

RMP Energy Announces Strategic Asset Purchase and Provides Operations Update

21.10.2013 | [Marketwired](#)

CALGARY, ALBERTA -- (Marketwired - Oct. 21, 2013) - [RMP Energy Inc.](#) ("RMP" or the "Company") (TSX:RMP) is pleased to announce a strategic asset purchase and provide an operational update highlighting the results from a recently-completed Ante Creek Montney oil well in addition to Waskahigan and Grizzly area operations.

Ante Creek and Waskahigan Asset Purchase

On October 21, 2013, RMP entered into a definitive purchase and sale agreement to acquire complementary Montney light oil assets located in its core areas of Ante Creek and Waskahigan in West Central Alberta for total cash consideration of \$38.0 million, subject to customary closing adjustments (the "Acquisition"). Closing of the Acquisition is anticipated to occur on or about November 1, 2013. The Acquisition will be funded through existing available bank lines, which are anticipated to be increased pursuant to the bank's semi-annual review of the Company's credit facility borrowing base. GMP Securities L.P. acted as financial advisor to RMP with respect to the Acquisition.

The Acquisition enables RMP to consolidate its working interest and obtain operatorship on key undeveloped lands at Ante Creek in addition to adding new undeveloped acreage at Waskahigan, where the Company has developed significant technical acumen with the Triassic-age Montney reservoir formation. In total, 25.75 gross sections (19.875 net) of land will be acquired, in addition to approximately 300 boe/d of current production (weighted 60% towards light oil), and approximately 1,000 Mboe of gross proved plus probable reserves (based on the Company's internal evaluation in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities and effective October 1, 2013). Pursuant to the Acquisition, RMP is acquiring a partner's 50% working interest, which the Company does not currently own, in an 11.75 section land block at Ante Creek and a 100% working interest in 14 sections contiguous to the northern portion of the Company's lands in Waskahigan. A map highlighting the location of the acquired lands is available on the Company's website at www.rmpenergyinc.com. In aggregate, upon closing of the Acquisition, RMP will hold a total of 106 sections (105.15 net) of land at Ante Creek, Waskahigan and Grizzly, providing a significant light oil resource base with an extensive inventory of future drilling opportunities.

Ante Creek Operations

During the third quarter at Ante Creek, RMP successfully drilled and completed a 100% working interest Montney horizontal light oil well located at 16-25-66-24W5 and recently drilled another 100% working interest horizontal well at 4-26-66-24W5, which is awaiting completion operations.

The 16-25 well was the first well drilled in section 25-66-24W5 and the flow-test results from the recently-conducted completion operation were very strong. Over the initial 52 hour flow back, the 16-25 well recovered all of the fracture stimulation fluid. During the extended 164 hour production test after recovering the frac fluid, the 16-25 well produced 13,700 bbls of 39 degree API light oil for an average rate of approximately 2,000 bbls/d and 1.4 MMcf/d of associated solution gas for an oil equivalent rate of 2,230 boe/d. This well flowed at an average surface wellhead pressure of 870 psi (6,000 Kpa), which is consistent with the Company's five other previously-drilled Ante Creek wells. Please refer to important Reader Advisories at the end of this news release.

In the third quarter, RMP drilled a vertical water disposal well at its Ante Creek 4-36 Battery, in order to provide future operating cost savings and field efficiencies, under a full development program. As part of the drilling of the well, a 45 meter full-diameter core sample was recovered from the top of the oil bearing Montney formation, including the underlying Coquina interval. The core sample had significant oil staining and identified a second, upper Coquina interval unit. The core measured permeability of up to 455 millidarcies and porosity up to 16%. This core data will be incorporated into the Company's geological, petrophysical and reservoir models.

The Company has now successfully drilled, completed and tied-in a total of six (6.0 net) Montney horizontal

oil wells in the Ante Creek area. Currently, third-party solution gas compression is insufficient to facilitate the simultaneous production of all six wells. Consequently, only three wells are presently producing at restricted rates with wellhead chokes and no artificial lift support. The well production performance at Ante Creek, notwithstanding the solution gas capacity constraints, has exceeded the Company's expectations. A total of approximately 700,000 bbls of light oil has been produced from the field (through to October 1, 2013). The following outlines the cumulative production results to-date of RMP's Ante Creek wells and their current status.

