

U-Gas News Report

Unconventional Gas Activities in the World

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COALBED METHANE & COAL SEAM GAS

EXPLORATION DISCOVERIES

INDONESIA: State coal producer in partnership to develop CBM in South Sumatra.

— UG₃₄₋₃₅₋₁

Indonesian state coal producer PT Tambang Batubara Bukit Asam will develop business in coal bed methane in South Sumatra. Bukit Asam will cooperate with PT Pertamina and Arrow Energy Holdings PTE Ltd., which will be a 45 per cent shareholder with the two state companies to split the remaining 55 per cent stake. Arrow Energy will provide the technology to develop CBM. Bukit Asam corporate secretary Achmad Sudarto said the project could start commercial operation seven years after the start of exploration. (AsiaPulse, August 5, 2009)

SHALE GAS

EXPLORATION - DISCOVERIES

UNITED STATES: Goodrich Petroleum reports Haynesville Shale well results. —

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Goodrich Petroleum Corporation announced recently results on four additional Haynesville Shale wells. The Company has completed its third East Texas horizontal Haynesville Shale well, its Taylor Sealey No. 3H in Panola County, Texas. The well produced into sales at a 24 hour initial production rate of 9.3 MMcf per day on a 24/64 inch choke with 5,200 psi. The Company is operator and owns a 100% working interest in the well. The well is located in the Minden field. (PRNewswire, July 15, 2009)

UNITED STATES: Forest Oil announces Haynesville Shale well results. — UG₃₄₋

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Forest Oil Corporation announced recently results from its second horizontal Haynesville Shale well in Red River Parish, Louisiana. The Driver 13-1H (100% WI) produced into the sales line at a rate of 20.3 MMcfe/d with 6500 psi flowing casing pressure in early July 2009. Forest holds approximately 11,050 net acres in Louisiana prospective for the Haynesville Shale and has identified 110 additional potential horizontal locations on this acreage. (Business Wire, July 13, 2009)

TIGHT GAS

EXPLORATION - DISCOVERIES

UNITED STATES: DOE showcases websites for tight gas resource development. —

— UG₃₄₋₃₅₋₄

Two U.S. Department of Energy projects funded by the Office of Fossil Energy's National Energy Technology Laboratory provide quick and easy web-based access to sought after information on tight-gas sandstone plays. Operators can use the data on the websites to expand natural gas recovery in the San Juan Basin of New Mexico and the central Appalachian Basin of West Virginia and Pennsylvania. In the first project, led by the New Mexico Institute of Mining and Technology, researchers developed a database of well logs, core analysis data, and natural gas production results for Dakota sandstone wells in the San Juan Basin. All data were digitized and integrated into a single GIS (geographic information systems) database to make them readily accessible to operators evaluating trends in Dakota reservoir quality and natural gas production. Recognition of such trends will aid researchers and operators in defining natural gas sweet spots and selecting new prospects for drilling.

West Virginia University and the West Virginia Geological and Economic Survey, with contributions from the Pennsylvania Geological Survey, led the second project, which focused on tight-gas sandstones of the Appalachian Basin. The goal of the project was to provide public access to well-specific and regional data for five tight-gas plays in the central Appalachian Basin: the Mississippian-Devonian Berea/Murrysville Sandstone Play, three Upper Devonian sandstone plays (Venango, Bradford, and Elk), and the Lower Silurian Clinton/Medina Play. The compiled data include newly scanned well logs, core data, production data, published reports, and unpublished reports such as student theses and dissertations. These are now available through an interactive GIS-based data delivery system. (DOE press release, July 30, 2009)

GAS HYDRATE

EXPLORATION - DISCOVERIES

UNITED STATES: DOE presents National Research Program in gas hydrates. —

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The U.S. Department of Energy presented recently a nationwide program in search of naturally occurring natural gas. Methane hydrate research has been conducted since 2000 through Fossil Energy's National Energy Technology Laboratory, in conjunction with other government agencies, private institutions and

universities, and supported by the unique capabilities of DOE's National Laboratories. DOE also is conducting and supporting a comprehensive suite of field and modeling studies of gas hydrates' link to climate and carbon cycling, helping explain the role gas hydrates may play during periods of climate change. (DOE press release, July 30, 2009)

For more details: http://www.fossil.energy.gov/news/techlines/2009/09051-DOE_Leads_Hydrates_Research_Progra.html

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