

INTRODUCTION AND EARLY HISTORY OF THE BAKKEN PLAY IN MONTANA

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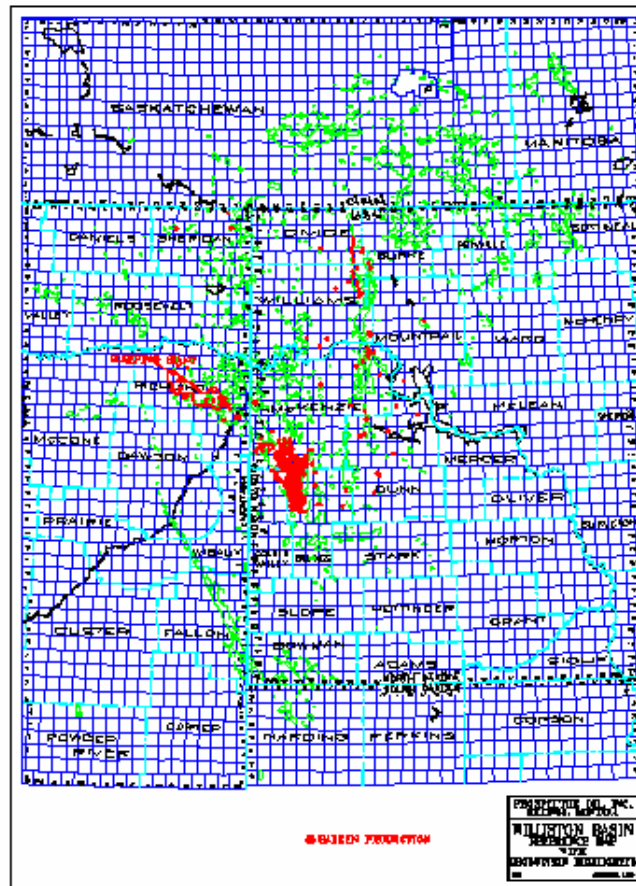
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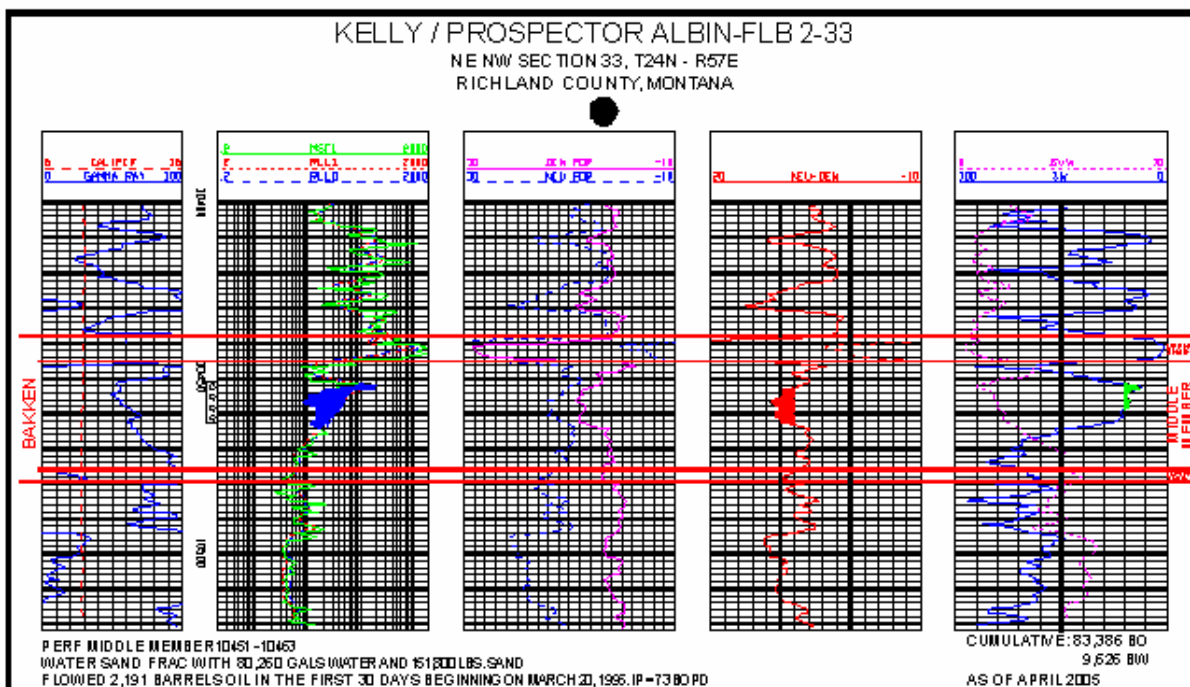
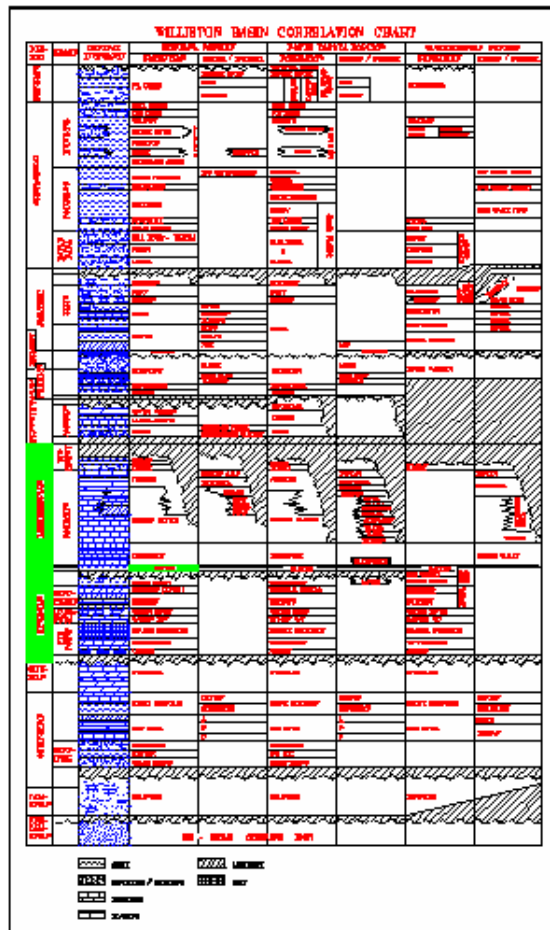
E-mail: prospector@180com.net



