

Alvopetro Announces Filing of Notice of Discovery of Hydrocarbons and Year-End 2013 Reserves

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CALGARY, ALBERTA--(Marketwired - Apr 1, 2014) - [Alvopetro Energy Ltd.](#) (TSX VENTURE:ALV) announces our reserves for the year ended December 31, 2013 and that we have submitted to the National Agency of Petroleum, Natural Gas and Biofuels (the "ANP") a Notice of Discovery of Hydrocarbons relating to our 1ALV5BA well. All operators in Brazil are required to inform the ANP, through the filing of a Notice of Discovery, of any hydrocarbon potential. The 1ALV5BA well is located on Block 197 in the Recôncavo basin, in the State of Bahia, Brazil.

Notice of Discovery

A Notice of Discovery is required to be filed with the ANP based on hydrocarbon indications in cuttings, mud logging or by gas detector, in combination with wire-line logging. Based on the results of mud-logging and open-hole logs, we have filed a Notice of Discovery relating to our 1ALV5BA well. The 1ALV5BA well was not evaluated as part of our year-end 2013 independent reserves evaluation.

The 1ALV5BA well reached a total depth of 3,275 meters and has been cased and cemented. During the drilling of the well, Alvopetro completed three core runs (100% core recovery), recovering over 78 meters of core. We are currently undertaking extensive Special Core Analysis, which is expected to be completed within six to eight months.

Based on open-hole logs, the 1ALV5BA well encountered 43 meters of potential net hydrocarbon pay over several separate intervals, with an average porosity of 9.5%, using an 8% porosity cut-off. Additional technical work and testing is required to determine the extent, if any, of potential commercial hydrocarbons associated with the 1ALV5BA well. Based on these results, and consistent with our resource play evaluation objectives, we plan to commence a multi-zone testing program on the well with a service rig, after ANP approval for long-term testing is received, which is expected to take at least two months.

Our initial focus is proving commercial viability of the deep Gomo play fairway. We have successfully achieved our initial objectives for this well which included; obtaining geological and reservoir information and optimizing our operational practices. Our next key step is production testing, and the definition of potential reservoir access solutions.

We will incorporate the data obtained from the 1ALV5BA well into our upcoming well designs, furthering our objective of proving the deep Gomo play. We expect our next well to commence drilling later in the second quarter of 2014, subject to applicable licensing and regulatory requirements.

2013 Year-End Reserves Summary

The reserves data set forth below is based upon an independent reserve assessment and evaluation prepared by Sproule International Limited ("Sproule") dated March 31, 2014 with an effective date of December 31, 2013 (the "Sproule Report"). The Sproule Report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook ("COGEH") reserve definitions that are consistent with the standards of National Instrument 51-101 ("NI 51-101"). The Sproule Report was only an evaluation of our Bom Lugar, Jiribatuba and Aracaju mature fields, and did not include an evaluation of our exploration blocks, or the recent results of our 1ALV5BA well located on Block 197.

Summary of Reserves ⁽¹⁾, ⁽²⁾, ⁽³⁾, ⁽⁴⁾

Summary of Before Tax Net Present Value of Future Net Revenue (\$US) (1), (2), (3), (4)

Summary of After Tax Net Present Value of Future Net Revenue (\$US) (1), (2), (3), (4)

1. The tables above are a summary of the reserves of Alvo Petro and the net present value of future net revenue attributable to such reserves as evaluated in the Sproule Report based on forecast price and cost assumptions. The tables summarize the data contained in the Sproule Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.
2. Gross reserves means the total working interest share of remaining recoverable reserves owned by Alvo Petro before deductions of royalties payable to others and without including any royalty interests owned by Alvo Petro.
3. Based on Sproule's December 31, 2013 escalated price forecast.
4. The net present value of future net revenue attributable to Alvo Petro's reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by Sproule. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Alvo Petro's reserves estimated by Sproule represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Company's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

The table below sets out the total development costs deducted in the estimation in the Sproule Report of future net revenue attributable to proved reserves and proved plus probable reserves (using forecast prices and costs).

14.05.2025

2015	-	3,045.0
2016	-	-
2017	-	-
2018	-	-
Remaining Years	-	-
Total Undiscounted	-	9,345.0

Corporate Presentation

Alvopetro's updated corporate presentation is available on our website at:

<http://www.alvopetro.com/corporate-presentation>.

Alvopetro Energy Ltd.'s vision is to be the premier independent exploration and production company in Brazil, maximizing shareholder value by being the lowest cost operator and applying innovation to underexploited opportunities. Alvopetro aims to implement a large-scale, repeatable, low-risk, multi-well development program, utilizing advanced technology and completion techniques. Alvopetro's strong financial position, along with our experienced team of professionals, local operating capabilities and highly prospective land base, will enable us to efficiently develop our resource play opportunities.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

BOE Disclosure. The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Forward-Looking Statements and Cautionary Language. This news release contains "forward-looking information" within the meaning of applicable securities laws. The use of any of the words "will", "intend" and other similar words or expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning reserves and potential hydrocarbons in our 1ALV5BA well, exploration and development prospects of Alvopetro and the expected timing of certain of Alvopetro's testing and operational activities. The forward-looking statements are based on certain key expectations and assumptions made by Alvopetro, including expectations and assumptions concerning testing results on the 1ALV5BA well, the timing of regulatory licenses and approvals, availability of capital, the success of future drilling and development activities, prevailing commodity prices and economic conditions, the availability of labour and services, the ability to transport and market our production, timing of completion of infrastructure and transportation projects, weather and access to drilling locations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Although Alvopetro believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Alvopetro can give no assurance that it will prove to be correct. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Alvopetro are included in Petrominerales' Information Circular dated October 29, 2013 which may be accessed through the SEDAR website at www.sedar.com. The forward-looking information contained in this news release is made as of the date hereof and Alvopetro undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Cautionary statements regarding the filing of a Notice of Discovery. Operators in Brazil are required to inform the ANP, through the filing of a Notice of Discovery, of potential hydrocarbon discoveries. These routine notifications to the ANP are not necessary indicative of commercial hydrocarbons, potential production, recovery or reserves. Data obtained from the 1ALV5BA well identified in this press release, including hydrocarbon shows, open-hole logging, net pay and porosities, should be considered to be preliminary until testing, detailed analysis and interpretation has been completed. Hydrocarbon shows can be seen during the drilling of a well in numerous circumstances and do not necessarily indicate a commercial

discovery or the presence of commercial hydrocarbons in a well. There is no representation by Alvopetro that the data relating to the 1ALV5BA well contained in this press release is necessarily indicative of long-term performance or ultimate recovery. The reader is cautioned not to unduly rely on such data as such data may not be indicative of future performance of the well or of expected production or operational results for Alvopetro in the future.

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