

Buru Energy Ltd

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Buru Energy on track to begin 2019 drilling program in Canning Basin

Buru Energy Limited (ASX:BRU) is on track to begin the 2019 drilling program on the Ungani Oilfield joint venture with Roc Oil with the specialised NGD Rig 405 undergoing pre-acceptance checks and field site construction commenced.

The rig from NewGen Drilling Pty Ltd is undergoing pre-acceptance checks in Fremantle before being mobilised to the Canning Basin project onshore WA.

These checks include mechanical and electrical inspection and verification of compliance.

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Buru expects the rig to be mobilised in early April after field site construction has been completed.

The partners expect to undertake a 'soft' mobilisation using transport as available with the intention of reducing costs.

Due to its modular nature and self-erecting capability, the NGD Rig 405 is well-suited to remote operations in areas such as the Canning Basin.

Senior personnel familiar with the rig and its operation have been contracted by the partners to provide supervision and training.

Price: \$0.28

Market Cap: \$120.98 m

1 Year Share Price Graph



Share Information

Code: BRU

Listing: ASX

52 week High Low
0.36 0.195

Sector: Energy

Website: www.buruenergy.com

Company Synopsis:

Buru Energy Ltd (ASX:BRU) petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia.

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The NGD Rig 405.

The targeted spud date for the first well is May 1, 2019, and the required long-lead items have been ordered with delivery on-track to meet this schedule.

Ungani 6 first 2019 well

Buru and Roc Oil have agreed that the first well in the 2019 program will be Ungani 6 with the subsequent well to be Yakka Munga 1.

Detailed reviews of the design for Ungani 6 well are being carried out.

It will be drilled in a high angle deviated or a horizontal configuration from an already cleared location beside the Ungani Production Facility.

Minimum four-well program

A minimum four-well program is expected utilising NGD Rig 405 and Buru and the joint venture are undertaking technical and corporate reviews of up to four more wells to be drilled following Yakka Munga 1.

Reviews of the results of Ungani 4 and 5 along with production results from Ungani 1 and 2 wells suggest that the Ungani field is not being effectively drained by the existing wells.

At least two additional wells in the central fault block are required for full field development.

Detailed well performance reviews have also identified that drilling future reservoir intersections horizontal and underbalanced may provide enhanced productivity and recovery, and the analysis to confirm this is close to completion.

Wildcat exploration well planned

Yakka Munga 1 will be a wildcat exploration well on the regionally significant Yakka Munga structure.

The JV partners plan to drill this to a depth of some 2,100 metres with its principal objectives being the Reeves Formation sandstones which are oil-bearing in the Ungani Far West 1 well.

This is an emerging Canning Basin play and the Reeves section in Yakka Munga 1 well is prognosed to be over 700 metres thick, with a substantial part of the section never previously penetrated in the Basin.

Although the JV is yet to decide on a third well and will use Ungani 6 results to aid in this task, at this stage it is proposed to be the Ungani 7 production well.

A number of other high impact prospects are being considering, including Rafael in the 50/50 ROC JV permit area, and Hotdog which is in Buru's 100%-owned Lennard Shelf area.

All of these are able to be drilled with the contracted NGD drilling rig.

READ: Buru Energy completes 70,000-barrel oil lifting from Ungani oilfield

At the Ungani operations production remains steady at in excess of 1,000 barrels of oil per day.

The JV expects that the next crude lifting by Trafigura from the CGL storage tank at Wyndham Port will be in mid-March.

Unloading a crude tanker at Wyndham Port.

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