



## Coretrack extends Halliburton venture

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East Perth-based **Coretrack** has teamed up with two international petroleum companies, Halliburton/DBA and Baker Hughes INTEQ, to advance its "intelligent" core-drilling technology for the oil and gas industry.

In September 2007, **Coretrack** entered into a six-month commercial testing agreement with Halliburton for its core level indicator recorder unit.

The announcement is below:

Some of the world's leading petroleum industry companies have joined forces with an Australian drilling equipment specialist to drive the advance of a world-first "intelligent" core-drilling technology for the oil and gas industry

**Coretrack** Limited (ASX: CKK) said today that two major international petroleum service companies - Halliburton/DBS and Baker-Hughes/Inteq - were assisting the Company with the development of its internationally patented Core Level Recorder System (CLRS).

"Coretrack is now working closely with these major companies to design and test various aspects of the CLRS to ensure the system's compatibility with their respective coring assemblies," **Coretrack** Managing Director, Mr Nanne van 't Riet, said today.

"Crucial CLRS components have already been tested successfully within either operating wells or in surface tests, but with such a high temperature and high pressure environment, it is imperative that we subject all this equipment to the most rigorous conditions it is likely to encounter in the field," he said.

The CLRS system, which records and transmits detailed electronic data on core displacement within a core barrel in deep oil and gas wells, has already attracted considerable attention in Australia - winning **Coretrack** the Western Australian Government's Inventor of the Year (Development Category) prize in 2007.

**Coretrack** today announced several key milestones in the development of the CLRS, including the shipment of a mud-pulse telemetry system and customised ball drop sub from the United States to its Perth headquarters.

"The shipment of these two key components by our key supplier at APS Technology Inc. in the US represents a critical milestone in the development of the entire CLRS system," Mr van 't Riet said.

"Once the system has arrived in Perth, in about a week's time, APS staff will assist **Coretrack** personnel with training and initial assembly, and we will then be able to move towards final field testing."

Mr van 't Riet said that the Company had also commenced comprehensive heat and pressure testing of individual components of the CLRS, and subject to the success of these tests, would soon embark on a final field test of the core-barrel telemetry system incorporated in the CLRS.

"The initial results have been very encouraging," he said.

As well as revolutionising the way definitive and real-time information about the capture of core samples is undertaken, the CLRS technology also has the potential to significantly lower the costs involved in the coring process for the oil and gas industry.

On the right track

"We know we are on the right track as we have a number of the world's oil and gas giants keeping a very close eye on what we are doing," Mr van 't Riet said.

"Our Company has already benefited from the support received from Halliburton/DBS in the provision of designs and/or parts of physical coring assemblies to conduct initial testing and ensure compatibility of the **Coretrack** product with Halliburton/DBS assemblies," he said.

"We are now receiving similar support from another major international oil and gas industry service provider, Baker-Hughes/Inteq, in the provision of both technical information and equipment to facilitate a successful integration of the CLRS with Baker-Hughes/Inteq coring assemblies."

"Coretrack is entering into an extremely exciting phase of its development."

Mr van 't Riet said **Coretrack** has most recently been working with Chevron and Baker-Hughes (Inteq) for the

provision of the CLRS on the Clio-2 well in Australia's North West Shelf.

Due to a slight advancement of the Clio-2 drilling schedule, the CLRS will not be ready in time for this particular well. However, contract negotiations will continue, to allow immediate service to Chevron upon completion of the CLRS.

Similar discussions have taken place with Halliburton/DBS and some of its international customers.

Subject to success of the upcoming heat and pressure tests as well as the telemetry well test in the MTH-4 MT Horner well located near Dongara in Western Australia, the first full system well test is likely to take place in early May 2009.

"We believe our CLR system has significant potential application within the expanding global oil and gas industry and is set to revolutionise the coring component of searching for oil and gas," Mr van 't Riet said.

"Globally, it is believed the oil and gas industry outlays in excess of A\$650 million annually obtaining core samples in order to carry out reserve and production estimates," he said.

"Our technology, for which **Coretrack** holds both Australian and international patents, is designed to take the 'guess work' out of the coring process, provide more certainty and, importantly, reduce costs for the oil and gas industry.

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