Well	Current Status	Cumulative Oil Production (bbls)	Cumulative Gas Production (MMcf)	Cumulative Boe Production (6:1)	Days Produced
13-26-66-24W5	Producing	259,333	298.9	309,160	224.0
4-35-66-24W5	Producing	190,469	260.5	233,890	220.6
1-36-66-24W5	Shut-in	173,828	294.3	222,880	158.8
5-35-66-24W5	Shut-in	66,095	103.1	83,278	50.0
16-25-66-24W5 (1)	Producing	13,700	-	13,700	6.8
13-27-66-24W5 (2)	Shut-in	1,145	-	1,145	1.0

Note:

1. Disclosed 16-25 well production in table reflects new oil produced during extended production flow test.
2. Disclosed 13-27 well production in table reflects new oil produced during production flow test.

As previously disclosed, in order to alleviate this gas conservation capacity constraint, the Company is proceeding with the installation of a wholly-owned pipeline inter-connect between its Ante Creek and Waskahigan properties, including the expansion of RMP's Ante Creek surface field facilities with solution gas handling increased to 22 MMcf/d. As a result of well performance and recent drilling success, in order to ensure, in the long term, sufficient oil take-away capacity, RMP is installing a larger eight inch oil pipeline than the originally-planned six inch line. The future oil handling capacity through this pipeline could be increased to about 20,000 bbls/d as a result of installing the larger pipeline.

Barring any unforeseen delays, the pipeline inter-connect and related field equipment is scheduled to be commissioned and operational in late-February 2014. A significant "step-change" increase in corporate production is expected upon commissioning of the Ante Creek pipeline, with the Company's productive capacity forecasted to aggregate to at least 9,000 boe/d, providing for forecasted annualized 'run rate' field operating cash flow of approximately \$130 million.

At Ante Creek, RMP has a significant asset 'footprint' in the area and now holds 35.75 gross sections (35.75 net) of land, including the acreage purchased through the aforementioned Acquisition.

Waskahigan Operations

In the third quarter of this year at Waskahigan, RMP drilled four (4.0 net) Montney horizontal oil wells (three step-out and one down-space). The wells were successfully completed with production test results as expected. Two of the four wells (8-10-64-23W5 and 5-9-64-23W5) were tied-in and producing into the Company's 12-7 Battery in late-September 2013. The other two wells (13-5-64-23W5 and 1-23-63-23W5) are expected to be tied-in and producing by the end of October 2013 and December 2013, respectively. Overall, the Company has drilled a total of thirty-five (35.0 net) Montney horizontal oil wells at Waskahigan with 100% success. At Waskahigan, RMP holds a 100% working interest position on 56 sections of acreage.

Grizzly Operations

At Grizzly, to the southeast of Waskahigan, RMP's 4-5-63-22W5 horizontal well is tied-in to an area operator's oil battery facility, however, solution gas handling issues at a Simonette gas plant downstream of this battery is preventing this well from commencing production. The Company expects this well to be on-production on or about October 22, 2013, at a production rate similar to that of a typical Waskahigan type-well. At Grizzly, RMP holds a 94% working interest position on 14.25 sections of acreage, providing the Company with another Montney light oil resource project to delineate and develop. By the end of this year, RMP intends to drill an exploration well at Grizzly (8-29-62-22W5).

Corporate Production

Field estimated average daily production for the third quarter of 2013 was approximately 6,600 boe/d (weighted 51% light oil and NGLs and 49% natural gas), relatively flat as compared to the preceding second quarter production level, which is reflective of the low-decline stage of the Company's asset base. Significantly wet field conditions in late-June and early-July delayed the Company's third quarter drilling, completion and well tie-in operations. As a result, RMP did not bring on-stream a new well during a five month period between the end of March and end of August 2013. Notwithstanding, the Company remains on-track to achieve its previously-increased fiscal 2013 guided average daily production target of approximately 6,800 boe/d.

