

Husky's hot streak

White Rose area proves to be a fertile hunting ground for Calgary-based operator



Husky Energy Inc. has struck oil again in Newfoundland and Labrador waters.

On May 18, the Calgary-based company announced it had made a discovery in the province's prolific Jeanne d'Arc Basin, home of its four producing offshore oil fields. The company says the discovery was made approximately 10 kilometres north of the *SeaRose* floating production, storage and offloading vessel stationed at the White Rose oil field site located 350 kilometres east of St. John's.

The discovery comes on the heels of the Northwest White Rose A-78 discovery made in 2017. Husky spokesperson Colleen McConnell says it is still in the evaluation phase of the latest discovery. So far Husky Energy is being tight-lipped as far as what details it is giving out regarding the find. "We do plan further delineation in the North White Rose area to get a better understanding of the broader opportunity in the area," McConnell says.

McConnell did say that potential future development of the discovery could be via a subsea tieback to the *SeaRose* or the White Rose platform. The well where the discovery was made is White Rose A-24. It was spud on March 8 in 126 metres

"We do plan further delineation in the North White Rose area to get a better understanding of the broader opportunity in the area."

Colleen McConnell, Husky spokesperson

of water. McConnell says Husky spent approximately two months drilling and testing the well. The company used the Henry Goodrich rig (pictured) to drill the well and says it encountered 85 metres of oil bearing sandstone. Husky has a 68.785 per cent ownership interest in the A-24 well, while Suncor Energy Inc. has a 26.125 per cent interest and Nalcor Oil and Gas has a five per cent interest.

The two latest discoveries in the North White Rose area prove there is more oil to be found in the area, and the company is doing its best to find it. "The Henry Goodrich is under contract to Husky for a range of drilling activities including development and infill drilling at the White Rose field and satellite extensions. We plan to drill one to two exploration wells per year as part of our overall drilling program," McConnell says.

Amicable split

With Nalcor Energy, breaking up isn't hard to do after all

The Newfoundland and Labrador government thinks hiving off the oil and gas division of Nalcor Energy and creating a separate Crown corporation will help the province realize its oil and gas potential.

The government made the announcement in its 2018 budget, released in March. "It would work directly with the Department of Natural Resources to accelerate the growth and development of our petroleum industry, returning significant value to the people and economy of Newfoundland and Labrador," Natural Resources Minister Siobhan Coady wrote in an emailed response to *Natural Resources Magazine*.

The oil and gas subsidiary is known as Nalcor Oil and Gas. But by making it a Crown corporation, the government is hoping it can help it achieve the goals laid out in Advance 2030—a long-term vision for Newfoundland and Labrador's oil and gas industry that was developed by the Oil and Gas Industry Development Council in February. Advance 2030 envisions that by 2030 there will be over 100 new exploration wells drilled, multiple basins producing over 650,000 barrels of oil equivalent per day and direct employment of more than 7,500 people in operations.

How will turning Nalcor Oil and Gas into a stand-alone Crown corporation help the government achieve those goals and more? Minister Coady says it will "result in greater transparency and accountability, as oil and gas will no longer be a subsidiary but focused directly on achieving Advance 2030." However, the government has given few details on how the change will be implemented. It hasn't said how long it will take, how much it will cost, or how many people it will take to run the new company.

Coady has said Jim Keating, Nalcor's executive vice-president for offshore development and corporate services, will lead the new corporation. "Planning work is anticipated over the coming months to action what is required to establish the stand-alone Crown corporation," Coady wrote in her emailed statement.