

GULF COAST

1 **Swift Energy Operating LLC**, Houston, completed two high-volume horizontal Eagle Ford tests as part of Hawkville Field in Webb County (RRC Dist. 4), Texas. The initial daily potential for #5H E.F. Fasken A was 10.04 million cu. ft. of gas and 156 bbl. of water through a fracture-stimulated open-hole interval at 9,678-15,194 ft. Respective flowing and shut-in casing pressures were gauged at 5,015 psi and 5,415 psi on a 20/64-in. choke. This producer is on a 3,200-acre lease in Section 19, William Miller Survey, A-2645, and was drilled to 15,244 ft., 9,679 ft. true vertical. The #3H E.F. Fasken A in Section 17, R.W. Davis Survey, A-2339, was drilled to 14,585 ft., 9,887 ft. true vertical, and was tested flowing 9.05 million cu. ft. of gas and 151 bbl. of water daily through fractured perforations at 10,358-14,499 ft. Gauged on a 20/64-in. choke, the flowing and shut-in casing pressures were 5,015 psi and 5,415 psi, respectively.

2 According to IHS Inc., **EOG Resources Inc.** of Houston completed an Eagle Ford well as part of Eagleville Field in Gonzales County (RRC Dist. 1), Texas. The initial daily potential for #3H Hansen-Kullin Unit was 1,349 bbl. of 44-degree-gravity crude, 1.38 million cu. ft. of gas and 501 bbl. of water through fracture-treated perforations at 11,364-15,419 ft. Tested on a 26/64-in. choke, the flowing tubing pressure was 4,433 psi. The venture is on a 640-acre lease in the John Oethkin Survey, A-369, and was drilled to 15,700 ft., 11,348 ft. true vertical. It bottomed a mile

southeast beneath the Otto Von Roeder Survey, A-462.

3 In DeSoto Parish, La., Houston-based **SweepiLP** completed a high-volume Jurassic well as part of Oxford Field. The #1 Brushy Group 28H was tested flowing 21.6 million cu. ft. of gas and 940 bbl. of water per day through fracture-stimulated perforations at 12,605-17,171 ft. Tested on a 27/64-in. choke, the flowing casing pressure was 2,087 psi. The producer was drilled to 17,325 ft., 12,261 ft. true vertical, in Section 33-11N-12W and bottomed a mile north beneath Section 28. The well was initially permitted by **Encana Oil & Gas Inc.**

