Beaufort Sea Play 13: Brookian Unstructured Eastern Topset

Geological Assessment:

<u>GRASP UAI</u>: AAAAABAV <u>Play Area</u>: 4,745 square miles <u>Play Water Depth Range</u>: 5 – 150 feet Play Depth Range: 2000 –7000 feet

Play Depth Range: 2000 –7000 feet Play Exploration Chance: 0.5040

Play 13, Brookian Unstructured Eastern Topset, Beaufort Sea OCS Planning Area, 2006 Assessment, Undiscovered Technically-Recoverable Oil & Gas

Assessment Results as of November 2005											
Resource Commodity	Resources *										
(Units)	F95	Mean	F05								
BOE (Mmboe)	116	639	1,575								
Total Gas (Tcfg)	0.065	0.336	0.758								
Total Liquids (Mmbo)	104	579	1,440								
Free Gas** (Tcfg)	0.043	0.211	0.449								
Solution Gas (Tcfg)	0.022	0.126	0.309								
Oil (Mmbo)	102	570	1,422								
Condensate (Mmbc)	2	9	19								

^{*} Risked, Technically-Recoverable

F05 = 5% chance that resources will equal or exceed the given quantity

BOE = total hydrocarbon energy, expressed in barrels-of-oil-equivalent, where 1 barrel of oil = 5,620 cubic feet of natural gas

Mmb = millions of barrels
Tcf = trillions of cubic feet

Table 1

Play 13, the "Brookian Unstructured Eastern Topset" play, contains just under 3% of the Beaufort Sea Province hydrocarbon endowment (mean of 639 Mmboe). The overall assessment results for play 13 are shown in table 1. Liquid hydrocarbons compose 90% of the endowment. Table 5 reports the detailed assessment results by

commodity for play 13.

Table 3 summarizes the volumetric input data developed for the *GRASP* computer model of Beaufort Sea play 13. Table 4 reports the risk model used for play 13. The location of play 13 is shown in figure 1.

Play 13 includes the deltaic-topset facies of the Tertiary Sagavanirktok Formation and equivalent facies of the Upper Cretaceous Colville Group. It is located north of the Barrow arch and south of the hinge line fault zone east of the eastern stratigraphic limit of the Nanushuk Group (generally east of the Colville River delta). Excellent reservoirquality sandstones occur within the Sagavanirktok Formation in most coastal wells and we expect similar reservoir sequences to also extend offshore. The Canning Formation, Pebble Shale, Hue Shale, lower Kingak shale, and the Shublik Formation are variable to rich oil source rocks that lie within the projected oil window and underlie the play sequence across most of the play area. The play sequence is sparsely faulted. Most of the prospects are expected to be stratigraphic traps or small-offset fault traps. Seals are likely to be a risk factor for many of the prospects because of the abundance of sandstone within the play sequence.

Oil was discovered offshore at Hammerhead (reserves not published) and Kuvlum (reserves not published) and in the correlative play onshore at West Sak and Ugnu (combined contain 23 Bbl in place heavy oil (Petroleum news Vol 10 No. 2)). In Harrison Bay, the Phoenix well tested oil from a sandstone in the Colville Group.

^{**} Free Gas Includes Gas Cap and Non-Associated Gas F95 = 95% chance that resources will equal or exceed the given quantity

The presence of adequate seal, closure and source are the primary risk factors for this play.

Play 13, Brookian Unstructured Eastern Topset, Beaufort Sea OCS Planning Area, 2006 Assessment, Conditional BOE Sizes of Ten Largest Pools

Assessment Results as of November 2005											
Pool Rank	BOE Resources *										
1 ooi italik	F95	Mean	F05								
1	53	348	1069								
2	24	144	370								
3	12	85	213								
4	8	56	142								
5	5	41	104								
6	4	31	80								
7	3.4	25	64								
8	2.9	20	53								
9	2.6	17	45								
40	2.2	4.5	20								

^{*} Conditional, Technically-Recoverable, Millions of Barrels Energy-Equivalent (Mmboe), from "PSRK.out" file

F95 = 95% chance that resources will equal or exceed the given quantity

F05 = 5% chance that resources will equal or exceed the given quantity

BOE = total hydrocarbon energy, expressed in barrels-of-oilequivalent, where 1 barrel of oil = 5,620 cubic feet of natural gas

Table 2

A maximum of 19 hypothetical pools is forecast by the aggregation of the risk model and the prospect numbers model for play 13. These pools range in mean conditional (unrisked) recoverable volumes from 5 Mmboe (pool rank 19) to 348 Mmboe (pool rank 1). Pool rank 1 ranges in possible conditional recoverable volumes from 53 Mmboe (F95) to 1,069 Mmboe (F05). Table 2 shows the conditional sizes of the 10 largest pools in play 13.

