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Shell Todd drill ship ready to explore near Maui field

by Grant Bradley

energy reporter

Shell Todd Oil Services will next month start drilling its first exploration well in 10 years near the giant Maui gas field.

Between \$50 million and \$100 million could be spent on an exploration well called Ruru, south of the Maui field which has supplied much of New Zealand's gas for the past 30 years.

Drilling will take two months in the permit area, about 40km off the south Taranaki coast.

The Noble Discoverer, a drill ship coming from Singapore, will be used.

While offshore Taranaki fields Tui, Maari and Kupe are producing oil, drilling in the region by a number of consortia during the last four years has produced close to 20 dry wells.

Shell Todd general manager Rob Jager said the company had been looking at the area for several years.

"The signs are good enough there to bring in a drill ship for a single well. But as always the proof is in the pudding at the end of the day," he said.

"We've got to drill the hole to see whether the structures we're seeing

are bearing hydrocarbons and indeed whether they're in the volumes that would make it worth developing."

The structure was similar to Maui but deeper. The water depth was about 100m and drilling would go to 4000m, Jager said.

It was not possible to tell from a seismic survey whether structures could contain primarily gas or oil.

"We would be happy with either."

Jager said the well was not a wildcat — where there typically is a 10 per cent success rate — and given its proximity to Shell-operated Maui gas field was in very good real estate.

The field, discovered in 1969, led to the building of gas-fired power stations throughout the North Island and Think Big projects in the early 1980s.

It is still in production after more than 30 years.

While production has been dwindling since early last decade, drilling around the two platforms has extended its life.

Since it started producing it has accounted for an estimated 80 per cent of natural gas used in New Zealand.

Ruru is the Maori word for morepork and means "protector".