Geological Assessment:

<u>GRASP UAI</u>: AAAAABAM <u>Play Area</u>: 1905 square miles <u>Play Water Depth Range</u>: 100 – 1600 feet <u>Play Depth Range</u>: 2000 – 10000 feet <u>Play Exploration Chance</u>: 0.2560

Play 8, Brookian Faulted Western Topset, Beaufort Sea OCS Planning Area, 2006 Assessment, Undiscovered Technically-Recoverable Oil & Gas													
Assessment Results as of November 2005													
Resource	Resources *												
Commodity (Units)	F95	Mean	F05										
BOE (Mmboe)	0	614	2,234										
Total Gas (Tcfg)	0.000	2.090	7.027										
Total Liquids (Mmbo)	0	242	983										
Free Gas** (Tcfg)	0.000	2.056	6.883										
Solution Gas (Tcfg)	0.000	0.034	0.144										
Oil (Mmbo)	0	152	672										
Condensate (Mmbc)	0	90	312										
* Risked, Technically	-Recoverable	Van Associat	ad Caa										
F95 = 95% chance th given quantity	lat resources w	ill equal or ex	ceed the										
F05 = 5% chance tha quantity	t resources wil	l equal or exc	eed the given										
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 8, the "Brookian Faulted Western Topset" play, contains just under 5% of the Beaufort Province resource endowment (614 Mmbo mean BOE). The overall assessment results for play 8 are shown in table 1. Sixty percent of the resources are natural gas and one-third of the liquid resources are condensate. Table 5 reports the detailed assessment results by commodity for play 8.

Table 3 summarizes the volumetric input data developed for the *GRASP* computer model of Beaufort Sea play 8. Table 4 reports the risk model used for play 8. The location of play 8 is shown in figure 1.

Play 8 includes Cretaceous deltaic-topset facies of the Nanushuk and Colville Groups extending northward from the hinge line fault zone to the province boundary. Reservoir quality is likely to be poor due to the distance from the sediment source and the high clay content of sandstones associated with distal parts of this mud-rich delta system. Sandstones may thicken abruptly in downthrown fault blocks. Source rocks are primarily gas-prone shales of the underlying Torok Formation and Colville Group. Rotated blocks along listric growth faults are the chief trapping mechanisms. No prospects have been tested in the play area.

The highest risk element for this play is the presence of reservoir facies. The presence of source, seal and adequate migration routes from source to reservoir are also risk factors.

A maximum of 23 hypothetical pools is forecast by the aggregation of the risk model and the prospect numbers model for play 8. These pools range in mean conditional (unrisked) recoverable volumes from 1.2 Mmboe (pool rank 23) to 542 Mmboe (pool rank 1). Pool rank 1 ranges in possible conditional recoverable volumes from 34 Mmboe (F95) to 2164 Mmboe (F05). Table 2 shows the conditional sizes of the 10 largest pools in play 8.

Play 8, Brookian Faulted Western Topset, Beaufort Sea OCS Planning Area, 2006 Assessment, Conditional BOE Sizes of Ten Largest Pools												
Assessme	nt Results as o	f November 2	005									
BOE Resources *												
	F95	Mean	F05									
1	34	542	2164									

12

5

3

1.6

1.1

0.8

0.6

150

69

38

24

17

12

9

477

214

119

76

52

38

29

9	0.5	1	23
10	0.4	6	19
* Conditional, Techni	cally-Recovera	ble, Millions o	f 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

2

3

4

5

6

7

8

Table 6 reports statistics for the simulation pools developed in the GRASP computer model for play 8. In the computer simulation for the play, a total of 55,220 "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 10 contains the largest share (8,745, or 16%) of simulation pools (conditional, technically recoverable BOE resources) for play 8. Pool size class 10 ranges from 16 to 32 Mmboe. The largest pool among the 55,220 simulation pools falls within pool size class 18, which ranges in size from 4,096 to 8,192 Mmboe.

