

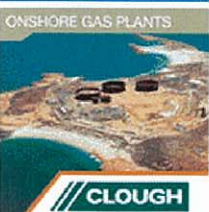


- [HOME](#)
- [ABOUT US](#)
- [ADVERTISE](#)
- [PREMIUM](#)
- [SUBSCRIBE](#)
- [SITE MAP](#)
- [HELP](#)
- [CONTACT](#)
- [WORK FOR US](#)



Wednesday
13 May 2009

[Make PNN my HomePage](#)



Lakes pulls out of New Zealand, focusing on core areas

Marija Zivkovic, Neil Ritchie, New Zealand
Wednesday, 13 May 2009

LAKES Oil has left the New Zealand oil and gas exploration scene only a year after saying the country was a great place to explore and that it hoped to emulate its Victorian tight gas success across the Tasman.

Melbourne-headquartered Lakes Oil – the oldest Australian explorer still operating after 62 years – has surrendered its onshore East Coast Basin licence PEP 38350 and, according to Crown Minerals, it now has no other interests in New Zealand.

PEP 38350 had been a 1901 square kilometre onshore block in the greater Wellington-Wairarapa region and Lakes also applied for, but was not granted, a larger permit covering 2481sq.km over what the company believed was a northward continuation of the same geology contained in PEP 38350.

Company chief geologist Ingrid Campbell told *PetroleumNews.net* today that Lakes was pulling back from areas such as New Zealand because of the global credit crunch and tight economic times.

“We are refocusing on our core business, tight gas resources, and withdrawing from frontier areas,” she said.

“We were going to shoot some 2D onshore-offshore seismic around the Palliser Bay area of New Zealand, but without other parties to share the mob and demob costs that would have cost a million dollars or so – something we decided would be better spent on re-entering and fracing existing wells in the onshore Gippsland Basin.

“That is no reflection on New Zealand; we are pulling out of central Australia for similar reasons.”

A year ago company chairman Robert Annells told *PNN* that Lakes would be targeting both oil and gas in New Zealand and utilising its Cooper Basin expertise that had seen gas finds with flows as low as 2 million cubic feet per day developed.

Meanwhile, the company said it would soon start a workover program in PRL2 that would lead towards commercialisation of tight gas in the Wombat field, onshore Gippsland Basin, Victoria.

The company said it was planning to re-enter three wells, Wombat-2, Wombat-3 and North Seaspray-3, during the next quarter once all required approvals had been granted.

“During this current slowdown of activity in the industry, we believe this program will provide us with the maximum potential for unimpeded commercial hydrocarbon flows to be achieved, without incurring the levels of costs that would be associated with drilling and fracturing a new well such as Wombat 4,” the company said.

The workover operations on all three wells are designed to clean up the wells in order to allow the gas/oil zones to flow unimpeded to the surface.

Meanwhile, Lakes Oil has delayed the drilling of Wombat-4 due to the current high costs of moving a drilling rig to the Gippsland region.

The company said it hoped drilling costs would return to normal over the next 12 months, at which time it would consider drilling the well.

The company has also commissioned Gaffney Cline and Associates to provide an independent evaluation of the Trifon and Gangell fields in PRL2, which will include results from the proposed testing at North Seaspray-3.

An independent assessment of the Wombat field previously carried out by Gaffney Cline and Associates estimated potential P50 recoverable resources of 293 billion cubic feet.

RELATED LINKS

[COMPANY]
- LAKES OIL N. L.

[SECTION]
- Exploration
- General News
- Drilling

[REGION]
- Australia
- New Zealand

[COMMODITY]
- Gas News

[OTHER]
- Printable Version
- Send to a Friend

Search this site

Company Search

Company Name

Company Description

Story Search

Type Text Here

Section

Commodity

Region

Feature

[Advanced Search](#)

Site search sponsor



Industry Search

Industry search sponsor



Powered by



UPCOMING EVENTS

7th Annual National CSM - CMM Conference & Exhibition 2009

6th African Petroleum Week 2009

APPEA 2009 Conference & Exhibition

Results of the evaluation are expected to be completed in the next two months.

Lakes Oil owns 100% of PRL 2.

[Click here to read the rest of today's news stories.](#)

THE 4TH ANNUAL HOT
ROCK ENERGY
CONFERENCE

DECENTRALISED ENERGY
CONFERENCE

3RD ANNUAL DEMAND
RESPONSE & DSM
CONFERENCE

[View all events](#)



TODAY'S NEWS

Flow-through shares still
missing from budget

Habanero incident could
delay pilot plant:
Geodynamics

Origin secures Pangaea
CSG permit

Santos equity raising
heavily oversubscribed

No cash raising needed for
PNG LNG: Oil Search

Bow launches CSG
campaign in Bowen

Karooon preparing to test
Poseidon-1

Lakes pulls out of New
Zealand, focusing on core
areas

Galoc gearing up for
production reboot

Gas pipelines operational



[Disclaimer](#) | [© Copyright Aspermont Ltd](#) | [Privacy Policy](#) | [Terms and Conditions](#)