

Tourmaline Increases 2013 Exit and 2014 Production Guidance, Updates EP Program, and Announces Asset Acquisitions in the Alberta Deep Basin

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CALGARY, ALBERTA--(Marketwired - Sep 9, 2013) - [Tourmaline Oil Corp.](#) (TSX:TOU) ("Tourmaline" or the "Company") is pleased to announce:

- The 100,000 boepd 2013 production exit volume is expected to be reached and exceeded during the fourth quarter.
- 2014 production guidance increased to between 116,000 and 120,000 boepd.
- The Company continues to successfully delineate and expand the major new light oil resource play in the Charlie Lake Formation on the Peace River High.
- Significant strategic acquisitions thus far in 2013 to the Alberta Deep Basin asset base.
- Tourmaline is currently operating 15 drilling rigs and 8-9 frac spreads, ahead of forecast activity levels.
- The initial large pool Paleozoic Exploration well is currently drilling at Sunset BC.
- Strategy to grow a 50,000 bpd TOU liquids business by late 2016 well under way.

Production Update

Tourmaline remains on track to achieve the upwards revised full year production guidance of 80,000 boepd, representing 57% year over year growth. The Company has tied in 8 wells during the past 3 weeks and expects to tie in a further 11 wells in all three core operated areas prior to the end of September. A further 55 tie-ins/production start-ups during the fourth quarter, combined with the Deep Basin plant expansions at Wild River and Minehead/Banshee will generate 2013 exit volumes in excess of 100,000 boepd. Current production volumes are estimated to be 82,000 boepd with an additional 9,000 boepd expected to be on stream by the end of September. The expanded 2H 2013 drilling program and the Deep Basin acquisitions will lead to an increase in 2014 average production guidance to between 116,000 and 120,000 boepd.

Alberta Deep Basin Expansion

During 2013 Tourmaline has significantly increased the overall asset base in the Alberta Deep Basin. In aggregate, including a transaction that will close at the end of September, the Company has added 148 sections of additional acreage to the existing Deep Basin land position of over 1,800 sections. Thus far in 2013, five separate asset purchases have been completed or are pending, as well as acquisitions at multiple crown land sales. The asset base expansion has targeted the Cretaceous Wilrich formation where the Company continues to deliver very strong horizontal well results from the six rigs currently pursuing Wilrich targets. A total of approximately 125 new horizontal locations have been added to the existing horizontal inventory of over 3,600 locations, including key inventory additions in the Kakwa, Smoky-Horse, Edson and the Lovett-Hanlan areas where Wilrich results have consistently exceeded expectations. In total these acquisitions will add approximately 4,000 boepd of existing production which will contribute to overall corporate production volumes in the fourth quarter. Total incremental capital spending for the 2013 Deep Basin asset expansion program is \$125.0 million through to the end of September.

The initial Wilrich horizontal in the Lovett-Basing frontal foothills setting tested at a final gas rate of 25.5 mmmcfpd @ 7.8 MPa from a 900m lateral section. Three to four similar Wilrich horizontals in this area are planned prior to year end as the Company continues to evaluate this subset of the overall Wilrich inventory.

Tourmaline has the largest land position in the Alberta Deep Basin and expects to eclipse the 0.5 bcf/day gas production level from this core area alone early in 2015.

Peace River High/Spirit River Oil Play Update

Tourmaline is currently operating 4 drilling rigs pursuing the regional Charlie Lake light oil play on the Peace River High, with continued strong results. The Company plans to drill and complete approximately 25 new Charlie Lake horizontals along the regional oil pool trend during the last four months of the year.

