

New Player Emerges in Deep Basin-Centered Gas Play

Sublette County, Wyoming

Representing its first foray in Wyoming, Long Beach, California-based Pacific Energy (Pacific) plans an exploratory hole, chasing deep basin-centered gas in the northern Green River Basin. The company has staked the Pacific Paladin #15-18 sw-se 18-27n-103w, Sublette County. This Upper Cretaceous gas test will be targeting the Rock Springs formation at 16,000'. It is believed that Pacific is looking for over-pressurized zones in the Cretaceous, similar to what is being developed 30 miles northwest at Jonah Field and along the Pinedale Anticline.

The nearest hole drilled to Pacific's latest venture that evaluated the Upper Cretaceous is two miles southeast at a wildcat drilled in 1960. Operated by G.L. Reasor, the #1 Govt. se-ne 28-27n-103w was drilled to a depth of 13,313' and completed as a non-commercial gas discovery. From Mesaverde perforations of 12,870'-13150', this hole was given an IPF of 4 mmcf/gpd. Reasor also perforated the Fort Union/Lance from 9,334'-9,424' and recovered up to 1 mmcf/gpd, along with some condensate. Considering the cost of building a pipeline and other support facilities at the time, the hole was deemed non-commercial and it was abandoned.

Pacific's new location is about three miles northwest of an exploratory hole drilled by Shell Oil in 2001, the most recent exploration to occur in this area. The Pacific Creek B3-33 sw-ne 33-27n-103w was drilled to the Upper Cretaceous Ericson at a depth of 12,933'. This test, which was eventually plugged, encountered numerous shows in both the Cretaceous and Tertiary Fort Union. While drilling this hole, sources indicated that the company had excellent shows in the Lance, Ericson and Mesaverde and at one point, was running over 16 lbs of mud in order to suppress over-pressurized zones. The company had also been supporting between a 5'-30' flare through the gas buster while drilling this section of the hole. No drill stem tests were conducted in this hole prior to running production casing. During testing, Shell had approached the Bureau of Land Management with an application to lay in a temporary gas line to the Pacific Creek Federal B3-33.

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1,500 cc of water with no shows of oil. The second test was across the Thaynes interval 11,350'-11,500' in which the pipe recovered 3,000 of water cushion and 1,415' of drilling mud. The sampler held 630 cc of mud, and the decision was made to abandon this hole.

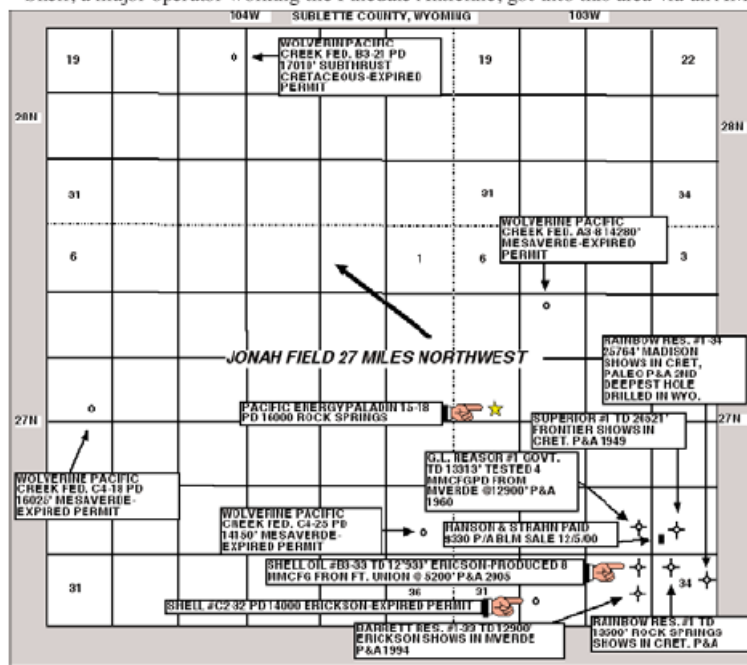
Two years after plugging the Bell Butte #2, Amoco moved less than a half mile southeast and drilled the Champlin 224 Amoco "B" se-se 29-18n-118w; this test was drilled to the Pruess at a depth of 11,146'. Never penetrating the Nugget, this hole was abandoned with no cores or tests performed.

The only other exploratory activity in this sector of the Overthrust is about eight miles southwest at the Duck Federal #1-30 nw-sw 30-17n-119w. Operated by Denver-based Zinke & Trumbo, this Overthrust test is currently in the testing phase and has produced up to 7.5 mmcf/gpd with 90 barrels of associated condensate and 325 bw from what is believed to be the Mission Canyon. This well is interpreted to occupy a separate fault block, generated by a complex imbricated system of faults splaying off of the Absaroka thrust. Paleozoic targets at this prospect include the Mississippian Mission Canyon, as well as numerous secondary objectives in the Ordovician, Pennsylvanian, and Permian sections. This producer is about two miles south of Whitney Canyon/Carter Creek Field, an Overthrust reservoir that produces from the Jurassic, Triassic, Permian, Pennsylvanian, Mississippian and Ordovician. Since its discovery in 1977, the Whitney Canyon/Carter Creek complex has produced over 23.4 million bo and 1.9 tcfg.

