Petroleum Potential of the Irish Atlantic Margin

Ian Vann and Graham Pritchard
Finding Petroleum, Tuesday October 30th 2012
• Wide shelf down to the oceanic / continental boundary at the 4000m bathymetric contour
• Dominant bathymetric features:
  ➢ the shallow water Irish Platform, Porcupine Bank and Goban Spur,
  ➢ and the deep water Rockall Trough and Porcupine Seabight

(source: Shannon et al, 2005)
(source: PAD / Ternan, 2006)
THE IRISH ATLANTIC MARGIN
Wells & Discoveries

- Just 50 wells drilled along the Irish Atlantic Margin to date (includes appraisal wells but not sidetracks)
- One commercial gas field: Corrib 1.5 tcf
- Two potentially commercial gas / condensate fields:
  - Dooish 265 bcf + 17 mmbbls
  - Spanish Point 1.4 tcf + 160 mmbbls
- Three sub-commercial oil discoveries:
  - Bandon 4 mmbbls
  - Connemara 27 mmbbls
  - Burren 0.5 mmbbls
- Numerous oil and gas shows in other wells

* figures are proven recoverable reserve estimates from IHS and other publicly available sources
Despite proven hydrocarbons, few blocks licensed over the last 15 years
Huge areas remain unlicensed and unexplored
Recent surge in interest by independent E&P companies (2011 Frontier Round)
WHY IRELAND?

Commercial Factors

- Strong market for domestic oil and gas production (Ireland imports 95% of it’s gas and 100% of it’s oil)
- Good onshore Irish gas distribution network
- Access to UK and European oil and gas markets
- Stable politically and economically
- Corporation tax regime (25%) one of the best in the world
- Yet-to-find: 3 bboe in Porcupine Basin, and 5 bboe in Rockall Basin (PAD estimate, 2006)
WHY IRELAND?
Geological Factors

- Shared geology with UK, Faroe & Norwegian Atlantic margins
- Numerous overlapping basins and multiple phases of rifting
- More than one proven play
- Six oil and gas fields / discoveries
- Numerous wells with oil shows
- Numerous pre, syn and post-rift reservoirs & seals
- Several proven source rocks
- Salt locally enhances structure
- Many large undrilled structures
- Significant stratigraphic upside
- Indications of gas on seismic
WHY NOT IRELAND?

• Herd instinct?
  • the herd is currently grazing elsewhere…
    … in Africa!
• Perceived lack of exploration success?
  • Despite very few wells, the Irish Atlantic is similar to the UK & Norway in terms of drilling success rates
• Lack of geological understanding?
  • Diversity of play types and similarity to other North Atlantic Margin basins is not appreciated
• Hostile operating environment?
  • But similar to other proven North Atlantic basins
  • Many plays are not in deep water
• Remote location?
  • Large HC volumes needed to establish commerciality
  • But the potential for large HC volumes is proven
• The “Corrib Factor”?
  • Well-publicised local opposition to the gas landfall and processing facility for the Corrib Field
  • A perception that Ireland is a difficult place to conduct E&P business
ATLANTIC MARGIN NW EUROPE
gCOS & cCOS (at 2011)

- Faroe-Shetland:
  - 102 wells
  - 14 discoveries
  - 6 fields
  - gCOS 18%
  - cCOS 6%

- Møre/Vøring:
  - 65 wells
  - 14 discoveries
  - 1 field
  - gCOS 23%
  - cCOS 2%

- Rockall (UK/Ire):
  - 17 wells
  - 3 discoveries
  - 0 fields
  - gCOS 18%
  - cCOS 0%

- Central Graben:
  - 856 wells
  - 117 discoveries
  - 125 fields
  - gCOS 28%
  - cCOS 15%

- Slyne-Earris-Donegal:
  - 11 wells
  - 2 discoveries
  - 1 field
  - gCOS 18%
  - cCOS 9%

- Porcupine:
  - 26 wells
  - 3 discoveries
  - 0 fields
  - gCOS 11%
  - cCOS 0%

• Ireland gCOS and cCOS comparable to UK and Norway Atlantic basins
### IRELAND ATLANTIC MARGIN
#### Play Fairways

<table>
<thead>
<tr>
<th>Era</th>
<th>Reservoir</th>
<th>Source</th>
<th>Seal</th>
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<tbody>
<tr>
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<tr>
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<tr>
<td>Lower Cretaceous</td>
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<td>PROVEN</td>
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<tr>
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</tr>
<tr>
<td>Permian</td>
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<td>probable</td>
</tr>
<tr>
<td>Carboniferous</td>
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</tbody>
</table>

