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Black Rock Gets The Results Of Cyrano-2

At the back end of last year Australian explorer Black Rock Oil & Gas was sitting on an uninspiring crop of projects and was a drillbit virgin. Twelve months on and the company is enjoying a lot of activity. With new managing director Ivan Burgess at the helm since January 2004, the AIM-quoted company has built up an inventory of drillable prospects that will ensure regular news flow for investors and promises to deliver some real exploration upside.

Buoyed by a fundraising last month that added £500,000 to the coffers, the company is presently drilling offshore Australia, gearing up for a two-well programme in southern England, and can boast a crop of exploration projects in the UK and Ireland. It is in the nature of exploration that there have been some disappointments.

The Cyrano-2 well has been drilled in EP 364 in the Carnarvon Basin, some 12 km southeast of Airlie Island off the coast of Western Australia, the country's largest hydrocarbon-producing area. The well was drilled down dip of the Cyrano-1 discovery well of March 2003, which encountered a 10 metre column of oil under a 19 metre gas cap in lower Cretaceous sandstones. The Ensco 56 rig is drilling the follow-up in 13 metres of water and to a total depth of 1,590 metres. The well is testing the Mardie Greensands and Airlie sandstones, which were hydrocarbon-bearing in Cyrano-1, as well as heading deeper to intersect a large prospect in the Jurassic. Black Rock has a 15 per cent stake in the Tap Oil-operated project. Unfortunately the well has not done well and has been plugged and abandoned.

Attention now centres on well results from southern England, where site preparations are underway for the spudding of the Sandhills-2 well on the Isle of Wight early in the New Year. The well, a follow-up to a 1982 oil discovery abandoned by then operator BG as unworkable, could unlock the geology to a large if complex reservoir. Sandhills-2 will then be followed by a second well on the Isle of Wight, the Bouldnor Copse-1 exploration well. It's an area Black Rock is getting to know well. It has secured small interests in a cluster of licences in southern England, holding stakes ranging from 2.5 per cent to 5 per cent in PEDLs 098, 099, 113, 151 and 152. It also holds 40 per cent in P1140 in the gas-prone Southern North Sea plus 100 per cent of four exploration projects in Ireland.