

Crown Point Announces Results for the Three Months and Year Ended December 31, 2013

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CALGARY, ALBERTA--(Marketwired - Apr 21, 2014) - [Crown Point Energy Inc.](#) ("**Crown Point**" or the "**Company**") (TSX VENTURE:CWV) today announces its operating and financial results for the three months and year ended December 31, 2013. Copies of the Company's audited consolidated financial statements, Management's Discussion and Analysis ("MD&A") and Annual Information Form (containing the Company's National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**") disclosure for the year ended December 31, 2013) are being filed with Canadian securities regulatory authorities and will be made available under the Company's profile at www.sedar.com and on the Company's website at www.crownpointenergy.com. All dollar figures are expressed in United States dollars unless otherwise stated, and M\$ means thousands of U.S. dollars.

FINANCIAL AND OPERATING HIGHLIGHTS

Highlights for the year ended December 31, 2013 include:

- **Cerro de Los Leones** - 100% interest La Hoyada x-1 well drilled and cased as a potential conventional Vaca Muerta oil well.
- **Tierra del Fuego Concessions Extended** - Approval of ten year extensions to August, 2026 received.
- **Ten Well Initial Tierra del Fuego Drilling Program** - Drilling operations expected to commence in late April 2014.
- **Argentina New Gas Incentive Program** - On March 30, 2014, Crown Point submitted to the Argentine Government its formal proposal for participation in the New Gas Incentive Program for smaller companies announced in November 2013.
- **Average Daily Sales Volumes:** 1,797 BOEPD.
- **Operating Netback per BOE:** \$13.93.
- **Funds Flow From Operations:** \$7.5 million.
- **Petro Plus Credits** - The Company received proceeds of \$6.0 million for the sale of Petroleo Plus Credits.
- **Total Corporate Proved Reserves:** 3.43 million BOE (gross working interest).
- **Total Proved plus Probable Reserves:** 5.75 million BOE (gross working interest).

FINANCIAL AND OPERATING RESULTS

Results for the three months and year ended December 31, 2013 include:

- **Average Daily Sales Volumes:** 1,667 BOEPD and 1,797 BOEPD for the three months and year ended December 31, 2013, respectively, as compared to 2,053 BOEPD for the four months ended December 31, 2012 and 727 BOEPD for the year ended August 31, 2012⁽¹⁾.

- **Operating Netback per BOE:** \$14.16 and \$13.93 for the three months and year ended December 31, 2013, respectively, as compared to \$15.81 for the four months ended December 31, 2012 and \$20.92 for the year ended August 31, 2012⁽¹⁾. As Tierra del Fuego volumes, which include a large percentage of natural gas volumes that earn a lower operating netback than oil sales volumes from the El Valle area, are only included in the June 1 to August 31 portion of the year ended August 31, 2012, the operating netback is higher for the year ended August 31, 2012.
- **Funds Flow From (Used In) Operations:** \$2.2 million and \$7.5 million for the three months and year ended December 31, 2013, respectively, compared to \$2.5 million for the four months ended December 31, 2012 and \$(0.6) million for the year ended August 31, 2012⁽¹⁾.

Operating Netbacks - Total Company

	Three months ended December 31, 2013	Year ended December 31, 2013	Four months ended December 31, 2012	Year ended August 31, 2012
Total sales volumes (BOE)	153,327	655,788	250,411	266,215
Average daily sales volumes (BOEPD)	1,667	1,797	2,053	727
Oil and gas revenue	\$ 5,208,744	\$ 21,716,647	\$ 8,298,961	\$ 10,768,464
Royalties	(921,206)	(4,062,015)	(1,474,906)	(2,383,336)
Operating costs	(2,115,637)	(8,522,994)	2,865,659	2,816,568
Operating netback	\$ 2,171,901	\$ 9,131,638	\$ 9,689,714	\$ 11,201,696
Per BOE				
Oil and gas revenue	\$ 33.97	\$ 33.12	\$ 33.14	\$ 40.45
Royalties	(6.01)	(6.19)	(5.89)	(8.95)
Operating costs	(13.80)	(13.00)	(11.44)	(10.58)
Operating netback	\$ 14.16	\$ 13.93	\$ 15.81	\$ 20.92

⁽¹⁾ Financial and operating results for the year ended August 31, 2012 only include results from the Tierra del Fuego area from May 28 to August 31, 2012 as the Company's interests in the area were not acquired until May 28, 2012.