**Note:**
- *darker shading = proven areas*
- (source: PAD / Ternan, 2006)
ATLANTIC MARGIN OIL & GAS FIELDS
Hydrocarbons & Source Rocks

Plate Reconstruction at Barremian, 130 Ma

(After Spencer & MacTiernan, 2001)
PORCUPINE BASIN
Geoseismic Section illustrating Key Plays

**Reservoir**
- Permo-Triassic continental sandstones
- Jurassic shallow to deep marine sandstones
- Cretaceous shelf/slope turbidite fan sandstones
- Cretaceous carbonate build-ups (un-proven)
- Tertiary fan sandstones

**Trap**
- Jurassic conventional tilted fault blocks
- Cretaceous to Tertiary Stratigraphic pinch-outs
- Localized inversion anticlines
- Carbonate build-ups over palaeo-relief (un-proven)

**Source**
- Upper Jurassic restricted marine oil shales (Kimmeridge Clay equivalent)
- Middle Jurassic lacustrine (algal) oil shales
- Possible Carboniferous coals & oil shales

(source: PAD / Ternan, 2006)
PORCUPINE BASIN
Structural Traps – The Connemara Discovery

• Connemara discovery well 26/28-1 (Phillips, 1979): 5589 bopd 32 to 38 °API oil from high quality Middle and Upper Jurassic fluvial to shallow marine sandstones
• Fault and dip-closed trap, depth 1900 to 2200 mSS
• STOIIP reportedly 200 mmbo (MacDonald et al., 1987)
• Appraisal drilling by Statoil in 1997-98: low flow-rates and rapid decline in pressures
• Complex reservoir heterogeneity implicated
• Recoverable reserves currently reported at 26.5 mmbo

Connemara Discovery: Base Jurassic TWT Map
(from Jones & Underhill, 2011)
• Spanish Point discovery well 35/8-2 (Phillips, 1981): over 300m gross hydrocarbon column within stacked Upper Jurassic turbidite channel-lobe sands
• “Brent-style” fault and dip closed terraces; depth to top reservoir approximately 4000 mSS
• Despite over-pressure, flowed only 925 bpd 40 °API condensate + 4.85 mmscfg/d
• Low permeability – lithic sandstones suffering deep burial and diagenetic cementation
• In-place resource of up to 1.4 tcf + 280 mmbbls condensate (200 mmboe recoverable)
• Planned appraisal drilling in 2013 – horizontal drilling and fracture stimulation?
PORCUPINE BASIN
Stratigraphic Traps

- Lower Cretaceous stratigraphic play proven by Burren Discovery
- Burren discovery well 35/8-1: 730 bopd from Barremian marine sandstones, 3850 mSS depth
- Thin, poor-quality reservoir at this location and depth
- Current estimated recoverable oil 0.5 mmbbls
- Palaeogene stratigraphic play concept proven by 200 bcf Benbecula Discovery (UK Rockall Basin)

(source: PAD / Ternan, 2006)
PORCUPINE BASIN
Undrilled Carbonate Play

- Regional seismic mapping & geological studies suggest Upper Jurassic Kimmeridge Clay source will be in the gas window in this part of the basin

- Multi-tcf Dunquin Prospect located on median ridge of South Porcupine Basin, drilling 1Q 2013

- Seismic interpretation is consistent with a carbonate build-up

- P50 resource reported as 1.7 Bboe

(source: PAD / Ternan, 2006)

(source: Jones, Hardy & O'Sullivan, 2010)
Corrib discovery well 18/20-1 (Enterprise, 1996): 61m gas column in continental Triassic Sherwood Sandstone

Appraisal well 18/20-2z: 63 mmscf/d dry gas from 185m gas column

Good quality reservoir despite deep burial (~3500 mSS current depth)

Simple anticlinal trap, with complex faulted overburden structurally detaching into Triassic Mercia halite top-seal

Carboniferous gas source proven within Slyne Basin (Coal Measures in 27/5-1) but not penetrated locally

(source: Corcoran & Meckelenburgh, 2005)
• Bandon discovery well 27/4-1,1z (Serica, 2009) encountered a 50m gross oil column (15 °API) in excellent-quality shallow marine to estuarine Lower Jurassic sandstones, at ~1100 mSS depth
• Oil geochemically typed to Lower Jurassic (Liassic) marine shales
• Bandon discovery (STOIIP 12 mmbbls) has proven a new play
SLYNE BASIN
Lower Jurassic Source & Reservoir

Lower Jurassic (Liassic); 27/13-1

Portree Shale
84m thick

Scalpa Sst.