In the main Spirit River pool, current Charlie Lake production capacity has reached 14,600 boepd well ahead of the 2H 2013 forecast levels of 11,000 boepd. The third party plant that the Company is currently utilizing to process the associated sour gas production however has been unable to reliably handle the increased gas volumes thus far, with current production averaging 6,500 boepd. Both Tourmaline and the plant operator continue to pursue remedies to bring on stream this behind pipe production. These plant issues will reduce originally expected third and forecast fourth quarter 2013 overall corporate volumes by approximately 4,500 boepd. Production additions elsewhere in the EP portfolio will more than offset the fourth quarter shortfall from Spirit River. The Company is proceeding with plans to build a new 60 mmcfd capacity gas plant at Spirit River with a Q2 2014 target start-up date, providing a significant addition to sour gas processing capacity in the area. This new gas plant, which will include enhanced natural gas liquid recovery, is one component of a comprehensive, regional infrastructure plan that will accommodate the growing, regional play oil and gas volumes.

During 2013, the Company has acquired 485 sections of prospective Charlie Lake rights along the defined oil fairway for total consideration of \$45.8 million. The Company expects oil production from the regional Charlie Lake oil play to reach the 10,000 bpd level in the second half of 2014, with similar continued oil production growth in 2015.

Liquids Business Growth

In addition to growing into a Senior Canadian gas producer, Tourmaline's overall liquid business is also expanding at a rapid pace. Anchored by the regional Charlie Lake oil play, the Company's oil, condensate and natural gas liquid production levels are now projected to reach the 50,000 bpd level in approximately 3 years. The Company has a number of projects underway in all three core operated areas to maximize recovery of both condensate and associated natural gas liquids.

1. Tourmaline will be the principal gas supplier to a planned third party 2015 deep cut facility in the Deep Basin which will yield approximately 10,000 bpd of liquid production net to the Company upon facility start-up.
2. Condensate and natural gas liquids production from the new enhanced shallow cut facility at West Doe BC has been averaging between 1,700-2,000 bpd since plant start-up in July. Tourmaline plans two similar, company operated, enhanced shallow cut facilities in 2014, a second one in the BC Montney core area as well as one associated with the new gas plant at Spirit River Alberta.
3. With continued success in the Peace River High resource play, light oil production volumes are expected to reach 10,000 bpd in 2H 2014 and 20,000 bpd by 2016.
4. Tourmaline has initiated preliminary assessments for 2015/2016 deep cut facilities at Spirit River and for the NEBC Montney complex. Timing, facility sizing and facility funding/ownership structure are under review.

Additional liquid production opportunities are being evaluated for both 2015 and 2016, as the Company continues to evolve this overall strategy to address all aspects of oil and liquid capture, storage, transportation, fractionation and marketing.

EP Program Update

2013 EP Capital spending will be increased from \$847.5 million to \$950.0 million to reflect the Deep Basin acquisitions and the increased 2H 2013 drilling/completion program. Forecast exit 2013 net debt¹ is now \$534.9 million or approximately 0.92 times anticipated 2013 cash flow¹. The recent reduction in 2013 full year cash flow estimates is primarily due to the widening in the NYMEX-AECO natural gas price differential experienced in the third quarter of 2013. The Company expects this issue will be significantly diminished during the fourth quarter of 2013. Current forecast 2014 exit debt of \$371.5 million to estimated 2014 cash flow of \$1,013.5 million is approximately 0.4 times. 2014 cash flow estimates have been increased by \$51.2 million as a result of an increase in 2014 full year average production estimates by 6,000 boepd from

112,000 boepd to 118,000 boepd.

¹ See "Non-GAAP Financial Measures"

Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable securities laws. The use of any of the words "forecast", "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this press release contains forward-looking information concerning Tourmaline's plans and other aspects of its anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities, including anticipated petroleum and natural gas production for various periods, cash flows, net debt levels, debt to cash flow ratios, capital efficiency and capital spending, projected operating and drilling costs, the timing for facility construction, expansions and facility start-up dates, as well as Tourmaline's anticipated new and existing drilling locations and future drilling prospects and plans, completion of acquisitions, the timing thereof and the benefits to be derived therefrom, business strategy, future development and growth opportunities, prospects and asset base. The forward-looking information is based on certain key expectations and assumptions made by Tourmaline, including expectations and assumptions concerning: prevailing commodity prices and exchange rates; applicable royalty rates and tax laws; interest rates; future well production rates and reserve volumes; operating costs the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the successful completion of acquisitions and dispositions; the availability and cost of labour and services; the state of the economy and the exploration and production business; the availability and cost of financing, labor and services; and ability to market oil and natural gas successfully.

Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Although Tourmaline 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 Tourmaline can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Also included in this press release are estimates of Tourmaline's 2013 and 2014 annual cash flow, and net debt at the end of 2013 and 2014, respectively, which are based on the various assumptions as to production levels, including estimated 2013 average production of 80,000 boepd, estimated 2014 average production of between 116,000 and 120,000 boepd, capital expenditures, and other assumptions disclosed in this press release and including commodity price assumptions for natural gas (AECO - \$3.43 /mcf 2013 and \$ 3.86 /mcf 2014), and crude oil (WTI (US) - \$95.00 /bbl 2013 and \$95.00 /bbl 2014) and an exchange rate assumption of \$0.99 (US/CAD) for 2013 and \$1.00 (US/CAD) for 2014. To the extent any such estimates constitute a financial outlook, they were approved by management and the Board of Directors of Tourmaline on September 5, 2013 and are included to provide readers with an understanding of Tourmaline's anticipated cash flow for and net debt as at the periods indicated based on the capital expenditure and other assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes.

Additional information on these and other factors that could affect Tourmaline, or its operations or financial results, are included in the Company's most recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein), Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) and other reports on file with applicable securities regulatory authorities which may be accessed through the SEDAR website (www.sedar.com) or Tourmaline's website (www.tourmalineoil.com).

The forward-looking information contained in this press release is made as of the date hereof and Tourmaline undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless expressly required by applicable securities laws.

Additional Reader Advisories

Boe Conversions

Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Production Tests

Production tests are not necessarily indicative of long-term performance or ultimate recovery.

Non-GAAP Financial Measures

This press release includes references to financial measures commonly used in the oil and gas industry such as "cash flow", and "net debt", which do not have any standardized meaning prescribed by International Financial Reporting Standards ("GAAP"). Management believes that in addition to net income and cash flow from operating activities, the aforementioned non-GAAP financial measures are useful supplemental measures in assessing Tourmaline's ability to generate the cash necessary to repay debt or fund future growth through capital investment. Readers are cautioned, however, that these measures should not be construed as an alternative to net income or cash flow from operating activities determined in accordance with GAAP as an indication of Tourmaline's performance. Tourmaline's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. For these purposes, Tourmaline defines "cash flow" as cash flow from operating activities before changes in non-cash operating working capital and defines "net debt" as long-term bank debt plus working capital (adjusted for the fair value of financial instruments).

Certain Definitions:

bbls	barrels
bcf	billion cubic feet
boe	barrel of oil equivalent
boepd	barrel of oil equivalent per day
bopd	barrel of oil, condensate or liquids per day
gjsd	gigajoules per day
mmboe	millions of barrels of oil equivalent
mbbls	thousand barrels
mmcf	million cubic feet
mcf	thousand cubic feet
mmcfpd	million cubic feet per day
mmcfpde	million cubic feet per day equivalent
mcfe	thousand cubic feet equivalent
mmbtu	million British thermal units
mstboe	thousand stock tank barrels of oil equivalent

About Tourmaline Oil Corp.

Tourmaline is a Canadian intermediate crude oil and natural gas exploration and production company focused on long-term growth through an aggressive exploration, development, production and acquisition program in the Western Canadian Sedimentary Basin.

Contact

[Tourmaline Oil Corp.](#)

Michael Rose
Chairman, President and Chief Executive Officer
(403) 266-5992

[Tourmaline Oil Corp.](#)

Brian Robinson
Vice President, Finance and Chief Financial Officer
(403) 767-3587
robinson@tourmalineoil.com

[Tourmaline Oil Corp.](#)

Scott Kirker
Secretary and General Counsel
(403) 767-3593
kirker@tourmalineoil.com

[Tourmaline Oil Corp.](#)

Suite 3700, 250 - 6th Avenue S.W.
Calgary, Alberta T2P 3H7
(403) 266-5992
(403) 266-5952
www.tourmalineoil.com

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