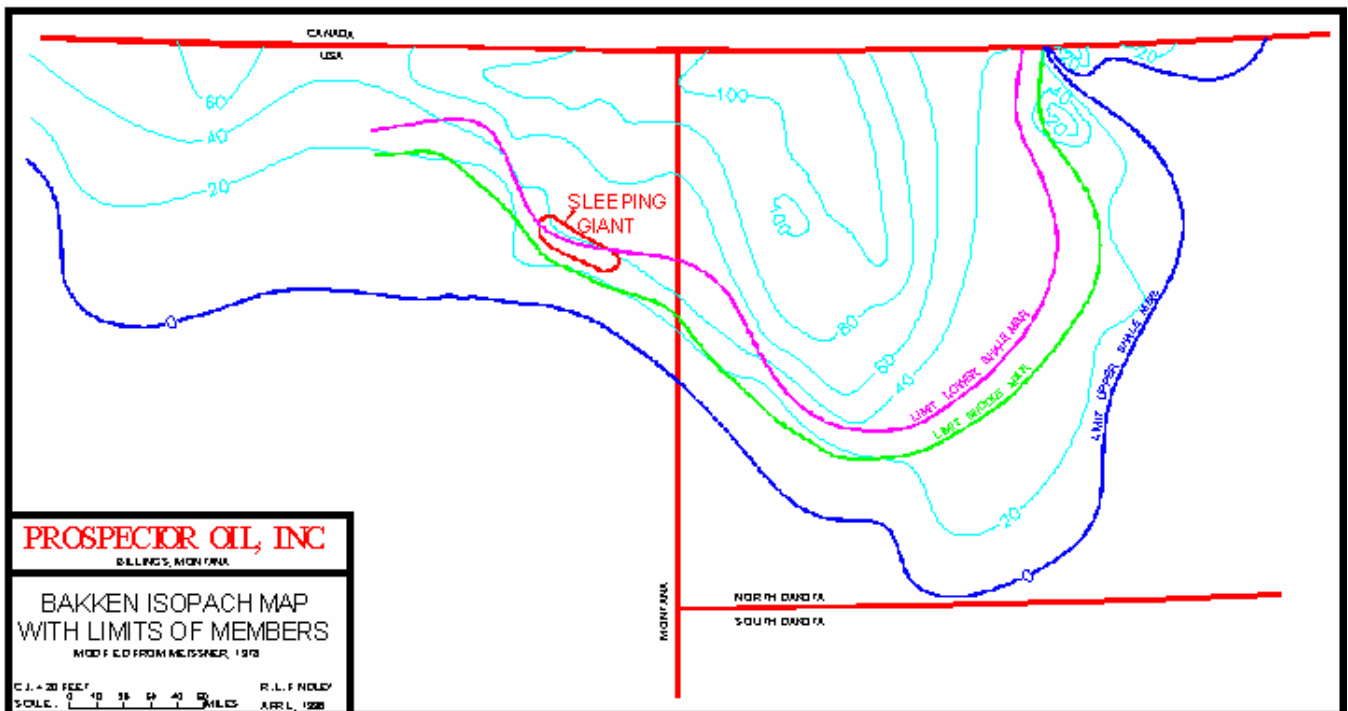
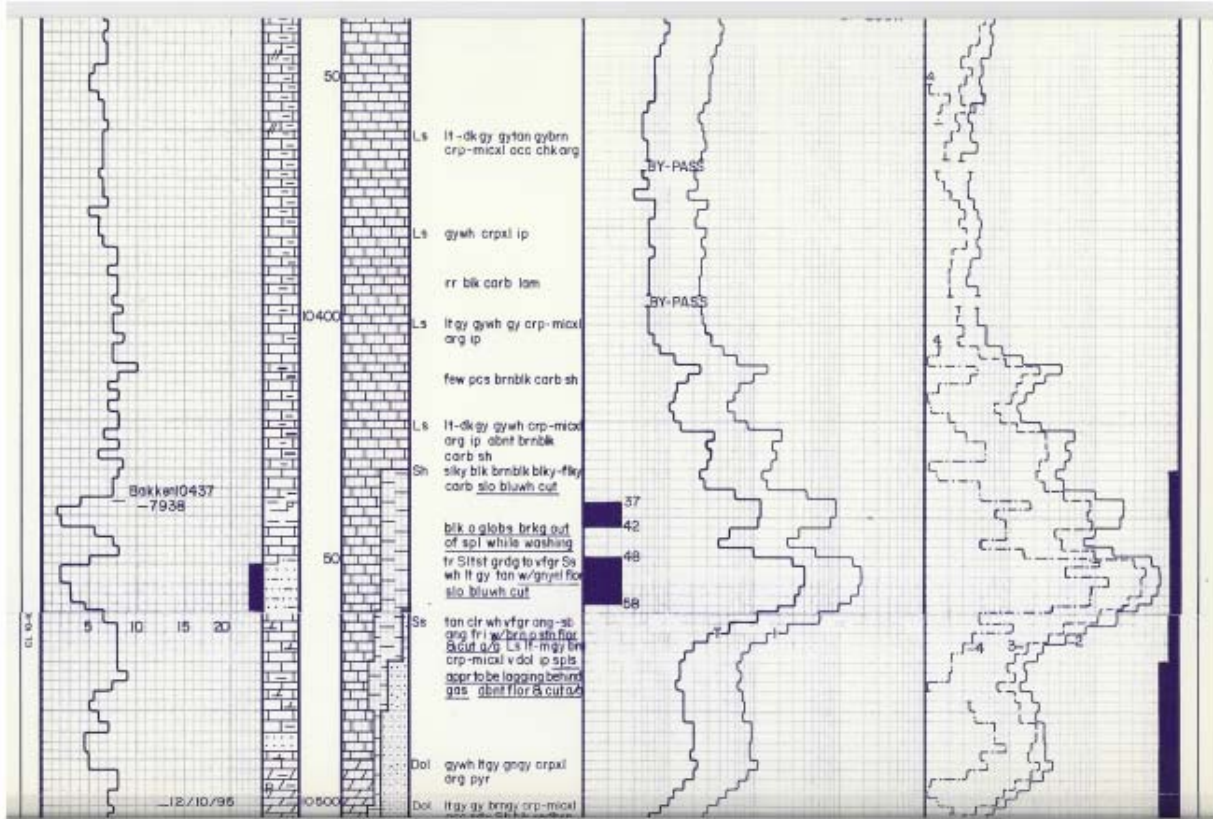
Prospector Oil, Inc.

2812 First Avenue North, Suite 307 • Billings, Montana 59101

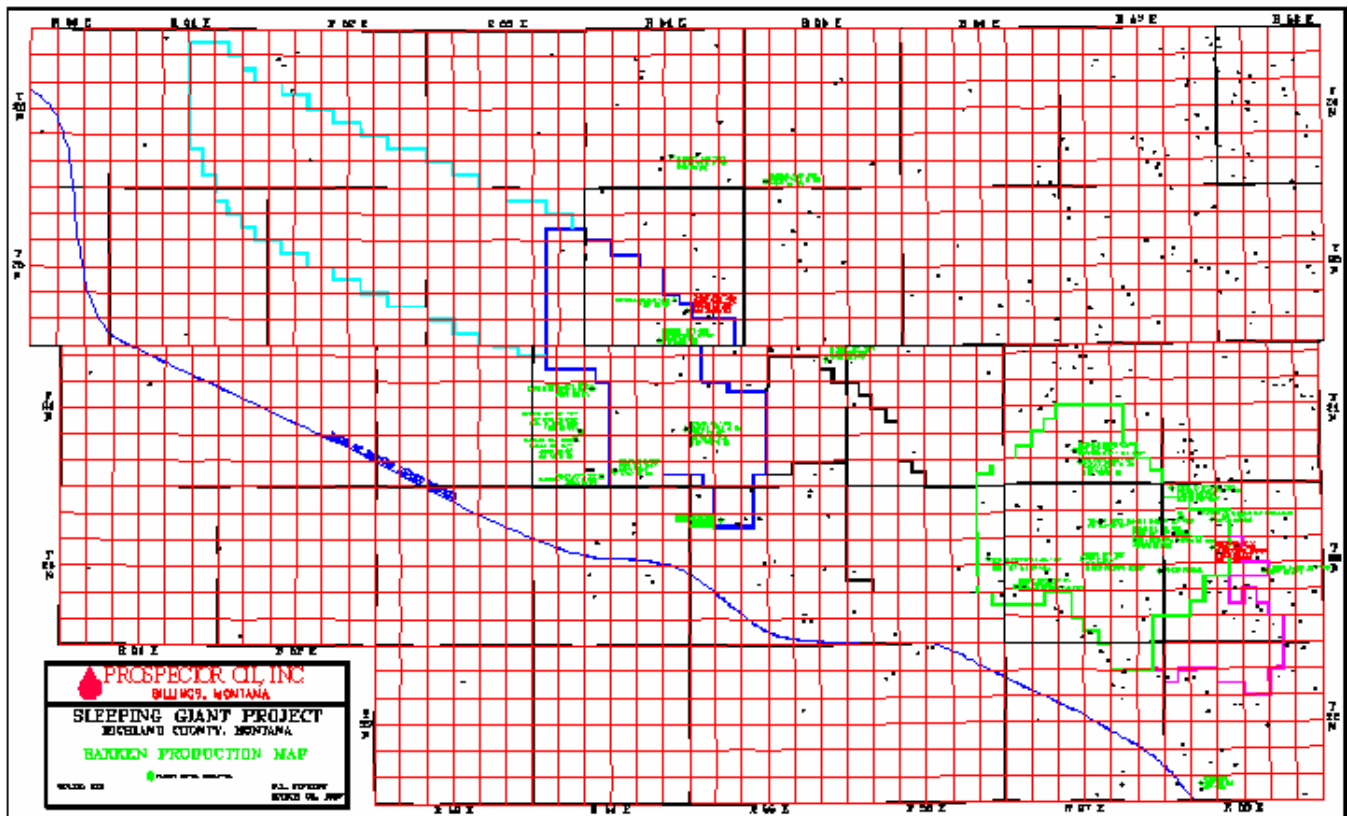
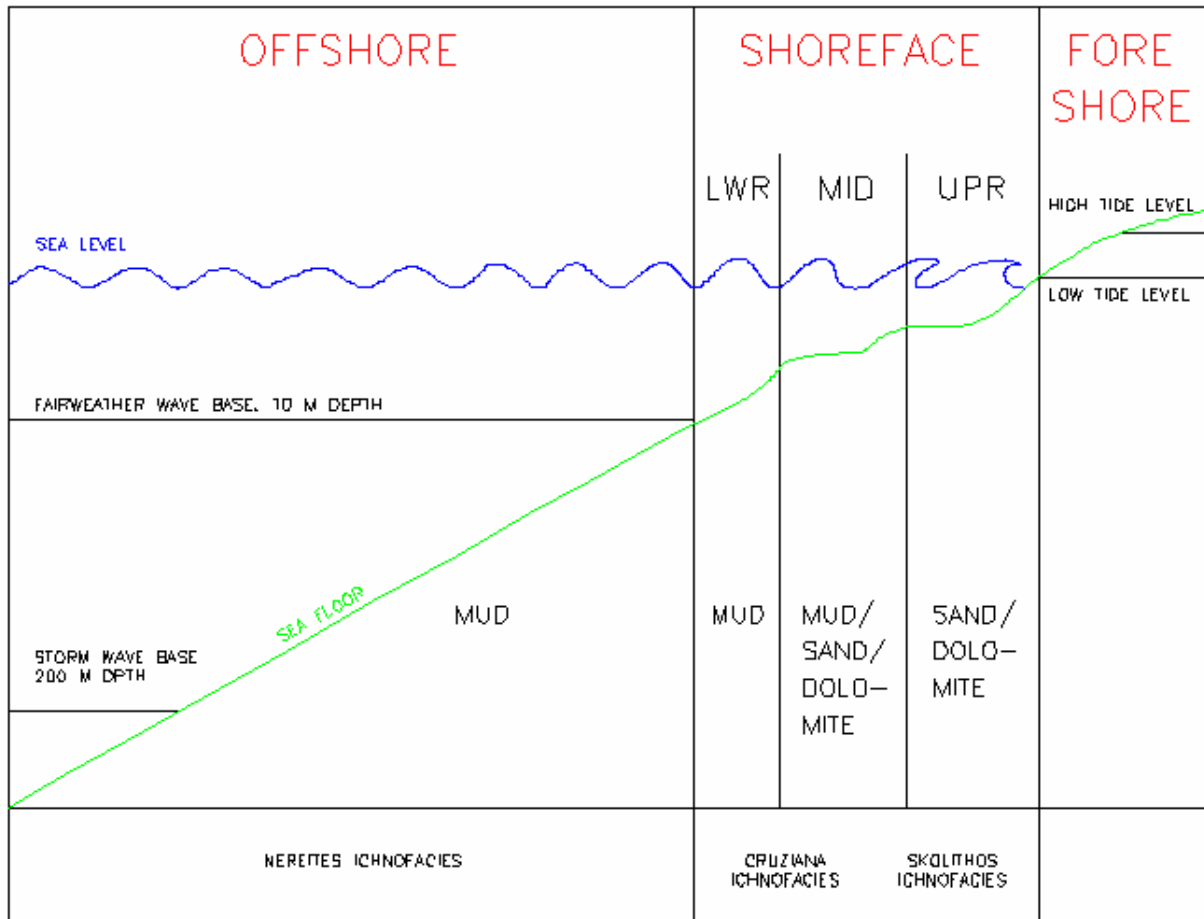


