are separately referred to as Carrack in the north and Caravel in the south.

The large Carrack/Caravel prospect complex, located some 65 km east of Dunedin in water around 1,000 m deep, has been matured to drillable status in this permit by a tight grid of recently acquired 2D seismic data.

Potential reservoir objectives in the Carrack/Caravel prospect are inferred to be provided by the Cretaceous Herbert Formation and Kawau Sandstone, both established hydrocarbon

bearing in the nearby Galleon-1 well, drilled by Shell BP Todd Canterbury Services Ltd in 1985.

A drill stem test of the Herbert Formation in Galleon-1 flowed gas at 10.6 MM cf per day and associated condensate at 2,240 bopd.

The combined areal extent of the Carrack/Caravel prospect is some 300 km² at top Cretaceous reservoir level.

The structure is estimated to contain a mean of 750 MM bbl of recoverable oil in Herbert Formation reservoirs if it is oil charged, or 2.7 Tcf of recoverable gas and 500 MM bbl of associated condensate if it is gas charged.

Should hydrocarbons also be trapped in the lower Kawau Sandstone reservoirs, recoverable hydrocarbon volumes could more than double. However, the presence of hydrocarbons or otherwise can only be established with certainty by drilling an offshore exploration well.

Commenting on the perceived prospectivity of this permit, Origin's Executive General Manager Exploration, Rob Willink, said that, by any comparative standard, the Carrack/Caravel prospect complex is very large and is located in an established petroliferous basin.

"That said, a well on this prospect remains subject to considerable technical risk. Furthermore, it will require a rig with a deep water drilling capability to drill. Such rigs are not only expensive to contract, but difficult to source in the current tight global rig market."

Origin is currently seeking other companies that may wish to participate in the exploration opportunity.

In parallel, the company has commenced dialogue with a number of drilling management services companies and the operators of nearby permits that are facing drilling commitments in a similar time frame, to secure a suitable rig. ■