




Energy

## Buru sails closer to full production testing of Rafael-1 gas-condensate discovery

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Planning for the proposed testing of the Rafael-1 conventional wet gas discovery is continuing with Buru recommending the use of a coiled tubing unit over a workover rig.

The well in the onshore Canning Basin flowed gas at an estimated rate of 7.6 million standard cubic feet (MMscf) of gas per day with about 40 barrels of condensate per MMscf from the uncased open hole lower part of the interpreted 165m gas column in the main Ungani Dolomite reservoir section.

**Buru Energy (ASX:BRU)** noted in March that separate testing of the upper section and an additional interpreted reservoir section in the Upper Laurel Carbonates above the Ungani Dolomite would require recompletion of the well.

The operator has now recommended to its joint venture partner **Origin Energy (ASX:ORG)** that a more cost effective coiled tubing unit be used as it not only negates the need to introduce heavy brines into the well, which could potentially reduce formation flow capacity, it would also allow for more accurate placement of treatment fluid.

Three such units are available in the third quarter of this year and advanced discussions are in progress to select a preferred contractor.

“We are very pleased that our further testing program for Rafael is on track and we have identified a low cost and efficient way to get it done in the relatively short term,” Buru executive chairman Eric Streitberg notes.

“Given the zonal treatment and perforation program we are proposing, we believe that we should be able to materially increase the flow rates, based on our experience with similar reservoirs in our other wells with dolomitic reservoirs in the Canning Basin.”

## Well workover program

The well workover program will clean-up and test the lower barefoot zone that was previously tested during March this year, then perforate, clean up and individually flow test additional zones.

These will include the zone in the main Ungani Dolomite reservoir section where gas influxes were encountered while drilling that is currently behind casing, and the Upper Laurel Dolomite where indications of light oil were encountered.

Once this testing is completed, the results will be review by ERCE who had in April provided an independent assessment the Ungani Dolomite reservoir in Rafael-1 to host gross 3C Contingent Resources of about 1.02 trillion cubic feet of gas – enough to supply Western Australia’s domestic market for three years – and 20.5 million barrels of condensate.

This next review will seek to increase confidence in the recovery factor and reservoir deliverability in the Ungani Dolomite zone as well as the flow potential and liquids content (condensate/oil) in the untested Upper Laurel Dolomite zone.

Successful flow testing is expected to allow the reclassification of Upper Laurel Prospective Resources to more certain Contingent Resources.

Work is also continuing to assay Rafael condensate samples for detailed yields though inspection from the chromatographic analysis indicates that it consists primarily of valuable gasoline and diesel fractions.

## Further activity

Planning is currently underway for a 3D seismic program, to help define the locations of the planned appraisal wells, is well advanced.

Subject to JV approval, contractor Terrex Seismic is expected to be on ground to commence acquisition in August.

This data will also provide confirmation of the size of the structure and its resource potential.

Buru has also just submitted a discovery assessment report that if approved, would allow for the application for the e declaration of a Location to be lodged over the discovery after which there is an initial period of two years within which an application may be made for a Production Licence.

An intensive review of commercialisation options for the discovery is also underway with the first phase being a Concept Select program that builds on previous work the company has undertaken in regard to its substantial tight gas resources in the Kimberley.

Streitberg noted that the commercialisation concept select activity for the Rafael discovery is proceeding well with the help of the company's external consultants.

"The next few months are going to be very exciting as the Rafael testing program gets underway and our commercialisation and CCS activity ramps up," he adds.

## Rights Issue

Buru is currently looking to raise up to \$14.4m through a 1-for-6 entitlement offer to fund the Rafael appraisal program and support commercialisation feasibility studies and activity on its other assets.

It noted that major shareholders have already indicated their support for the offer priced at 16c per share and that interest has been received from shareholders and investors in potentially participating in any placement that may arise from a shortfall.