

Mustang oil discovery delivers excellent results during production testing

Release Date: 18 October 2012

Senex Energy Limited (Senex) is pleased to advise that initial production testing at the Mustang-1 oil exploration well in South Australian Cooper Basin permit PEL 111 (Senex 60%) has confirmed excellent oil production potential.

KEY POINTS

- Mustang-1 free flowed at a rate of 6,700 barrels of oil per day (bopd) during clean up.
- Despite being choke constrained, the well produced at a controlled rate of ~800 bopd during a 10 day production test with minimal pressure depletion.
- The well exhibited excellent reservoir quality with highly permeable, oil filled sands.
- Planning is underway to expedite longer term production testing at Mustang-1, targeting 2,000 bopd.

In July 2012, the Mustang-1 oil exploration well intersected an interpreted net oil pay of 4.0 metres in the oil-bearing sands of the mid-Birkhead Formation over the interval 1,787.0 to 1,791.5 metres. During a drill stem test, oil flowed to surface after 23 minutes and continued to flow at a rate equivalent to approximately 2,500 bopd. The well was then cased and suspended as a future oil producer.

The well continued to demonstrate excellent reservoir quality during initial production testing. Mustang-1 was completed as a free-flowing oil producer in early September 2012 and produced the equivalent of 6,700 bopd through a 3/4 inch choke during a 15 minute clean up flow. During a subsequent 10 day production test, the well produced at a controlled rate of ~800 bopd through an 18/64 inch choke with minimal pressure depletion.

Senex Managing Director Ian Davies said planning was underway to place Mustang-1 on extended production test within this quarter.

“Mustang-1 is a perfect example of Senex’s capacity to accelerate oil field developments. It is also an excellent example of the significant upside within our Cooper Basin acreage,” he said.

Senex holds a 60% interest in PEL 111 and is the Operator of the joint venture. The remaining 40% interest is held by Beach Energy Limited.

For further information contact:

Ian Davies
Managing Director
Senex Energy Limited
Phone: (07) 3837 9900

Figure 1: Location of the Mustang-1 oil discovery