RESERVES

McDaniel & Associates Consultants Ltd. ("McDaniel"), an independent qualified reserves evaluator, evaluated the oil and natural gas reserves attributable to all of Crown Point's properties as at December 31, 2013 based on forecast prices and costs and in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. McDaniel's evaluation also presents the estimated net present value of future net revenue of Crown Point. McDaniel's report dated March 7, 2014 on Crown Point's oil and gas reserves as at December 31, 2013 is summarized below:

SUMMARY OF RESERVES AS OF December 31, 2013 AS COMPARED TO December 31, 2012 (Forecast Prices & Costs)

Reserves Category	Company Gross Oil and Liquids (Mbbls)		% Change	Company Gross Natural Gas (Mmcf)		% Change
	December 2013	December 2012		December 2013	December 2012	
Proved developed producing	364	854	-57%	7,646	8,575	-11%
Proved developed non-producing	202	265	-24%	319	364	-12%
Proved undeveloped	265	417	-36%	7,651	7,860	-3%
Total proved	830	1,535	-46%	15,616	16,799	-7%
Total probable	783	1,250	-37%	9,184	9,423	-3%
Total proved plus probable	1,613	2,785	-42%	24,800	26,222	-5%
Total possible	924	992	-7%	5,200	4,492	+16%
Total proved plus probable plus possible	2,537	3,778	-33%	30,000	30,714	-2%

Reserves Category	Company Gross Total Reserves MBOE		% Change
	December 2013	December 2012	
Proved developed producing	1,638	2,283	-28%
Proved developed non-producing	255	325	-22%

Proved undeveloped	1,540	1,727	-11%
Total proved	3,433	4,334	-21%
Total probable	2,313	2,821	-18%
Total proved plus probable	5,746	7,155	-20%
Total possible	1,791	1,741	+3%
Total proved plus probable plus possible	7,537	8,897	-15%

SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE

AS OF December 31, 2013

(Forecast Prices & Costs)

Reserves Category	Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year)				
	0% M\$	5% M\$	10% M\$	15% M\$	20% M\$
Proved developed producing	14,376	13,519	12,770	12,110	11,524
Proved developed non-producing	4,602	4,195	3,840	3,528	3,252
Proved undeveloped	15,419	12,155	9,649	7,694	6,146
Total proved	34,396	29,870	26,259	23,331	20,921
Total probable	40,487	31,890	25,569	20,818	17,176
Total proved plus probable	74,883	61,760	51,828	44,149	38,098
Total possible	39,433	28,512	21,078	15,859	12,094
Total proved plus probable plus possible	114,316	90,272	72,906	60,008	50,191

- (1) "Possible reserves" are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.
- (2) The estimated net present values of future net revenues disclosed do not represent fair market value.

Sales of oil and natural gas during the year ended December 31, 2013 were 655,788 BOE comprised of 200,053 bbls of oil and liquids and 2.734 Bcf of natural gas.

Reserve volumes and net present values of Crown Point's reserves were impacted by several factors. Crown Point's sales volumes for the period were 655,788 BOE with sales revenue of \$21,716,647. Crown Point did not drill any wells during 2013 as it was awaiting governmental approval for the extension of the Tierra del Fuego ("TDF") Concessions and preparing for the commencement of drilling operations in TDF and at Cerro de Los Leones. Technical revisions were primarily due to depleted reservoir pressure in the south east area of El Valle resulting in a negative revision to primary oil recovery on proved plus probable reserves of 729,000 barrels comprised of a negative revision of 391,000 barrels of proved reserves and of 338,000 barrels of probable reserves. Although supported by higher commodity prices, increased operating costs at El Valle and on the TDF Concessions, coupled with reserve revisions, impacted net present values.

