

Summary

The Falher "stacked channel" sands are thick and prone to permeability streaks, which can be more easily "tapped into" by horizontal drilling. Stacked channels with 18m plus pay, OGIP ~ 12.5 bcf/section and NGL yield ~ 40 bbls/mmscf in the region. Coal beds within the section suggest a continental to deltaic environment of deposition. The sequence is complex, and sands are subject to rapid changes laterally, reflective of the transient nature of a fluvial-deltaic system.

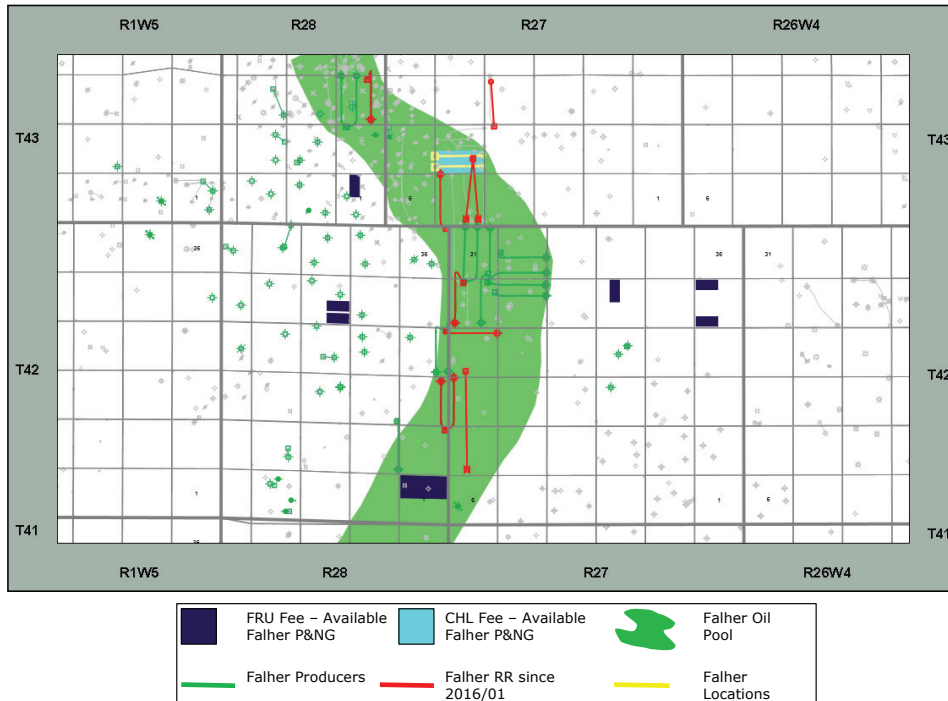
Play Synopsis

Fluid	Gas
Pay Thickness	8m to 11m
Rf(Primary)	70%
Fm. Temp.	55°C to 60°C
Active operators	Bonavista, NAL
Completions	Multi-stage Fracturing
Depth	1690m to 1700m
Lithology	Sand/Silts
Average Porosity	14%
Water Saturation	15%
Type Well EUR	391 mboe
Type Well IP90	729 boed

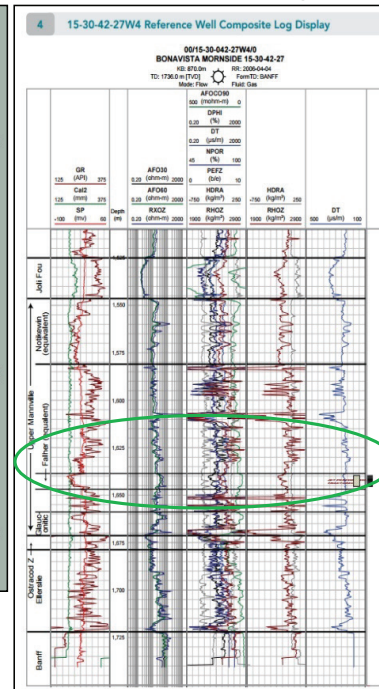
Capital Costs

DCE&(SWB): \$2625M
With Lessor Royalties at 20%
 IRR BT: 41%
 Payout: 1.9 years
 F&D: \$6.71/boe
 Netback (IP 90): \$14.43/boe
 Recycle Ratio: 2.2

Falher Channel Fairway Map



Offset Well Log



Type Curve Analysis

