St. George Basin Play 3: North Platform Play

Geological Assessment

<u>GRASP UAI</u>: AAAAAJAD <u>Play Area</u>: 2,600 square miles

<u>Play Water Depth Range</u>: 280-470 feet <u>Play Depth Range</u>: 3,750-6,250 feet <u>Play Exploration Chance</u>: 0.125

Play 3, North Platform, St. George Basin OCS Planning Area, 2006 Assessment, Undiscovered Technically-Recoverable Oil & Gas

Assessme	nt Results as o	f November 2	005
Resource Commodity	F	Resources	*
(Units)	F95	Mean	F05
BOE (Mmboe)	0	145	653
Total Gas (Tcfg)	0.000	0.600	2.634
Total Liquids (Mmbo)	0	38	184
Free Gas** (Tcfg)	0.000	0.592	2.593
Solution Gas (Tcfg)	0.000	0.008	0.041
Oil (Mmbo)	0	23	118
Condensate (Mmbc)	0	15	67

^{*} 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 3, the "North Platform" play, is the third most important play (of four plays) in the St. George Basin OCS Planning Area, with 20% (145 Mmboe) of the Planning Area energy endowment (712 Mmboe). The overall assessment results for play 3 are shown in table 1. Oil and gas-condensate liquids form 26% of the hydrocarbon energy

endowment of play 3. Table 5 reports the detailed assessment results by commodity for play 3.

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

The north platform extends north of the St. George graben for about 10 to 25 miles. This area contains 3,000 to 10,000 feet of Cenozoic sedimentary rocks over the acoustic basement unconformity. The basement just north of the graben is probably composed of Mesozoic and lower Tertiary sedimentary rocks. Farther north, less than 3,000 feet of Cenozoic strata occur over igneous basement.

Potential traps in play 3 include stratigraphic onlap onto basement highs, anticlinal structures within the basement, drape of Tertiary strata over basement highs, and fault-bounded traps. No exploratory wells have tested prospects in the north platform play.

Oligocene sandstones probably have the best reservoir-rock potential, based on seismic correlation from well control in the graben to the south. The top of the oil-generation window is estimated to occur at approximately 12,000 feet. Therefore, thermally-mature source rocks would have to be present in basement strata for the north platform play to be viable.

The best source-rock potential is probably in Jurassic strata beneath the acoustic basement unconformity. That is based on data from

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

the Arco Y-0511 well, which was drilled in the graben but penetrated the northbounding fault, passing below the fault into basement rocks of the north platform. Samples from Jurassic shale in that well had TOC values of 0.5 to 2.0 percent and visual kerogen examination reported a high percentage of amorphous material. The source for oil in Cook Inlet is from Middle Jurassic strata (Magoon and Claypool; Magoon and Anders, 1992).

Planning Area, 2	Play 3, North Platform, St. George Basin OCS Planning Area, 2006 Assessment, Conditional BOE Sizes of Ten Largest Pools												
Assessment Results as of November 2005													
Pool Rank BOE Resources *													
1 Joi Railk	F95	Mean	F05										
1	14	194	640										
2	5.1	64	207										
3	2.8	33	101										
4	1.9	21	62										
5	1.43	14	43										
6	1.17	11	32										
7	1.00	9	25										
8	0.89	7	21										

^{0.68} * Conditional, Technically-Recoverable, Millions of Barrels Energy-Equivalent (Mmboe), from "PSRK.out" file

0.79

6

5

17

15

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

Table 2

9

10

A maximum of 16 hypothetical pools is forecast by the aggregation of the risk model and the prospect numbers model for play 3. These 16 pools range in mean conditional (un-risked) recoverable volumes from 2.6 Mmboe (pool rank 16) to 194 Mmboe (pool rank 1). Pool rank 1 ranges in possible conditional recoverable volumes from 14

Mmboe (F95) to 640 Mmboe (F05), or in a gas case from 0.079 Tcfge (F95) to 3.597 Tcfge (F05). Table 2 shows the conditional sizes of the 10 largest pools in play 3.