GRASP Play Data Form (Minerals Management Service-Alaska Regional Office)													
<u>Basin:</u> Beaufort <u>Play Number: 08</u> <u>Play UAI Number</u> : AAAAABAM			<u>Assessor</u> : <u>Play Name</u>	<u>Assessor</u> : Johnson/Scherr <u>Date</u> : <u>Play Name</u> : Brookian Faulted Western Topset									
Play Area: mi ² (million acres)	1905 (1218	3.9)			Play Dept	h Range: feet		2000	4,400	10000			
Reservoir Thermal Maturity: % Ro	,	,			Expected	Oil Gravity: ⁰ API		25	,				
					Play Wate	<u>r Depth Range</u> : fe	et	100	200	1600			
POOLS Module (Volumes o	of Pool	s, Acre-	Feet)										
Fractile	F100	 F95	F90	F75	F50	Mean/Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Prospect Area (acres)-Model Input	18	315		1191	3000		7558			28556		72635	80000
Prospect Area (acres)-Model Output													
Fill Fraction (Fraction of Area Filled)	0.1	0.144		0.289	0.499		0.756			0.949		0.99	1
Productive Area of Pool (acres)	3	112	200	514	1473	5270.7/11487.850	4374	7884	11983	18967			79641
Pay Thickness (feet)	13	36	43	57	80	90.591/ 48.523	112	133	150	180	220	252	500
MPRO Module (Numbers o	f Pools	5)											
Play Level Chance	0.8		Prospect L	evel Chan	се	0.32		[Exploratio	n Chance		0.256	
			-										
Risk Model	Play (Chance			Petr	oleum System Fac	tors			Prospect	Chance		
	().8				Adequate Source							
						Adequate Seal				0.8			
						Adequate Migration	n 			0.8	5		
					Prese	ence of Reservoir F	acies			0.5)		
Fractile	F99	F95	F90	F75	F50	Mean/Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Numbers of Prospects in Play	12.00	14.00	15.30	17.50	20.50	21.58/4.95	24.00	26.00	27.50	30.20	33.50	35.90	36.00
Numbers of Pools in Play			0@F79.93	3	6	5.52/3.66	8	9	10	11	13	17	23
	•												
Minimum Number of Pools	0		Mean	Number of	Pools	5.52		Maximu	ım Number	of Pools	23		
POOLS/PSRK/PSUM Modu	les (Pla	ay Resc	ources)										
Fractile	F100	F95	F90	F75	F50	Mean/Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Oil Recovery Factor (bbl/acre-foot)	115.0	219.8	246.1	297.4	367.0	385.592/125.175	452.9	507.0	547.3	612.9	696.2	758.0	1171.0
Gas Recovery Factor (Mcfg/acre-foot)	178	424	494	637	845	924.46/412.920	1121	1305	1446	1685	2000	2242	4019
Gas Oil Ratio (Sol'n Gas)(cf/bbl)	38.0	96.0	112.9	148.0	200.0	221.428/105.929	270.2	317.6	354.3	416.6	500.0	564.7	1051.0
Condensate Yield ((bbl/Mmcfg)	7.60	19.21	22.58	29.61	40.00	44.286/ 21.197	54.04	63.51	70.85	83.31	99.98	112.90	210.20
Pool Size Distribution Statistics from POOL	.S (1,000 B	OE):	μ (mu)= 10	.1363655	σ^2 (sigma	squared)= 3.12923	207		Random N	umber Gene	rator Seed=	404060	
BOE Conversion Factor (cf/bbl)	5620	1	Probability	Any Pool	Contains I	Both Oil and Free 0	Gas (Gas C	ap)		0.2			
Probability Any Pool is 100% Oil	0		Fraction of	f Pool Volu	ime Gas-B	earing in Oil Pools	with Gas (Cap		0.25			
Probability Any Pool is 100% Gas	0.8				=-								
	0.0	1											

 Table 3. Input data for Beaufort Sea play 8, 2006 assessment.

	Risk Analysis Form - 20	006 National Assessn	nent											
Assessment Province:	Beaufort	Play Number, Name:	08, B	, Brookian Faulted Western Topset										
Assessor(s):	Johnson/Scherr	Play UAI:	AAAA	ABAM										
Date:	20-Oct-05													
For each component, a <i>qu</i> certainty) based on consic probability that the minimu	<i>uantitative</i> probability of success (i.e., between zero a deration of the <i>qualitative</i> assessment of ALL element um geologic parameter assumptions have been met of the superior of the su	and one, where zero indicates nts within the component was or exceeded.	s no con assigne	fidence and one ind ed. This is the asses	licates absolute ssment of the									
1. Hydrocarbon Fill	component (1a * 1b * 1c)		1	0.8000	0.8000									
a. Presence of a C	Quality, Effective, Mature Source Rock	nt volume of moture course			1									
rock of adequate	e quality located in the drainage area of the reservoirs	S.	1a	0.80	1.00									
Probability of eff reservoirs.	sion and migration ective expulsion and migration of hydrocarbons from	1b	1.00	0.80										
C. Preservation Probability of eff	ective retention of hydrocarbons in the prospects afte	1c	1.00	1.00										
2. Reservoir compo	onent (2a * 2b)		2	1.0000	0.5000									
a. Presence of res	servoir facies	ss and net/gross ratio (as		4.00	0.50									
specified in the r	esource assessment).		2a	1.00	0.50									
b. Reservoir quair Probability of eff permeability (as	ty ectiveness of the reservoir, with respect to minimum specified in the resource assessment).	effective porosity, and	2b	1.00	1.00									
3. Trap component	(3a * 3b)		3	1.0000	0.8000									
a. Presence of tra Probability of pre assessment).	p esence of the trap with a minimum rock volume (as sp	pecified in the resource	3a	1.00	1.00									
b. Effective seal m Probability of eff	ective seal mechanism for the trap.		3b	1.00	0.80									
	(Marginal Probability of hydrocarbons, MP	(hc)												
(1 * 2 * 3) Produ	Ict of All Subjective Play Chance Factors			0.8000										
Average Conditional	Prospect Chance ¹ Ict of All Subjective Conditional Prospect Chance Fac the Play exists (where all play chance factors = 1	ctors			0.3200									
Must be consi	stent with play chance and prospect distribution	See discussion on Page 3	3 of Gui	de										
Exploration Chance (Product of Over	rall Play Chance and Average Conditional Prospect C	Chance)		0.	2560									
Comments: See guida	nce document for explanation of the Risk Analysis Fo	orm												

