

Beach, Drillsearch selling Cooper Basin wet gas

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BEACH Energy and Drillsearch Energy will sell wet gas from their Middleton and Brownlow discoveries in the Cooper Basin to the South Australian Cooper Basin joint venture.

The gas sales agreement will begin in December on an interruptible basis to April 30, 2013, with the SACB taking an unspecified minimum quantity and maximum flows of 25 million cubic feet of gas per day reducing to 15MMcfd from January 1, 2012.

The raw gas will be sold untreated and the two companies paid for the separate condensate, liquefied petroleum gas and sales gas components.

Drillsearch said that besides generating revenue from the discoveries, the pilot would also collect data on production performance to support future plans.

The surface production facilities at the Middleton and Brownlow discoveries and the pipeline connecting them to the raw gas pipeline gathering system at the SACB Moonanga gas field, about 10km east of Middleton, are expected to be completed in the next few weeks.

Beach and Drillsearch have also agreed to a five well drilling program, four in PEL 106B and one well in PEL 107.

The Baird-1, Coolawang-1, Admella-1, Haslam-1 and Southend-1 wells target structural stratigraphic traps in the Patchwarra Formation.

Of these, the Admella-1, Haslam-1 and Coolawang-1 wells will also target the unconventional prospectivity of the deep coal seams in the Patchwarra, with coring being carried out in the first two and possibly in the last well.

"This project brings the company one step closer to becoming a significant gas supplier into the Eastern Australian gas markets," Drillsearch managing director Brad Lingo said.

"Getting the wet gas pilot project up and running demonstrates the company's commitment to increasing reserves, increasing production and increasing cash flow. It also demonstrates our ability to work with the SACB Joint Venture in delivering this type of project which has only been done once before in the Cooper Basin with the company's Smegsy wet gas Field in PEL 106A."

Lingo added the project gave Drillsearch the confidence to invest further in exploration and production of its wet gas plays for future gas sales into the domestic and export markets.



Flaring the Middleton-1 gas find

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