In the computer simulation for play 3 a total of 20,323 "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 (3,833, or 19%) of simulation pools (conditional, technically recoverable BOE resources) for play 3. Pool size class 10 ranges from 16 to 32 Mmboe. The largest simulation pool for play 3 falls within pool size class 17, which ranges in size from 2,048 to 4,096 Mmboe (or 11.5 to 23 Tcfge). Table 6 reports statistics for the simulation pools developed in the GRASP computer model for play 3.

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

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

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

Basin: St. George Basin Assessor: Comer Date: March, 2005

Play Number: 3 Play Name: North Platform Play

Play UAI Number: AAAAAJAD

Play Area (mi2; millions of acres): 2,600 (1.664) Play Depth Range, feet: 3750 - 5000 - 6250

Reservoir Thermal Maturity, % Ro: Expected Oil Gravity, O API: 35

Play Water Depth Range, feet: 280 - 375 - 470 Prospect Distance from shore, miles: 340

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	0				18271	~~~				59000			~
Prospect Area (acres)-Model Output	118	5658	7330	11298	18271	23553 / 19160	29547	38242	45542	59000	78960	95891	103292
Fill Fraction (Fraction of Area Filled)	0.06	0.11	0.13	0.16	0.2	0.21192 / 0.074237	0.25	0.28	0.31	0.35	0.4	0.44	0.71
Productive Area of Pool (acres)	13	448	720	1596	3860	8621.67 / 13461.78	9338	15002	20682	33285	56864	81265	90000
Pay Thickness (feet)	48	80	87	101	120	123.848 / 31.888	142	155	165	181	200	215	303

MPRO Module (Numbers of Pools)

Exploration Chance Play Level Chance **Prospect Level Chance** 0.25 0.125

Risk Model	Play Chance	Petroleum System Factors	Prospect Chance
		[See Risking Sheet]	

Fractile	F100	F95	F90	F75	F50	Mean / Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Numbers of Prospects in Play	6	10	11	13	15	16.27 / 4.00	18	20	21	23	26	26	27
Numbers of Pools in Play	2	~	~	F49.19= 0	F45 = 2	2.03 / 2.48	4	5	6	7	8	9	16

Minimum Number of Pools Mean Number of Pools Maximum Number of Pools

POOLS/PSRK/PSUM Module (Play Resources)

Fractile	F100	F95	F90	F75	F50	Mean / Std. Dev.	F25	F15	F10	F05	F02	F01	F00
Oil Recovery Factor (bbl/acre-foot)	39	79	90	111	141	150.109 / 55.177	179	203	221	251	290	319	519
Gas Recovery Factor (Mcfg/acre-foot)	37	108	131	180	255	292.939 / 166.945	362	437	497	600	742	855	1760
Gas Oil Ratio (Sol'n Gas)(cf/bbl)	67	160	187	241	321	351.791 / 158.841	427	498	552	644	766	859	1550
Condensate Yield ((bbl/Mmcfg)	10	18	19	22	22 25 25.530 / 5.344		29	31	32	35	38	40	50
Pool Size Distribution Statistics from POO	1701272	σ² (sign	na squared) = 2.099	903177		Random Number Generator Seed = 137826							

		_		
BOE Conversion Factor (cf/bbl)	5620		Probability Any Pool Contains Both Oil and Free Gas (Gas Cap)	0.1
Probability Any Pool is 100% Oil	0		Fraction of Pool Volume Gas-Bearing in Oil Pools with Gas Cap	0.3
Probability Any Pool is 100% Gas	0.9			

Table 3. Input data for St. George basin play 3, 2006 assessment.

Risk Analysis Form - 2005 National Assessment Assessment Province: St. George Basin Play Number, Name: 3, North Platform Assessor(s): Comer Play UAI: AAAAJAD Date: 6-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 0.5000 0.5000 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 0.50 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 0.50 reservoirs. c. Preservation Probability of effective retention of hydrocarbons in the prospects after accumulation. 1c 1.00 1.00 2. Reservoir component (2a * 2b) 2 1.0000 0.5000 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 0.50 permeability (as specified in the resource assessment) 3. Trap component (3a * 3b) 3 1.0000 1.0000 a. Presence of trap Probability of presence of the trap with a minimum rock volume (as specified in the resource 1.00 За 1.00 assessment). b. Effective seal mechanism Probability of effective seal mechanism for the trap. 3b 1.00 1.00 Overall Play Chance (Marginal Probability of hydrocarbons, MPhc) (1 * 2 * 3) Product of All Subjective Play Chance Factors 0.5000 Average Conditional Prospect Chance¹ 0.2500 (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** 0.1250 (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 St. George basin play 3, 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: AAAAAJAD Play No. World World Level Resources Level UNITED Country Level STATES OF **AMERICA** MMS ALASKA **REGION** Region Level Basin Level ST. **GEORGE BASIN**