 Table 4. Risk model for Beaufort Sea play 8, 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: AAAAAB	AM	Play	No.		8	
World	Level	-	Worl	d	Level	Resources	
Country	Level	-	UNIT	ED	STATES	OF	AMERICA
Region	Level	-	MMS		-	ALASKA	REGION
Basin	Level	-	BEA	UFORT	SHELF		
Play	Level	-	Play			8 Brookian F	aulted Western Topset
Geologist	Peter	Johnson	-				
Remarks	Play		8	2005	5 Assessment		
Run Date & Tin	ne:	Date	1	9-Sep-05	5 Time	13:48:4	48

Summary of Play Potential

Product	MEAN	Standard Deviation			
BOE (Mboe)	613,780	819,860			
Oil (Mbo)	151,890	398,390			
Condensate (Mbc)	90,058	136,750			
Free (Gas Cap & Nonassociated) Gas (Mmcfg)	2,055,800	2,905,000			
Solution Gas (Mmcfg)	33,884	99,908			

10000 (Number of Trials in Sample)

0.799 (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	0	0	0	0	0
95	0	0	0	0	0
90	0	0	0	0	0
85	0	0	0	0	0
80	3,069	344	505	12,405	69
75	76,945	13,118	12,421	285,980	2,926
70	134,240	27,612	21,706	471,650	5,631
65	181,700	27,746	29,902	689,790	7,359
60	237,880	47,322	36,011	857,850	10,694
55	290,600	54,960	44,387	1,062,200	12,642
50	347,720	70,522	53,016	1,244,300	15,562
45	413,120	82,334	64,539	1,481,200	15,158
40	487,440	115,710	69,538	1,670,100	28,224
35	573,870	103,860	91,896	2,100,100	24,933
30	674,530	141,170	104,980	2,377,100	30,385
25	803,990	155,480	120,740	2,929,200	36,848
20	973,180	188,940	162,370	3,453,600	41,268
15	1,195,100	206,820	193,790	4,418,200	46,695
10	1,551,700	370,310	223,550	5,298,200	85,061
8	1,773,100	347,250	276,650	6,385,400	73,234
6	2,047,800	533,670	297,850	6,726,200	109,300
5	2,233,800	671,880	311,500	6,882,900	144,350
4	2,451,900	686,170	345,410	7,823,700	158,580
2	3,215,200	832,220	477,380	10,517,000	192,970
1	3,974,700	1,164,900	568,780	12,331,000	263,540
0.1	6,283,400	14,902	1,375,000	27,500,000	1,907
0.01	8,196,000	0	1,548,900	37,357,000	0
0.001	9,204,900	4,024,200	647,760	24,618,000	856,700

 Table 5. Assessment results by commodity for Beaufort Sea play 8, 2006 assessment.

