

BPC Ltd., Perth, and Norway's StatoilHydro ASA formed a joint venture to explore for oil and gas off the Bahamas if the government approves license applications.

The companies propose to explore licenses in southwestern Bahamas waters that lie between Miami and central Cuba. The Bahamas commonwealth government could approve the license applications by yearend, BPC said (OGJ, May 18, 2009, Newsletter).

The joint venture territory lies between four other Bahamas blocks wholly held by

BPC southwest of Andros Island and six blocks in the Florida Straits off northwestern Cuba operated by Repsol YPF SA in which StatoilHydro holds 30% interest.

Meanwhile, BPC has identified 22 exploration leads on its fully owned Bain, Cooper, Donaldson, and Eneas licenses 225-425 km southeast of Miami and the Miami license 85-150 km east of Miami (Fig. 1). The licenses, awarded in 2007, total 3.874 million acres in 5-535 m of water on the southern Great Bahama Bank and have potential in a Jurassic-Cretaceous carbonate petroleum system.

BPC noted that five wells have been drilled in the Bahamas since 1947, the last one by Tenneco Oil Co. to 21,740 ft about 50 km off Cuba in 1986 that had oil shows in Lower Cretaceous (Table 1).

Exploration history

Exploration of the Bahamas region has occurred generally in 12-year cycles, BPC noted.

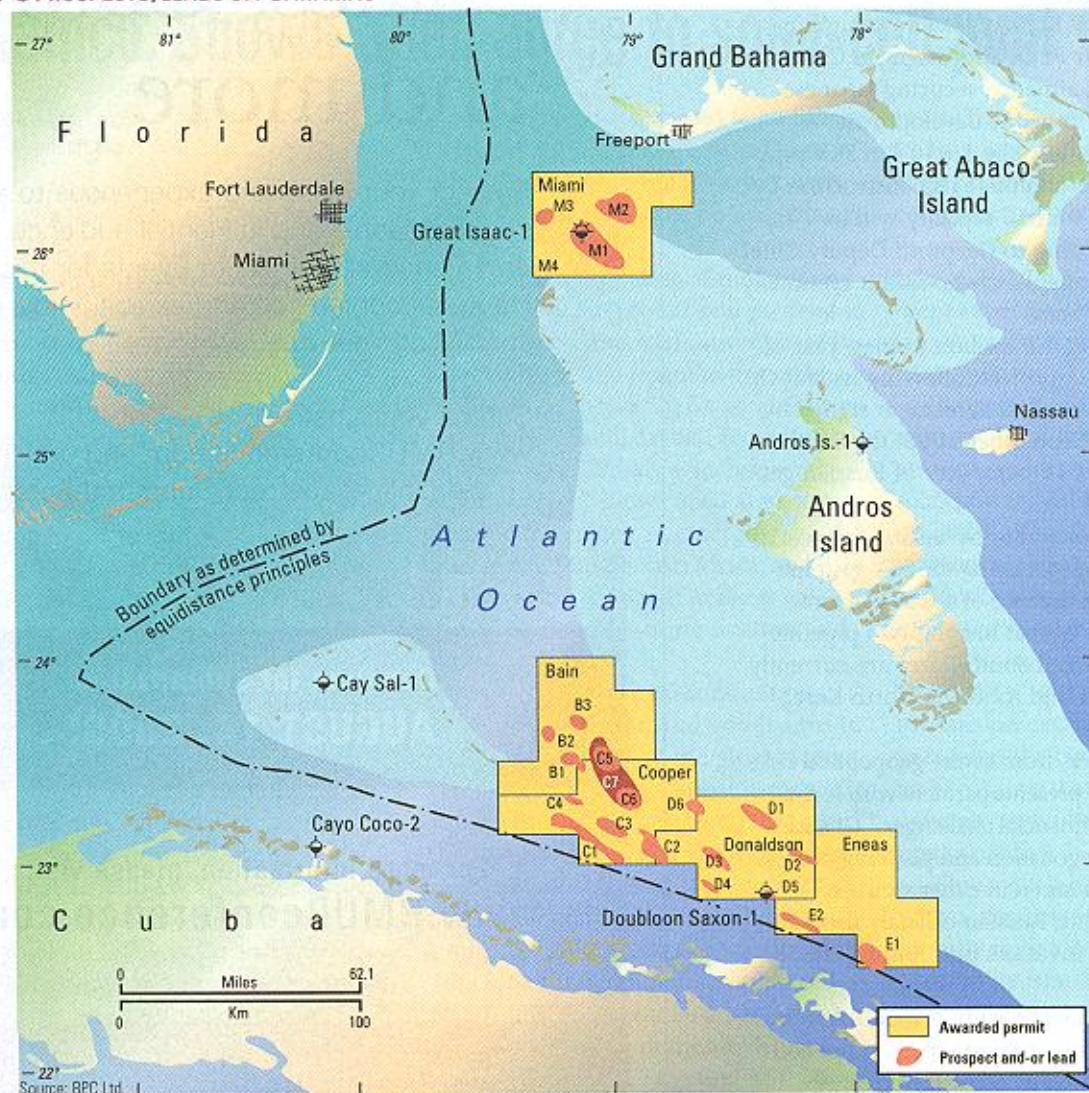
The area's first well, Andros Island-1 on Andros Island, went to a total depth of 14,583 ft in 1947 without encountering significant hydrocarbons.