Play Level - Play 3 North Platform Play

Geologist Comer

Remarks North Platform

Run Date & Time: Date 19-Sep-05 Time 14:11:10

Summary of Play Potential

Product	MEAN	Standard Deviation
BOE (Mboe)	145,240	272,020
Oil (Mbo)	23,252	110,270
Condensate (Mbc)	15,194	28,995
Free (Gas Cap & Nonassociated) Gas (Mmcfg)	592,000	1,106,900
Solution Gas (Mmcfg)	8,180	42,489

10000 (Number of Trials in Sample)

0.4917 (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	0	0	0	0	0
75	0	0	0	0	0
70	0	0	0	0	0
65	0	0	0	0	0
60	0	0	0	0	0
55	0	0	0	0	0
50	0	0	0	0	0
45	34,193	2,509	3,960	155,070	736
40	66,217	4,875	7,551	300,380	1,921
35	103,520	8,153	11,830	466,570	2,911
30	144,660	8,956	16,848	664,610	3,337
25	189,240	24,890	20,133	801,990	8,542
20	247,930	30,812	26,562	1,061,300	9,688
15	325,200	41,571	35,637	1,377,000	16,671
10	435,460	60,785	46,804	1,819,400	23,236
8	498,630	69,730	53,781	2,084,100	24,045
6	594,390	98,583	61,852	2,403,700	35,093
5	653,110	117,620	66,866	2,593,100	40,539
4	738,990	154,740	73,060	2,820,200	52,762
2	1,030,000	221,720	102,640	3,888,600	76,985
1	1,314,300	286,150	126,000	4,973,700	96,706
0.1	2,458,100	0	298,190	12,139,000	0
0.01	2,868,600	1,174,300	255,070	7,808,800	279,930
0.001	3,057,400	445,460	302,390	12,789,000	190,250

Table 5. Assessment results by commodity for St. George basin play 3, 2006 assessment.