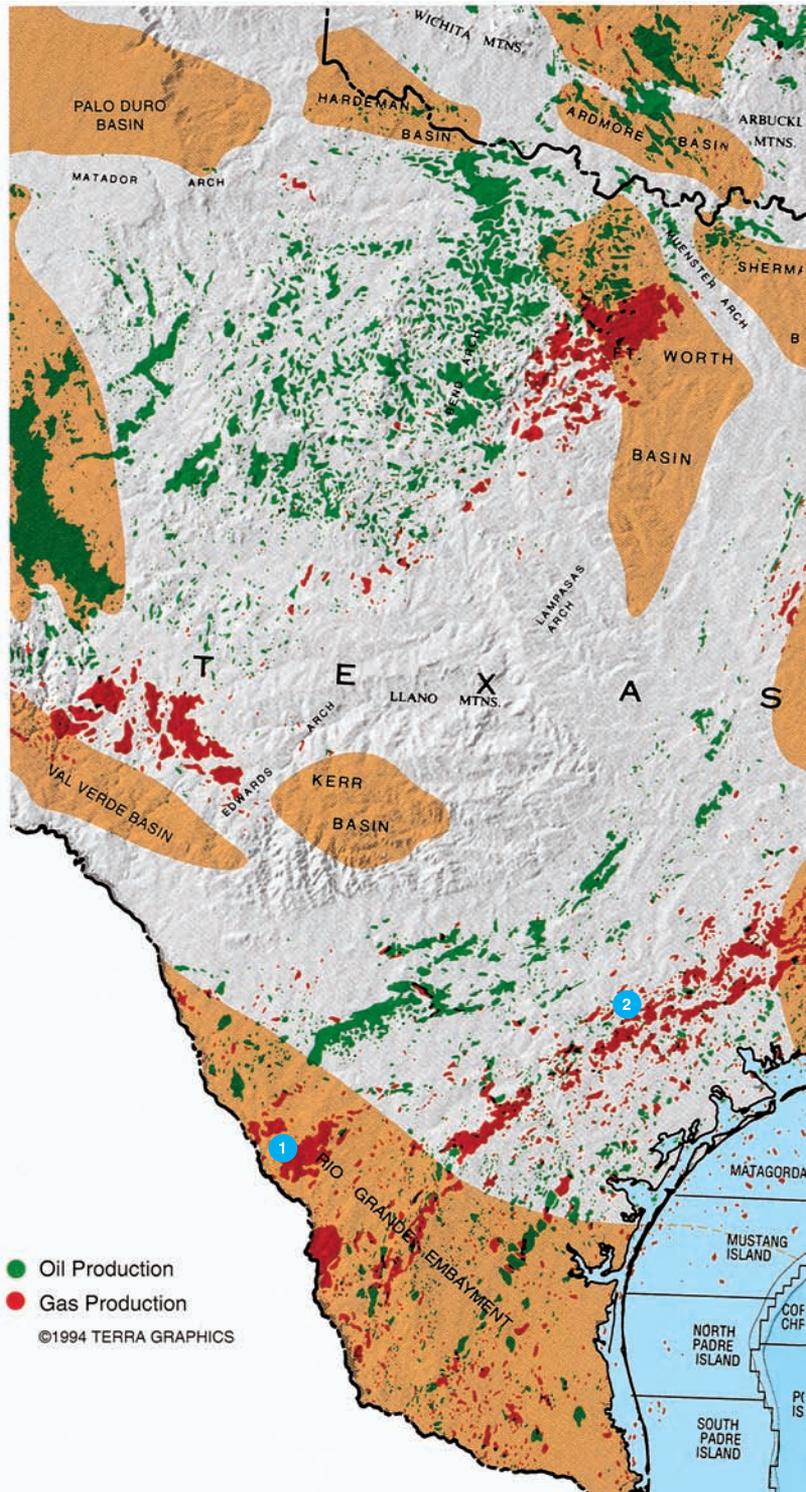
4 In Union Parish, La., a wildcat Smackover discovery was reported by **Sklar Exploration Co.** The Shreveport, La.-based company's #1 Exxonmobil 16 flowed 58 bbl. of 23.6-degree-gravity oil and 20,000 cu. ft. of gas daily through perforations at 8,410-53 ft. The well is near the Louisiana-Arkansas state line in Section 16-23N-2E of the parish and was drilled to 8,806 ft. and plugged back at 8,755 ft. Gauged on a 48/64-in. choke, the flowing tubing pressure was 47 psi.

5 On #1 OCS G33608, **Peregrine Oil & Gas II LLC** encountered more than 40 ft. of net oil pay at an exploratory test being drilled on Vermilion Block 342. According to partner **Entek Energy Ltd.** the venture has been drilled to 8,162 ft., with the well to be deepened to 8,552 ft. Peregrine (50%) operates the well and Entek holds the other 50% stake. According to Entek, when the flow rate is brought online the flow rate is estimated at 500- to 1,000 bbl. of oil per day from the Pleistocene Lentic 1 sand. According to the plan filed with the Bureau of Ocean Energy

Management, Regulation and Enforcement (BOEMRE), up to three more tests could be drilled from the same surface location as #1 OCS G33608, with two of the ventures slated to bottom beneath Block 342 and a final exploratory test to bottom on Block 341. Water depth in the area is 250 ft. The gross potential of the prospect is 7.5 million bbl. of crude and 9.5 billion cu. ft. of gas, according to Entek.