Table 6 reports statistics for the simulation pools developed in the *GRASP* computer model for play 13. In the computer simulation for the play, a total of 64,471 "simulation pools" were sampled for size.

These simulation pools can be grouped according to the USGS size class system in which sizes double with each successive class. Pool size class 11 contains the largest share (13,711, or 21%) of simulation pools (conditional, technically recoverable BOE resources) for play 13. Pool size class 11 ranges from 32 to 64 Mmboe. The largest pool among the 64,471 simulation pools falls within pool size class 18, which ranges in size from 4,096 to 8,192 Mmboe.

GRASP Play Data Form (M Basin: Beaufort			Assessor:		Johnson/S	Scherr	Date:	10/17/2005					
Play Number: 13 Play UAI Number: AAAAABAV			Play Name: Brooklan Unstructured Eastern Topset						<u></u> -	10/11/2000			
	4745 (3036	.9)				n Range: feet		2000	3,600	7000			
Reservoir Thermal Maturity: % Ro						<u>Oil Gravity</u> : ^O API <u>r Depth Range</u> : fee	et	25 5	30	150			
POOLS Module (Volumes of	of Pools	s, Acre-	Feet)										
Fractile	F100	F95	F90	F75	F50	Mean/Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Prospect Area (acres)-Model Input	400	900		2400	5000		10000			28000		58000	60000
Prospect Area (acres)-Model Output													
Fill Fraction (Fraction of Area Filled)	0.1	0.14		0.29	0.5		0.76			0.95		0.99	1
Productive Area of Pool (acres)	126	346	530	1078	2376	4538.773/6149.806	5235	7998	10657	16308	26324	36224	39026
Pay Thickness (feet)	13.0	35.6	42.6	57.4	80.0	90.591/48.523	111.5	133.3	150.4	179.9	220.0	499.7	500.0
MPRO Module (Numbers o	f Pools)											
Play Level Chance	1	-	Prospect L	evel Chan	се	0.504			Exploration	n Chance		0.504	
							_						
Risk Model	Play C	hance				oleum System Fac				Prospect (
						Presence of Closure Adequate Seal	е			0.8			
					Λ,	dequate Preservation	on.			0.7			
						iequate i reservatio		0.5					
Fractile	F99	F95	F90	F75	F50	Mean/Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Numbers of Prospects in Play			8.90	10.20		1	14.00	15.40		18.00		20.90	
Numbers of Pools in Play	7.00	8.14 3	8.90 4	5	6	12.85/2.97 6.48/ 2.33	8	9	16.40 10	11	19.70 12	13	21.00 19
-									I				
Minimum Number of Pools	0		Mean	Number of	Pools	6.48		Maximu	m Number	of Pools	19		
	les (Pla	y Resc	urces)				-						F00
Fractile	les (Pla	P95	F90	F75	F50	Mean/Std. Dev.	F25	F15	F10	F05	F02	F01	FUU
Fractile	· ` I		Í	F75	F50 227	239.214/80.085	F25 282	F15 317	F10 343	F05 385	F02 439	F01 479	750
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot)	F100	F95	F90			239.214/80.085 787.935/ 266.195							
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot)	F100	F95	F90	183	227	239.214/80.085 787.935/ 266.195	282	317	343	385	439	479	750
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot) Gas Oil Ratio (Sol'n Gas)(cf/bbl)	F100 68 224	F95 134 438	F90 150 493	183 600	227 747	239.214/80.085 787.935/ 266.195 221.428/105.929	282 929	317 1045	343 1131	385 1273	439 1453	479 1587	750 2490
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot) Gas Oil Ratio (Sol'n Gas)(cf/bbl) Condensate Yield ((bbl/Mmcfg)	F100 68 224 38.0 7.60	F95 134 438 96.0 19.21	F90 150 493 112.9 22.58	183 600 148.0 29.61	227 747 200.0 40.00	239.214/80.085 787.935/ 266.195 221.428/105.929	282 929 270.2 54.04	317 1045 317.6 63.51	343 1131 354.3 70.85	385 1273 416.6	439 1453 500.0 99.98	479 1587 564.7 112.90	750 2490 1051.0
Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot) Gas Oil Ratio (Sol'n Gas)(cf/bbl) Condensate Yield ((bbl/Mmcfg) Pool Size Distribution Statistics from POOL	F100 68 224 38.0 7.60	F95 134 438 96.0 19.21	F90 150 493 112.9 22.58 μ (mu)= 10	183 600 148.0 29.61 0.6870525	227 747 200.0 40.00 σ² (sigma	239.214/80.085 787.935/ 266.195 221.428/105.929 44.286/21.197	282 929 270.2 54.04 383	317 1045 317.6 63.51	343 1131 354.3 70.85	385 1273 416.6 83.31	439 1453 500.0 99.98	479 1587 564.7 112.90	750 2490 1051.0
POOLS/PSRK/PSUM Modu Fractile Oil Recovery Factor (bbl/acre-foot) Gas Recovery Factor (Mcfg/acre-foot) Gas Oil Ratio (Sol'n Gas)(cf/bbl) Condensate Yield ((bbl/Mmcfg) Pool Size Distribution Statistics from POOL BOE Conversion Factor (cf/bbl) Probability Any Pool is 100% Oil	F100 68 224 38.0 7.60 S (1,000 BC	F95 134 438 96.0 19.21	F90 150 493 112.9 22.58 μ (mu)= 10	183 600 148.0 29.61 0.6870525	227 747 200.0 40.00 σ² (sigma	239.214/80.085 787.935/ 266.195 221.428/105.929 44.286/21.197 squared)= 1.68655	282 929 270.2 54.04 383	317 1045 317.6 63.51	343 1131 354.3 70.85	385 1273 416.6 83.31 umber Gener	439 1453 500.0 99.98	479 1587 564.7 112.90	750 2490 1051.0

