

Target catapults into new play

INTERNAL SHAKE-UPS IN the wake of a takeover of its joint venture partner Pogo Producing Company have effectively knocked Target Energy's company-making 305 billion cubic feet equivalent Berwyn prospect off the drilling schedule, but managing director Laurence Roe has simply snapped up another potential company-maker.

Replacing Berwyn is Catapult-3, a

prospect targeting 204 bcf of potential recoverable gas and 10.2 million barrels of potential recoverable condensate.

"In some ways, this is a ... less risky, much easier prospect to drill than Berwyn," Roe remarked.

"We'd still like to drill that, but it's in the hands of PXP (Plains Exploration and Production Company), our new joint venture partner."

Perth-based Target will acquire a 15% working interest from Houston-based Legend Petroleum.

"Given our exploration success in the US to date, we're confident that we have the right territory, the right partners and an appropriate level of exposure to create the conditions for further exploration success," Roe said.

New league

"If this acquisition proves to be another successful discovery, it has the potential to catapult Target into a bigger league," he said.

"While we consider Catapult to be a relatively high risk/high reward play compared to some of our earlier acquisitions, the prospect is thoroughly mapped on 3D seismic, well integrated with the local geology and is adjacent to two recently drilled wells that tested with combined rates

of 40 million cubic feet of gas per day and 2,300 barrels of condensate per day."

The \$7 million well is expected to take five weeks to reach total depth of 4,724 metres (15,500 feet), with target zones of gas and condensate in Early Miocene-age Alliance (Planulina) and Trahan sands.

Target, which listed a little over 12 months ago, had built up gross production of 1.8 mmcfpd of gas and up to 15 barrels of liquids per day.

Completion and testing of the Snapper-A2 well will more than double that – by another 2.1 mmcfpd and some oil into the mix.

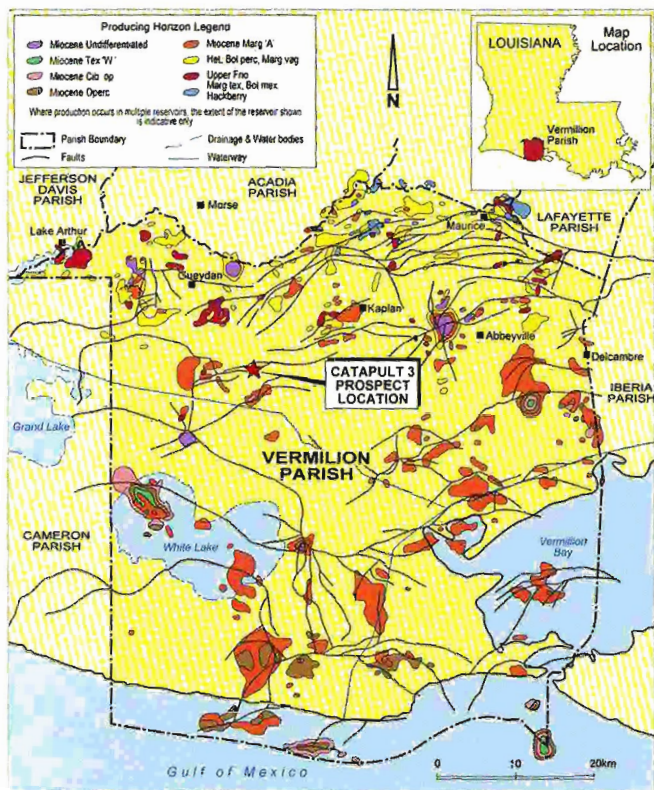
The company has completed Bayou Berard's Beyt-1 well (15% WI) as a shallow Marg Vag producer, which may hold up to 1.8 bcf of recoverable gas.

Problems

Drilling did not go according to plan, with wireline logs indicating a previously unmapped fault. Once depleted, the wellbore will be re-entered and sidetracked towards the primary target sands, the Marg Tex, which could yield up to 1.1 mmbbl and 400 mmcf of gas.

Drilling at the Teche prospect (10% WI) targeting combined potential recoverable gas and condensates in excess of 24 bcfe has been slowed due to downhole problems.

Target expects to spud the Bandito Parks North and Snapper A3 prospects – with the potential to host a total of 300 bcf of gas – in the near future.



▲ The Catapult 3 prospect will replace Berwyn as a potential company-maker.