



# Shell to spend \$70m on well next to Maui

**Hamish Rutherford**

A CONSORTIUM led by Shell is spending up to \$70 million on an exploration well off the Taranaki coast in a bid to extend the life of the ageing platforms on the giant Maui gasfield.

Shell Todd Oil Services said yesterday that the Noble Discoverer drilling ship was on its way from Singapore to drill the Ruru exploration well.

Drilling of Ruru, the largest exploration well STOS has undertaken in more than a decade, is set to start next month.

Most of the cost will be borne by Shell, which holds more than 80 per cent of the exploration licence.

Rob Jager, the general manager of STOS and chairman for Shell in New Zealand, declined to comment on the size of the prospect it believed it had identified 4000 metres below the seabed, but indicated the partners in the project were confident.

"It's good enough for us to bring a drilling ship from Singapore."

While the companies which share the exploration permits – Shell, Austrian oil giant OMV and Wellington-based Todd Energy – believed it was possible the well may find oil or a gasfield large enough to warrant new production infrastructure, the timing of the drilling was designed to keep open the possibility of linking production of any gas finds to the existing Maui infrastructure.

"Maui is in its twilight years," Mr Jager said. "It was designed to operate for 30 years. It's producing at about a third of its heyday, so we're looking at any opportunity to prolong the life of Maui. The proximity of Ruru provides at least one option to use the infrastructure. Certainly, timing is an important part of Maui's late life thinking."

Discovered in 1969, Maui has been in production since 1979, initially producing most of New Zealand's gas, although production has fallen sharply in recent years.

Mr Jager said STOS had spent about \$70m on drilling around the newer Maui B platform to help maintain production, although

new wells were increasing in cost and risk with lower reward.

Ruru – Maori for morepork, the name suggested by local hapu Ngati Tara – could substantially extend its life.

"A Ruru success, depending on what that looks like, it could extend the life of Maui for quite a number of years more."

A successful discovery at Ruru could also encourage drilling of other higher-risk prospects around the Maui exploration permit, Mr Jager said.

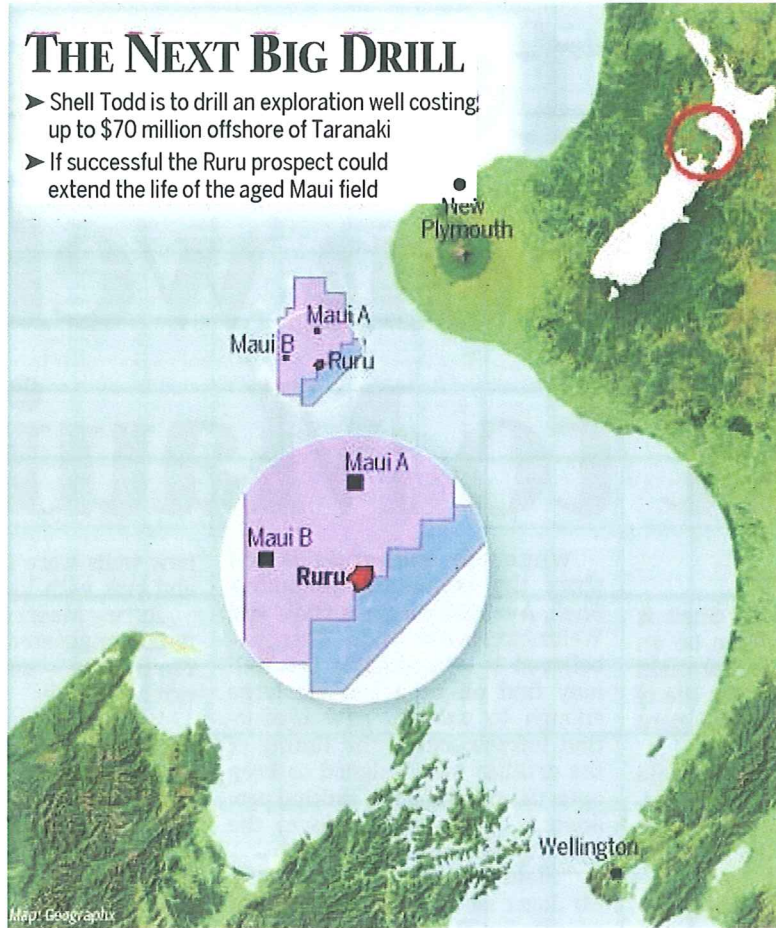
The prospect is on the Southern reaches of the Maui exploration licence, straddling another licence held by the same owners. It sits about 15 kilometres from both the existing Maui platforms in 100 metres of water around 40km from the Taranaki coast.

