

Strata-X Releases Copper Mountain Oil Project Resource Report

08.05.2014 | [Marketwired](#)

- Issued Prospective Resource Report on Strata-X's recent acquisition of Copper Mountain Oil Project in the Illinois Basin.

- Confirms managements understanding of the high prospectivity.

- The Company is planning a long term production test to commence later this month of a horizontal well drilled and completed in the Copper Mountain Oil Project in 2013 by the previous operator that produced light oil.

DENVER, COLORADO and BRISBANE, QUEENSLAND and VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 7, 2014) - The directors and management of [Strata-X Energy Ltd.](#) ("Strata-X" or the "Company") (TSX VENTURE:SXE)(ASX:SXA) are pleased to announce that Chapman Petroleum Engineering Ltd ("Chapman"), the Company's third party engineering evaluator, has issued a Prospective Resource report ("Report") for the Copper Mountain Oil Project ("Project").⁽¹⁾

The Report provides a Best Estimate Prospective Resource, net to the Company's interest, in the Project of 12,837,000 barrels of oil, with an un-risked value of approximately \$320 million and a risked value of approximately \$75 million (collectively when using a 10% discounted rate).⁽¹⁾ ASX disclosure note - 5.28.2 - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The Company commissioned the Report to obtain a formal estimate of Prospective Resources in the targeted Middle Devonian aged Grand Tower and Lingle Formations of the Project. The Grand Tower is directly beneath the Lingle Formation (target interval for the Vail Oil Project). The Lingle and Grand Tower make up the Middle Devonian age formation in this portion of the Illinois Basin. In the Report, Chapman estimated that there is a total of 128 million barrels of Petroleum Initially in Place ("PIIP", unrisked, undiscovered) net to the Company's economic interest in the Middle Devonian formations.⁽¹⁾ Chapman arrived at this PIIP figure after completing an analysis of the available technical data including the geological and geophysical interpretation presented to them by Strata-X, information from relevant nearby wells or

analogous reservoirs and the proposed program for the project. The Report reviewed only Prospective Resources as the Project is not sufficiently developed to assign Contingent Resources or Petroleum Reserves to the Project.⁽¹⁾

The Report encompasses approximately 20,146 net acres in one of three counties the Company is working in the Illinois Basin. The report was conducted in accordance with National Instrument 51-101, Sec 59 of the Canadian Securities Administrators and is compliant with the internationally accepted Petroleum Resource Management System standard. Not included in the Report are estimates of the resource potential of the historically targeted shallower zones of the Mississippian formation. Resource estimates of the Mississippian formations covering the Project are forthcoming.

Acquisition Background

In April 2014, Strata-X purchased 23,595 net acres of production and exploration assets in the Illinois Basin adjacent to its existing Vail Oil Project. The acquisition, known as the Copper Mountain Oil Project, is prospective for conventional and unconventional light oil accumulations in shallow Mississippian age formations (from 700 metres depth) as well as the deeper Middle Devonian age formation (~1200 to 1600 metres depth). Total consideration paid to the un-disclosed seller of the project was USD\$2.25 million. Included in the Project acquisition is the Blessing 1-4H horizontal well drilled by the prior operator in mid 2013. This well produced light oil from the Grand Tower Formation and is currently shut in awaiting production equipment. The Company is nearing completion of a water disposal flow line with the plan to carry out a long term production test of the well.

Illinois Basin Summary

The Company's flagship oil projects are in the proven and mature Illinois Basin where production dates back to 1894 with over 4 billion barrels of oil produced to date (Higley, et al., 2001). Over 140,000 wells have been drilled, with about 32,000 wells still producing in the basin where 600+ oil fields produced approximately 13 million barrels in 2013 (US-EIA Crude Oil Statistics). The basin produces a high quality, light, sweet crude oil in multiple conventional shallow structural traps. The basin has ideally located close to production infrastructure including refineries and pipelines nearby and a well services industry.

Recent mapping, drilling and testing of prospective zones demonstrates significant unconventional and light oil potential. The Company believes integrated data analysis combined with new drilling and completion technologies are key to unlocking the basins additional potential. The Company has 100% interest in approximately 72,000 net acres with multiple target zones from shallow vertical depths of between 700 - 1,600 meters.

President and Managing Director, Tim Hoops, stated: "This Report establishing a Prospective Resource for the Project at 12.8 million barrels of oil net to the Company provides a substantial increase in the Prospective Resources we previously held in the Illinois Basin of 19 million barrels in the Vail Oil Project.⁽²⁾ In our opinion, this large Prospective Resource base reduces the overall risk the Company faces as we expand the number of oil rich formations we are prospecting in."

