

Implications of the Tui oil discovery

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Tui-1 was drilled primarily to test the potential of a large D sand dip closure. Although shows were encountered, no producible hydrocarbons were encountered in the D interval. The strong seismic amplitudes and AVO response that were recognised pre-drill appear to be related more to lithology, in sands of shaly lower shoreface facies, than to hydrocarbons although both factors may be involved. Following the discovery of oil in the secondary objective F Sands, attention has naturally shifted to this level, although both the D and C Sands within the coastal Facies of the Kapuni Group remain excellent reservoir objectives within PEP38460.

The Joint Venture is targeting prospects defined by 3D seismic near to Tui, such as Amokura, Pateke and Kiwi. These prospects are F Sands closures, similar in style to Tui where

closure has been largely created by differential compaction over a basement high.

The oil in Tui is very similar to the oil produced from the F Sands in Maui, and it appears that this oil has originated from the area to the west of Maui, where several prospects have been identified. Of these Pukeko has been selected as a test of the West Maui oil play. Pukeko's primary target is the C Sand with D and F sands providing additional potential well in excess of 100 million barrels of recoverable oil.

Our drilling programme is expected to start in March. Amokura-1 will be drilled first followed by Pukeko-1. A third well is also planned, contingent on results.