



# Monthly Drilling Report

November 2017

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## HIGHLIGHTS

- **Cooper Basin JV horizontal oil drilling campaign commences with early success.**
- **Western Flank gas exploration success at Naiko-1.**
- **Total depth reached at Haselgrove-3 ST1 with evaluation to commence soon.**

## DEVELOPMENT – COOPER AND EROMANGA BASINS

### South Australian Oil – Cooper Basin JV

*(Fixed Factor Area JV: Beach 20.21%, Santos 66.60% and operator, Origin 13.19%)*

A six-well campaign to develop the McKinlay Field, located approximately 50 kilometres southeast of the Moomba processing facility, has commenced. The campaign comprises four horizontal wells and two shallow vertical wells and is designed to develop the McKinlay Member which is a proven producer. The low relief nature of the structure is considered highly suited for horizontal drilling. Field development with this technique is expected to require fewer wells relative to a pure vertical program, with improved flow rate and ultimate recovery. The first well of the campaign, McKinlay-12, drilled a lateral section of 1,220 metres with good oil and gas shows in the primary target and was cased and suspended as a future producer. The second well of the campaign, McKinlay-15, drilled a lateral section of 870 metres with good oil and gas shows in the primary target and was suspended as a future producer.

A single development well was drilled in the Odonata Field, located on the Nappacoongee-Murteree Horst approximately 50 kilometres south of the Moomba processing facility. Odonata-2 targeted the Coorikiana Sandstone as a primary objective. The well encountered 6.7 metres of net oil pay and was cased and suspended as a future producer.



### **South Australian Gas – Cooper Basin JV**

***(Fixed Factor Area JV: Beach 20.21%, Santos 66.60% and operator, Origin 13.19%)***

The gas development and appraisal campaign targeting the Patchawarra Formation in the Namur Field continued. The campaign has been modified to consist of three development wells and one appraisal well (previously two). The first three wells of the campaign, two development wells and the appraisal well, are being drilled from a single pad. The first development well, Namur-8, was drilled to develop the central area of the crestal part of the Namur Field. The well intersected 61 metres of net gas pay and was cased and suspended as a future producer. The second development well of the campaign, Namur-9, spudded on 30 November 2017 and at month-end was drilling ahead at 742 metres. The Namur Field is approximately 20 kilometres southeast of the Moomba processing facility.

### **EXPLORATION AND APPRAISAL – COOPER AND EROMANGA BASINS**

#### **Western Flank Gas – ex PEL 106**

***(Beach 100%)***

Beach continued its FY18 operated gas exploration and appraisal campaign, which is focused on the Southwest Patchawarra (SWP) and Permian Edge (PE) play fairways. The fourth exploration well of the campaign, Naiko-1, is located in the SWP play fairway approximately two kilometres northeast of the Middleton gas facility. Naiko-1 was designed to test viability of the gas and condensate system within the SWP play fairway in the mid-to-lower intervals of the Patchawarra Formation. The well intersected two metres of net pay in the mid interval and was cased and suspended as a future producer. An open hole drill stem test was conducted over the interval 2,692 to 2,697 metres and flowed at up to 5.8 MMscfd on a 32/64" choke at 1,149 psi flowing tubing head pressure. Preliminary analysis of test results indicates that Naiko-1 is potentially connected to the Middleton Field and as pressure is higher than at Middleton, will likely add reserves.

The campaign continued with the fifth well, Largs-1, located in the SWP immediately south of the Middleton gas facility. Similar to Naiko-1, the well is testing the viability of the gas and condensate system within the SWP play fairway in the mid-to-lower intervals of the Patchawarra Formation. At month-end Largs-1 had reached total depth of 2,284 metres and evaluation of the well was underway. A vertical seismic profile was conducted, augmenting existing regional seismic data in order to enhance evaluation of future drilling prospects.

#### **South Australian Gas – Cooper Basin JV**

***(Fixed Factor Area JV: Beach 20.21%, Santos 66.60% and operator, Origin 13.19%)***

The appraisal well of the previously mentioned gas development and appraisal campaign was pad drilled in the Namur Field. Namur-7 intersected net gas pay of 23 metres in the target Patchawarra Formation and was cased and suspended as a future producer.

A two-well gas appraisal campaign also in the Namur Field but targeting the Coorikiana Sandstone was successfully completed using the Ensign 950 shallow rig. The second well of the campaign, Namur-6, encountered 5.3 metres of net gas pay in the target zone and was cased and suspended as a future producer.

