

More gas to be found

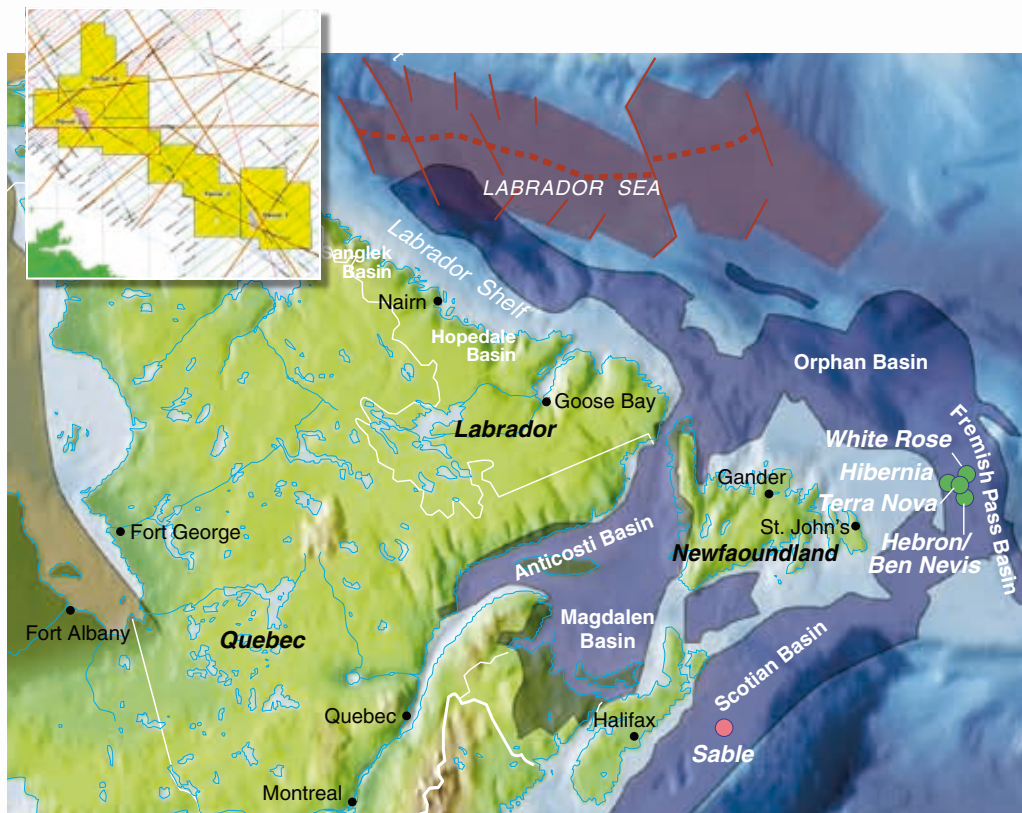
Following a 25 year break, the Labrador Shelf offshore Canada is now again available for licensing.

The Canada-Newfoundland and Labrador Offshore Petroleum Board announced its Call for Bids in May 2007 for four parcels totalling over 11,000 km² (equivalent to 2 North Sea quadrants) located offshore Labrador. Interested parties have until August 2008 to submit bids.

The Canadian **Labrador Sea** has not been seismically explored since 1982. "New seismic data shows several previously unknown large depocenters and anticlinal features, some of which are accompanied by amplitude anomalies," said Dr. Michael Enachescu, an earth sciences professor at Memorial University in St. John's, Newfoundland, Canada.

Calgary-based Geophysical Service Incorporated (GSI) sees strong exploration interest in the Canadian East Coast waters where giant oil and gas fields such as Hibernia, Terra Nova, White Rose and Sable Island are now producing. Over 111 million barrels of oil and 127 billion cubic feet of natural gas were produced from the **Grand Banks** of Newfoundland in 2006, and the average daily production surpassed 400,000 barrels of oil per day in 2007.

GSI has been active offshore Labrador for five years and has acquired 36,000 kilometres of 2D seismic data, thirty percent of which covers the blocks offered for the 2007 Call for Bids.



"More than 30 large, undrilled features have been identified on the Labrador shelf and slope using this new seismic data," says Enachescu. "Several are estimated to hold gas accumulations in excess of 3 trillion cubic feet (tcf)."

Labrador Sea is a large rifted area on the Canadian margin containing two large basins: **Hopedale** and **Saglek**, both of which are unexplored. During the 1970 - 1982 exploration cycle, source and reservoir rocks as well as several large and medium size fields were

discovered. Within these basins, large gas fields such as Bjarni/North Bjarni complex (3.1 tcf), Gudrid (0.9 tcf) and Hekja (2.3 tcf) were also discovered. According to Enachescu, these basins are considered gas prone on the inner shelf and gas and oil prone in the outer shelf and slope area.

Several large structural and stratigraphic features, some accompanied by Direct Hydrocarbon Indicators, are seismically identified in the Hopedale Basin blocks that hold approximately 4 tcf of gas. Drilling these

features may double the gas reserve in the area and assure the economic threshold for a stand alone development.

The 2007 Call for Bids in the Hopedale Basin presents a unique exploration opportunity in a basin unexplored for 25 years where a high rate of gas discoveries (1 in 3) is recorded. Additionally, an oil play may exist and many undrilled structures were identified on the shelf and slope that are now covered by modern seismic data.

