Gulf of Alaska Play 6: Subducting Terrane Play

Geological Assessment

<u>GRASP UAI</u>: AAAAAEAH <u>Play Area</u>: 1,800 square miles <u>Play Water Depth Range</u>: 60-720 feet <u>Play Depth Range</u>: 3,000-15,000 feet <u>Play Exploration Chance</u>: 0.225

Play 6, Subduc Planning Area, Technica	•	sment, Undi	scovered									
Assessment Results as of November 2005												
Resource Commodity	Resources *											
(Units)	F95	Mean	F05									
BOE (Mmboe)	0	134	473									
Total Gas (Tcfg)	0.000	0.315	1.098									
Total Liquids (Mmbo)	0	78	277									
Free Gas** (Tcfg)	0.000	0.250	0.865									
Solution Gas (Tcfg)	0.000	0.066	0.233									
Oil (Mmbo)	0	64	231									
Condensate (Mmbc)	0	13	46									
 * Risked, Technically-Recoverable ** Free Gas Includes Gas Cap and Non-Associated Gas 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-oil-equivalent, where 1 barrel of oil = 5,620 cubic feet of natural gas 												
Mmb = millions of bai Tcf = trillions of cubic												
Table 1												

Play 6, the "Subducting Terrane" play, is the fourth most important (of six plays) in the Gulf of Alaska OCS Planning Area energy endowment, with 9% (134 Mmboe) of the Planning Area energy endowment (1,454 Mmboe). At 1,800 square miles, it is the smallest in area of all six plays. The overall assessment results for play 6 are shown in table 1. Oil and gas-condensate liquids form 58% of the hydrocarbon energy endowment of play 6. Table 5 reports the detailed assessment results by commodity for play 6.

Table 3 summarizes the volumetric input data developed for the *GRASP* computer model of Gulf of Alaska play 6. Table 4 reports the risk model used for play 6. The location of play 6 is shown in figure 1.

Play 6 is located in the offshore area surrounding Kayak Island. In this area, Eocene to Miocene sedimentary rocks are apparently being subducted along the Kayak zone, or underthrust to the north and west beneath the "basement" rocks (deformed Orca Group metasediments) of the Prince William terrane. Oil and gas in seeps that occur along the onshore extension of the Kayak zone at Katalla are thought to originate at depth in the area, generated from subducted Poul Creek and Kultheith Formation source rocks and then migrated upward along fractures and fault surfaces.

Traps in this play are likely to consist of extensively folded and faulted structures similar to those exposed on Kayak Island. Hydrocarbon accumulations might also occur in up-dip stratigraphic/structural traps along the southeast margin of the play area. Potential reservoir rocks are Kulthieth and Yakataga Formation sandstones, perhaps with fracture-enhanced permeabilities. Oil was produced from fractured shales and siltstones of the Poul Creek Formation in the abandoned Katalla field onshore.

A maximum of 16 hypothetical pools is forecast by the aggregation of the risk model

and the prospect numbers model for play 6. These 16 pools range in mean conditional (un-risked) recoverable volumes from 1.5 Mmboe (pool rank 16) to 137 Mmboe (pool rank 1). Pool rank 1 ranges in possible conditional recoverable volumes from 9 Mmboe (F95) to 402 Mmboe (F05), or in a gas case from 0.05 Tcfge (F95) to 2.259 Tcfge (F05). Table 2 shows the conditional sizes of the 10 largest pools in play 6.

Play 6, Subduc Planning Area, 2 Size	•	nent, Condi									
Assessme	nt Results as o	f November 2	005								
Pool Rank	BOE Resources *										
1 OOI IValik	F95	Mean	F05								
1	9	137	402								
2	3	37	115								
3	1.63	18	55								
4	1.06	11	33								
5	0.80	8	23								
6	0.65	6	17								
7	0.56	5	13								
8	0.50	3.9	11								
9	0.43	3.3	9								
10	0.37	2.9	8								
* Conditional, Techni Energy-Equivalent (N											
F95 = 95% chance th given quantity	at resources w	ill equal or ex	ceed the								
F05 = 5% chance tha quantity	at resources wil	l equal or exc	ed the given								
BOE = total hydrocar equivalent, where 1 b gas											

Table 2

In the computer simulation for play 6 a total of 31,315 "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 9 contains the largest share (5,994, or 19%) of simulation pools (conditional, technically recoverable BOE resources) for play 6. Pool size class 9 ranges from 8 to 16 Mmboe. The largest simulation pool for play 6 falls within pool size class 18, which ranges in size from 4,096 to 8,192 Mmboe (or 23 to 46 Tcfge). Table 6 reports statistics for the simulation pools developed in the *GRASP* computer model for play 6.