Play 03	ST. GEORG - North Pla y: AAAAAJ	atform Play				Model Simu	lation "Pools'	' Reporte	ed by "I	Fieldsiz	e.out" G	RASP N	lodule											
Classification and Size Pool Count Stati					l Count Statis	tics		Pool	Types Co	ount	Mixed Po	ool Range	Oil Poo	l Range	Gas Po	ol Range	Total Pool Range		l l	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	1 1	0.000000	0.000000	0.000000	0.000000	
2	0.0625	0.125	6	0.029523	0.0006	0.00122		0	0	6	0	0	0	0	1	1	1	1	1 I	0.066098	0.115619	0.535037	89.172781	
3	0.125	0.25	20	0.098411	0.002	0.004067		0	0	20	0	0	0	0	1	1	1	1] [0.127643	0.241223	3.644575	182.228759	
4	0.25	0.5	63	0.309994	0.0063	0.01281		2	0	61	1	1	0	0	1	1	1	1] [0.250396	0.496815	25.169627	399.517894	
5	0.5	1	199	0.979186	0.0199	0.040464		1	0	198		1	0	0	1	2	1	2] [0.500834	0.999207	155.483537	781.324327	
6	1	2	546	2.686611	0.0546	0.111021		7	0	539		1	0	0	1	3	1	3] [1.002976	1.999821	833.658002	1.526846	
7	2	4	1168	5.747183	0.1168	0.237495		30	0	1138	1	1	0	0	1	3	1	3] [2.001541	3.997569	3493.422000	2.990944	
8	4	8	2174	10.69724	0.2174	0.44205		87	0	2087	1	3	0	0	1	4	1	4] [4.000043	7.996652	12917.846000	5.941971	
9	8	16	3242	15.95237	0.3242	0.659211		187		3055	1	3	0	0	1	5	1	5] [8.000513	15.995023	37991.225000	11.718453	
10	16		3833	18.860405	0.3833	0.779382		309	0	3524	1	2	0	0	1	6	1	6] [16.000742	31.988319	88825.143000	23.173792	
11	32	64	3595	17.689318	0.3595	0.730988		390	0	3205	1	2	0	0	1	5	1	5] [32.000823	63.990556	163994.210000	45.617306	
12	64		2692	13.246076	0.2692	0.547377		372	0	2320	1	2	0	0	1	5	1	5] [64.004332	127.986823	244808.106000	90.939117	
13	128		1584	7.794125	0.1584	0.322082		260	0	1324	1	2	0	0	1	3	1	4] [128.104856	255.518199	282526.347000	178.362595	
14	256	512	800	3.936427	0.08	0.162668		171	0	629	1	2	0	0	1	4	1	4] [256.100695	511.882192	276828.089000	346.035126	
15	512	1024	305	1.500763	0.0305	0.062017		88	0	217	1	2	0	0	1	2	1	2	1 [513.237836	1021.214000	206788.403000	677.994751	
16	1024	2048	85	0.418245	0.0085	0.017283		33	0	52	1	1	0	0	1	2	1	2] [1025.016000	1968.472000	108198.049000	1.272918	
17	2048	4096	11	0.054126	0.0011	0.002237		6	0	5	1	1	0	0	1	1	1	1] [2081.537000	2601.698000	25006.711000	2.273337	
18	4096	8192	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	1 [0.000000	0.000000	0.000000	0.000000	
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	٥	0	0	v	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	<u> </u>	0.000000	0.000000	0.000000	0.000000	
Not Clas			0	0	0	0	Below Class	0	0	0									Below Class	0.000000	0.000000	0.000000	0.000000	
		Totals	20323	100	2.0323	4.132371	Above Class	0	0	0									Above Class	0.000000	0.000000	0.000000	0.000000	
Numbe	er of Pools rer of Pools ber of Trials v	below Class	s 1: 0									l Max refe					nt size cl	ass that		Min and Max refe that occur within		esources of the release the simulation.	vant size class	

Table 6. Statistics for simulation pools created in computer sampling run for St. George basin play 3, 2006 assessment.

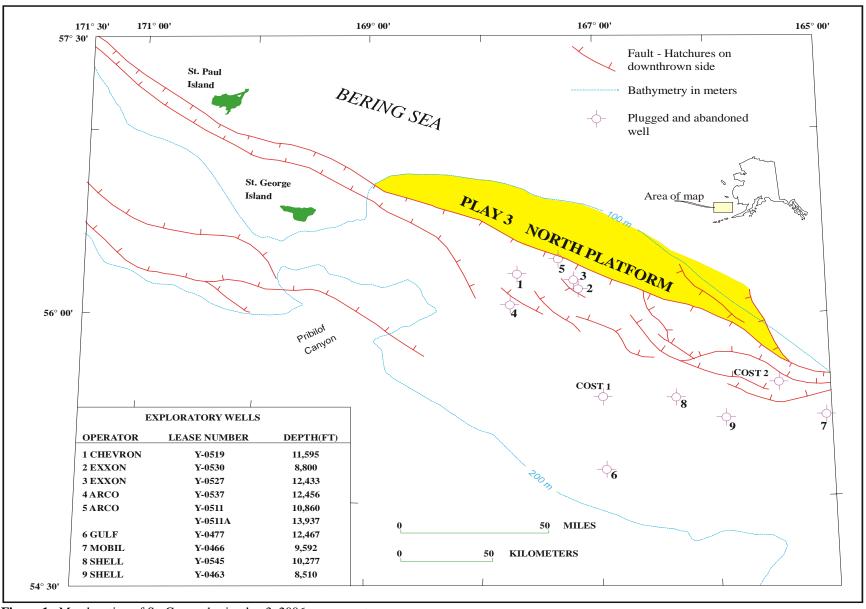


Figure 1. Map location of St. George basin play 3, 2006 assessment.