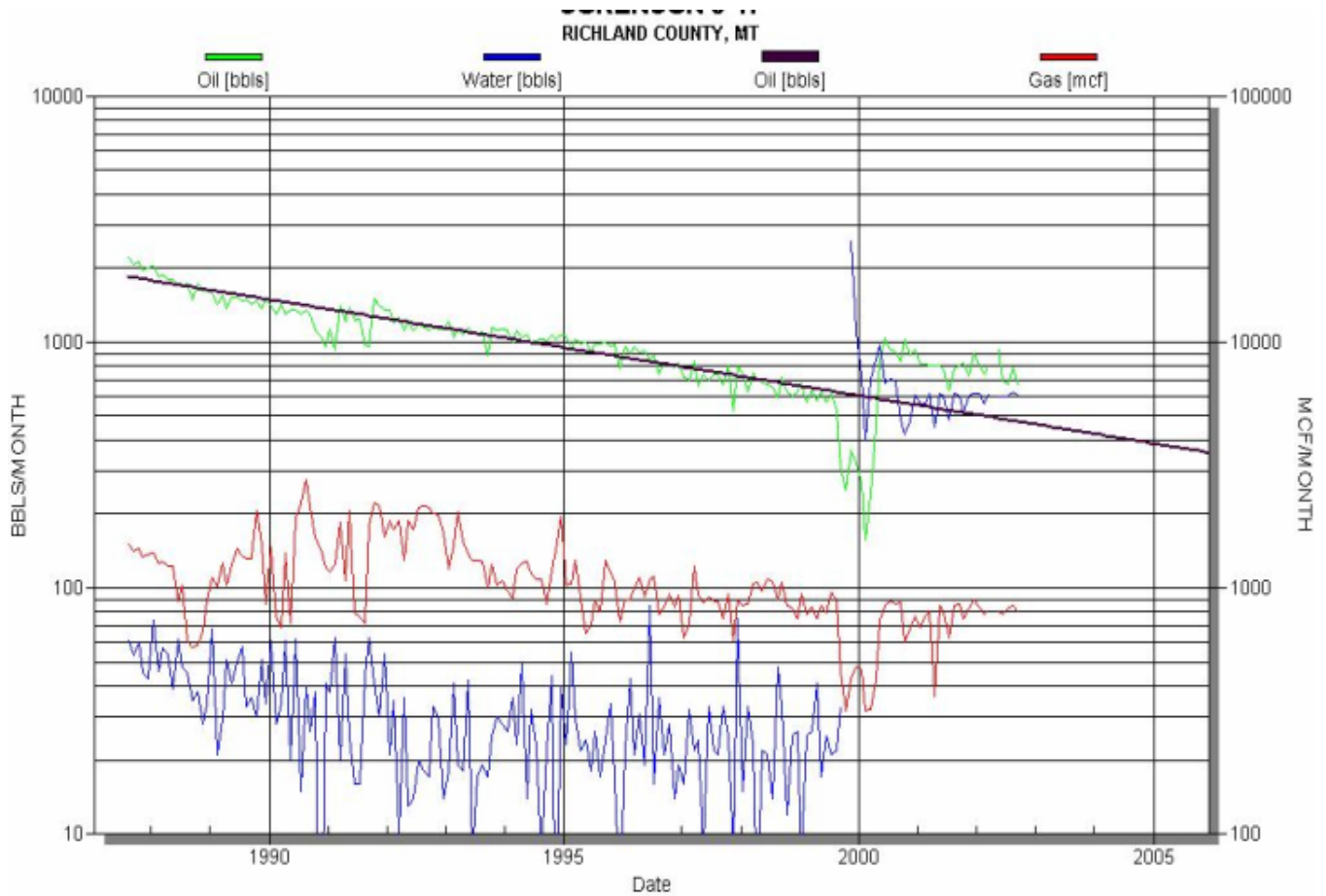
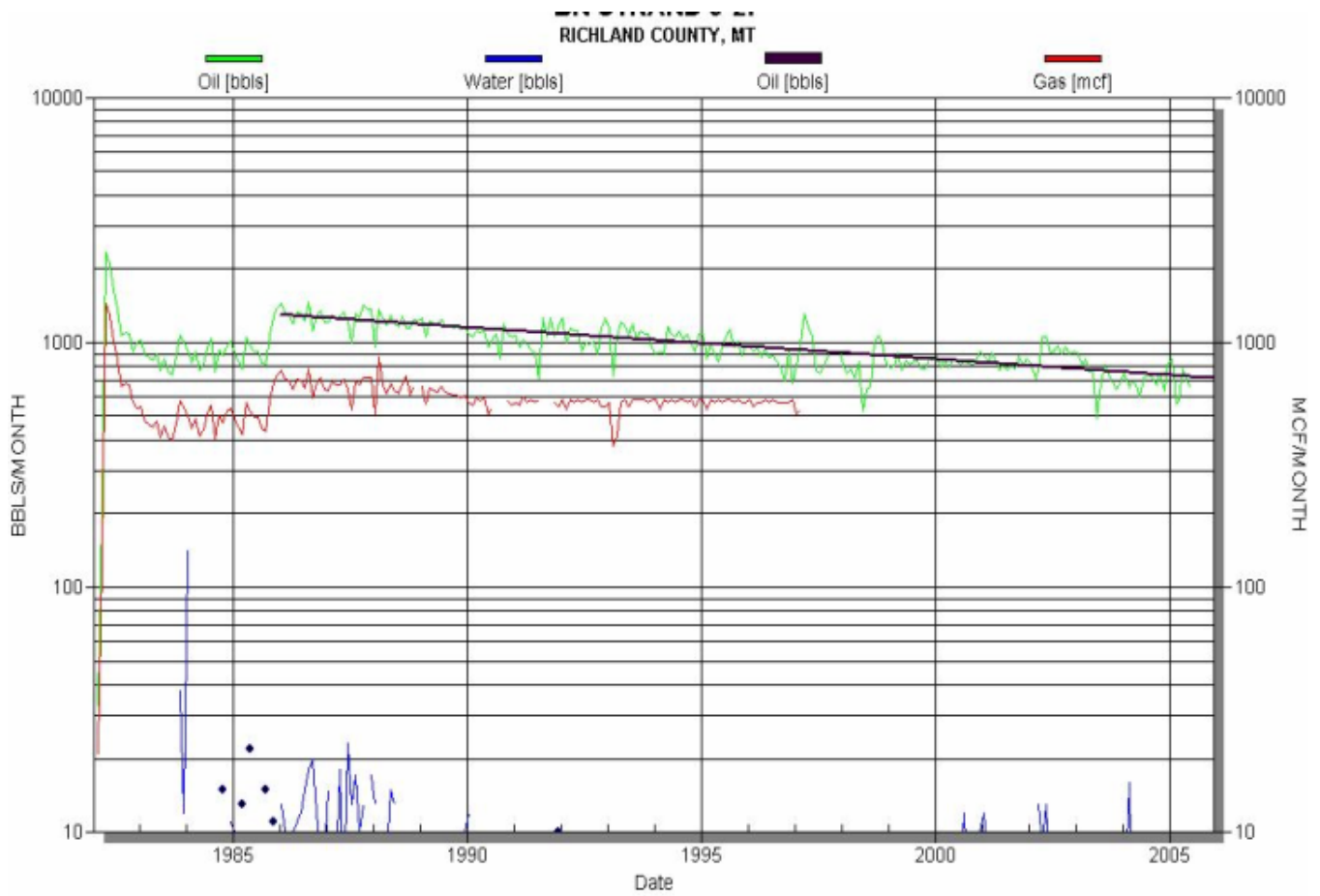


