Bigfoot Prospect, South Texas

Proposed Total Depth: Edwards Formation @ 21,000 feet and the Sligo Formation @ 24,000’ - Giant Atoll Reef

Primary Objective: Lower Cretaceous Carbonate Reservoir (Golden Lane analog)
Secondary Objective: Wilcox Channel and Queen City

Potential Reserves: Ten to 50 Trillion Cubic Feet recoverable
Expected Initial Flow Rate: 20-50 MMCFPD

Dry Hole & Logging Cost: $10 million.
Completion Cost: $5 million
Lease Cost: $5 million Lease 20,000 acres @ $250/acre.
Total to sales: $20 million

Geology and Geophysics: The prospect is comprised of a giant seismically defined 50,000 acre Lower Cretaceous atoll reef located on a rift margin basement fault block located in an outboard basin position about 20 miles in front of the historical onshore carbonate shelf-edge plays between the Wilcox and Frio trends. We expect the test well to encounter several thousand feet of potential Lower Cretaceous Carbonate gas pay. Potential reservoir will have a competent seal from distal Cretaceous and/or Eocene Shales. This location is also optimum for charging from proven down dip and surrounding Cretaceous and Jurassic source rocks. Analog production includes the Golden Lane Atoll production in Mexico with the No 4 Azul well having an IP of 265,000 BOPD. Extensive technical evaluation of the play has been carried out including gravity/magnetics, structural modeling, backstripping and extensive reprocessing of regional seismic to depth. Carbonate petrography describing oolites and shallow water forams from an Eocene reef developed on the mega-structure indicates the paleo-platform nature of the feature. Reference to the Peter Vail sea level curves suggest that if sea level tagged the platform in an Eocene sea level lowstand and reefs grew on this emergent platform, then similarly a shallow water environment for development of reefing in the Cretaceous would have occurred during Cretaceous and Jurassic sea level lowstands. Regional mapping indicates there is “running room” for the play. Developed by Encana, and technically approved by Phillips Petroleum. Low drilling cost estimate of 10 million dollars is supported by the Chevron Endeavour well drilled to 21,500 feet nearby for only 4.1 million dollars.