**South Australian Oil – Cooper Basin JV**

*(Fixed Factor Area JV: Beach 20.21%, Santos 66.60% and operator, Origin 13.19%)*

A two-well near field exploration campaign was successfully completed using the Ensign 950 shallow rig. The campaign was designed to assess near field exploration opportunities that might not have been economic with other drill rigs.

The first well of the campaign, Warumpi-1, targeted a Birkhead Formation prospect located approximately 40 kilometres south of the Moomba processing facility and to the north of the Alwyn Field. The McKinlay Member was a secondary objective. The well intersected seven metres of net oil pay in the primary target and was cased and suspended as a future producer.

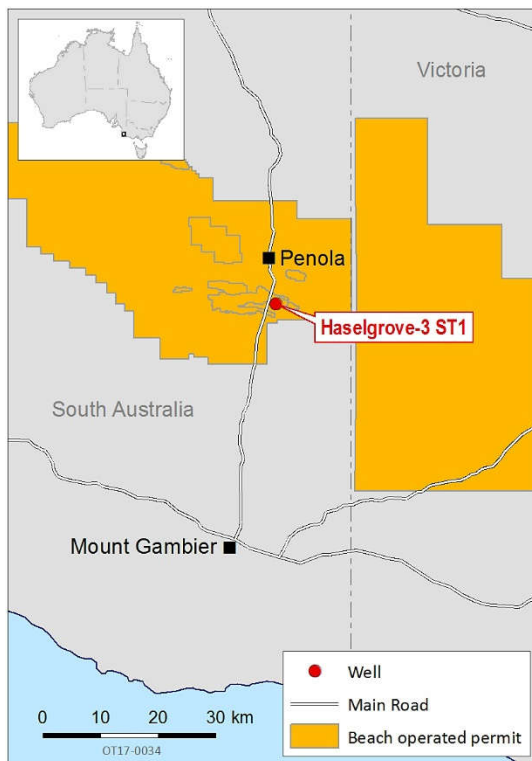
The second well of the campaign, Isoptera-1, targeted a Coorikiana Sandstone prospect located between the Bugito and Ulandi fields, approximately 45 kilometres south of the Moomba processing facility. The well intersected net oil pay of 6.5 metres and was cased and suspended as a future producer.

**EXPLORATION AND APPRAISAL – OTWAY BASIN**

**South Australian Gas – PPL 62**

*(Beach 100%)*

Beach completed drilling Haselgrove-3 ST1 in the onshore Otway Basin. The well is targeting conventional gas and gas liquids prospects in the Pretty Hill and Sawpit sandstones. Encouraging gas shows were seen in both target zones and at month-end the well was being prepared for further evaluation.



Monthly Drilling Report – Period ended 06:00, 1 December 2017

Well	Participants	Progress and Summary	Primary targets
<b>Cooper Basin Operated</b>			
<b>Naiko-1</b>	BPT* 100.00%	Drilling this month: 2,868 metres	Patchawarra Formation
PPL 239 Gas exploration C/E Basin, SA		Current depth: 2,868 metres (total depth) Status: Cased and suspended as a future Permian gas producer	
<b>Largs-1</b>	BPT* 100.00%	Drilling this month: 2,884 metres	Patchawarra Formation
PPL 239 Gas exploration C/E Basin, SA		Current depth: 2,884 metres Status: Running drill stem test	
<b>Otway Basin Operated</b>			
<b>Haselgrove-3 ST1</b>	BPT* 100.00%	Drilling this month: 920 metres	Sawpit Sandstone Lower Pretty Hill Sandstone
PPL 62 Gas exploration Otway Basin, SA		Current depth: 4,331 metres (total depth) Status: Casing well prior to evaluation operations	
<b>Cooper Basin Non-operated</b>			
<b>McKinlay-12</b>	BPT 20.21%	Drilling this month: 2,904 metres	McKinlay Member
PPL 234 Oil development C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 2,904 metres (total depth) Status: Cased and suspended as a future McKinlay Member oil producer	
<b>McKinlay-15</b>	BPT 20.21%	Drilling this month: 2,132 metres	McKinlay Member
PPL 234 Oil development C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 2,132 metres Status: Drilling ahead	
<b>Odonata-2</b>	BPT 20.21%	Drilling this month: 975 metres	Coorikiana Sandstone
PPL 36 Oil development C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 975 metres (total depth) Status: Cased and suspended as a future Coorikiana Sandstone oil producer	
<b>Namur-8</b>	BPT 20.21%	Drilling this month: 2,499 metres	Patchawarra Formation
PPL 16 Gas development C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 2,499 metres (total depth) Status: Cased and suspended as a future Permian gas producer	
<b>Namur-9</b>	BPT 20.21%	Drilling this month: 742 metres	Patchawarra Formation
PPL 16 Gas development C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 742 metres Status: Drilling ahead	
<b>Namur-6</b>	BPT 20.21%	Drilling this month: 1,304 metres	Coorikiana Sandstone
PPL 16 Gas appraisal C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 1,304 metres (total depth) Status: Cased and suspended as a future Coorikiana Sandstone gas producer	
<b>Namur-7</b>	BPT 20.21%	Drilling this month: 1,875 metres	Patchawarra Formation
PPL 16 Gas appraisal C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 2,588 metres (total depth) Status: Cased and suspended as a future Permian gas producer	
<b>Warumpi-1</b>	BPT 20.21%	Drilling this month: 1,597 metres	Birkhead Formation
PPL 149 Oil exploration C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 1,597 metres (total depth) Status: Cased and suspended as a future Birkhead Formation oil producer	
<b>Isoptera-1</b>	BPT 20.21%	Drilling this month: 975 metres	Coorikiana Sandstone
PPL 36 Oil exploration C/E Basin, SA	STO* 66.60% ORG 13.19%	Current depth: 975 metres (total depth) Status: Cased and suspended as a future Coorikiana Sandstone oil producer	