Table 3. Input data for Beaufort Sea play 13, 2006 assessment.

Risk Analysis Form - 2006 National Assessment 13, Brookian Unstructured Eastern Assessment Province: Beaufort Play Number, Name: Topset Assessor(s): Johnson/Scherr Play UAI: AAAAABAV Date: 20-Oct-05 For each component, a quantitative probability of success (i.e., between zero and one, where zero indicates no confidence and one indicates absolute certainty) based on consideration of the qualitative assessment of ALL elements within the component was assigned. This is the assessment of the probability that the minimum geologic parameter assumptions have been met or exceeded. Averge Conditional **Play Chance** Factors Prospect Chance¹ 1. Hydrocarbon Fill component (1a * 1b * 1c) 1 1.0000 0.9000 a. Presence of a Quality, Effective, Mature Source Rock Probability of efficient source rock in terms of the existence of sufficient volume of mature source 1.00 1.00 1a rock of adequate quality located in the drainage area of the reservoirs. b. Effective Expulsion and Migration Probability of effective expulsion and migration of hydrocarbons from the source rock to the 1b 1.00 1.00 reservoirs. c. Preservation Probability of effective retention of hydrocarbons in the prospects after accumulation. 1c 1.00 0.90 2. Reservoir component (2a * 2b) 2 1.0000 1.0000 a. Presence of reservoir facies Probability of presence of reservoir facies with a minimum net thickness and net/gross ratio (as 2a 1.00 1.00 specified in the resource assessment). b. Reservoir quality Probability of effectiveness of the reservoir, with respect to minimum effective porosity, and 2b 1.00 1.00 permeability (as specified in the resource assessment) 3. Trap component (3a * 3b) 3 1.0000 0.5600 a. Presence of trap Probability of presence of the trap with a minimum rock volume (as specified in the resource За 1.00 0.80 assessment). b. Effective seal mechanism Probability of effective seal mechanism for the trap. 3b 0.70 1.00 Overall Play Chance (Marginal Probability of hydrocarbons, MPhc) (1 * 2 * 3) Product of All Subjective Play Chance Factors 1.0000 Average Conditional Prospect Chance¹ 0.5040 (1 * 2 * 3) Product of All Subjective Conditional Prospect Chance Factors Assumes that the Play exists (where all play chance factors = 1.0) Must be consistent with play chance and prospect distribution -- See discussion on Page 3 of Guide **Exploration Chance** 0.5040 (Product of Overall Play Chance and Average Conditional Prospect Chance) Comments: See guidance document for explanation of the Risk Analysis Form

 Table 4. Risk model for Beaufort Sea play 13, 2006 assessment.