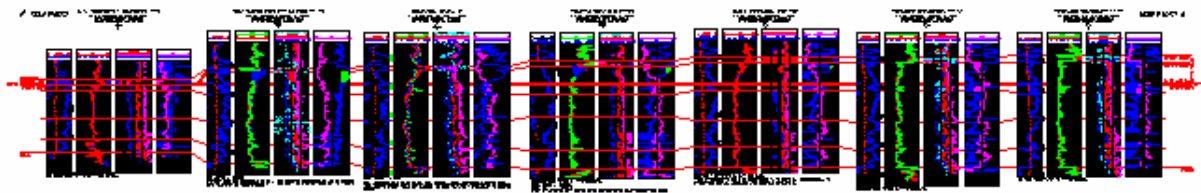
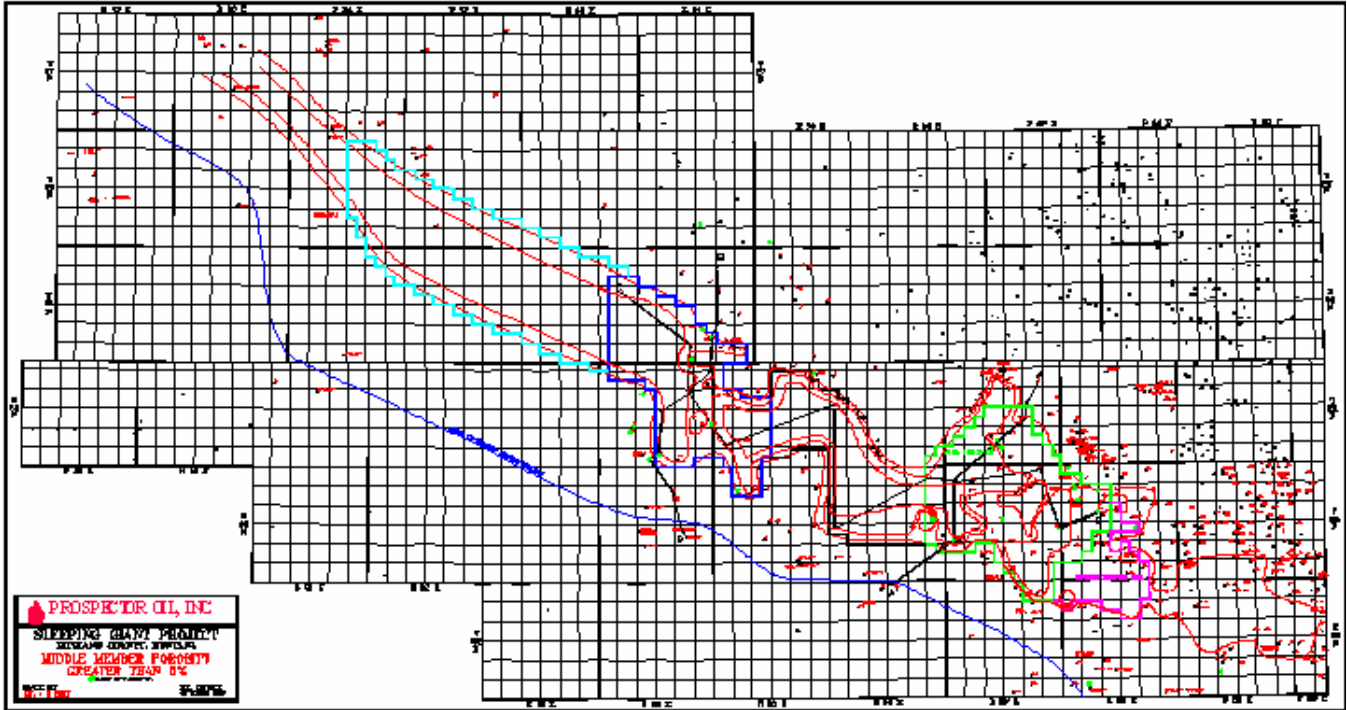
KELLY / PROSPECTOR ALBIN-FLB 2-33 MUD LOG

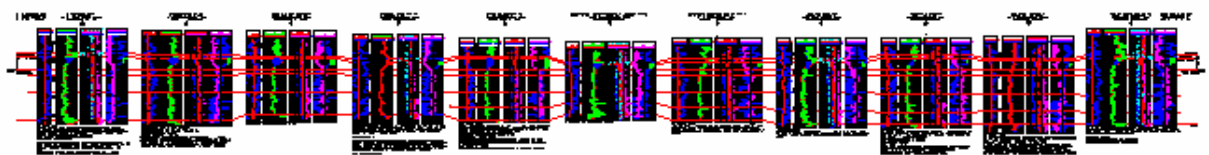
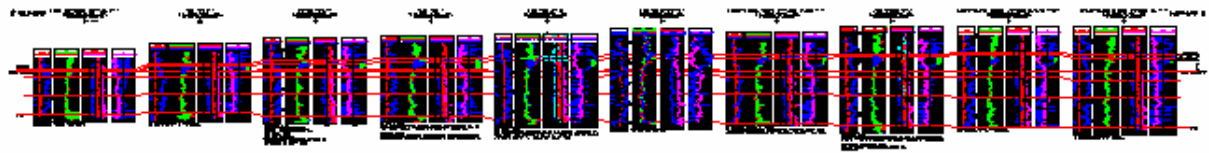