GRASP Play Data Form (Minerals Management Service - Alaska Regional Office)

<u>Basin</u>: Gulf of Alaska <u>Play Number</u>: 6 <u>Play UAI Number</u>: AAAAAEAH Assessor: Comer / Larson
Play Name: Subducting Terrane

Date: March, 2005

Play Area (mi²; millions of acres):1,800 mi²,1.152 million acresReservoir Thermal Maturity, % Ro:0.4 - 0.6+

 Play Depth Range, feet:
 3,000 - 8,000 - 15,000

 Expected Oil Gravity,
 ^o API:
 35

 Play Water Depth Range, feet:
 60 - 300 - 720

 Prospect Distance from Shore, miles:
 3 - 16 - 23

POOLS Module (Volumes of Pools, Acre-Feet)

Fractile	F100	F95	F90	F75	F50	Mean / Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Prospect Area (acres)-Model Input	~				3700	~~~					30000		~
Prospect Area (acres)-Model Output	150	692	1002	1861	3700	6218.7 / 8400.6	7357	10639	13658	19777	30000	39606	56500
Fill Fraction (Fraction of Area Filled)	0.08	0.158	0.182	0.23	0.3	0.32386 / 0.13171	0.391	0.45	0.495	0.571	0.67	0.745	0.95
Productive Area of Pool (acres)	15	165	251	508	1110	2220.14 / 3724.92	2426	3690	4903	7470	12000	16459	48000
Pay Thickness (feet)	5	28	37	59	100	137.301 / 131.204	170	225	273	363	500	619	1844

MPRO Module (Numbers of Pools)

Play Level Chance	0.75		Prospect Level Chance	0.3
	 	-		

Exploration Chance

0.225

Risk Mod	el Play (Chance			Petr	oleum System Facto	ors			Prospec	t Chance				
					[See Risking Form]									
Fractile	F100	F95	F90	F75	F50	Mean / Std. Dev.	F25	F15	F10	F05	F02	F01	F00		
Numbers of Prospects in Play	8	9	10												
Numbers of Pools in Play	~	~	F74.21 = 0	1=0 F70=2 3 3.13/2.44 5 6 6 7 8											

Minimum Number of Pools

Probability Any Pool is 100% Oil

Probability Any Pool is 100% Gas

Mean Number of Pools

3.13 Ma

Maximum Number of Pools 16

0.55

POOLS/PSRK/PSUM Module (Play Resources)

0

0

0

Fractile	F100	F95	F90	F75	F50	Mean / Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Oil Recovery Factor (bbl/acre-foot)	32	72	84	106	139	150.647 / 63.377	182	210	231	267	314	350	609
Gas Recovery Factor (Mcfg/acre-foot)	53	166	202	281	406	472.652 / 284.370	586	714	815	994	1241	1440	3080
Gas Oil Ratio (Sol'n Gas)(cf/bbl)	300	526	600	750	960	1026.078 / 387.537	1229	1403	1535 1753 2036 2250				2760
Condensate Yield ((bbl/Mmcfg)	Condensate Yield ((bbl/Mmcfg) 20 40			42 47 52 52.646 / 8.460 58						67	72	75	100
Pool Size Distribution Statistics from POO	LS (1,000 E	BOE):	μ (mu) = 9.5	9730051	σ ² (sigma	a squared) = 2.1029	6676		Random	Number Ge	enerator Se	ed = 25460)*
								•			•		
BOE Conversion Factor (cf/bbl) 5620 Probability Any Pool Contains Both Oil and Free Gas (Gas Cap) 1													

Fraction of Pool Volume Gas-Bearing in Oil Pools with Gas Cap

Table 3. Input data for Gulf of Alaska play 6, 2006 assessment.

