

Greymouth Petroleum plans more sidetrack wells, and new Moturoa well and acquires a second rig

27 July 2006 - Greymouth Petroleum plans series of sidetrack wells in Ngatoro and Kaimiro fields and new well into Moturoa oil field using imported rig.

New Zealand owned and operated Greymouth Petroleum has a busy series of appraisal wells scheduled at its onshore Kaimiro and Ngatoro fields and the company has scheduled a new well to appraise extensions of the historical Motoroa oilfields on the New Plymouth shoreline.

Outlining these plans, John Sturgess the chief operating officer for Greymouth Petroleum, said the company has successfully sidetracked older wells and located more oil and gas over the past few months.

For its shallower Mt Messenger Formation wells, Greymouth has used its own skid-mounted Rig #1 which was converted last year into an oil drilling rig in New Plymouth.

Mr Sturgess said that in April the company drilled a sidetrack well from the Goldie-2 oil well within the Ngatoro mining permit. This appraisal well Goldie-2ST#1 found more oil. The company has plans to drill more Goldie sidetracks at a later date.

In May the Rig #1 spudded a development sidetrack well Kaimiro-7 ST#1 in PML 38091 (Kaimiro) locating an additional 7PJ of gas in the Miocene Mt Messenger Formation after reaching total depth of 2001m in June.

Two other Ngatoro wells, which in the past have tested oil and gas or just gas, are also planned to be sidetracked in the second half of the year. The company can drill, complete and test these relatively shallow sidetrack wells with Rig#1 about one every six weeks, Mr Sturgess said.

Greymouth has also acquired and commenced the importation of a second larger rig into New Zealand. This rig will first drill a new development/exploration well, Motoroa 5 in the Motoroa field on behalf of the PEP 38464 Joint Venture on the New Plymouth shoreline, near the location from which the first New Zealand oil wells were drilled.

Mr Sturgess said Greymouth planned to target the Blenheim sandstones in the Matemateonga Formation between 700 and 1000 m and possibly will test the deeper Mt Messenger Formation. The company had to meet this well obligation within the next few months.

Other deep wells are planned using the larger rig in the second half of this year. This includes new sidetracks to test the deep Kapuni Group sands within Greymouth production licences, where small volumes of gas were originally found and tested in previous decades but were not economic to develop at the time.