

Oil group gushes after well tests

Louisa Clarence-Smith, Market Report, The Times

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A successful well test programme at the “Gatwick Gusher” oil site south of London sent UK Oil & Gas up by 3.9 per cent to almost 2p yesterday. The oil explorer, which is listed on Aim, said that its Horse Hill Developments subsidiary, operator of the find near Gatwick airport, had said that oil was “commercially viable” after well tests.

The company said that the tests had demonstrated the potential for the site to deliver oil production rates of between 720 and 1,080 barrels per day, above expectations.

“If realised, these rates could make the Horse Hill Portland oilfield one of the UK onshore’s top producers,” Stephen Sanderson, chief executive of UK Oil & Gas, said. He said that the well being viable “was a milestone for the company. It transforms Horse Hill from solely exploration into a fully-fledged field development with a full-scale oil production start-up targeted in 2019.”

The target date is subject to regulatory consents. The group envisages up to three production wells and two support wells at the site. UK Oil & Gas is working on a planning application to submit to Surrey county council before the end of the year.