

Clear Mountain Resources Corp. Enters Into Binding Letter of Intent to Acquire US\$108 Million Oil and Gas Asset

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VANCOUVER, Nov. 5, 2013 - [Clear Mountain Resources Corp.](#) ("Clear Mountain" or the "Company") (TSX VENTURE:CY) is pleased to announce that it has entered into a binding Letter of Intent (the "LOI") to acquire all of the right, title and interest of the assets owned and operated by Performance Energy Resources, LLC ("PERL") in and to approximately 75,710 gross acres of leased lands in Osage County, Oklahoma (the "Osage Property"), of which approximately 87% is held by production ("HBP"). PERL holds a 100% working interest and at least an 80% net revenue interest in approximately 62,590 gross legacy acres, with 97% HBP status. In addition, PERL is the joint venture operator on an estimated additional 13,120 gross concession acres, with 7,040 acres in their primary term, in which PERL holds a 60% working interest. PERL is a private limited liability company based in Osage County, Oklahoma and arm's length to the Company.

The purchase price for the Osage Property is US\$108 million cash and includes over 700 producing oil and gas wells, equipment, inventory, improvements, leases, permits, licenses, surface rights, easements, agreements and other assets and interests owned or leased by PERL in the exploration, development, operation, production and maintenance of the Osage Property.

In addition to the purchase price, PERL shall have the right to earn up to US\$9 million in common shares of the Company (the "CMR Bonus Shares") during the three year period following closing if the net operating cash flow (the "NOCF") from the Osage Property equals or exceeds the following performance thresholds:

- (a) US\$3 million in CMR Bonus Shares, if the NOCF equals or exceeds US\$25 million during the first year of operations;
- (b) an additional US\$3 million in CMR Bonus Shares, if the NOCF equals or exceeds US\$59 million during the first 2 years of operations; and
- (c) a final US\$3 million in CMR Bonus Shares, if the NOCF equals or exceeds US\$97 million during the first 3 years of operations.

The CMR Bonus Shares will be issued at a deemed price per share equal to the purchase price of the Company's common shares to be issued under the equity portion of the financing to be completed by the Company concurrently with the closing of the transaction (the "Concurrent Financing").

The effective date for the purchase and sale of the Osage Property shall be January 1, 2014 with a deadline for completing the transaction of January 31, 2014. Closing of the purchase and sale of the Osage Property is subject to various condition precedents including the Company completing the Concurrent Financing, the preparation of a National Instrument 51-101 technical report on the Osage Property, the completion of a satisfactory due diligence and title review by the Company, the receipt of all applicable third party consents and the acceptance of the TSX Venture Exchange. The transaction is also subject to the Company entering into satisfactory employment/consulting agreements with the current principals of PERL to operate the Osage Property for a minimum period of three years after closing.

Strategic Rationale for the Transaction

The board of directors of Clear Mountain believes that the transaction provides a number of benefits to its shareholders. Highlights include:

- Opportunity to leverage PERL's knowledge and expertise in the area with Clear Mountain's technical and operating team that has experience with similar types of assets;
- Based on historical drilling, the acreage is considered to be highly predictable due to existing drilling density.
- A multi-year development program can be funded with operating cash flow;

- Over 700 locations with 10 acre spacing have been identified and will form the initial phase of development (150 wells are targeted for development in 2014);
- Existing density allows for the identification of future development opportunities in excess of the initial 700 locations;
- In addition to growing cash flow and production from developing new wells from established reserves, there are opportunities to create value from existing acreage through:
 - Behind Pipe Upside;
 - Well reactivation of temporarily abandoned wells;
 - Waterflood implementation;
 - Chemical treatment; and
 - Horizontal drilling.
- The PERL assets represent an excellent platform from which Clear Mountain can pursue its objective of becoming one of the largest operators in Northeast Oklahoma. Clear Mountain is currently evaluating a number of additional strategic opportunities to expand the asset base with complementary assets.

About PERL

PERL has been operating for over 20 years and its largely contiguous acreage is primarily located in the eastern part of Osage County. PERL currently possesses an established production infrastructure supported by experienced technical support staff, operations personnel and administrative staff. According to PERL's latest financial statements, net revenue interest production averaged 1,045 barrels of oil equivalent per day (approximately 75% crude oil). Current production is primarily from multiple stacked shallow oil reservoirs (including the Mississippian and Pennsylvanian reservoirs).

About Osage County

Osage County is located on the Cherokee Platform in Oklahoma and has experienced oil production since the early 1900's. Multiple stacked reservoirs from the Pennsylvanian through the Ordovician are productive. Major reservoirs on the PERL acreage are the Mississippi Lime, Mississippi Chat and the Bartlesville. The Mississippian Lime, a fine grained tight limestone with localized porosity development, is generally encountered at 1,900 feet to 2,500 feet. The Mississippian Chat is found directly above the Lime and is a highly fractured siliceous deposit with porosities of more than 35%. The Bartlesville is found less than 200 feet above the Chat and is comprised of several sandstone members. The area is not structurally complex, and exhibits a gentle monoclinal dip to the southwest, with localized structural highs. Production is from structural traps, stratigraphic sand pinchouts and porosity/permeability and unconformities traps in carbonates.

About Clear Mountain

[Clear Mountain Resources Corp.](#) is a junior mineral resource exploration company with its head office in Vancouver, British Columbia, Canada. The Company's principal business is the identification, evaluation and acquisition of mineral, oil and gas properties, and the subsequent exploration and operation thereof.

Neither 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 release.

This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected. Specifically, the LOI is subject to numerous conditions precedent to closing including the completion of a satisfactory due diligence and title review by the Company and regulatory approvals. There are no assurances that all conditions precedent will be satisfied or waived or that the purchase and sale of the Osage Property will be successfully completed on the terms and conditions contemplated herein or at all. Additionally, the purchase and sale of the Osage Property is subject to the Company completing a concurrent financing of not less than US\$108 million on or before January 31, 2014 and there are no assurances that the Company will be successful in raising such capital to complete the transaction on

commercially reasonable terms or at all. All of the forward-looking statements made in this news release are qualified by these cautionary statements and those made in our Canadian continuous disclosure filings available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation.

Contact

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