	Risk Analysis Form - 20	005 National Assessn	nent		
Assessment Province:	Gulf of Alaska	Play Number, Name:	6, Su	bducting Terra	ne
Assessor(s):	Comer & Larson	Play UAI:	AAAA	AEAH	
	13-Oct-05			/	
ertainty) based on consid	antitative probability of success (i.e., between zero eration of the <i>qualitative</i> assessment of ALL eleme m geologic parameter assumptions have been met	ents within the component was			
1 Hudrooarbon Fill	component (1a * 1b * 1c)			Factors	Prospect Chance
-	uality, Effective, Mature Source Rock		1	1.0000	0.7500
Probability of effi	cient source rock in terms of the existence of sufficient quality located in the drainage area of the reservoir		1a	1.00	1.00
Probability of effe reservoirs.	ective expulsion and migration of hydrocarbons from	the source rock to the	1b	1.00	0.75
c. Preservation Probability of effe	ective retention of hydrocarbons in the prospects after	er accumulation.	1c	1.00	1.00
2. Reservoir compo	nent (2a * 2b)		2	0.7500	0.5000
specified in the re	sence of reservoir facies with a minimum net thickne esource assessment).	ess and net/gross ratio (as	2a	0.75	1.00
	y cctiveness of the reservoir, with respect to minimum specified in the resource assessment).	effective porosity, and	2b	1.00	0.50
3. Trap component			3	1.0000	0.8000
assessment).	sence of the trap with a minimum rock volume (as s	pecified in the resource	3a	1.00	0.80
b. Effective seal m Probability of effe	echanism ective seal mechanism for the trap.		3b	1.00	1.00
	(Marginal Probability of hydrocarbons, Mi ct of All Subjective Play Chance Factors	Phc)		0.7500	
verage Conditional	Prospect Chance [·] ct of All Subjective Conditional Prospect Chance Fa	actors			0.3000
¹ Assumes that	the Play exists (where all play chance factors = 1 stent with play chance and prospect distribution	1.0)	I B of Gui	de	
xploration Chance	all Play Chance and Average Conditional Prospect (Chance)		0.	2250
omments: See guida	nce document for explanation of the Risk Analysis F	Form			

 Table 4. Risk model for Gulf of Alaska play 6, 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: AAAAAE	AH	Play No.		6		
World	Level	-	World	Level	Resources		
Country	Level	-	UNITED	STATES	OF	AMERIC	A
Region	Level	-	MMS	-	ALASKA	REGION	I
Basin	Level	-	GULF	OF	ALASKA		
Play	Level	-	Play		6 Subductin	g Terrane	
Geologist	Larson,	Comer					
Remarks	Play		6 Subducting	Terrane	Kayak	Island	Zone
Run Date	& Time:	Date	19-Sep-0	5 Time	14:03:	44	

Summary of Play Potential

Product	MEAN	Standard Deviation
BOE (Mboe)	133,730	238,760
Oil (Mbo)	64,427	111,210
Condensate (Mbc)	13,203	27,365
Free (Gas Cap & Nonassociated) Gas (Mmcfg)	249,640	526,320
Solution Gas (Mmcfg)	65,675	115,790

10000 (Number of Trials in Sample)

0.7418 (MPhc [Probability] of First Occurrence of Non-Zero Resource) Windowing Feature: used

Empirical Probability Distributions of the Products

Empirical Probabi 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	0	0	0	0	0
95	0	0	0	0	0
90	0	0	0	0	0
85	0	0	0	0	0
80	0	0	0	0	0
75	0	0	0	0	0
70	15,602	7,907	1,423	27,222	8,031
65	28,914	14,467	2,723	51,668	14,221
60	41,750	20,960	3,833	73,708	21,592
55	54,044	25,832	5,416	102,690	25,425
50	68,533	34,485	6,290	120,630	35,376
45	84,153	43,038	7,507	144,190	44,685
40	100,940	49,474	9,708	184,360	50,315
35	121,200	60,049	11,612	217,260	61,122
30	143,800	70,676	13,584	261,000	73,591
25	170,650	82,344	16,947	315,980	85,057
20	203,510	96,503	20,443	389,950	96,560
15	246,810	120,580	23,881	453,940	121,300
10	321,320	156,530	31,490	592,950	156,180
8	365,280	177,650	35,782	670,650	182,760
6	430,540	204,300	42,456	807,270	225,580
5	472,770	230,960	46,390	864,890	233,380
4	527,830	255,190	51,540	976,220	266,380
2	748,480	358,270	75,433	1,408,000	361,050
1	1,060,100	507,930	107,040	1,983,400	518,180
0.1	2,630,700	1,488,900	179,640	3,560,900	1,846,600
0.01	7,128,100	2,068,400	1,033,800	21,316,000	1,308,900
0.001	7,158,800	2,083,700	1,036,800	21,374,000	1,321,900

 Table 5.
 Assessment results by commodity for Gulf of Alaska play 6, 2006 assessment.

