

## Madalena ready to unlock secrets of Vaca Muerta

By TOM DARIN LISKEY Houston 09 May 2013 22:59 GMT

**MADALENA Ventures, a Canadian exploration company, is on the hunt for a rig for an upcoming drilling programme to delineate and “unlock” unconventional resources in acreage it holds in Argentina’s prolific Neuquen basin.**

“We are out looking for a rig for some sustained drilling,” chief executive Kevin Shaw told Upstream.

Madalena holds 135,000 net acres on the Coiron Amargo, Curamhuele and Cortadera blocks within the western basin. It currently has a work-over rig operating on its acreage.

“We are moving forward with plans to continue our delineation and appraisal strategy,” said Shaw.

The drilling will focus on the Vaca Muerta shale play and the emerging Lower Agrio unconventional formation.

“The Vaca Muerta is a key prize,” he said. “We’ve got more drilling to do to prove up the shales.” One outside source said the industry in Argentina has turned to investigating the unconventional section of the proven Agrio formation to better understand its tight oil potential.

Shaw added that the drilling this year could also lead to a farm-out, since the company may not be able to shoulder a large-scale development on its own.

“While drilling forward, the company may also, where it makes sense, assess the potential for a strategic joint venture as it moves through 2013,” he said.

In all, the Toronto-listed company, which has a market capitalisation of C\$100 million (\$98.9 million), has drilled or acquired about 19 “discovery” wells across the three blocks it holds in Argentina.

The drilling data, which includes seismic and cores, was handed over to Ryder Scott for its recent evaluation of the underlying resources. The report came back with an eye-popping estimate that the acreage has the potential to hold resources of 38.9 billion barrels of oil equivalent, net in-place. Of that total resource, 2.9 billion boe is considered as having the potential to be recoverable.

Among its project areas, Madalena’s Coiron Amargo block lies north of Shell’s Sierras Blancas acreage where the supermajor recently confirmed the existence of another light oil discovery (35 degrees API) in the area.

Madalena’s other blocks are located in an area of the basin that some consider to be a major spot of interest.

The company’s oil-prone Curamhuele block is near ExxonMobil’s La Invernada contract area, state-run YPF’s Loma del Molle tract and Chevron’s El Trapial area.

Madalena also has shale projects in its home country of Canada.