

Target bags hat-trick of discoveries

TARGET ENERGY HAS a three-from-four strike rate from its first round of drilling in the US, hitting pay in the Thoroughbred-1, Snapper-A1 and Garwood-1 wells, as well as making the transition to producer just six months after listing.

Gas sales from the Thoroughbred gas field in Texas started on June 5, a little over two months since the discovery, at rates of 355,000 cubic feet of gas per day.

Managing director Laurence Roe said the company was now progressing development of the Snapper discovery, although it has been delayed by a large amount of rain dumped over the Snapper area making it impossible to move a completion rig on site to commence flow-testing and completion operations.

"We have three different rig companies that we can use for completion, but need five or six days of clear weather so that our site can dry up enough to move the heavy equipment on location," Roe said.

"We anticipate that we can have Snapper A-1 on production within a few months after the well



▲ *Once completed, Snapper A-1 will be able to use local gas facilities.*

is completed."

It now looks likely the Garwood-1 well will be placed on production over the next few months.

Pre-drill expectations were that Garwood could contain up to three billion cubic feet of gas.

He said drilling of the company's fifth well, Snapper-A2, should begin in several weeks.

Target's eight well drilling campaign in Texas and Louisiana is targeting a more than 300 billion cubic feet of gas equivalent (gross) comprising 3.6 million barrels oil and 341 billion cubic feet gas of gas.

Roe said the strategy of targeting proven,

productive areas in the USA with substantial infrastructure, and selecting prospects based on 3D seismic data was working well.

"Our strategy is to leverage Target into drill-ready projects with a range of risks and rewards with reputable, experienced local operators, and generate early cashflow and momentum," Roe said.

"So far, our strategy has been extremely successful and we remain confident of future success."

Target has a 25% working interest in the three discoveries.

Over the next six months, it will drill the final three wells: a 1.8 mmbbl oil prospect at Bayou Berard; a 25.7 bcf gas prospect at Parks North and the company-making Berwyn prospect with US major Pogo Producing Company with potential for 305 bcfe.

In the success case, most should be capable of beginning sales before the end of 2007.



▲ *Laurence Roe*