Pasin: REALEORT SHELE				Model Simu	lation "Pools	' Report	ed by "	Tipldsiz	e out" G	RASP	alubo												
Play 08	BEAUFURI	Faulted V	Vestern Tor	nset		would Sinta		Report	euby	leiusiz	e.out c	//A3/ 10	louule										
		RAM	icoteni rop	5501																			
	Classifica	tion and Siz	е	Pool	Count Statis	stics		Pool	Types C	ount	Mixed P	ool Range	Oil Poo	l Range	Gas Pool Range		Total Po	ool Range		Pool Resource Statistics (MMBOE)			
	Min	Мон			Trial	Triala w/Deal		Mixed		6.00													Autorogia
Class			Pool Count	Percentage	Avorago	Thats w/Poor		Dool	Oil Pool	Bool	Min	Max	Min	Max	Min	Max	Min	Max		Min	Max	Total Resource	Average
	(IVIIVIBUE)	(WINDUE)			Average	Avg		POOL		PUUI													Resource
1	0.0312	0.0625	44	0.079681	0.0044	0.005506		1	0	43	1	1	0	0	1	1	1	1		0.034033	0.062444	2.171050	49.342051
2	0.0625	0.125	116	0.210069	0.0116	0.014516		13	0	103	1	1	0	0	1	1	1	1		0.062553	0.122804	10.545387	90.908513
3	0.125	0.25	217	0.392974	0.0217	0.027156		22	0	195	1	1	0	0	1	2	1	2		0.125452	0.249843	40.504939	186.658710
4	0.25	0.5	452	0.818544	0.0452	0.056564		55	0	397	1	1	0	0	1	2	1	2		0.250083	0.498365	166.827218	369.086772
5	0.5	1	1018	1.843535	0.1018	0.127393		134	0	884	1	2	0	0	1	2	1	2		0.502488	0.998955	779.940764	766.150057
6	1	2	2100	3.80297	0.21	0.262796		238	0	1862	1	2	0	0	1	3	1	4		1.000440	1.998870	3167.811000	1.508481
7	2	4	3828	6.932271	0.3828	0.479039		474	0	3354	1	2	0	0	1	4	1	4		2.000049	3.997927	11381.547000	2.973236
8	4	8	6241	11.302065	0.6241	0.781004		937	0	5304	1	3	0	0	1	5	1	6		4.000020	7.999183	36650.462000	5.872530
9	8	16	7915	14.333575	0.7915	0.990489		1363	0	6552	1	3	0	0	1	6	1	7		8.001905	15.999836	92575.176000	11.696169
10	16	32	8745	15.836654	0.8745	1.094356		1728	0	7017	1	4	0	0	1	6	1	7		16.000450	31.996216	200785.783000	22.960066
11	32	64	8134	14.73017	0.8134	1.017895		1859	0	6275	1	4	0	0	1	6	1	6		32.005219	63.992210	375398.267000	46.151741
12	64	128	6515	11.798262	0.6515	0.815292		1548	0	4967	1	4	0	0	1	5	1	6		64.001026	127.955171	594013.861000	91.176338
13	128	256	4658	8.435349	0.4658	0.582906		1258	0	3400	1	3	0	0	1	5	1	5		128.040787	255.878655	841412.932000	180.638245
14	256	512	2665	4.82615	0.2665	0.3335		786	0	1879	1	3	0	0	1	4	1	4		256.043211	511.816160	946627.943000	355.207489
15	512	1024	1504	2.723651	0.1504	0.188212		419	0	1085	1	2	0	0	1	3	1	3		512.014928	1023.307000	1083822.000000	720.626465
16	1024	2048	772	1.398044	0.0772	0.096609		256	0	516	1	2	0	0	1	2	1	3		1024.103000	2043.367000	1107566.000000	1.434671
1/	2048	4096	247	0.447302	0.0247	0.03091		97	0	150	1	1	0	0	1	2	1	2		2052.117000	4066.273000	678879.638000	2.748500
18	4096	8192	30	0.054328	0.003	0.003754		18	0	12	1	1	0	0	1	1	1	1		4112.058000	6941.958000	164558.309000	5.485277
19	8192	16384	0	0	0	0		0	0	0			0	0	0	0				0.000000	0.000000	0.000000	0.000000
20	10304	32/00	0	0	0	0		0	0	0			0	0	0	0				0.000000	0.000000	0.000000	0.000000
21	32/00	121072	0	0	0	0		0	0	0		0	0	0	0	0				0.000000	0.000000	0.000000	0.000000
22	121072	262144	0	0	0	0		0	0	0			0	0	0	0				0.000000	0.000000	0.000000	0.000000
24	262144	52/288	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				0.000000	0.000000	0.000000	0.000000
Not Clas	sified	1040070	19	0.034408	0.0019	0.002378	Below Class	0	0	19	Ň		0	0	0	0			Below Class	0.000000	0.030060	0.461561	24 292696
NOT OID.	Sincu	Totals	55220	100	5 522	6 910274	Above Class	0	0	10									Above Class	0.000000	0.000000	0.00000	0.000000
		Totalo	00110	100	0.011	0.010214	10010 01055	0		0	1								10010 01055	0.000000	0.000000	0.000000	0.000000
				1							Min and	l Max refe	er to num	bers of r	ools of t	he releva	int size c	lass that		Min and Max refe	er to anorenate re	sources of the relev	ant size class
Numbe	r of Pools r	not Classif	ied [.] 19								occur w	ithin any	sinale tri	al in the s	simulation	n.				that occur within	any single trial in	the simulation.	0110 0120 01000
Numbe	of Pools h	pelow Clas	s 1 · 19	1								uny	2										
Numbe	of Trials v	with Pools	7991	1																			
Tambe		10013																					

Table 6. Statistics for simulation pools created in computer sampling run for Beaufort Sea play 8, 2006 assessment.



Figure 1. Map location of Beaufort Sea play 8, 2006 assessment.