Further details of the evaluation of the Company's reserves as at December 31, 2013 will be contained in the Company's NI 51-101 filings for the year ended December 31, 2013 included in the Annual Information Form which will be filed with Canadian securities regulatory authorities and will be made available under the Company's profile at www.sedar.com and on the Company's website at www.crownpointenergy.com.

OPERATIONS

TIERRA DEL FUEGO, ARGENTINA

The Company's 25.78% working interest in the TDF area of Argentina covers approximately 489,000 acres (126,000 net acres) in the Austral Basin and includes the Las Violetas, Angostura Sur and Rio Cullen exploitation concessions. The primary term of all three concessions expires in November 2026.

Crown Point's TDF Concessions are high quality natural gas weighted assets possessing the capability to deliver increased levels of production and reserves in an expected increasing natural gas price market.

The Company signed a drilling contract with San Antonio International to provide a drilling rig for our initial

ten well drilling program in Tierra del Fuego on February 27, 2014.

The drilling rig arrived in TDF in April with drilling operations on the Las Violetas Exploitation Concession expected to commence in late April. The term of the contract is one year with provisions for extending the term.

The initial ten well program on the Las Violetas Exploitation Concession will consist of eight development wells in the Los Flamencos gas pool and two exploration wells, one on the Puesto Quince prospect and another near the southern San Luis natural gas pool. Site preparation and pre-drilling logistics have largely been completed for this drilling program. All of the drilling locations have been fully imaged with 3-D seismic. The Puesto Quince prospect lies to the northeast of the Los Flamencos and Los Patos producing pools and is adjacent to the Rio Chico gas pool. The feature has a seismically mapped areal extent of approximately 50 km². The San Luis exploration prospect has been defined with 3-D seismic and is located on a separate fault block near the San Luis gas pool which to date has produced approximately 32 Bcf of natural gas.

Concurrent with the commencement of drilling operations, a fracture stimulation program will be performed on four producing wells in the Los Flamencos natural gas pool and one well in the San Luis field. A similar program undertaken in 2010 significantly improved deliverability from five wells in the Los Flamencos pool.

NEW GAS INCENTIVE IMPACT ON CROWN POINT

In November 2013, the Company was informed that its application for participation in the New Gas Incentive had been rejected because the Government of Argentina had determined that the New Gas Incentive would not apply to companies of Crown Point's size; however on November 28, 2013 the government announced the introduction of a new incentive program (the "Program"), designed for companies with lower gas production rates.

The Program is similar to the New Gas Incentive in that it compensates companies for increasing production above base production levels. The Company submitted its application to participate in the Program on March 30, 2014. As of the date hereof, the Company's application has not been processed and approved by the government. Additional details of the New Gas Incentive and the Program will be disclosed in the Company's Annual Information Form for the year ended December 31, 2013.

CERRO DE LOS LEONES, NEUQUEN BASIN, ARGENTINA

The Company's 100% interest in the Cerro de Los Leones exploration concession covers approximately 306,646 acres in the Mendoza portion of the Neuquén Basin.

The Company has completed the interpretation of seismic and has identified two separate structural features, La Hoyada and La Mocha.

On February 12, 2014 the Company announced that it has drilled, logged, cased and rig released the La Hoyada x-1 exploration well as a potential Vaca Muerta oil discovery. The La Hoyada x-1 well was drilled to a total depth of 1,953 metres and encountered persistent oil shows and gas while drilling through the Vaca Muerta formation which consisted of 125 metres of shale and 84 metres of imbedded fractured igneous intrusives.

Crown Point believes that the presence of the oil shows and background gas demonstrates that the Vaca Muerta formation at Cerro de Los Leones is mature and generating oil. Analogous wells in the area indicate that the fractured intrusive igneous rocks in the Vaca Muerta function as conventional fractured reservoirs sourcing oil from the surrounding Vaca Muerta shale. Interpretation of samples and logs indicate that 36 metres of the total 84 metres of intrusives were highly fractured and had the best live oil shows during drilling.