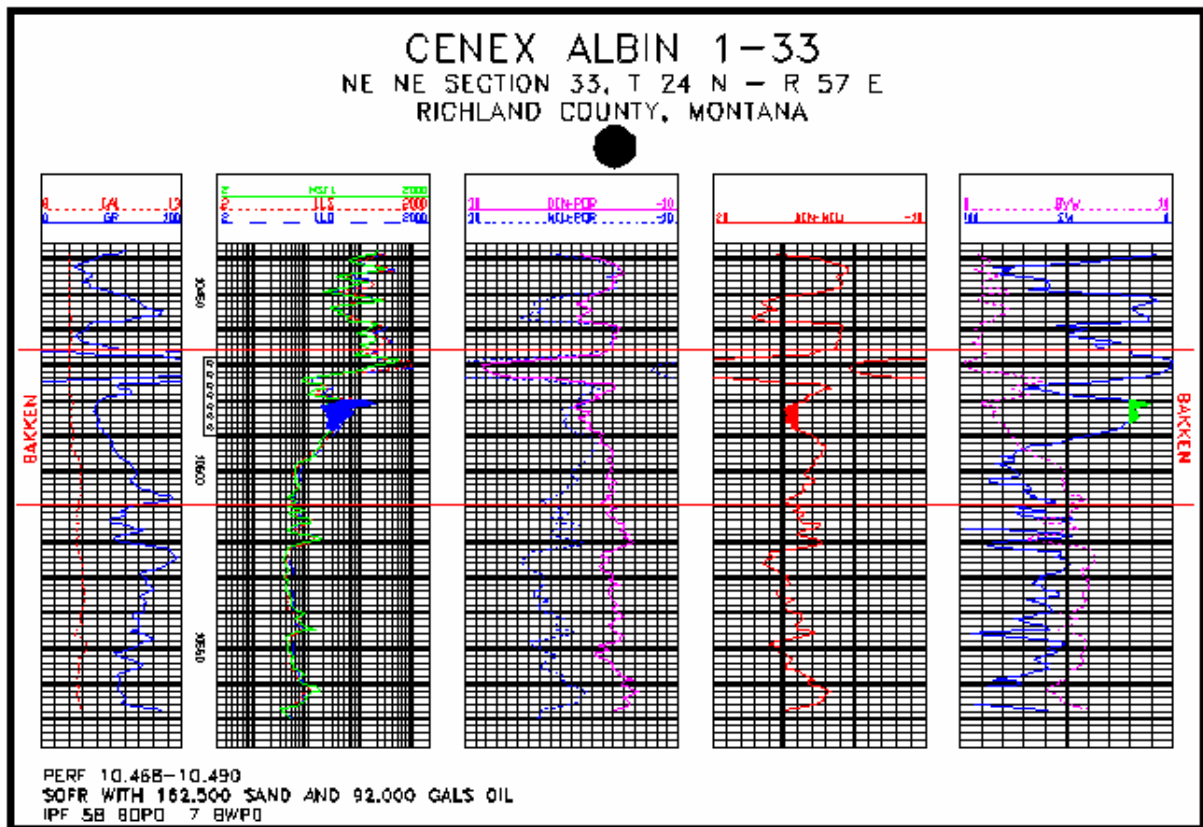
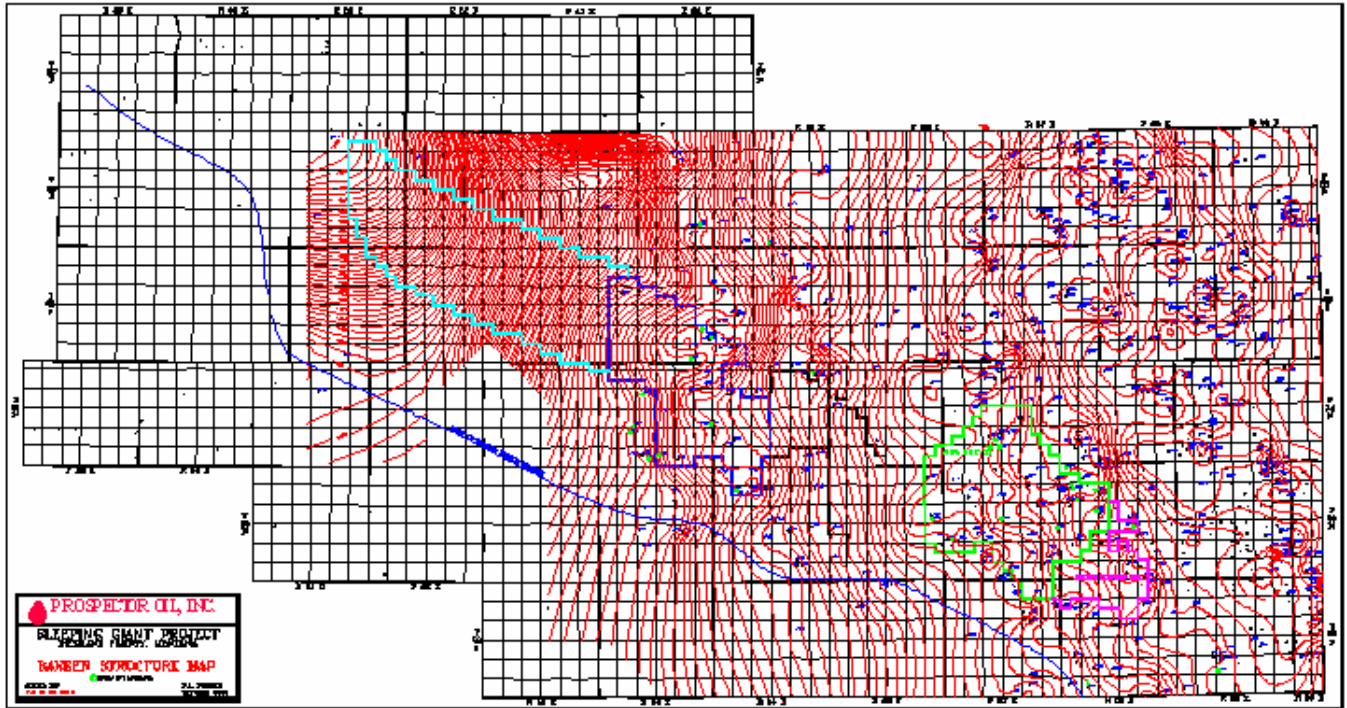
DEPOSITIONAL MODEL FOR BAKKEN MIDDLE MEMBER





