

## Latent likes chances of tight gas success

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**THE search for unconventional oil and gas in Australia is well on the move with unlisted explorer Latent Petroleum hopeful of first production from the Warro gas project, 250 kilometres north of Perth, by late 2012 or early 2013.**

Latent, the operator of the 7000-hectare Warro gas field in the Perth Basin, is gearing up to restart exploration work at the project later this year.

Speaking to *PetroleumNews.net*, managing director Stephen Keenihan said the company was hoping to drill the Warro-4 well and record 120 square kilometres of 3D seismic before the end of the year.

“Once we get the go-ahead from Alcoa it will be all systems go to get the well drilled before the end of the year,” Keenihan said.

“Our plan is to drill Warro-4, shoot 3D seismic and have all the data available so we can commence drilling again mid-next year on a multi-well program.”

Alcoa of Australia is funding the evaluation program at Warro in return for a 65% interest in the project. Latent is operator and holds a 25% stake while Transerv Energy has a 10% interest.

The Warro gas field was discovered by West Australian Petroleum in 1977 with the drilling of the Warro-1 well. The well penetrated a significant gas column and a follow-up Warro-2 also intersected gas.

Warro-2 was tested, however the gas flow rates were small and, at the time, the field was deemed uncommercial.

Since then, there have been significant advances in technology and the understanding of gas reservoir properties, and tight gas plays like Warro are considered commercially viable.

Last year, Latent drilled and fracture stimulated the Warro-3 well. Warro-3 flowed gas at up to 5 million cubic feet per day for seven hours before water from an underlying aquifer entered the well.

Keenihan said the joint venture had sought advice from US tight gas specialists who confirmed the potential of the field and recommended ways to improve the fracture stimulation results and reduce the flow of water.

He also said the US experts concluded that the Warro field was similar to a sequence of fields in the Texas/Oklahoma area called the Granite Wash play.

“The interesting thing about the Granite Wash is that it’s gone through its own evolution just as we probably will with Warro.”

Keenihan said early wells at Granite Wash initially produced 0.5-1.0MMcfd but a move to use large-scale slick-water fracs about a decade ago increased flows to 3-5MMcfd, and now horizontal wells with fracking commence production at 15-25MMcfd.

“We’re obviously hoping that the same story will be repeated at Warro but from a better starting point,” he said.

“Our first attempt in the original Warro vertical well achieved 2-3 million cubic feet per day with mid-sized gel fracs and we expect that by using the large slick-water fracs and eventually moving to horizontal wells, to go through the same evolution as the Granite Wash.”

The joint venture plans to drill around 200 wells to produce an average of 100 terajoules per day, about 10% of the needs of Western Australia’s South West.

The partners have also secured a licence to build a 150TJ pipeline to feed the gas directly into the nearby Dampier to Bunbury and Parmelia pipelines.

First production is targeted by 2012 or early 2013.



Operations at Warro