

From the Georgian Newspaper ([www.thegeorgian.ca](http://www.thegeorgian.ca))

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## **Oilrig headed for Shoal Point** **CHRISTOPHER VAUGHAN**

Residents on the Port au Port peninsula might have noticed increased traffic on their roadways recently.

Several dozen truckloads of oilrig equipment have been making their way to Shoal Point in preparation for a new exploration oil well.

"What's been going on for the past week or so is 67 loads coming in from Alberta - the Nabors [#45] rig," said Kirby Mercer, Canadian Imperial vice president. "There's 17 left to come, as of today [Feb. 12]."

He told *the Georgian* there have been some minor delays in the shipment from Alberta, due to inclement weather. He said once all of the truckloads reach their destination, it will take about ten days to erect the rig.

"Shortly after that, we should be spudding," said Mr. Mercer. "It's a 70 to 90 day well program."

He noted once drilling commences, both Canadian Imperial [the exploration license holder] and PDI Productions Inc. [the site operators] will consider the project to be a "tight hole" - meaning much of the work will remain confidential.

Mr. Mercer did say it will be a directional well, drilling into the Agathuna formation, from onshore to offshore under Port au Port Bay.

"It goes out horizontally and down at the same time," noted Mr. Mercer. "So, we're spudding on the tip of Shoal Point, drilling out into the bay on an angle."

He said the potential recoverable oil at the site is anywhere between 100 and 500 million barrels, even though a previous exploratory well on Shoal Point - drilled by Hunt/ Pan Canadian - didn't find oil.

"They missed the target," said Mr. Mercer, adding that subsequent research by Memorial University in the area gave a better indication of where to drill.

"We feel now more drill ready, we see how they missed it and we think we have a good chance of hitting that target," said Mr. Mercer. "Now, the thing is, you

won't know until you drill it and test it."

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Mr. Mercer said the \$15 million development will mean money being spent at the local, regional and province-wide levels.

"The benefits are going to be seen by all," said Mr. Mercer. "Early on, most of the activity is going to be here on the West Coast. With success, obviously, the benefits will be for the whole province. But you'll see most of it here on the West Coast."

He noted West Coast businesses have already seen some of the spin-off benefits - with accommodation, fuel, security and transportation companies already getting in on the action.

Mr. Mercer said he didn't know the exact number of people currently employed, but estimated around 45 people to be working on the rig.

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Mr. Mercer also informed *the Georgian* last week that Canadian Imperial recently sold their interest in Garden Hill North and South to PDI Production Corp.

"The reason for that, obviously, we've got a couple operations and we felt it would be stretching us to be involved in two," he said.

"We really think this is a better structure and we think this is in a sweeter spot. Not that we think any less of what's at Garden Hill. We just thought our money and interest was best spent at Shoal Point."

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