



Hope for good gas flows at Waroo

By **BARRY FITZGERALD**

ALUMINIUM group Alcoa and its junior partners have notched up an early success in their plan to reduce Perth's reliance on expensive gas supplies from the North-West Shelf.

The partners — Alcoa (65 per cent), the unlisted Latent Petroleum (25 per cent and operator) and Transerv Energy (10 per cent) — have recorded an initial gas flow of 2.1 million cubic feet a day in the Waroo 3 appraisal well in the Perth Basin, 200 kilometres north of Perth, after artificial stimulation, or “fracking”.

The Waroo field was discovered by the WAPET consortium in 1977. While it is considered to be big at 2-3 trillion cubic feet of gas, its reservoirs are “tight” and do not give up the gas easily. The partners are

hoping that an initial \$40 million program funded by Alcoa will demonstrate that the tight gas can be made to flow at commercial rates after the use of modern-day fracking techniques.

Alcoa is the biggest user of gas in WA at its alumina refineries, and like other industrial consumers, the company is concerned about the high gas prices in the state despite the massive gas reserves off the north-west coast.

The partners expect that after another two-to-three weeks, the Waroo 3 well will have cleaned up sufficiently from its fracking experience to flow at a rate of 4-6 million cubic feet a day. The plan would be to drill enough wells to eventually supply as much as 10 per cent of

the WA gas market's demand.

Transerv shares responded to the initial encouragement by gaining 0.8 cents a share, or 32 per cent, to 3.3 cents a share. The currently unlisted Latent is backed by former executives of the US-based Apache Corporation, also a WA gas producer.

Transerv said that flow testing started on May 2 and would continue for up to 60 days.

On the other side of the country, Melbourne-based Lakes Oil is to start a new work program at its “tight” Wombat field in the onshore Gippsland Basin. It plans to re-enter three wells, and hopes that one or more of them, including the previously fracked Wombat 2, could yield commercial flow rates.