

Comet Ridge plans two deep 1,100 m CSG wells into Paparoa coal measures

31 July 2009 - Comet Ridge, the Brisbane-based coal seam gas explorer, is to begin drilling two deep coal seam gas wells into the Paparoa coal measures near Greymouth.

Tor McCaul, managing director of Comet Ridge, said the wells would be approximately twice as deep as previous coal seam gas wells drilled into the Brunner coal seam in the MacDonald mining permit (PMP 50100).

Mr McCaul told a recent coal seam gas briefing in Christchurch that the deeper seam appeared to have the right ingredients so potential existed there.

Two core wells will be drilled in the third quarter of 2009 to approximately 1,100 m through both the Brunner and Paparoa sequences. The deepest CSG well to date in the area is about 560 m.

Both appraisal wells would be fully cored. They would then be tested and set up for pressure observation.

The wells would be part of a five well pilot scheme. Three more pilot wells would be drilled from the fourth quarter of 2009 to the first quarter of 2010, including completion.

Pilot production testing is planned for the first quarter of 2010.

Mr McCaul said the gas content in the coals from wells drilled previously in the area by partner MacDonald Investments Ltd (MIL) measured at 6 to 10 cubic m a tonne gas, with composition of approx 95% methane and coal permeability of greater than 30 millidarcies.

The 170 sq km permit is over the centre of the Greymouth coal field just to the east of the town with the permit divided approximately half and half to the north and south of the Grey River.

Comet Ridge's 100% owned subsidiary Chartwell NZ Pty Ltd farmed in to the permit owned by Wellington-based MacDonald Investments Ltd in 2007. Comet Ridge will control 50% of the permit though Chartwell, at the end of Stage II of the farm-in, has the option to increase equity to 60%.

Mr McCaul said Comet Ridge now 100% controlled the two other New Zealand permits it previously held jointly with MIL.

Comet Ridge said MIL had recently transferred its 40% interest in the two CSG blocks, PEP 50279 (Buller) and PEP 50280 (North Waikato-Thames Valley), to Chartwell.

Comet Ridge said MIL had made a strategic decision to withdraw from the two exploration permits to concentrate resources on the Greymouth (PMP 50100) block.

Source: Lindsay Clark