

Chevron discovers larger Iago gas resource

Filed from Singapore 7/10/2008 4:30:57 AM GMT



PERTH, AUSTRALIA: Chevron Australia's appraisal well confirmed an extension of the Iago gas field located 80 miles (130 km) offshore northwestern Australia in WA-16-R permit.

The Iago-2 well was drilled using Diamond Offshore semisubmersible Ocean Bounty in about 384 feet (117 m) of the water. The well discovered 154 feet (47 m) of net pay in sands of the Triassic Mungaroo Formation, confirming a southerly extension of the Iago field into a previously untested reservoir compartment. Gas flowed at a rate of 53 MMcf/d from a 105-foot (32-metre) interval during a drill stem test.

Chevron Australia Managing Director Roy Krzywosinski said, "The recent success with Iago-2, its relatively shallow water location and proximity to the nearby Wheatstone gas resource, will offer some exciting future development options for Iago. We continue to progress a multi-train Wheatstone LNG and domestic gas development with a view to entering the front-end engineering and design phase next year for a green field mainland gas facility."

The Iago resource spans two retention permits, Chevron's wholly-owned WA-17-R permit and WA-16-R, in which the company owns a one-third share, with Shell Development (Australia) Pty Ltd. holding the remaining interests. The Iago field was discovered in 2000 with the Iago-1 exploration well.

Iago-2 is the second of a series of four appraisal wells planned to evaluate the Iago and the nearby Wheatstone discoveries. Ocean Bounty is scheduled to drill on the third well, Iago-3 from April 2008, followed by Wheatstone-4 from May 2008.