

Perth Basin records another monster gas find

LOCKYER Deep-1 in the Perth Basin has recorded flows of 117 million cubic feet per day with low levels of both CO₂ and hydrogen sulphide over several hours.



The well is operated by Mineral Resources' subsidiary Energy Resources (80%) and junior partner Norwest Energy.

In mid-September the two announced initial results that suggested a huge conventional gas resource in the Kingia sandstone, which has produced gas at the Waitsia and West Erregulla fields in the Perth Basin.

"If developed, Lockyer Deep will provide low-cost energy security for Mineral Resources, our Joint Venture partners and our Tier 1 clients enabling the transition from diesel to cleaner natural gas as we work towards net zero emissions by 2050", Mineral Resources managing director Chris Ellison said.

"In addition to supplying our own gas requirements, the company will investigate opportunities for downstream gas developments."

The mining company holds a huge acreage position across the Perth Basin and into the onshore South Carnarvon Basin and Ellison had been chasing gas supply for some time, attempting his own buy out of Perth Basin player AWE in 2017. He was later beaten by Mitsui, which took a 50% share of the Waitsia gas project in the Basin.

The JV began a flow test Friday and also ran a six day test program.

The test ran over a 25 metre interval in the Kingia sandstone between 4041-4066 metres and the flow was increased through varied choke settings.

It reported a sustained flow rate of 102 million cubic feet per day, through a 76/64" choke, with a maximum instantaneous gas flow rate of 117MMcfd, which the partners say is one of the highest rates recorded onshore Australia. The condensate ratio was five to six barrels per million feet of gas.

Wellhead pressure was 3681 psi which Norwest said was "clearly capable of higher rates of delivery" but it stopped early as sand was being produced to surface.

"This is an incredible result with the Lockyer Deep-1 well once again surpassing even our own expectations," managing director Iain Smith said.

It is "the highest gas flow rate seen thus far in the Perth Basin gas play, a low level of impurities and with associated condensate providing a significant uplift in value."

The well test will run for another few days to gather additional data on reservoir performance, before being shut-in. The well will then be completed as a future producer.

The JV confirmed today it will drill appraisal wells over the next 12-18 months.

Norwest shares are down 2.2% today to 4.3c each. Mineral Resources are up 2% to \$49.70 per share.