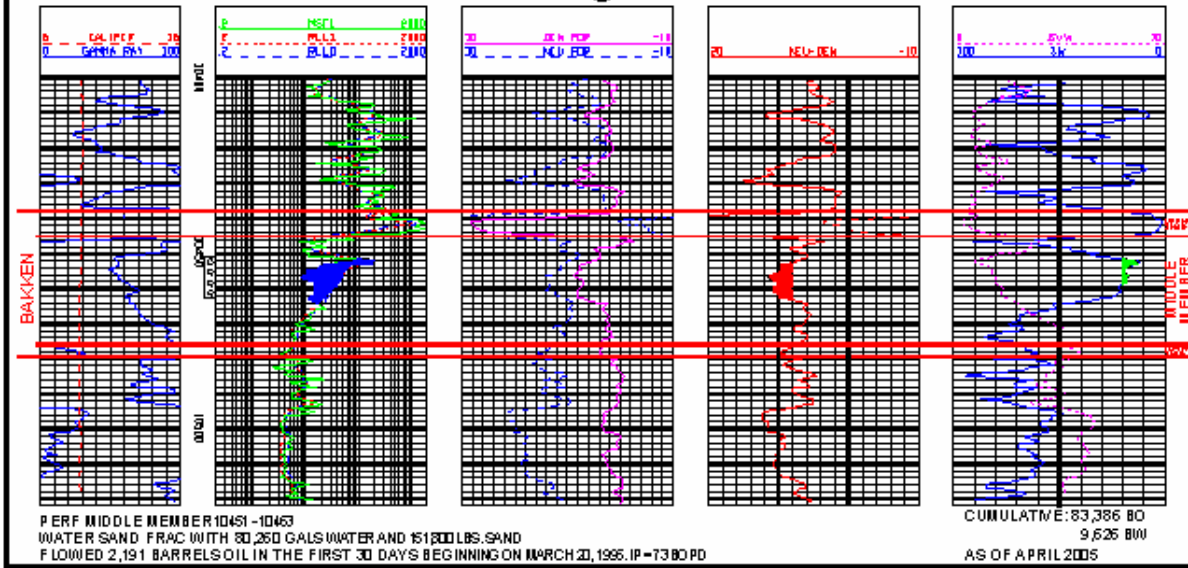




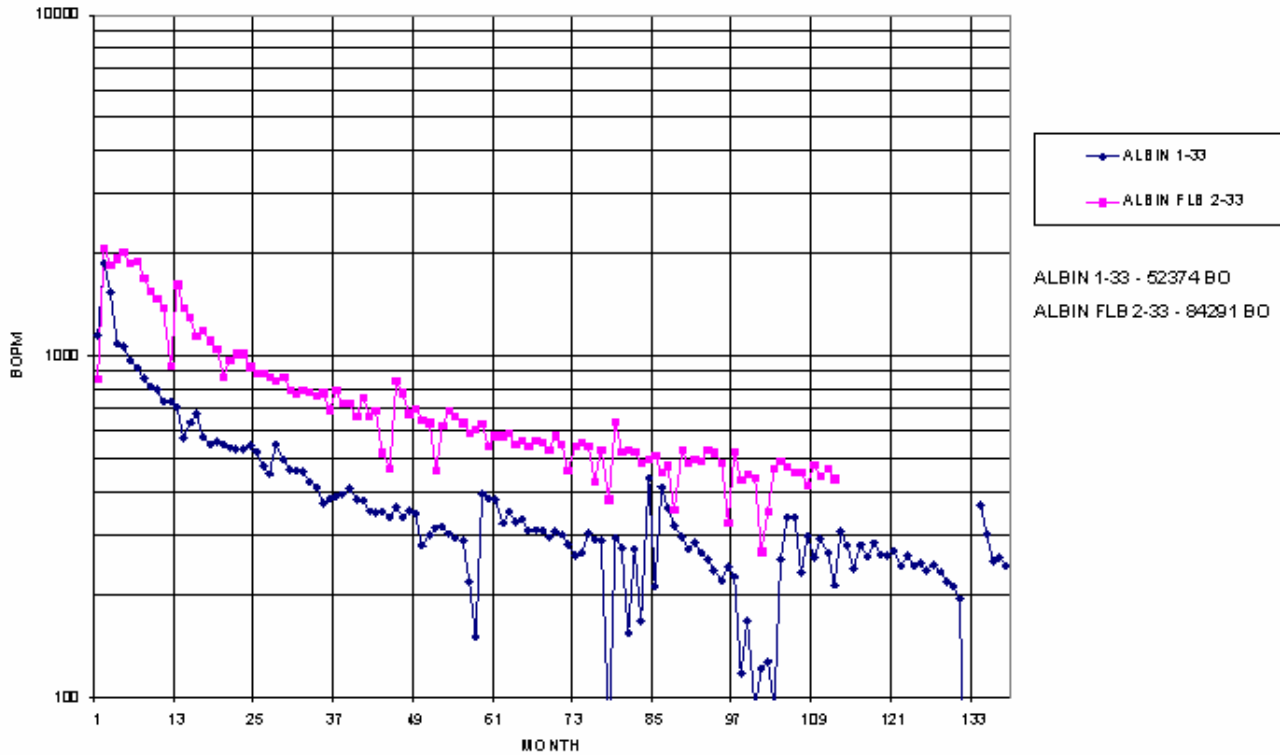


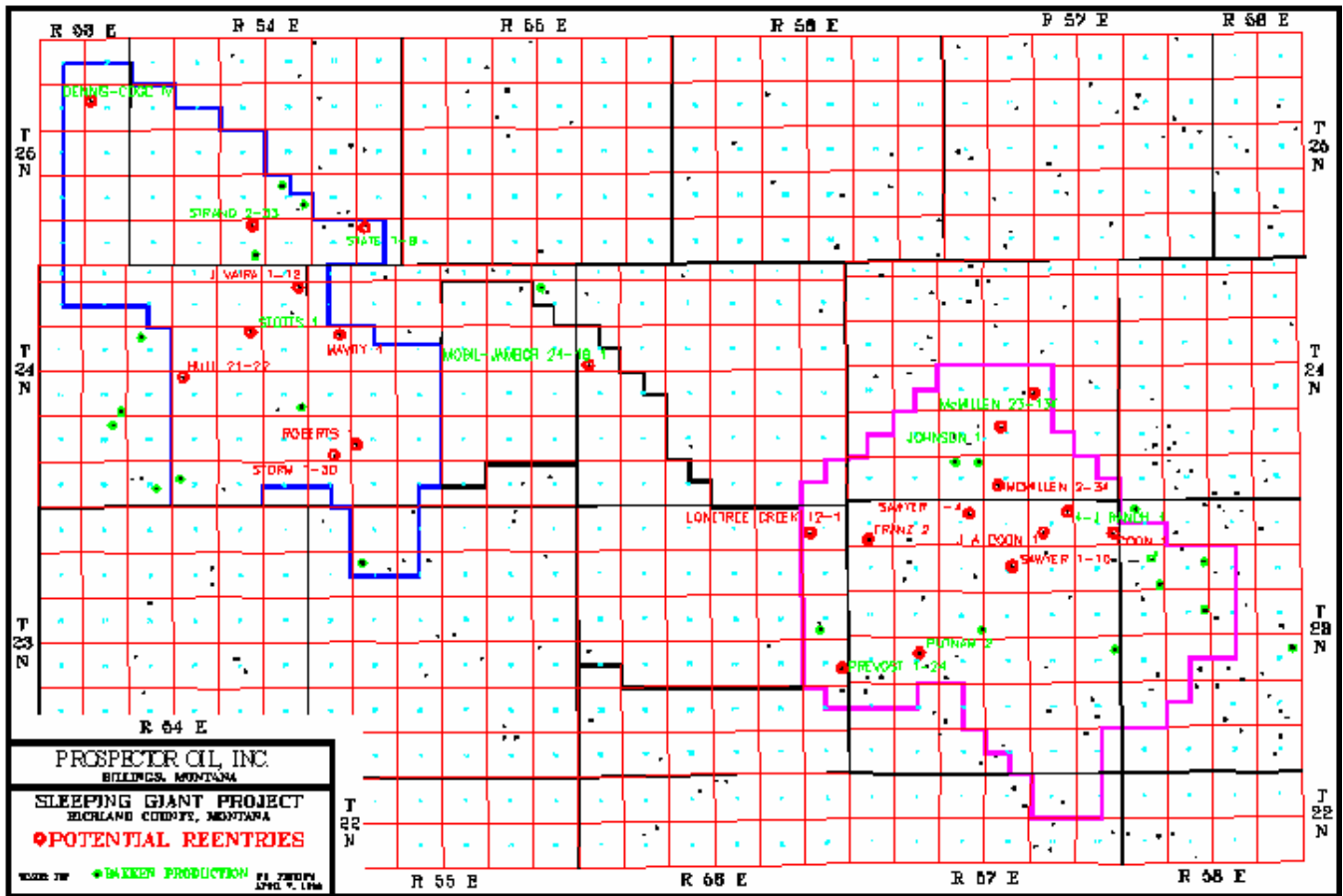
KELLY / PROSPECTOR ALBIN-FLB 2-33

NE NW SECTION 33, T24N - R57E
RICHLAND COUNTY, MONTANA

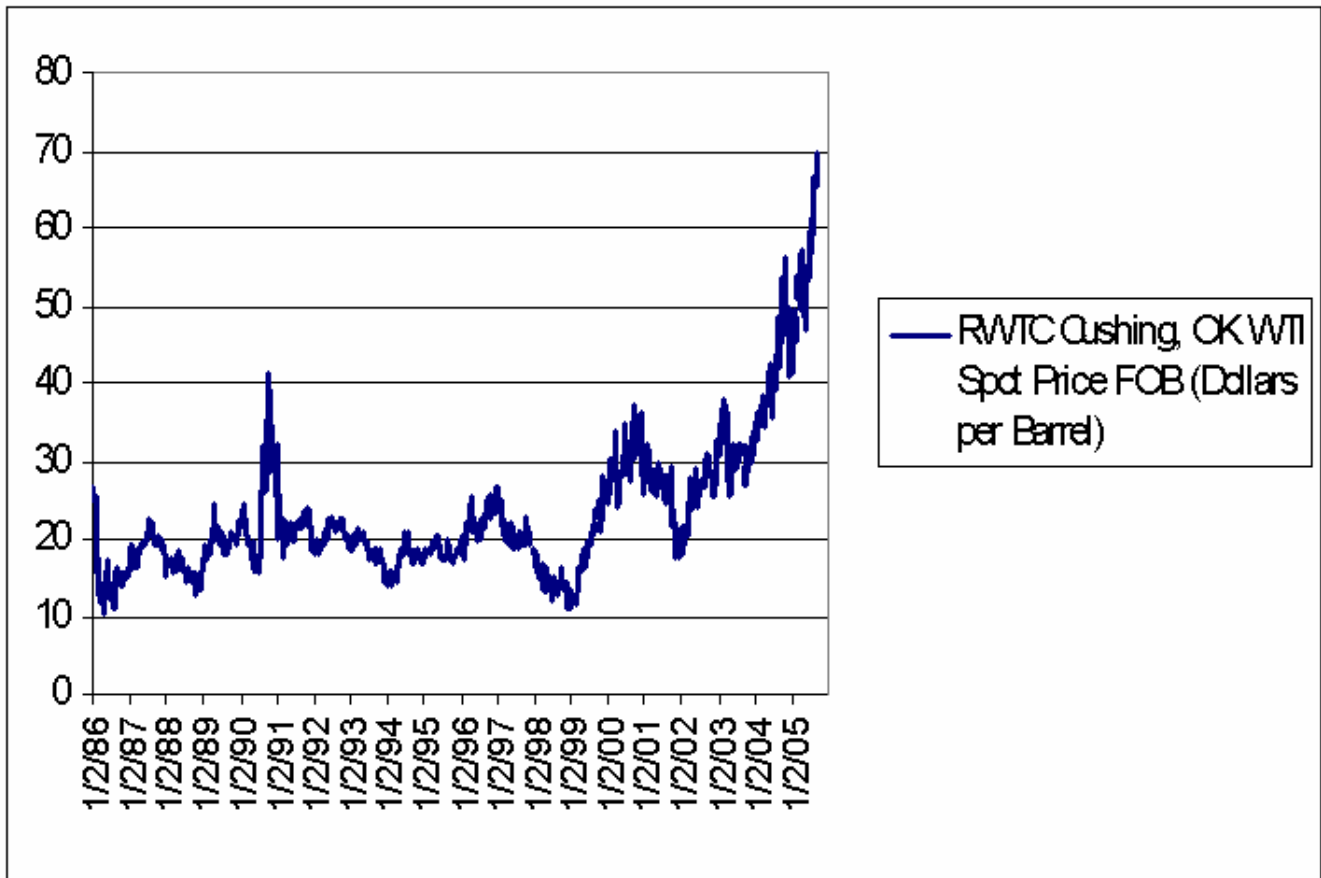


ALBIN 1-33 VS ALBIN FLB 2-33 DECLINE CURVES



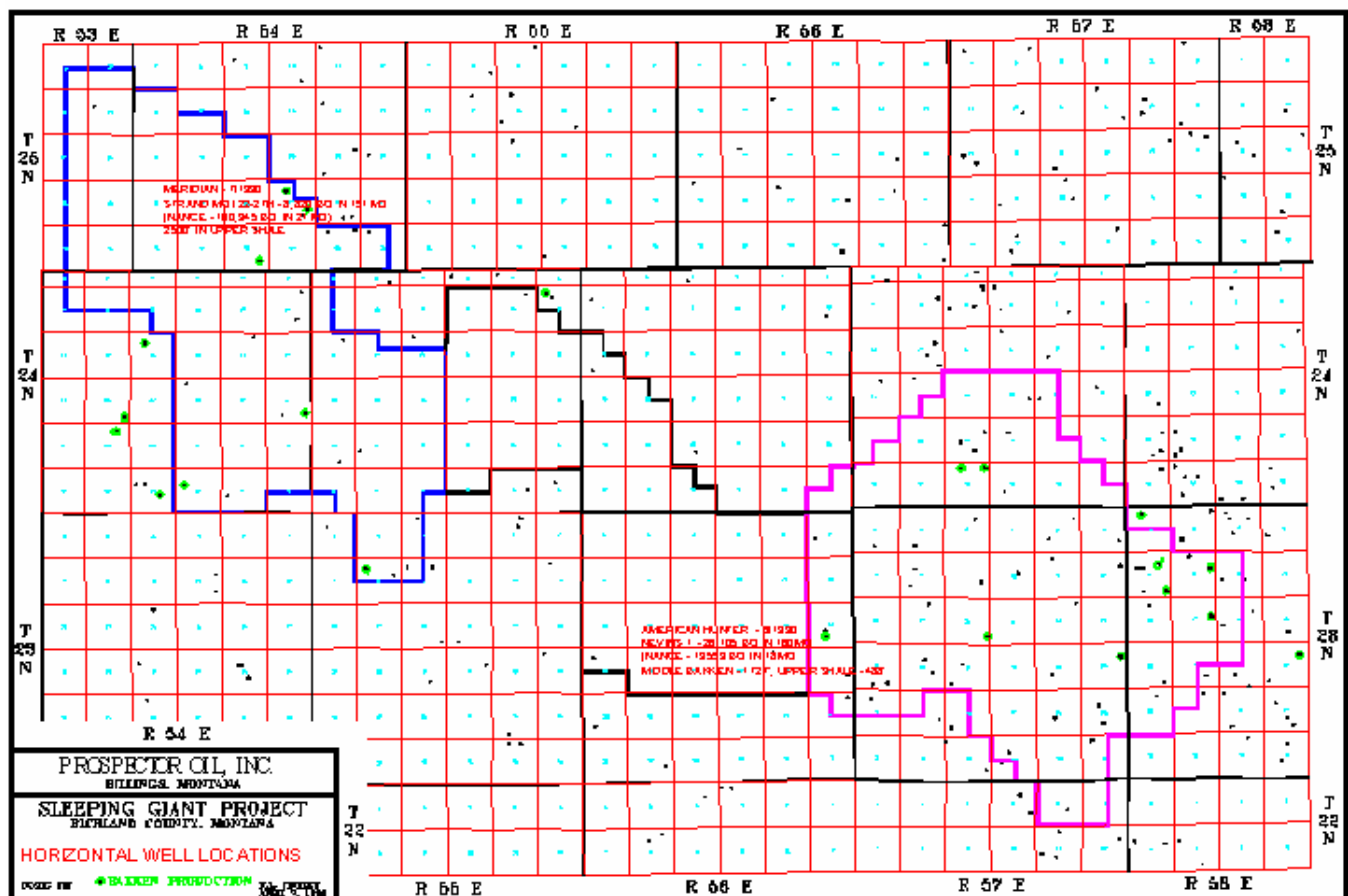


OIL PRICE



HORIZONTAL POTENTIAL

- Although two wells have attempted to test the Bakken in a horizontal well bore at SW/4 Section 13, T23N – R56E and NW/4 Section 27, T25N – R54E with poor results, the Sleeping Giant Project may still be ideal to use this promising technology. Both of these wells were drilled at a time when the play targeting the fractured Upper Shale was being rapidly developed in North Dakota. It is not known at this time where the horizontal well bores were drilled in these wells but is most likely in the Upper Shale. It may be that since the Middle Member is also over pressured that a horizontal well bore drilled under balanced targeting the porosity in the Middle Member may prove to be a valid technique to exploit the reserves in the Sleeping Giant Project. A test of this theory may be attempted in the Sleeping Giant Project. If two 160 locations can be combined into one horizontal well bore for less than the cost of two vertical wells, then the cost savings effect on the economics could be significant.