Pabba Shale
127m thick

Suisninish Sst.

Geochemistry data after Scotchman & Thomas (1995)

Serica Energy
SLYNE-ERRIS BASIN
Geoseismic Section illustrating Key Plays

Reservoir
- Fractured basement play?
- Carboniferous fluvio-deltaic sandstones
- Permian/Triassic continental sandstones
- Lower Jurassic marine shallow marine sandstones
- Middle Jurassic continental/fluvial sandstones
- Upper Jurassic shallow to deep marine sandstones
- Cretaceous shelf/slope turbidite fan sandstones
- Palaeocene & Eocene turbidite fans

Trap
- Pre-Cretaceous conventional tilted fault blocks
- Post-Cretaceous drape anticlines
- Cretaceous to Tertiary stratigraphic pinch-outs

Source
- Upper Jurassic oil shales (Kimmeridge Clay equivalent)
- Middle/Lower Jurassic oil shales
- Carboniferous coals & oil shales
• Dooish discovery well 12/2-1,1z (Shell/Enterprise, 2002-3)
• 214m retrograde gas condensate column within Permian & Middle Jurassic continental (fluvial) sandstones
• Fault and dip-closed structure with crest at 3750mSS
• Not tested, samples & pressures evaluated via MDT
• Log analysis indicates good quality reservoir, average Ø14%
• Reserves: 265 bcf + 17 mmbc
SLYNE ERRIS BASIN
Undrilled Structural Trap – The Muckish Prospect

Possible gas cloud?
Stratigraphic potential?
Amplitude anomaly?

Top Lower Eocene
Top Palaeocene
Top Maastrichtian
Base Santonian
Top Turonian
Base Turonian
Base Cretaceous

Tertiary intrusive
Muckish Prospect
Tertiary intrusive
Muckish East Prospect
• Large tilted fault block analogous to the Dooish Discovery
• Most likely depth of closure at 4650 mSS
• 31 km² areal closure and over 600 m of vertical closure

<table>
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<tr>
<th>Muckish Prospective Reserves</th>
<th>P₉₀</th>
<th>P₅₀</th>
<th>P₁₀</th>
<th>COS</th>
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<tbody>
<tr>
<td>Gas bcf</td>
<td>250</td>
<td>1300</td>
<td>3500</td>
<td>20%</td>
</tr>
<tr>
<td>Condensate mmbbls</td>
<td>30</td>
<td>165</td>
<td>450</td>
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Several wholly unexplored pre-Cretaceous basins occur along the Rockall Margin

- Water depths range from 500m to 2500m on a steep continental slope
- Each has an areal extent of a few thousand square kilometres
- Typically they contain 3 to 6 km of pre-Cretaceous sediment
- Likely to be similar to Slyne-Erris Basin containing Permo-Trias to Upper Jurassic sediments
- Each basin is associated with thermogenic hydrocarbons in seabed gravity cores
<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>OPPORTUNITIES</th>
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<tbody>
<tr>
<td>• Proven multiple play systems</td>
<td>• Huge areas of Rockall and Porcupine basins remain virtually unexplored</td>
</tr>
<tr>
<td>• Proven oil and gas fields, discoveries, shows in wells, surface seeps</td>
<td>• Very large undrilled structures with significant commercial potential</td>
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<tr>
<td>• Analogous geology to prospective UK, Norway and Canadian AtlanticMargins</td>
<td>• Very strong demand for indigenous oil and gas production</td>
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<tr>
<td>• Excellent fiscal regime and stable political climate</td>
<td>• Easy access to UK and European markets</td>
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<tr>
<th>WEAKNESSES</th>
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<tr>
<td>• Limited well and seismic data control</td>
<td>• The “Corrib Factor”: environmental opposition</td>
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<tr>
<td>• Few 3D seismic surveys</td>
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<tr>
<td>• Long distance from shore</td>
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<tr>
<td>• Deep water and North Atlantic weather operating conditions</td>
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Acknowledgements

Serica Energy plc
TGS Nopec
PGS
Petroleum Affairs Division, Ireland
IRELAND ATLANTIC MARGIN
Hydrocarbons, Shows & Seeps

- Three gas / condensate fields / discoveries
- Three oil fields / discoveries
- Numerous oil shows encountered in wells
- Gas chimneys on seismic data
- Thermogenic hydrocarbon shows from seabed cores