6 According to IHS Inc., **Shell Offshore Inc.** is drilling below 21,330 ft. at a development test on the company's Auger/Cardamom development in the deep-water Gulf of Mexico. The #1-DC OCS G07493 is being drilled in the eastern portion of

Garden Banks Block 427. Up to two more development tests could be drilled from various surface locations on Block 427. Shell also announced plans to develop Cardamom Field on Block 427. The potential of Cardamom could not be fully assessed due to a layer of nearby salt, which affected the quality of traditional seismic images. Shell will be developing the deeper, Lower Miocene reservoir. The bulk of Auger Field production comes from Pliocene at 17,000-27,000 ft. Houston-based Shell stated that the Cardamom project is expected to produce 50,000 bbl. of oil equivalent daily at peak production and more than 140 million bbl. of oil equivalent over its lifetime.



Excerpted from
Oil and Gas Investor

August 2011
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1616 S. Voss Rd.
Suite 1000
Houston, TX 77057
(713) 250-6400

7 Chevron USA Inc. is drilling a planned 29,400-ft. test on the company's Buckskin prospect in the Keathley Canyon area. Project partner **Maersk Oil** reported that drilling of the #1 OCS G25806 on Keathley Canyon Block 785 started in May 2011. Estimated drilling time on the venture is 136 days. Chevron (55%) is the operator of the Buckskin development with 55% interest along with Maersk Oil (20%), **Repsol** (12.5%) and **Samson Oil & Gas** (12%). Chevron's headquarters are in Houston.

8 ExxonMobil of Irving, Texas, reported two oil discoveries and a gas discovery on the company's ultra-deepwater Hadrian prospect in Keathley Can-

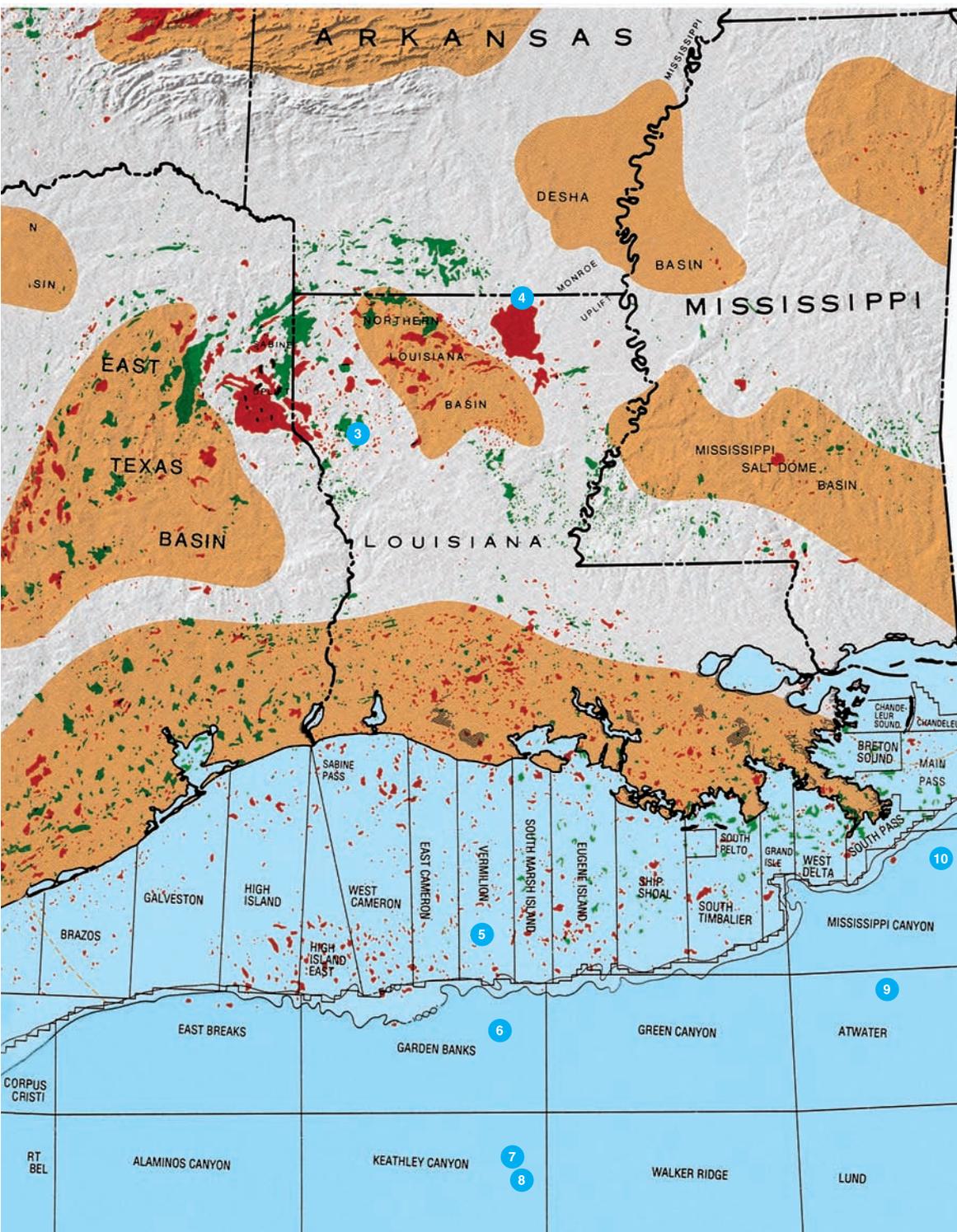
yon. According to the company, the estimated recoverable resource is more than 700 million bbl. of oil equivalent combined in its Keathley Canyon blocks. The #3 OCS G21447 on Keathley Canyon Block 919 encountered more than 475 ft. of net oil pay and a small amount of gas in predominantly Pliocene sandstone reservoirs. The last reported depth was 12,800 ft. and the water depth is about 7,000 ft. The #3 OCS G21447 confirmed a second oil accumulation on Block 919. In 2010, drilling by ExxonMobil on #2 OCS G21447 encountered more than 550 ft. of net oil pay and a minor amount of gas in Pliocene and Upper Miocene reservoirs. During 2009 drilling, the Irving, Texas-based company

