Buru Starts Pre-FEED Phase of Canning Gas Project

by Jov Onsat | Rigzone Staff | Friday, October 13, 2023

Buru awarded a pre-FEED contract for the Rafael gas discovery.

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Buru Energy Ltd. has awarded a pre-front end engineering design contract for the first phase of a project that it says is the first “significant” gas and condensate field proven in Australia’s Canning Basin.

The local oil and gas company plans to accomplish the FEED in the second half of 2024 toward a final investment decision 2025 and the start of production 2027.

Awarded to GHD Pty. Ltd., the contract “will deliver concept select level engineering for the first phase of the Rafael development”, which will “quantify and confirm the potential of the Phase 1 project”, Buru said in a filing with the Australian Securities Exchange (ASX) this week.

Buru earlier reported that Rafael, discovered 2021, had been independently assessed to have high estimates of contingent resources (3C) of about 1.02 trillion cubic feet of recoverable gas and 20.5 million barrels of condensate.

“The 3C resource assessment is constrained by the mapped structural closure of the accumulation with a gas column defined by [Australian consulting group] ERCE of some 634 meters [3.28 feet]”, the exploration and production company said in an ASX disclosure April 26, 2022. “In Buru’s view the pressure data in the well not only supports this interpretation of the height of the gas column, but also suggests it could be significantly larger.

“Gross 1C [low estimate] Contingent Resources of 59 BCF [billion cubic feet] of recoverable gas and 1.2 million barrels of condensate have been assessed, constrained by the ‘gas down to’ in the Rafael 1 discovery well”.

Buru announced August 3 a two-phase development strategy for Rafael. “Phased development generates early cashflows with staged capital expenditure, delivering accelerated benefits to shareholders and the Kimberley [region], and optimizes larger scale development based on Rafael resource appraisal outcomes”, it said at the time.

Among the plans for the development of Rafael is a liquefied natural gas production facility. “Pre-feasibility study conducted in collaboration with Transborders Energy and Technip Energies demonstrates a Kimberley based Floating Liquified Natural Gas facility is a technically, commercially, and economically feasible option”, Buru said in an ASX announcement April 18. The study suggested about 1.6 million metric tons in annual capacity for the LNG facility, the company said.

“In conjunction with the Transborders study, Buru Energy is exploring a number of other pathways for the early commercialization of a full range of Rafael resource sizes, including local LNG production for Kimberley energy requirements, and local value adding gas conversion to products including methanol, ammonia and urea”, Buru added at the time.

In the latest update about the project, announcing the pre-FEED contract, Buru said, “The Rafael Phase 1 project has the potential to reduce the current carbon intensity of the energy system in the Kimberly by over 60 percent and is designed to meet the forecast energy demands of the Kimberley for decades”.

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