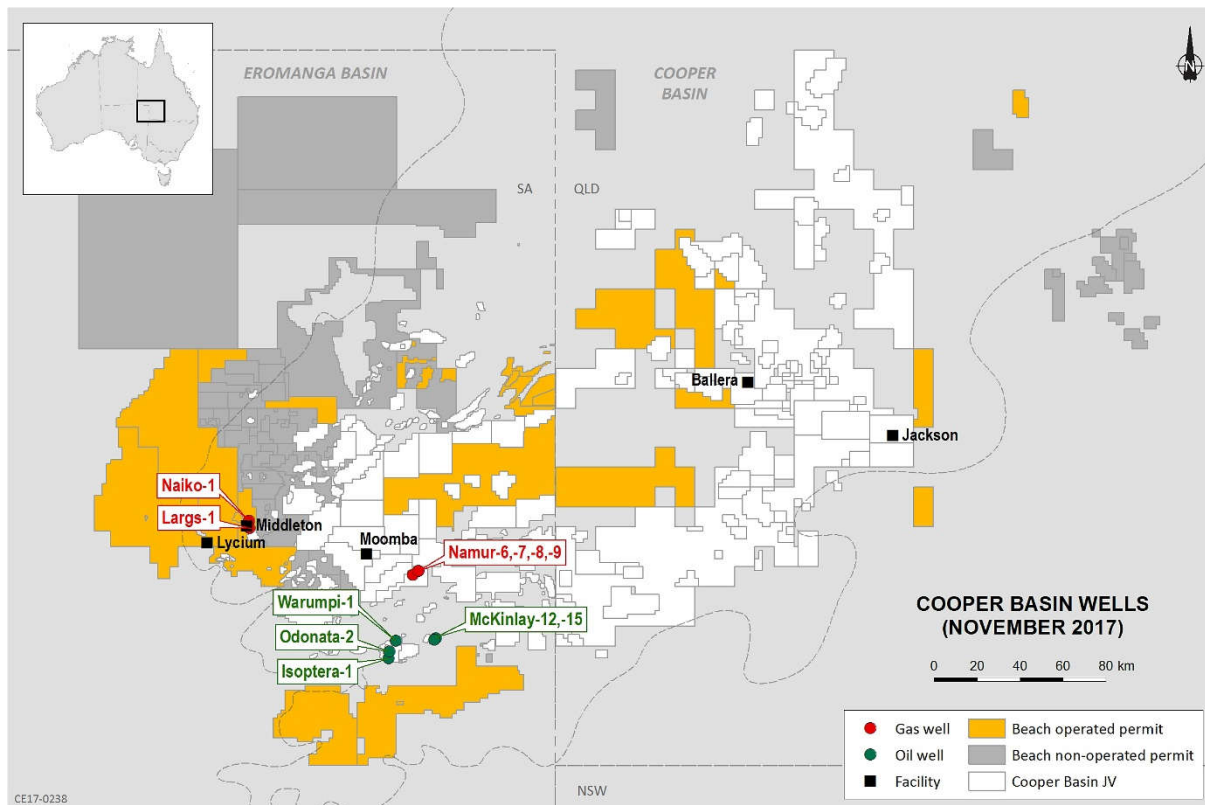
(\* ) Operator

BPT Beach Energy Ltd

ORG Origin Energy Ltd

STO Santos Ltd

**Cooper and Eromanga Basins**




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