GRASP - Geologic and Economic Resource Assessment Model - PSUM Module Results

Minerals Management Service - Alaska OCS Region GRASP Model Version: 8.29.2005) Computes the Geologic Resource Potential of the Play

Play UAI: AAAAABAV Play No. 13

World World Resources Level Level Country Level UNITED **STATES** OF **AMERICA** Level ALASKA **REGION** Region MMS

Basin Level - **BEAUFORT SHELF**

PlayLevel-Play13 BrookianUnstructuredGeologistPeterJohnsonEasternTopset

Remarks Play 13 2005 assessment

Run Date & Time: Date 19-Sep-05 Time 13:49:43

Summary of Play Potential

Product	MEAN	Standard Deviation				
BOE (Mboe)	638,840	488,660				
Oil (Mbo)	569,710	442,380				
Condensate (Mbc)	9,277	12,388				
Free (Gas Cap & Nonassociated) Gas (Mmcfg)	210,580	261,420				
Solution Gas (Mmcfg)	125,810	107,330				

10000 (Number of Trials in Sample)

0.9992 (MPhc [Probability] of First Occurrence of Non-Zero Resource)

Windowing Feature: used

Empirical Probability Distributions of the Products

Greater Than Percentage	BOE (Mboe)	Oil (Mbo)	Condensate (Mbc)	Free (Gas Cap & Nonassociated) Gas (Mmcfg)	Solution Gas (Mmcfg)		
100	0	0	0	0	0		
99.99	0	0	0	0	0		
99	43,997	39,297	625	14,941	7,962		
95	115,840	102,370	1,894	43,459	21,605		
90	173,260	153,330	2,586	62,967	34,515		
85	219,740	194,890	3,449	76,273	44,015		
80	258,390	229,040	4,152	92,889	48,720		
75	297,440	265,970	3,903	95,325	59,635		
70	340,920	302,870	5,112	117,870	67,224		
65	381,200	336,680	6,447	141,440	72,540		
60	423,560	376,760	6,867	140,520	83,905		
55	468,890	415,040	7,085	165,430	97,398		
50	515,560	455,350	7,839	189,440	104,870		
45	562,990	504,910	7,730	174,360	108,580		
40	623,380	560,450	8,444	181,380	124,820		
35	685,780	607,470	11,160	252,070	125,300		
30	755,700	672,830	10,368	257,960	149,490		
25	846,150	750,630	13,887	296,920	161,850		
20	944,980	846,410	13,345	299,180	179,780		
15	1,076,200	953,650	16,267	382,790	214,640		
10	1,251,000	1,115,700	17,610	421,290	240,010		
8	1,360,000	1,209,300	19,811	470,310	265,240		
6	1,490,700	1,331,600	22,167	472,700	296,750		
5	1,575,200	1,421,600	18,676	448,930	309,280		
4	1,674,400	1,488,800	24,204	572,080	334,810		
2	2,000,300	1,796,000	25,352	604,310	401,580		
1	2,362,700	2,138,500	29,957	649,840	441,890		
0.1	3,461,500	3,106,800	28,035	513,250	1,322,600		
0.01	5,748,600	5,455,500	11,401	301,730	1,281,100		
0.001	6,103,600	5,694,000	52,850	1,321,100	683,860		

Table 5. Assessment results by commodity for Beaufort Sea play 13, 2006 assessment.

