

South Duvernay Oil Play Phase I Information Package

Introduction

Does the southern Duvernay Oil Play have room to **expand**? 612 sections (that's 17 townships) posted for upcoming land sales certainly suggests it does. Although earlier land grabs focused on the 3 million acre ESB fairway, the sparsely drilled 1.2 million acre WSB oil fairway has just started to sizzle. With land sale prices on the rise (fig.1), the potential for low cost entry is rapidly disappearing. To help our clients evaluate these emerging opportunities Canadian Discovery has leveraged its extensive knowledge and expertise on the Duvernay to provide ready-to-use insights.

ESB-WSB? It's the South Duvernay Play

Recent analyst reports for the ESB are pointing to IP30 rates of 300+ boepd and EURs exceeding 300 mboe (90% oil). These positively trending results have led to marked increases in land sale activity and prices. However, the WSB oil play is untested in our evaluation area and still holds the potential for low cost entry. Shale thickness, carbonate content, thermal maturity, pressures and stress regimes, OOIP/OGIP and recovery factors vary between the two areas; ultimately affecting project economics. Canadian Discovery is making available an independent Phase I analysis of geology, hydrodynamics, temperature, fluids, completions technology, productivity and economics.

Deliverables

This information package provides an overview of the play and a regional perspective of the southern Duvernay oil and condensate play. The major deliverables include:

- **Background and History**
 - » Activity and Intelligence
 - o Discovery Digest Duvernay Resource Play Overview
 - o Six Digest Spark articles covering recent drilling and land sale activity
 - » Land - Land Rights Map
- **Geology**
 - » Duvernay Structure Map
 - » Duvernay Third-Order Residual Structure Map
 - » Duvernay Isopach Map
 - » Strike and Dip Cross-sections
 - » Minimum Principal Stress Gradient Map (using Mannville Proxy)

