

BE Resources Signs Letter of Intent to Develop Historically Known Producing Oil Field With Cunningham Energy and Drill Up to 18 Shallow Horizontal Production Wells in \$39 Million (USD) Deal

31.07.2014 | [Marketwired](#)

TORONTO, ONTARIO--(Marketwired - Jul 31, 2014) - [BE Resources Inc.](#) (TSX VENTURE:BER) ("BE" or the "Company") is pleased to announce that it has entered into a Letter of Intent ("LOI") with Cunningham Energy, LLC ("Cunningham"), of Charleston, West Virginia to acquire approximately 425 acres of oil leases in the Stringtown, Rock Creek, and Green Creek oil fields (collectively known as the "Oil Leases") within the Smithfield District in West Virginia, and not less than approximately 400 additional acres to be agreed upon, contiguous to the Oil Leases. BE will further have the first right of refusal to acquire additional oil leases to be agreed, being a minimum of 1,000 acres in area and allowing for a potential of up to an additional 15 horizontal oil wells.

BE will acquire a 73% net revenue interest in the Oil Leases, Cunningham, an experienced independent producer of oil and gas based in Charleston, West Virginia will be the project operator with a 14.5% net revenue interest, with land owners retaining the remaining 12.5% net revenue interest.

BE will begin the development program with an initial 3 well horizontal drilling pad. In consideration for the majority 73% net revenue interest in the Oil Field leases, BE has agreed to pay the first US\$6.5 million of drilling and development costs of the first three wells, with Cunningham funding any and all further such costs for the first three horizontal wells. Additional sets of three wells each, if their development is agreed on by BE and Cunningham, will be funded under the same conditions.

As consideration, BE will issue a total of 3.5 million common shares of BE, to be held in escrow and released to Cunningham as follows: a) 500,000 upon execution of a definitive development agreement and operating agreement; b) 1,000,000 upon completion of the initial 3 wells; c) 500,000 upon a minimum of 350 bpd output (60 consecutive day average daily output measured from the date of initial production ("Average Output")); d) 500,000 upon a minimum of 550 bpd Average Output; e) 500,000 upon a minimum of 750 bpd Average Output; e) 500,000 upon a minimum of 1,000 bpd Average Output.

The LOI is conditional on: BE and Cunningham board of director approval; regulatory approval; due diligence by BE; BE closing a financing of not less than \$US6.5 million; and finalizing a definitive development agreement by no later than September 30, 2014.

About West Virginia and its Oil Fields

West Virginia has a long history of oil and gas production from proven oil fields such as the Stringtown, Rock Creek, and Green Creek fields. The advent of new horizontal drilling and hydraulic fracturing technologies of recent years has opened up the possibility of economically extracting additional oil from known reservoirs in the fields. One such reservoir, the 'Big Injun' sandstone of the Rock Creek field located in Southwestern Roane County, West Virginia discovered in 1906 has an estimated 25.5 million barrels of oil cumulative production since discovery with censused oil in place estimates ranging from 90 million to 276 million barrels depending on the average pay zone thickness used in estimates. (1)

(1) West Virginia Geological and Economic Survey, Publication B-43, pages 57-60.

About Cunningham Energy LLC

Cunningham Energy is an independent producer of oil and gas based in Charleston, West Virginia with over 100 employees including experienced operations and drilling teams as well as industry petroleum consultants. Using new technologies, Cunningham Energy and its affiliates are re-exploring proven oil and gas fields and have acquired over hundreds of oil & gas wells and nearly 30,000 acres of old and new drilling leases. So far, Cunningham has re-worked and stimulated over 250+ wells with a 98% successful completion rate. In February, 2014, Cunningham drilled the first commercial Big Injun Sandstone horizontal oil well in West Virginia. Cunningham Energy believes significant opportunity remains for profitable production from the Oil Fields of West Virginia with horizontal drilling and completion.

For more information, please visit www.cunninghamenergy.com

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.

Contact

BE Resources Inc.

Carmelo Marrelli
Chief Financial Officer
(416) 704-3256
info@beresources.ca
Cunningham Energy LLC
Ryan Cunningham
President
(304) 344-9291
info@cunninghamenergy.com
www.cunninghamenergy.com

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/179121--BE-Resources-Signs-Letter-of-Intent-to-Develop-Historically-Known-Producing-Oil-Field-With-Cunningham-Energy>

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](#).