Similar igneous intrusives in the Mendoza portion of the Northern Neuquén basin are recognized as significant hydrocarbon reservoirs having produced over 26 MMbbls of oil to date from areas surrounding

Cerro de los Leones.

Additional secondary targets in the well include a 5 metre thick fractured limestone layer at the bottom of the Chachao Formation and several fractured igneous intrusives in the Agrio Formation all with oil and gas shows and full gas chromatography.

Crown Point has sent the Vaca Muerta drilling samples for laboratory analysis to obtain information on total organic content and thermal maturity. The Company anticipates that it will commence completion operations on the La Hoyada well in April 2014. If the completion is successful, the Company plans to place the well on a production test with the potential for further drilling at Cerro de los Leones later in 2014.

A potential analogy to the La Hoyada well is the Vega del Sol well x-1, located 4 kilometres to the northwest of La Hoyada. This well was drilled in 1995 by YPF and encountered the Vaca Muerta 150 metres structurally lower than the La Hoyada well. It was completed in intrusive igneous rocks penetrating the Chachao formation and production tested at rates between 300 and 400 barrels of oil per day. Due to problems with the well cementation program it was subsequently suspended and abandoned by YPF.

Crown Point believes that this drilling result is confirmation of the conventional and unconventional potential of the Vaca Muerta formation on Crown Point's 100% interest in the 314,000 acre Cerro de Los Leones Exploration Concession. Crown Point's geological model at Cerro de Los Leones has indicated an area of 350km² that could lie in the oil generation window.

About Crown Point

[Crown Point Energy Inc.](#) is an international oil and gas exploration and development company headquartered in Calgary, Canada, incorporated in Canada, trading on the TSX Venture Exchange and operating in South America. Crown Point's exploration and development activities are focused in the Golfo San Jorge, Neuquén and Austral basins in Argentina. Crown Point has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities to provide a basis for future growth.

Advisory

Certain Oil and Gas Disclosures: Barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet (6 Mcf) to one barrel (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. In addition, given that the value ratio based on the current price of crude oil in Argentina as compared to the current price of natural gas in Argentina 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. "MBOE" means thousands of barrels of oil equivalent. "BOEPD" means barrels of oil equivalent per day. "Mcf" means thousand cubic feet. "Mmcf" means million cubic feet. "Bcf" means billion cubic feet. "Mbbls" means thousands of barrels.

Non-IFRS Measures: This press release discloses "funds flow from operations" and "operating netbacks", which do not have standardized meanings under International Financial Reporting Standards ("IFRS") and as such may not be comparable with the calculation of similar measures used by other entities. Funds flow from operations should not be considered an alternative to or more meaningful than, cash flow from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Management uses funds flow from operations to analyze operating performance and considers funds flow from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investment. A reconciliation of funds flow from operations to cash flow from operating activities is presented in the MD&A under "Non-IFRS Measures". Operating netbacks are calculated on a per unit basis as oil, natural gas and natural gas liquids revenues less royalties, transportation and operating costs. Management believes this measure is a useful supplemental measures of the Company's profitability relative to commodity prices. See "Operating Netbacks - Total Company".

Forward looking information: Certain information set forth in this document, including: our belief that the La Hoyada x-1 well is a potential conventional Vaca Muerta oil well; our expectation that drilling operations will

