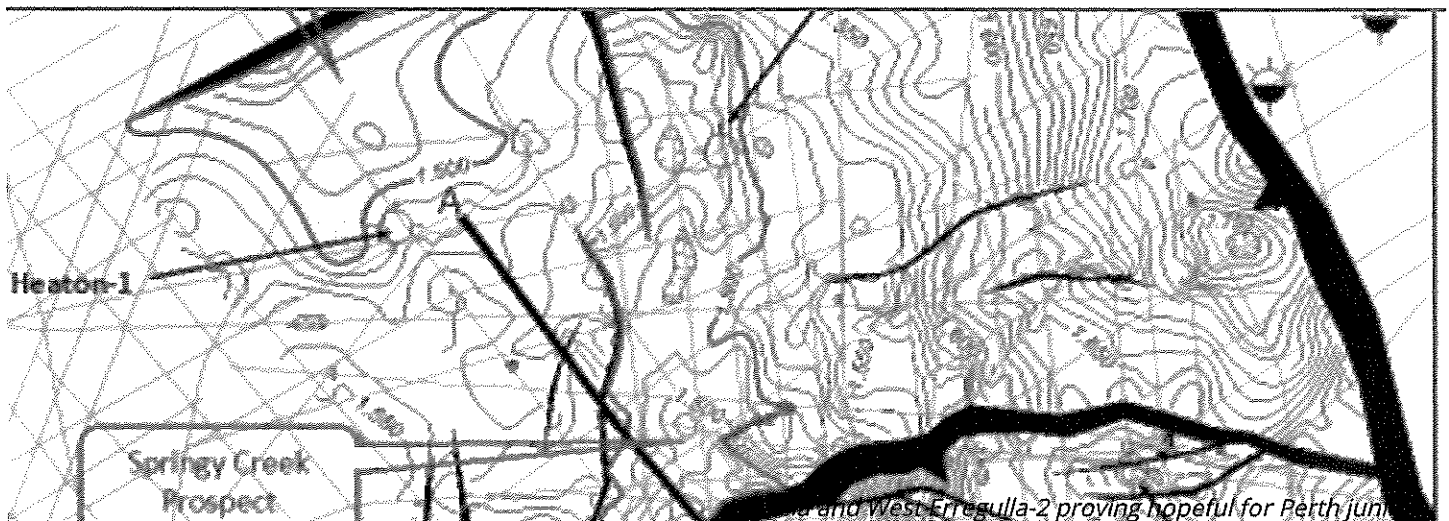


Norwest progressing Perth Basin oil and gas leads

NORWEST Energy has updated on its EP368 permit in the North Perth Basin and is watching Strike Energy's West Erregulla-2 well closely, hoping a hit at deep primary targets the Kingia and High Cliff Sandstones will add to its own permit four kilometres away.



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It shares EP368 with operator Mineral Resources in an 80-20 split and said this morning the joint venture has decided conventional oil prospect Springy Creek is a candidate for drilling as a commitment well in the first half of next year.

It will assess the prospect's merits of it against the other drillable prospect in the permit Lockyer Deep, a gas prospect.

Varied criteria will be assessed including well costs, probability of success and the value and time path to commercialisation in a success case.

Lockyer Deep is a large tilted fault block bounded by a northwest southeast Jurassic fault downthrown to the southwest.

The primary reservoir targets are the Kingia-High Cliff sandstone - which Strike is currently chasing at West Erregulla-2 and which proved so productive at the Waitsia gas field, which is 12 kilometres west of the permit.

The source for the gas is provide by the Irwin River coal measures, and reservoir top seal of the Kingia and High Cliff reservoirs is provided by the mudstones of the IRCM and the Bit Basher Shale intervals, respectively, Norwest explained this morning.

It said recent re-interpretation of the Lockyer Deep prospect has resulted in an increase in prospective recoverable gas resources.

A mid case for Kingia is 62.4 billion cubic feet and High Cliff 51.5Bcf for a total of 302Bcf with 60.4Bcf net to Norwest based on its 20% share in the joint venture.

Norwest is especially excited by Strike's recent West Erregulla-2 news of "significant" gas discovery in its second target the Wagina Sandstone - which Strike said last week had only a 12% prognosed chance of success compared with its primary target the Kingia-High Cliff which it is still drilling to.

WE-2 is only 4km from Norwest's own permit

"Additional resource potential may exist within the shallower Wagina sandstone formation at Lockyer Deep, dependent upon localised porosity and permeability preservation at that level within the structure," Norwest said today.

MinRes, where former Norwest managing director Shelley Robertson has recently moved to head up the energy division, spent the end of 2017 chasing the Waitsia gas discovery via an all-scrip bid for operator AWE and its 50% share.

Springy Creek was until recently a structural lead and has now been upgraded to a drillable prospect after 2D seismic reprocessing done by Norwest, which estimates a low case for the Kingia and High Cliff formations in the South culmination of 8.6 million barrels of oil and a high case for both structures in the south and north culminations of 61.1MMbbl. A midcase targeting the Kingia only is 287.MMbbl.

Greater Springy Creek overs 10.1sq.km and is within a structural setting comparable to the Mount Horner oil field which is 15km west.

Norwest is worth 0.3c today