reported that in Keathley Canyon Block 964, #1 (ST) OCS G21450 hit 200 ft. of gas pay in Pliocene reservoirs. ExxonMobil is operator of Keathley Canyon blocks 918, 919, 963 and 964 with a 50% working interest. **Eni Petroleum U.S.** and **Petrobras America Inc.** each hold a 25% stake in blocks 919, 963, 964. **Petrobras** holds a 50% interest in Block 918.

9 An exploration plan was filed by **Apache Corp.** in Atwater Valley blocks 76 and 120. Two exploratory tests are planned on the company's Refugio prospect for Block 76 (OCS G33866) and a third wildcat is slated for Atwater Valley Block 120 (OCS G33867) to the south. Drilling

time on each test is estimated at 60 days. Water depth in the area is 7,750 ft. According to IHS Inc., about six miles southwest of Apache's first planned drillsite is a Pleistocene test drilled in 1998. **Chevron USA Inc.** abandoned #1 OCS G10005 on Block 119 at 16,518 ft. Apache's headquarters are in Houston.

10 Approximately 60 ft. of oil pay in a Miocene reservoir after openhole logging was reported by **Noble Energy Inc.** at the company's Mississippi Canyon Santiago prospect. The well was drilled on Mississippi Canyon Block 519 to 18,920 ft. Initial drilling began in April 2010, but operations were suspended two months later under the drilling moratorium. Water depth in the area is 6,500 ft. Houston-based Noble's bypass test on Block 519 was the first deepwater permit approved since last year's rig explosion and oil spill. The permit was approved in late February. South of Noble's current drillsite are the operator's Isabela (Block 562) and Santa Cruz (Block 563) fields. The three prospects make up the company's multi-tract Galapagos project. Total gross resources discovered in the Galapagos area are estimated at 130 million bbl. of oil equivalent.



All data in the Exploration Highlights section is based on sources believed to be reliable, but its accuracy cannot be guaranteed. The prudent investor intending to act upon any particular data is urged to verify it with all other available sources. In no way should the publication of these items be construed as an express or implied endorsement of a company or its activities.

Most land in the U.S. is divided into townships—rectangular tracts six miles square. The township, in turn, is divided into 36 numbered sections, each a one-mile square. The lines running north-south and dividing east from west are called range lines. The lines running east-west and dividing north from south are township lines.

A well in Section 15-Township 4 north-Range 3 east is abbreviated: 15-4n-3e.