commence at TDF in late April 2014; our belief that our interests in the TDF area possess the capability of delivering increased levels of production and reserves in an expected increasing natural gas price market; our expectation that drilling operations on the Las Violetas Exploitation Concession will commence in late April; the details of the initial ten well program on the Las Violetas Exploitation Concession, including the type and location of wells to be drilled; our intention to perform a fracture stimulation program on four producing wells in the Los Flamencos natural gas pool and one well in the San Luis field, and our expectations for results therefrom; details regarding the proposed New Gas Incentive and Program and our intention to participate in the Program; our belief that the presence of the oil shows and background gas in the La Hoyada x-1 well demonstrates that the Vaca Muerta formation at Cerro de Los Leones is mature and generating oil; our belief that analogous wells in the area indicate that the fractured intrusive igneous rocks in the Vaca Muerta function as conventional fractured reservoirs sourcing oil from the surrounding Vaca Muerta shale; our views regarding additional secondary targets in the La Hoyada x-1 well; our anticipation that we will commence completion operations on the La Hoyada well in April 2014; our plan that if the completion is successful, we will place the well on a production test with the potential for further drilling at Cerro de los Leones later in 2014; our belief that this drilling result is confirmation of the conventional and unconventional potential of the Vaca Muerta formation on our Cerro de Los Leones Exploration Concession; and our belief that an area of 350km² could lie in the oil generation window on the Concession; is considered forward-looking information, and necessarily involve risks and uncertainties, certain of which are beyond Crown Point's control.

Such risks include but are not limited to: risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation; risks associated with operating in Argentina, including risks of changing government regulations (including the adoption of, amendments to, or the cancellation of government incentive programs or other laws and regulations relating to commodity prices, taxation, currency controls and export restrictions, in each case that may adversely impact Crown Point), expropriation/nationalization of assets, price controls on commodity prices, inability to enforce contracts in certain circumstances, the potential for a sovereign debt default or a hyperinflationary economic environment, and other economic and political risks; loss of markets and other economic and industry conditions; volatility of commodity prices; currency fluctuations; imprecision of reserve estimates; environmental risks; competition from other producers; inability to retain drilling services; incorrect assessment of value of acquisitions and failure to realize the benefits therefrom; delays resulting from or inability to obtain required regulatory approvals; the lack of availability of qualified personnel or management; stock market volatility and ability to access sufficient capital from internal and external sources; and economic or industry condition changes. Actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that Crown Point will derive therefrom. In addition, the information relating to reserves is deemed to be forward-looking information, as such information involves the implied assessment, based on certain estimates and assumptions, that the reserves described can be economically produced in the future.

With respect to forward-looking information contained herein, the Company has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in Argentina; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the costs of obtaining equipment and personnel to complete the Company's capital expenditure program; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms when and if needed; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration activities; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, commodity price controls, import/export matters, taxes and environmental matters in Argentina; and the ability of the Company to successfully market its oil and natural gas products. Additional information on these and other factors that could affect Crown Point are included in reports on file with Canadian securities regulatory authorities, including under the heading "Risk Factors" in the Company's annual information form, and may be accessed through the SEDAR website (www.sedar.com). Furthermore, the forward-looking information contained in this document are made as of the date of this document, and Crown Point does not undertake any obligation to update publicly or to revise any of the included forward looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.

Analogous Information: Certain information contained herein is considered "analogous information" as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

Such analogous information has not been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook and Crown Point is unable to confirm whether such estimates have been prepared by a qualified reserves evaluator. In particular, this presentation presents: cumulative production information for areas in close proximity to areas in which the Company has an interest and results from a well drilled by YPF in close proximity to the Company's La Hoyada x-1 well. Such information is not intended to represent projections of future results. Such information has been presented to show the presence of oil and gas resources in areas analogous to Crown Point's areas of interest. Such information is based on independent public data and public information received from other producers and Crown Point has no way of verifying the accuracy of such information and cannot determine whether the source of the information is independent. Such information has been presented to help demonstrate the basis for Crown Point's business plans and strategies. There is no certainty that such results will be achieved by Crown Point and such information should not be construed as an estimate of future reserves or resources or future production levels.

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 news release.

Contact

[Crown Point Energy Inc.](#)

Murray McCartney

President & CEO

(403) 232-1150

mmccartney@crownpointenergy.com

[Crown Point Energy Inc.](#)

Arthur J.G. Madden

Vice-President & CFO

(403) 232-1150

amadden@crownpointenergy.com

[Crown Point Energy Inc.](#)

Brian J. Moss

Executive Vice-President & COO

(403) 232-1150

bmoss@crownpointenergy.com

www.crownpointenergy.com

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