Play 13	BEAUFORT - Brookian y: AAAAAB	lation "Pools	" Reporte	ed by "I	Fieldsiz	e.out" G	RASP N	lodule															
Classification and Size Pool Count Stati					I Count Statis	stics Pool Types Count					Mixed P	ool Range	Oil Poo	Oil Pool Range Gas Pool Range		Total Pool Range			Pool Resource Statistics (MMBOE)				
Class	Min (MMBOE)	Max (MMBOE)	Pool Count	Percentage	Trial Average	Trials w/Pool Avg		Mixed Pool	Oil Pool	Gas Pool	Min	Max	Min	Max	Min	Max	Min	Max		Min	Max	Total Resource	Average Resource
1	0.0312	0.0625	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
2	0.0625	0.125	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
3	0.125	0.25	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
4	0.25	0.5	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
5	0.5	1	49	0.075686	0.0049	0.004903		24	25		1	1	1	1	0	0	1	1		0.551232	0.970524	39.105182	798.064947
6	1	2	466	0.719791	0.0466	0.046633		213	253	0	1	1	1	2	0	0	1	2		1.011817	1.999418	747.102504	1.603224
7	2	4	1689	2.608857	0.1689	0.169018		686	1003	0	1	2	1	3	0	0	1	3		2.001714	3.999193	5225.980000	3.094126
8	4	8	4190	6.471942	0.419	0.419293		1726	2464	0	1	3	1	3	0	0	1	4		4.000758	7.999352	25291.895000	6.036252
9	8	16	7826	12.088166	0.7826	0.783148		3274	4552	0	1	4	1	5	0	0	1	6		8.000893	15.999970	93663.419000	11.968237
10	16	32	11980	18.504503	1.198	1.198839		4868	7112	0	1	5	1	5	0	0	1	7		16.001663	31.998908	280855.305000	23.443682
11	32	64	13711	21.178234	1.3711	1.37206		5397	8314	0	1	5	1	6	0	0	1	9		32.002213	63.993137	632045.177000	46.097672
12	64	128	11495	17.755363	1.1495	1.150305		4472	7023	0	1	4	1	5	0	0	1	7		64.004243	127.995929	1038142.000000	90.312500
13	128	256	7571	11.694289	0.7571	0.75763		3056	4515	0	1	5	1	4	0	0	1	6		128.025447	255.948929	1355325.000000	179.015320
14	256	512	3900	6.024004	0.39	0.390273		1484	2416	0	1	3	1	3	0	0	1	4		256.029726	511.892003	1378215.000000	353.388367
15	512	1024	1492	2.304567	0.1492	0.149305		575	917	0	1	2	1	2	0	0	1	3		512.285807	1022.611000	1033769.000000	692.874756
16	1024	2048	331	0.511268	0.0331	0.033123		120	211	0	1	1	1	2	0	0	1	2		1025.705000	2036.108000	438670.511000	1.325289
17	2048	4096	38	0.058695	0.0038	0.003803		5	33	0	1	1	1	1	0	0	1	1		2059.603000	3033.823000	92437.152000	2.432557
18	4096	8192	3	0.004634	0.0003	0.0003		1	2	0	1	1	1	1	0	0	1	1		4414.658000	5118.466000	13991.149000	4.663716
19	8192	16384	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
20	16384	32768	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
21	32768	65536	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
22	65536	131072	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
23	131072	262144	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
24	262144	524288	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
25	524288	1048576	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0		0.000000	0.000000	0.000000	0.000000
Not Clas	sified		0	0	0	0	Below Class	0	0	0									Below Class	0.000000	0.000000	0.000000	0.000000
		Totals	64741	99.999992	6.4741	6.478635	Above Class	0	0	0									Above Class	0.000000	0.000000	0.000000	0.000000
Numbe	Min and Max refer to numbers of pools of the relevant size class that occur within any single trial in the simulation. Min and Max refer to aggregate resources of the relevant size class that that occur within any single trial in the simulation. Min and Max refer to aggregate resources of the relevant size class that occur within any single trial in the simulation. Min and Max refer to aggregate resources of the relevant size class that occur within any single trial in the simulation.																						

Table 6. Statistics for simulation pools created in computer sampling run for Beaufort Sea play 13, 2006 assessment.

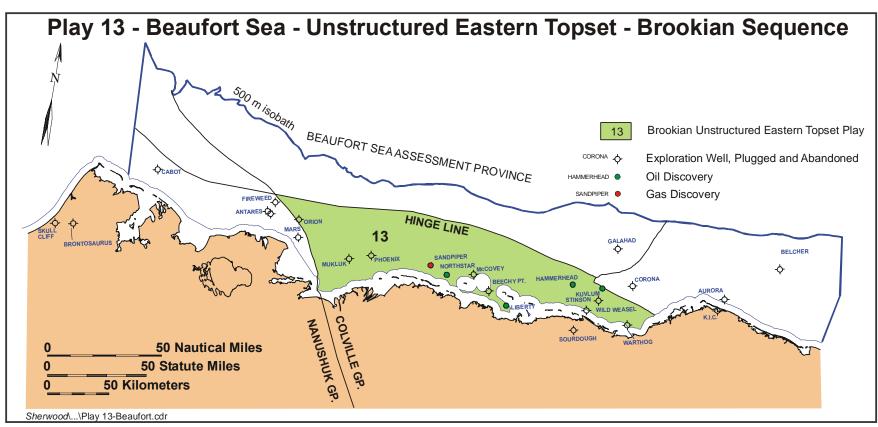


Figure 1. Map location of Beaufort Sea play 13, 2006 assessment.