CORE LABORATORIES

Company : AMERICAN HUNTER EXPLORATION LTD.
Well : ANEL ET AL NEVINS #1

Field : PUTNAM
Formation : MIDDLE BAKKEN

File No.: 52131-90-026
Date : 90-05-15

CORE ANALYSIS RESULTS

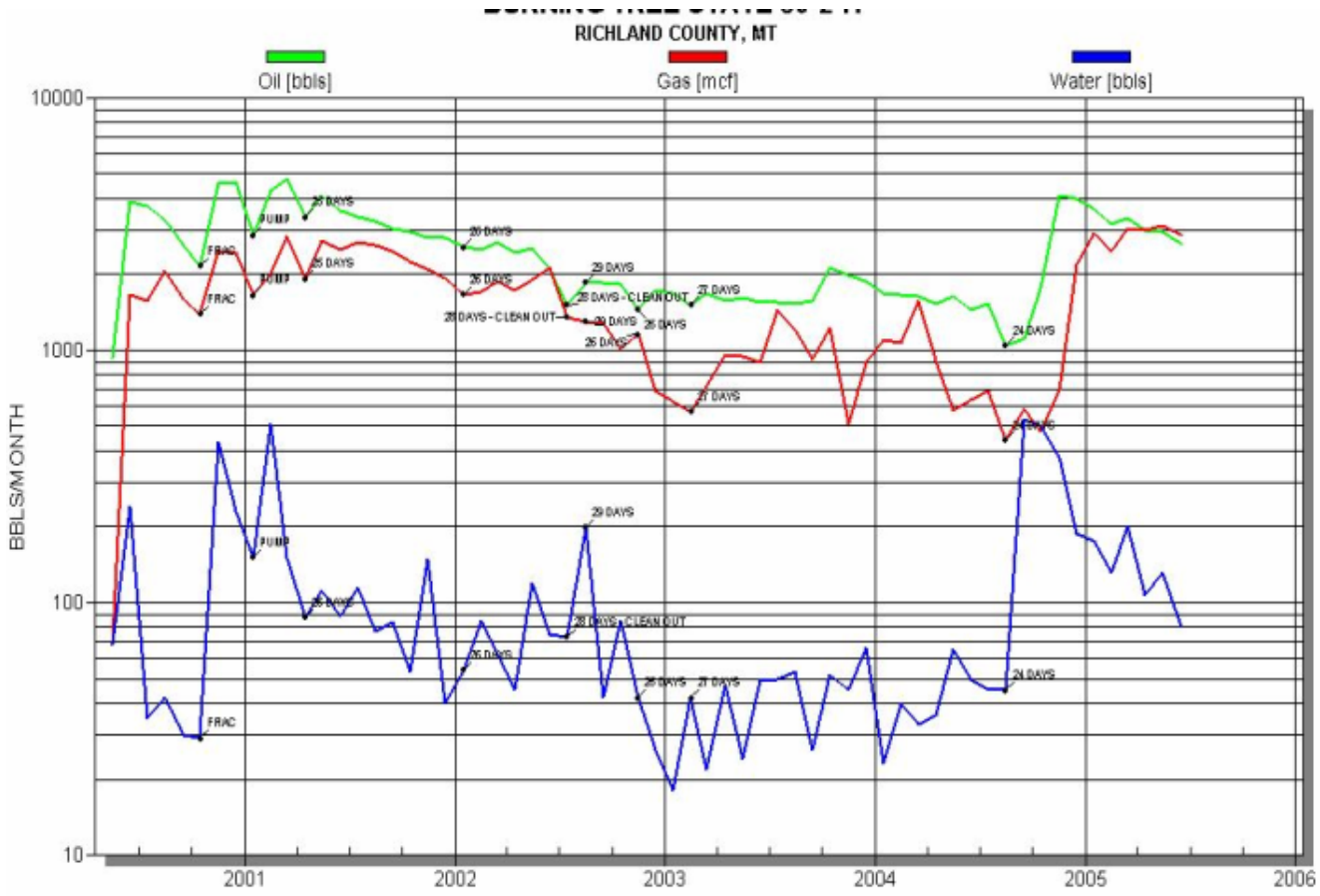
SAMPLE NUMBER	DEPTH ft	INTVL REP ft	PERMEABILITY (MAXIMUM) Kair md	CAPACITY (MAXIMUM) Kair md-ft	POROSITY (HELIUM) %	CAPACITY (HELIUM) #-ft	GRAIN DENSITY gm/cc	WATER SATURATION (PORE VOLUME) %	DESCRIPTION
-	10580.9- 81.2	0.3							sh sdy ML 15
SP 1	10581.2- 81.8	0.6	0.01	0.01	6.2	3.7	2.75	9.7	siltst lam dol ML 16
SP 2	10581.8- 82.4	0.6	0.01	0.01	7.7	4.6	2.77	2.9	dol i silty
SP 3	10582.4- 82.8	0.4	<.01	0.00	3.9	1.6	2.79	3.6	dol i silty
SP 4	10582.8- 83.7	0.9	0.06	0.05	6.8	6.1	2.77	2.6	dol i silty ML 17
SP 5	10583.7- 84.1	0.4	0.07	0.03	8.4	3.4	2.76	2.2	siltst lam dol
SP 6	10584.1- 85.1	1.0	0.08	0.08	8.2	8.2	2.77	2.0	dol i silty
SP 7	10585.1- 85.8	0.7	0.07	0.05	6.9	4.8	2.77	2.5	dol i silty
SP 8	10585.8- 86.4	0.6	0.06	0.04	7.8	4.7	2.75	2.1	siltst lam dol
SP 9	10586.4- 87.2	0.8	0.05	0.04	8.9	7.1	2.76	3.4	siltst lam dol ML 18 SCAL
SP 10	10587.2- 88.0	0.8	<.01	0.00	1.6	1.3	2.75	4.0	siltst lam dol
SP 11	10588.0- 88.5	0.5	0.04	0.02	8.6	4.3	2.75	3.6	siltst lam dol ML 19
SP 12	10588.5- 89.2	0.7	0.07	0.05	8.6	6.0	2.75	1.9	siltst lam dol
AST 11	10589.2- 89.4	0.2	0.04	0.01	8.6	1.7	2.75	3.6	siltst lam dol
SP 13	10589.4- 90.2	0.8	0.04	0.03	7.9	6.3	2.76	2.3	siltst lam dol
SP 14	10590.2- 91.3	1.1	0.04	0.04	8.1	8.9	2.76	2.1	siltst lam dol ML 20
SP 15	10591.3- 91.8	0.5	0.06	0.03	8.5	4.2	2.77	1.9	dol i silty
SP 16	10591.8- 92.2	0.4	0.03	0.01	7.0	2.8	2.75	2.7	siltst lam dol
SP 17	10592.2- 93.1	0.9	0.02	0.02	6.4	5.8	2.77	2.6	dol i silty
SP 18	10593.1- 94.1	1.0	0.01	0.01	7.2	7.2	2.76	5.3	siltst lam dol
SP 19	10594.1- 94.8	0.7	<.01	0.00	7.4	5.2	2.76	5.4	siltst lam dol ML 21
SP 20	10594.8- 95.7	0.9	<.01	0.00	6.3	5.7	2.75	7.0	siltst lam dol
SP 21	10595.7- 96.9	1.2	<.01	0.00	5.2	6.2	2.75	7.1	siltst dol calc ML 22 SCAL
-	10596.9- 04.5	7.6							sh silty

GEOLOGIST REPORT – “NO FRACTURES EVIDENT IN THE CORE.”

CANADIAN HORIZONTAL WELLS

- Core data confirms a 6 foot porous zone with 37 md of perm in the Middle Member.
- Fracturing was confirmed by core and log data and the orientation was determined prior to drilling horizontal perpendicular to the fracture orientation.
- Bakken Shales in this area of Canada are immature source rocks. Oil migrated into reservoir from down dip thermally mature Bakken.
- Two wells were drilled with noncommercial results due to water production.
- Well 1
 - Drilled with invert system (70% diesel and 30% water).
 - Drilled 2,420' horizontal leg in both the Upper Shale and Middle Member.
 - Lost 190 bbls mud while drilling (overbalanced).
 - Initial rate was 1,026 barrels per day of fluid (mostly water).
 - Produced 114,000 barrels of fluid in first two years (150 barrels per day average).
- Well 2
 - Drilled with invert system (90% diesel and 10% water).
 - Drilled 3,280' horizontal leg in the Middle Member only.
 - Gained fluid while drilling (underbalanced).
 - Produced 278,000 barrels of fluid in 1.5 years (500 barrels per day average).
- Campbell, et al. in the Seventh International Williston Basin Symposium pp 195 – 202 titled "A Case History of Exploratory Horizontal Drilling in the Bakken Formation; Ceylon Bakken Sand Pool, Southeast Saskatchewan

083-2172



Operator: LYCO ENERGY COMPANY
 Field: SLEEPING GIANT

Cum Oil [bbls]: 153859
 Cum Gas [mcf]: 97975