Corporate Reserves

As a result of the strong Ante Creek well production performance during the year, in relation to its respective year-end 2012 reserves bookings, and in conjunction with the semi-annual review of the borrowing base associated with the Company's committed revolving bank credit facility, RMP has commissioned its independent qualified reserves evaluator, InSite Petroleum Consultants Ltd. ("InSite"), to assess and update the Company's crude oil and natural gas reserves as of October 1, 2013. This corporate reserves update is expected to be finalized in mid-November.

Abbreviations

bbl or bbls	barrel or barrels	Mcf/d	thousand cubic feet per day
Mbbl	thousand barrels	MMcf/d	million cubic feet per day
bbls/d	barrels per day	Mc	thousand cubic feet
boe	barrels of oil equivalent	MMcf	million cubic feet
Mboe	thousand barrels of oil equivalent	Bcf	billion cubic feet
boe/d	barrels of oil equivalent per day	psi	pounds per square inch
NGLs	natural gas liquids	kPa	kilopascals
WTI	West Texas Intermediate	GJ/d	Gigajoules per day

Reader Advisories

Any references in this news release to initial and/or final raw test or production rates and/or "flush" production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Test results are not necessarily indicative of long-term performance or ultimate recovery.

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. More particularly and without limitation, this news release contains forward-looking information relating to: the anticipated closing date of the Acquisition; estimated acquired production and proved plus probable reserves associated with the Acquisition; anticipated bank borrowing increase to the Company's available bank lines; forecasted average daily production rates and liquids weighting (light oil and NGLs) for third quarter 2013, fiscal 2013 and upon commissioning of the proposed Ante Creek pipeline in 2014; annualized 'run rate' field operating cash flow upon commissioning of the Ante Creek pipeline in 2014; estimated incremental cost of the larger oil pipe size for the Ante Creek pipeline; the timing for the Company's wells at Waskahigan being tied-in and producing; the timing for bringing the Company's well at Grizzly on-production as well as its production rate; the Company's estimated crude oil and solution gas handling capacity at the Ante Creek 4-36 Battery following the proposed expansion of field infrastructure and pipeline installation; the estimated commissioning and operational date of the Ante Creek pipeline and related field infrastructure expansion; and the timing of the finalization of the Company's Corporate Reserves update.

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

These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, including: the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; volatility in market prices for crude oil, natural gas and NGLs; foreign exchange currency and interest rate fluctuation; stock market volatility and market valuations; liabilities inherent in oil and natural gas operations; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that the Company will derive from them. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements.

In this news release RMP has adopted a standard for converting thousands of cubic feet ("mcf") of natural gas to barrels of oil equivalent ("boe") of 6 mcf:1 boe. Use of boes may be misleading, particularly if used in isolation. The boe rate is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

Net debt refers to outstanding bank debt plus working capital deficit or less any working capital surplus (excludes current unrealized amounts pertaining to risk management commodity contracts). Net debt is not a recognized measure under IFRS and does not have a standardized meaning. Field operating netback or operating netback refers to realized wellhead revenue less royalties, operating expenses and transportation costs per boe. Field operating netback or operating netback is not a recognized measure under IFRS and does not have a standardized meaning.

Field operating cash flow or netback refers to realized wellhead revenue less royalties, operating expenses and transportation costs per boe. Field operating cash flow or netback is not a recognized measure under IFRS and does not have a standardized meaning.

Contact

[RMP Energy Inc.](#)

John Ferguson, President and Chief Executive Officer
(403) 930-6303
john.ferguson@rmpenergyinc.com

RMP Energy Inc.

Dean Bernhard, Vice President, Finance and Chief Financial Officer
(403) 930-6304
dean.bernhard@rmpenergyinc.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/159557--RMP-Energy-Announces-Strategic-Asset-Purchase-and-Provides-Operations-Update.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).