Shell Todd, which operates the Maui field, is a 50:50 joint venture between Shell and New Zealand company Todd Energy.

Shell owns 83.75 per cent of the exploration licence, while OMV holds 10 per cent and Todd Energy the remaining 6.25 per cent.



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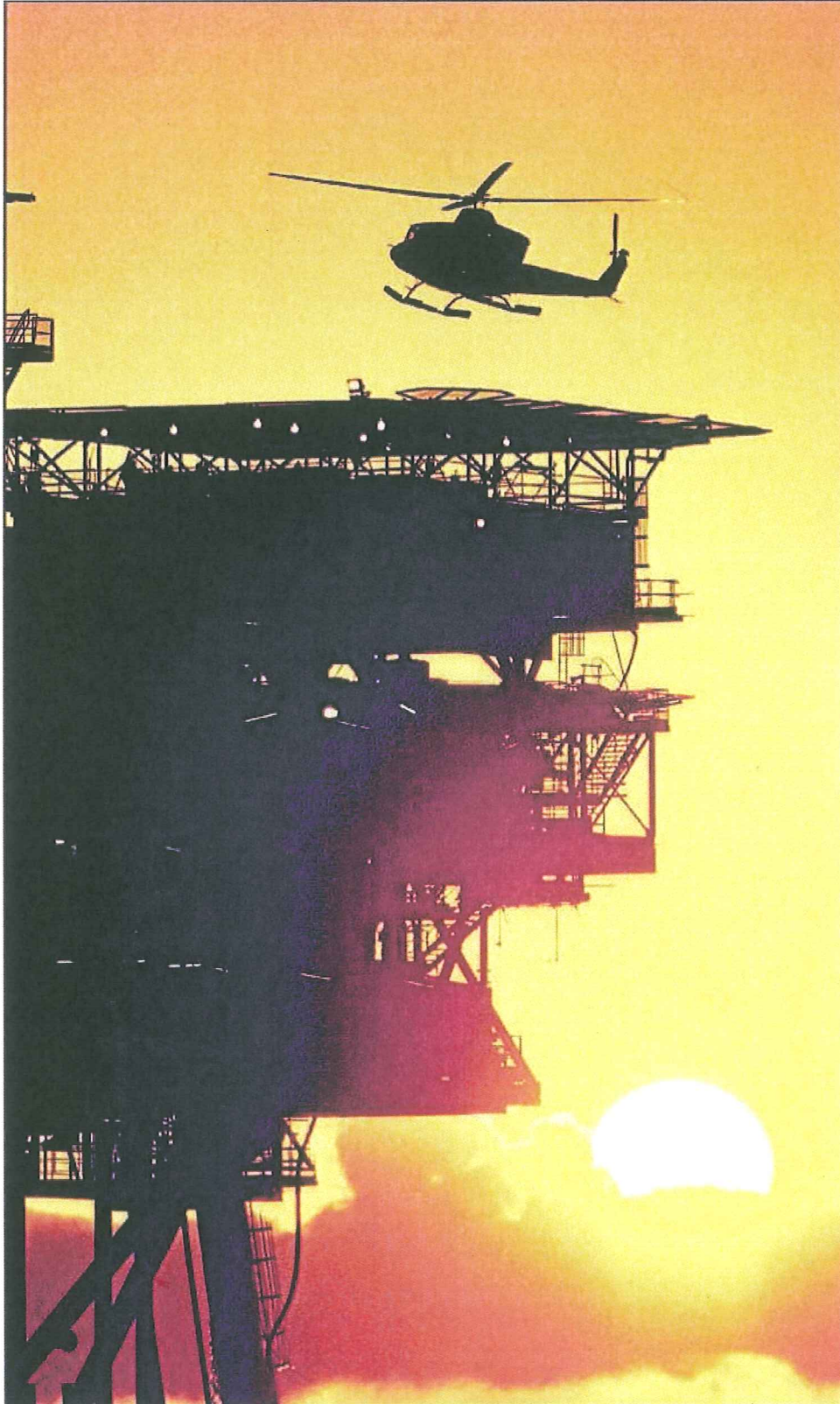
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**Twilight years:** The Maui platform off the coast of Taranaki, which was intended to operate for 30 years, is producing about a third of the capacity of its heyday. Photo: TARANAKI DAILY NEWS

