

Buru buys out Origin in Canning Basin play

WESTERN Australian oil producer Buru Energy will take its larger joint venture partner's interest in seven onshore exploration permits in the Canning Basin, which includes the large Rafael gas and condensate discovery.



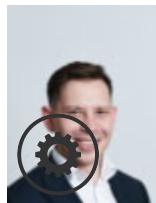
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In 2020, Origin farmed-in to exploration permits EP 129, EP 391, EP 428, EP 431, EP 436, EP 457, and EP 458 which stretched across 22,500 square kilometres.

Origin and Buru made a significant gas discovery in EP 391 dubbed Rafael. It holds recoverable resources of 1 trillion cubic feet of gas and 20 million barrels of light oil on a 3C basis.

Rafael flow tested at a rate of 5 million cubic feet per day on a 32/64" fixed choke with wellhead pressure of 970 psi.

Origin announced last year it would exit exploration, which left Buru unclear as to its options for development of Rafael.

On Monday, Buru announced it would take all of Origin's interests in the seven permits.

Buru will pay Origin \$34 million in staged reimbursement payments relating to development of Rafael.

Origin will still pay \$4 million for planned 3D seismic acquisition across EP 428.

"We are delighted to now be in the position to be back on ground this year to acquire the critical 3D seismic data over Rafael in support of appraisal drilling next year," Buru CEO Thomas Nador said.

"The structure of the deal reflects Origin's belief in the Rafael discovery, insofar as any future capped reimbursements to Origin are directly linked to future high value development and production milestones for Rafael gas."

Transfer of the titles to Buru will complete in the second quarter of this year.

Buru noted that it had planned the seismic campaign and was engaging contractors. Seismic work should begin this year.

Appraisal drilling of the Rafael field is pencilled in for 2024.

Buru struck an agreement with Transborders Energy for the development of Rafael in late 2022.

Under the agreement, gas produced from the field would be piped offshore to a mini-floating LNG vessel for liquefaction and export.

Buru has said this is a more cost effective and faster route than piping the gas to the North West Shelf or Pluto LNG projects for export as it would have had to reach a third-party tolling agreement with Pluto operator Woodside or other North West Shelf partners.

Transborders' proposed vessel was first floated in 2016 as a solution for offshore stranded gas fields.