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Shell perforated the Ericson from 12,292'-13,041' (OA) and after frac, determined that this zone was non-commercial. The company then set a bridge plug above these perms and opened up the Fort Union from 5,135'-5,290' and tested for an extended period recovering 8.08 mmcf/g and 113,575 bw. This zone was also deemed un-economical, and the hole was eventually plugged and abandoned in 2005.

Shell, a major operator working the Pinedale Anticline, got into this area via an AMI



involving the purchase of a majority interest in 110,000 acres in Sublette County, Wyo., from Grand Rapids, Michigan-based Wolverine Gas and Oil. This AMI is located within the overall area of 26-28n, 102-105w. Both Shell and Wolverine had plans to conduct a multi-well exploratory program but these plans never materialized, and it is believed that this AMI has been dissolved.

The nearest commercial production to Pacific Energy's Paladin #15-18 is about 27 miles northwest at Jonah Field, the largest gas field discovered in Wyoming in the past 13 years. Producing primarily from the Upper Cretaceous Lance, Lewis and Mesaverde, cumulative production from this field exceeds 1.58 tcfg, 15.2 mmbbo from 904 wells since its early development in 1993.

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Deep Basin Centered Gas Wildcat Spuds

Sublette Co. Wyoming

Representing its first foray into the state of Wyoming, Long Beach California based Pacific Energy (Pacific) has commenced operations looking for deep basin centered gas in the northern Green River Basin. The company has moved in Unit Drilling rig #9 and is turning to the right at Pacific Paladin #15-18 sw-se 18-27n-103w Sublette County. This Upper Cretaceous gas test will be targeting the Rock Springs formation at a depth of 16,000'. It is believed that Pacific is looking for over pressurized zones in the Cretaceous, similar to what is being developed 30 miles to the northwest at Jonah field and along the Pinedale Anticline.

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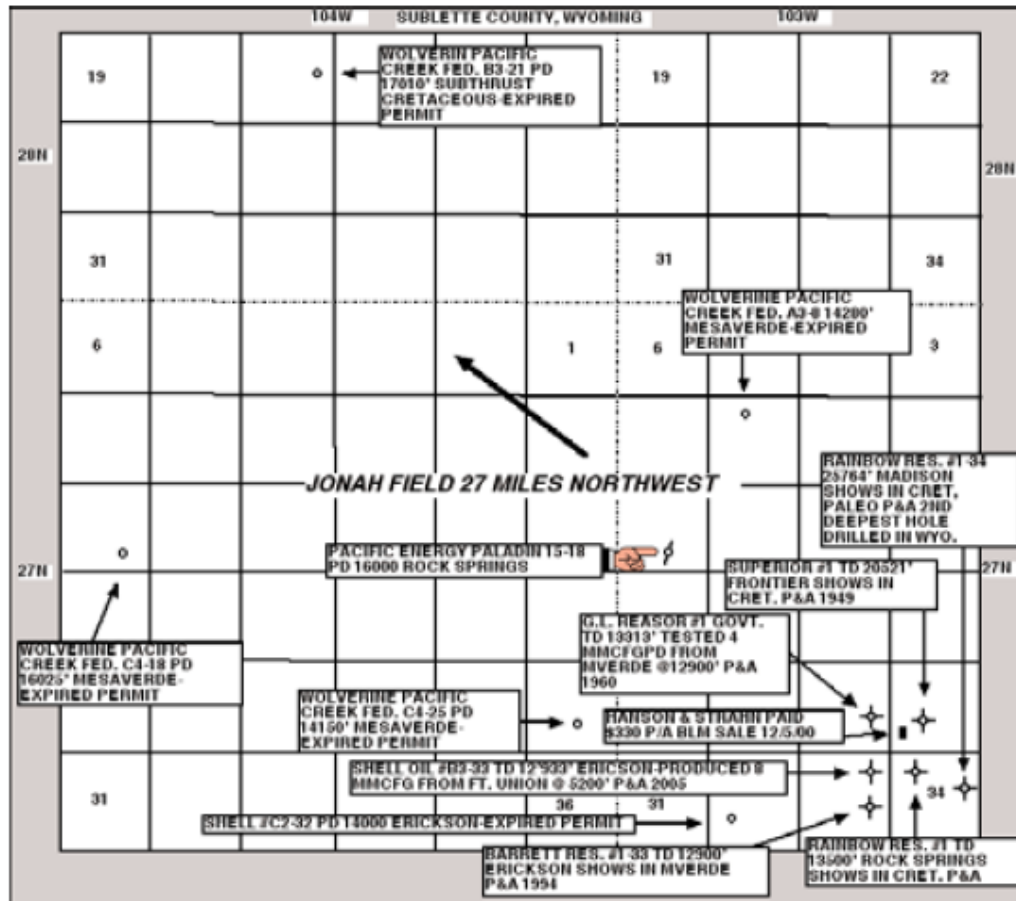
Shell did perforate the Ericson from 12,292'-13,041' (OA) and after frac, determined that this zone was non-commercial. The company then set a bridge plug above these perms and opened up the Fort Union from 5,135'-5,290' and tested this zone for an extended period recovering 8.08 mmcf/g and 113,575 bw. This zone was also deemed un-economical and the hole was eventually plugged and abandoned in 2005.

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