Gulf Oil Corp. drilled the Gulf 826-Y well west of Key West, Fla. It is the only well to have successfully flowed oil. It flowed 18 bbl of 22-24° gravity

Exploration may resume on blocks off Bahamas

BPC PROSPECTS, LEADS OFF BAHAMAS

Fig. 1



BAHAMAS LAND, OFFSHORE EXPLORATION WELLS

Table 1

Well	Year of discovery	Operator	Total depth, m	Age at total depth
Andros Island-1	1947	Superior	4,446	Early Cretaceous
Cay Sal-1	1959	Bahamas California	5,763	Jurassic or Early Cretaceous
Long Island-1	1970	Bahamas Gulf	5,351	Jurassic or Early Cretaceous
Great Isaac-1	1971	Bahamas California	5,440	Jurassic
Doubleton Saxon-1	1986	Tenneco	6,626	Early Cretaceous

oil from an interval of anhydrite and carbonate lithologies below 10,000 ft.

The second well in the Bahamas, drilled by subsidiaries of Chevron and Gulf, was Cay Sal-1. It went to TD 18,906 ft in 1959 and encountered live oil shows from 12,682 ft to total depth but tested no commercial hydrocarbons.

Gulf, Chevron, and Mobil drilled Long Island-1 in 1970 to TD 17,577 ft and plugged after finding minor live

hydrocarbon shows around 15,900 ft. Chevron moved the rig to drill Great Isaac-1 to TD 17,847 ft. It found minor live hydrocarbon shows at 16,900-17,700 ft.

"Drilling fluids were 9.2 ppg drilling into the overpressured reservoir and were eventually increased to 16 ppg before drilling on to TD. However, no commercial quantities of hydrocarbons were reported on tests," BPC said. ♦

Corridor sees 67 tcf in New Brunswick shale

Consulting engineers arrived at a best estimate of 67.3 tcf of gas in place in the overpressured Carboniferous Frederick Brook shale in the Sussex and Elgin subbasins in southern New Brunswick, said Corridor Resources Inc., Halifax.

The F-58 well in McCully field has been flowing at a stable rate of 150 Mcfd at 550 psi wellhead pressure into the McCully gathering system for 14 months and has recovered 69 MMcf of gas following a small 9-tonne frac in the albitic/dolomitic (lower) section of Frederick Brook, Corridor said.

The McCully P-76 well flowed gas at the rate of 150 Mcfd for 76 hr at 32 psi final wellhead pressure from Frederick

Brook after a 14-tonne frac before the well was completed uphole in the McCully sands.

Depth to the top of the shale is 2,000-3,000 m in much of the area, but the shale is so thick that more than 1 km of exposure can be attained without horizontal drilling.

Free gas in place in the shale averages 370 bcf/sq mile and exceeds 600 bcf in places, and the estimate does not consider adsorbed gas within existing kerogen which may add greatly to the total volume of gas in place.

The consulting engineers' report will assist in fashioning a longer-term plan for appraising and development the shale, Corridor said. ♦

AWE to drill several New Zealand play types

Australian Worldwide Exploration Ltd., Sydney, is looking at drilling three or four exploration play types in its summer exploration in New Zealand's Taranaki basin.

In a website presentation originally given to the Petroleum Exploration Society of Australia, AWE says its first

well, Hoki-1, will be a Cretaceous North Cape formation play in PEP 38401 about 100 km due west of New Plymouth.

The Hoki-1 structure covers 70 sq km with 100 m of relief. The structure, in 150-900 m of water, lies geologically under the edge of the Western Platform.

AWE operates PEP 38401 with 50% interest. The other Hoki partners are OMV 31.25% and Todd Energy 18.75%.

AWE plans two wells as extensions to the Tui oil field pool in the Kapuni Group F10 sands. They are Tui North-east, with an estimated 10 million bbl recoverable, and Tui Southwest with 5 million bbl.

AWE also outlined two other possible targets adjoining the Tui pool: Tui Southeast with 10 million bbl estimated recoverable and a Kahu channel play with a 30 million bbl target.

A fourth proposed well is Tuatara-1, off the South Island's D'Urville Island. It is a Moki sands play similar to OMV's Maari oil field. The top Moki sands at Tuatara cover a 10 sq km structure with 90 m of relief. AWE holds 100% of PEP 38524.

A fourth play type being considered for this drill round is the Bahamas Pleistocene biogenic gas play more than 100 km west of Taranaki largely in PEP 38483. While distant from shore, it appears to have a large upside, the company said.

The Kan Tan-IV semisubmersible is to arrive in New Zealand in November. ♦

Guatemala

The PetroLatina subsidiary of Quetzal Energy Ltd., Toronto, is redeveloping the A7-2005 license that contains Atzam and Tortugas fields in Guatemala's southern Peten (Chapayal) basin.

It plans to drill three development wells at Atzam and six in Tortugas.

PetroLatina has spud the Atzam-3 well in Guatemala's Atzam oil and gas field in License A7-2005 in the southern Peten (Chapayal) basin.

Projected depth is 4,200 ft at the well, 500 m east of the productive Atzam-2 well. Quetzal chose the location to gain a structural advantage to Atzam-2 at the productive Coban C-18 and C-19 intervals.

Basic Petroleum (Bahamas) Ltd.