

Partners zooming in on Warro water issues

Thursday, 25 June 2009

TRANSERV Energy has said the water flow plaguing the Warro-3 well in the Perth Basin appears to be coming from the bottom of the well.

Operator Latent Petroleum had successfully produced gas with minimal water from the shallower zone 6 after setting a third bridge plug below the zone.

Zone 6 had initially flowed 2 million cubic feet of gas per day and is currently flowing 1MMcfd.

Transerv said in a statement that the water free production from zone 6 provided strong evidence that water was coming from the bottom of the well and was channelling behind casing and into the well bore through the perforations of the middle fracture stimulation zones.

The company added that if water could be removed from the well bore in these zones, the well would be able to achieve production levels closer to those recorded last week, including an initial flow rate of 5.6MMcfd.

The partners plan to run an uninterrupted flow test from zone 6 for the next 1-2 weeks to confirm a constant, water-free gas flow.

Operational planning will focus on how to prevent water from entering the wellbore in the lower and middle frac zones.

Options to achieve this include carrying out a cement squeeze job to stop the behind casing channelling of water.

Transerv added the project partners are also looking at alternatives for a fracture stimulation program on the untested gas sand zones 7 and 8.

These unfracted zones contain about 68m of net pay compared to 20m of pay in zone 6 and appear to have similar characteristics to zone 6.

Alcoa is funding the evaluation program in return for a 65% interest in the project, while unlisted private company Latent holds a 25% stake.

Transerv owns the remaining 10%.



Operations at Warro