Fig 2. Duvernay Gross Isopach
Source: Rokosh et al., 2012. OFR 2012-06

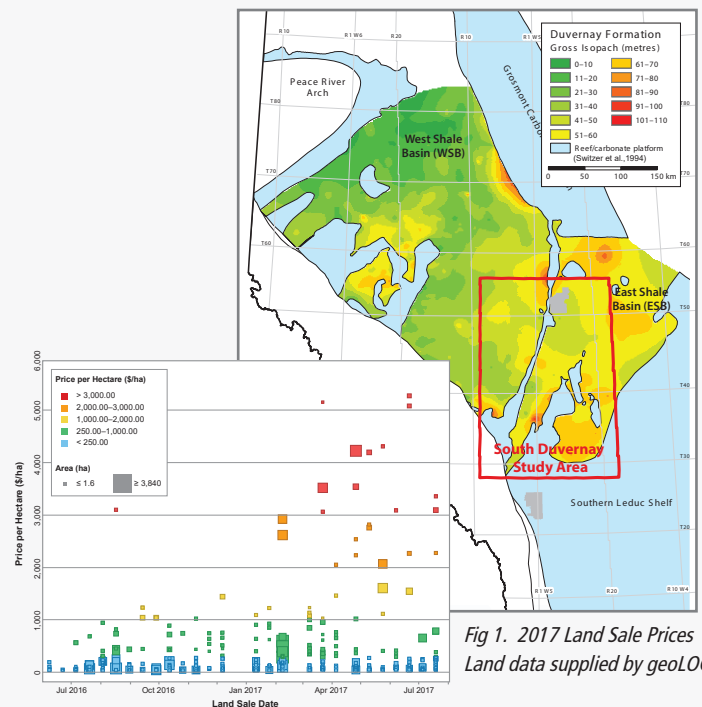


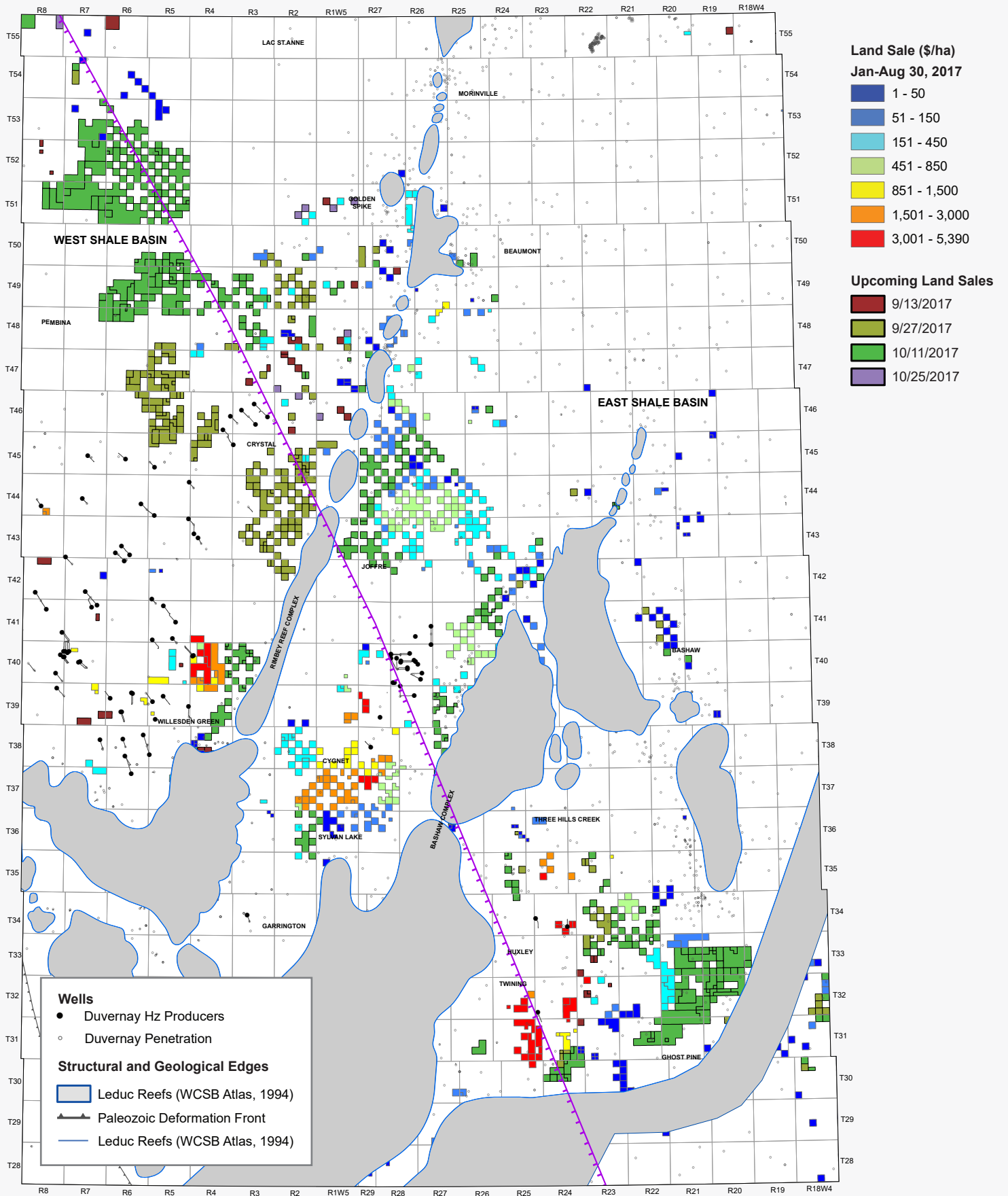
Fig 1. 2017 Land Sale Prices
Land data supplied by geoLOGIC

- **Hydrodynamics and Geothermics**
 - » Duvernay Pore Pressure Gradient Map
 - » Pressure-Depth Graph
 - » Geothermal Gradient Map
 - » Duvernay Isotherm Map
 - » Duvernay Deep-Cut Yield Map
 - » Duvernay API Gravity Map
- **Engineering and Production**
 - » IPmax Production Rate and Operators Map
 - » Detailed East Shale Basin Completions Analysis
 - » Duvernay East Shale Basin Type Curve
 - » EUR Estimates
 - » Economics

Package Price

\$7,200

Phase II now pre-subscribing: detailed stratigraphy, sedimentology, petrophysics, hydrodynamics, resource estimation, acreage evaluation and economics. Credit provided for Phase I participation.



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