UAI Key Class	Classifica	EAH										RASP M	ouule											
22617	Classifica																							
Class		ation and Size		Pool	I Count Statis	tics		Pool	Types C	ount	Mixed Po	ol Range	Oil Poo	l Range	Gas Po	ol Range	Total Po	ol 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	Мах	Min	Мах		Min	Мах	Total Resource	Average Resource	
1	0.0312	0.0625	3	0.00958	0.0003	0.000404		3	0	0	1	1	0	0	0	0	1	1		0.052738	0.061284	0.171022	57.007279	
2	0.0625	0.125	19	0.060674	0.0019	0.002561		19	0	0	1	1	0	0	0	0	1	1		0.082328	0.124611	2.056686	108.246610	
3	0.125	0.25	58	0.185215	0.0058	0.007818		58	0	0	1	1	0	0	0	0	1	1		0.126805	0.247105	11.739024	202.396959	
4	0.25	0.5	233	0.744052	0.0233	0.031406		233	0	0	1	2	0	0	0	0	1	2		0.251013	0.499953	91.055053	390.794218	
5	0.5	1	636	2.030976	0.0636	0.085726		636	0	0	1	3	0	0	0	0	1	3		0.501348	0.997235	481.498340	757.072866	
6	1	2	1636	5.224333	0.1636	0.220515		1636	0	0	1	4	0	0	0	0	1	4		1.000266	1.998327	2447.848000	1.496239	
7	2	4	3042	9.714194	0.3042	0.410028		3042	0	0	1	4	0	0	0	0	1	4		2.000111	3.999595	9055.245000	2.976741	
8	4	8	4837	15.446272	0.4837	0.651975		4837	0	0	1	5	0	0	0	0	1	5		4.001744	7.999121	28314.623000	5.853757	
9	8	16	5994	19.140987	0.5994	0.807926		5994	0	0	1	6	0	0	0	0	1	6		8.000976	15.999385	69889.653000	11.659935	
10	16	32	5597	17.873224	0.5597	0.754414		5597	0	0	1	5	0	0	0	0	1	5		16.000564	31.999772	128199.484000	22.905035	
11	32	64	4534	14.478684	0.4534	0.611134		4534	0	0	1	5	0	0	0	0	1	5		32.002795	63.976155	203707.039000	44.928768	
12	64	128	2658	8.487945	0.2658	0.358269		2658	0	0	1	4	0	0	0	0	1	4		64.000873	127.940439	238316.325000	89.660019	
13	128	256	1289	4.116238	0.1289	0.173743		1289	0	0	1	3	0	0	0	0	1	3		128.053384	255.871334	224736.206000	174.349274	
14	256	512	534	1.705253	0.0534	0.071977		534	0	0	1	3	0	0	0	0	1	3		256.080547	509.105894	186537.519000	349.321198	
15	512	1024	182	0.581191	0.0182	0.024532		182	0	0	1	2	0	0	0	0	1	2		512.956969	1021.084000	129122.241000	709.462891	
16	1024	2048	44	0.140508	0.0044	0.005931		44	0	0	1	1	0	0	0	0	1	1		1026.645000	1957.957000	60387.127000	1.372435	
17	2048	4096	17	0.054287	0.0017	0.002291		17	0	0	1	1	0	0	0	0	1	1		2060.048000	3385.027000	41805.785000	2.459164	
18	4096	8192	2	0.006387	0.0002	0.00027		2	0	0	1	1	0	0	0	0	1	1		7120.210000	7120.210000	14240.420000	7.120210	
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 Class	ified		0	0	0	0	Below Class	0	0	0									Below Class	0.000000	0.000000	0.000000	0.000000	
		Totals	31315	100.000015	3.1315	4.220919	Above Class	0	0	0									Above Class	0.000000	0.000000	0.000000	0.000000	
Number of Pools not Classified: 0 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. Number of Pools below Class 1: 0 Number of Trials with Pools: 7419																								

Table 6. Statistics for simulation pools created in computer sampling run for Gulf of Alaska play 6, 2006 assessment.

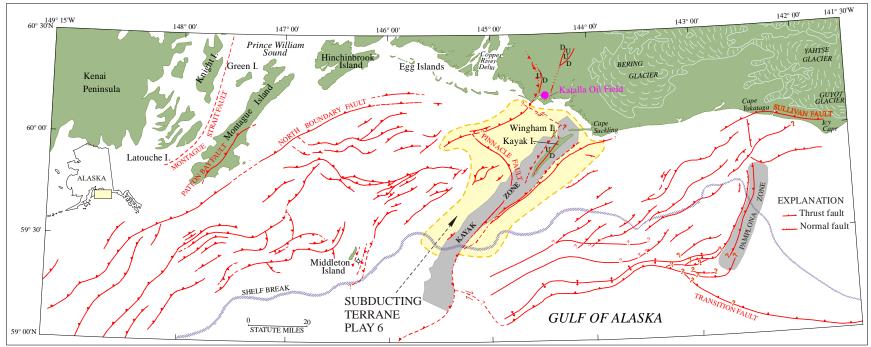


Figure 1. Map location of Gulf of Alaska play 6, 2006 assessment.