

Denbury to Acquire Wyoming CO2 Enhanced Oil Recovery (EOR) Fields

29.12.2020 | [GlobeNewswire](#)

PLANO, Dec. 29, 2020 - [Denbury Inc.](#) (NYSE: DEN) (Denbury or the Company) today announced that it has entered into an agreement with a subsidiary of [Devon Energy Corp.](#) to acquire a nearly 100% working interest (approximately 83% net revenue interest) in the Big Sand Draw and Beaver Creek oil fields located in Fremont County, Wyoming for a cash purchase price of \$12 million. The purchase price includes associated surface facilities and the 46-mile CO₂ transportation pipeline to the acquired fields.

Net production from the acquired fields was approximately 2,800 barrels of oil equivalent (BOE) per day for the third quarter of 2020, of which approximately 85% was oil production. Based on December 1, 2020 oil and natural gas futures strip prices, net proved reserves for the acquired fields, which are 93% oil, are estimated at approximately 13.7 million BOE (MMBOE), including 5.5 MMBOE of proved undeveloped reserves which the Company estimates can be developed for less than \$5 per BOE.

Chris Kendall, Denbury's President and CEO, commented, "Big Sand Draw and Beaver Creek are exciting additions to Denbury's Rocky Mountain region footprint, and we believe they are an ideal operational fit for Denbury's differentiated CO₂ EOR-focused strategy. Importantly, by utilizing 100% industrial sourced CO₂, these fields will increase Denbury's use of industrial sourced CO₂ by nearly 400,000 tons annually, further enhancing the low carbon footprint of Denbury's oil production. We look forward to applying Denbury's industry-leading EOR expertise to these fields, which hold meaningful potential for optimization and future development."

The purchase agreement provides for two contingent cash payments of \$4 million each, the first one payable if West Texas Intermediate (NYMEX WTI) oil prices average at least \$50 per barrel in calendar year 2021 and the second one payable if NYMEX WTI oil prices average at least \$50 per barrel in calendar year 2022. The purchase price is subject to standard purchase price adjustments for revenues and costs between the December 1, 2020 effective date and the closing date of the transaction. The acquisition is expected to close in the first quarter of 2021 and is subject to customary closing conditions.

ABOUT THE BIG SAND DRAW AND BEAVER CREEK OIL FIELDS

The Big Sand Draw oil field was discovered in 1918 and the CO₂ flood was initiated in 2014. The Beaver Creek oil field was discovered in 1938 and the CO₂ flood was initiated in 2008. The CO₂ used to flood both fields is supplied from ExxonMobil's Shute Creek gas processing plant in southwestern Wyoming, where Denbury owns a one-third overriding royalty interest in all captured CO₂.

ABOUT DENBURY

Denbury is an independent oil and natural gas company with operations focused in two key operating areas: the Gulf Coast and Rocky Mountain regions. The Company's goal is to increase the value of its properties through a combination of exploitation, drilling and proven engineering extraction practices, with the most significant emphasis relating to CO₂ enhanced oil recovery operations. For more information about Denbury, please visit www.denbury.com.

This press release, other than historical financial information, contains forward-looking statements that involve risks and uncertainties including estimates of oil and natural gas reserves of the acquired assets and estimated costs to develop proved undeveloped reserves, and other risks and uncertainties detailed in the Company's filings with the Securities and Exchange Commission, including Denbury's most

recent reports on Form 10-K and Form 10-Q. These risks and uncertainties are incorporated by this reference as though fully set forth herein. These statements are based on engineering, geological, financial and operating assumptions that management believes are reasonable based on currently available information; however, management's assumptions and the Company's future performance are both subject to a wide range of business risks, and there is no assurance that these goals and projections can or will be met. Actual results may vary materially. In addition, any forward-looking statements represent the Company's estimates only as of today and should not be relied upon as representing its estimates as of any future date. Denbury assumes no obligation to update its forward-looking statements.

DENBURY CONTACTS: Mark C. Allen, Executive Vice President and Chief Financial Officer, 972.673.2000
John Mayer, Director of Investor Relations, 972.673.2383

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/370620--Denbury-to-Acquire-Wyoming-CO2-Enhanced-Oil-Recovery-EOR-Fields.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](#).