For a summary of the Report and additional details on this Project, please see the Copper Mountain Oil Project Presentation on the Company's website at www.strata-x.com.

⁽¹⁾ Resource information cited in this News Release for the Copper Mountain Oil Project are Prospective Resources, per an independent third party report effective 1 April 2014 ("Report") from Chapman Petroleum Engineering Ltd. ("Chapman") who's author, Charles Moore, a registered Professional Engineer in the Province of Alberta, Canada, consents to the inclusion of this resource information in this Presentation as it appears and information relating to the Prospective Resource is based on, and fairly represents, information and supporting documentation prepared by Charles Moore. There is no certainty that stated resources will be commercially viable to produce any portion of the resources. The Report reviewed only Prospective Resources as the project is not sufficiently developed to assign Contingent Resources or Petroleum Reserves to it, further, all Petroleum Initially in Place figures relate to undiscovered quantities. Figures shown reflect Strata-X's economic interest (US Dollars) net of royalty or other burdens and were generated, using the deterministic method. Forecasted figures were derived using forward commodity strip pricing, regional drilling, completion and production expenditures and applicable production taxes. Strata-X is the title holder

of the tenement/leases held covering the Copper Mountain Oil Project which were subject to the Report. The Report reviewed approximately 800 tenements/leases held by the Company with individual owners covering 20,146 net acres with each tenement/lease having a range of expiration dates, royalties and other provisions. Prospective Resources were determined in the Report after Chapman completed an analysis of the available technical data including the geological and geophysical interpretation presented to them by Strata-X, information from relevant nearby wells or analogous reservoirs and the proposed program for the project. Chapman estimated a Probability of Commercial Success of 25% associated with the reported Prospective Reserves with a 33% chance of discovery and calculated the net capital exposure of this project to the Company of \$5,625,000, representing the cost of drilling, completing, testing and abandoning three dry holes which exploration timing is not yet known. In establishing the Probability of Success, Chapman gave consideration to both geological and commerciality factors. The geological factors include the four main geological components of a petroleum system needed for commercial production, source rocks available to generate hydrocarbons, reservoir rocks to accumulate hydrocarbons, a stratigraphic or structural trapping mechanism with a seal to hold hydrocarbons and a mechanism and proper geological timing allowing for hydrocarbons to migrate into the trap.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

(2) This information relates to Petroleum Reserves/Prospective Resources/Contingent Resources that was prepared and published by AWT International dated 18 December 2012 and published in [Strata-X Energy Ltd.'s "Prospectus 2013"](#) (available online at www.strata-x.com) as part of the Companies 2013 Australia Securities Exchange Initial Public Offering and is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Doug Barrenger ("JORC Competent Person"), employed by AWT International and is independent of [Strata-X Energy Ltd.](#) At the time of the Prospectus 2013 issuance, Doug Barrenger was an employee of AWT International and a member of the Exploration Society of Australia (PESA) amongst other professional petroleum organisations. AWT International consents to the inclusion of this information in this document. As of the issuance of this document [Strata-X Energy Ltd.](#) management is not aware of any material information that would change the results of the AWT International report as published in the Prospectus 2013.

About Strata-X

Strata-X is a Denver, Colorado (USA) based company and is engaged in the business of oil and gas exploration and development with a variety of exploration opportunities in North Dakota, California, Colorado, Texas, Illinois and Western Australia and production and development opportunities in California. Strata-X has 139,785,415 common shares outstanding and trades under the symbol "SXE" on the TSX-V and "SXA" on the ASX.

This announcement was made in Canada for the TSX.V and in Australia for the ASX.

Public documents for [Strata-X Energy Ltd.](#) can be found at SEDAR (Canada) (www.sedar.com) and ASX.com.au (Australia).

By definition of the COGE Handbook - "Undiscovered resources are those quantities of oil and gas estimated on a given date to be contained in accumulations yet to be discovered." The Handbook further states - Caution (per NI 51-101/5.9(2)(v)(B)) - "There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources." In addition, per NI 51-101/5.6 "the estimated values disclosed do not represent fair market value."

CAUTIONARY STATEMENTS

This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions is intended to identify forward-looking statements. 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 and the forward-looking statements included in this news release should not be unduly relied upon. See "Risks and Uncertainties" in the Company's Filing Statement dated August 30, 2011 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. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

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.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/172912--Strata-X-Releases-Copper-Mountain-Oil-Project-Resource-Report.html>

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