

# CIB HAZ 12-1 PROSPECT

GILLIS-ENGLISH BAYOU FIELD, CALCASIEU PH., LA

## EXECUTIVE SUMMARY

ASCENDANT EXPLORATION propose to drill a low risk field development well offsetting a well drilled in 2000 that produced out of the objective Cib Haz 12 sand, which also produces in multiple wells in this part of the field. Well control in the area supports strong structural gain to the West of the offset well which is further supported by the 3-D seismic, so the intercept point for the CH-12 in our test well should be at least 40 feet high to the offset productive well which produced almost 500,000 BO out of 22 feet of pay in a 140 foot thick channel sand.

Cib Haz 12 channels are traceable in this area because they exhibit a strong amplitude anomaly on the 3-D. The 7 wells in the area productive in the Cib Haz 12 all produced from within an area with this amplitude anomaly. Surrounding wells that had no anomaly on this horizon either had no Cib Haz 12 sand or the sand was poorly developed and tight. Our intercept point on the CH-12 is well within the amplitude anomaly for the productive offset well. Additionally, productive CH-12 reservoirs in this area exhibit an Average Energy Attribute which is also present in this reservoir.

**RESERVE POTENTIAL:** 400,000 BO. Area wells produce 180+ BOD for a number of years

**PLANNED DRILL DATE:** May 2017

**LAND AND TRADE:** 66 Acre unit at 72.8% NRI; well drilled at cost with a 15% WI back in after payout. Participation in a second CH-12 drilling prospect is available on reduced terms.

**DRILLING PARAMETERS:** Turnkeyed directional 9261 ft. MD well to 8900 ft. TVD. Key will operate

**ESTIMATED ROI AND PAYOUT TIME:** 808% (\$12,125,000 Net or \$121,250 per 1%); Payout in 9 Months

<b>ESTIMATED COSTS</b>	<b>100%</b>	<b>10%</b>	<b>5%</b>	<b>2%</b>
Land and G&G	\$ 250,000	\$ 25,000	\$12,500	\$ 5,000
Drilling AFE Including P&A	800,000	80,000	40,000	16,000
<b>Total Initial Cost</b>	<b>\$1,050,000</b>	<b>\$105,000</b>	<b>\$52,500</b>	<b>\$21,000</b>
<b>Completion AFE</b>	<b>\$ 516,000</b>	<b>\$ 51,600</b>	<b>\$25,800</b>	<b>\$10,320</b>
<b>TOTAL</b>	<b>\$ 1,566,000</b>	<b>\$156,600</b>	<b>\$78,300</b>	<b>\$31,320</b>

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September 27, 2016

Mr. Brooke Furrh  
Ascendant Exploration, LLC

RE: David Broadbridge - Cib Haz 12 Prospects  
Gillis-English Bayou Field  
Calcasieu Ph., Louisiana

Mr. Furrh,

At your request I visited with David Broadbridge at his office in Covington, Louisiana on September 12, 2016 to review the geology and geophysical support for his Cib Haz 12 Prospects.

The prospects in question are oil-bearing channel sand deposits lying on east dip. These channels, when developed and preserved, have upward to 150 feet of clean, high porosity and high permeability sand, making them excellent potential hydrocarbon reservoirs. There is a great deal of subsurface control and historical Cib Haz 12 production in the area to support this hypothesis. That said, channel sands are notoriously difficult, if not nearly impossible to accurately map out using subsurface control alone.

Broadbridge presented to me his prospects mapped using 3-D seismic data; the 53 square mile Naval Store shoot in particular. This data was originally shot in 1996 by Universal Seismic Acquisitions for UPRC et al. The data is 34 fold with a bin size of 110 ft, source and receiver intervals of 220ft and with spacing of 1,980 ft and 7,760 ft respectively. The data was shot with dynamite. Data quality is excellent.

With this data, Broadbridge was able to precisely map out Cib Haz 12 sand channels by correlating and picking a well defined trough event. Mapping on this event, the channels appear as bright trough amplitudes, the brightness primarily being a function of sand development. Where the trough is very weak or altogether absent, there is no sand. Where the trough event exhibits high amplitudes, a thick channel sand is present. It should be noted that these are oil bearing sands and the amplitudes in and of themselves are not a reliable indicator of the presence or absence of hydrocarbons; the amplitudes only indicate thick well-developed sands.

However, the presence or absence of oil within the channels is indicated by the seismic attribute of Average Energy. By carefully controlling the gain with this attribute, sands that are known to be oil bearing show a positive attribute. Where the sand is known to be water wet, the attribute is negative. In my opinion, this seismic attribute greatly reduces the risk of drilling a wet sand.

I have a copy of this data set at my office. Using the sonic and density logs of the Samson #2 Texaco Fee, I generated a synthetic seismogram and tied it directly to the seismic data. This synthetic definitively shows that the top of the Cib Haz 12 Sand is the center of a trough and that Broadbridge's seismic pick is correctly tied to the subsurface data. After my initial review, I provided Broadbridge with this synthetic data.

#### LOCATION #1 - PUD

The proposed location of the first prospect is directly updip of the Samson #2 Texaco SL 15691 (Ser# 223696) which found a 150 foot thick Cib Haz 12 channel sand with 36 feet of oil on water. This well made 494,161 BO plus 445 MMCFG with 800,000+ BW from 2000 to 2013 under a strong water drive. This reservoir occurs immediately upthrown to a fault.

This known oil bearing sand body exhibits excellent seismic characterization of high amplitudes with a positive Average Energy attribute. Tucked up under a fault, detailed seismic dips are hard to discern of this reservoir, however, seismic dips away from the fault both upthrown and downthrown, indicating that 11 msec of structure will be gained on the Samson well, yielding approximately 42 feet of structure. Given the high recoveries with 36 feet of oil on water, the proposed location should do as well as the Samson well did and could yield another 500,000 BO from this reservoir. This is a PUD location.

#### LOCATION #2 - Possible

Location #2 is situated in a seismically defined channel sand, 30 msec (120 ft  $\pm$ ) updip of the Samson #3 Texaco (Ser# 224613) which encountered 100 feet of wet sand. Amplitudes along this channel are relatively weaker than at the first two prospects, however, these amplitudes are comparable to the known oil bearing channel sand developed by the Pickens #1 King Estate (Ser# 130198) which found 100 feet of sand with 73 feet of oil on water and made 306,899 BO plus 148 MMCFG and 444,673 BW.

It should be noted that the seismic data was shot after the Pickens well went to water, and thus the weaker amplitudes may be a reflection of a water swept sand. The Average Energy attribute for Location #2 is also weaker than that shown for Location #1.

At Location #2, the Average Energy attribute is positive for hydrocarbons, whereas at the downdip and wet Samson #3 Texaco the attribute is negative for hydrocarbons. On a cautionary note, this attribute is weaker at Location #2 than it is at the Pickens #1 King Estate, and thus this prospect carries a higher risk for failure than the first (updip-PUD)

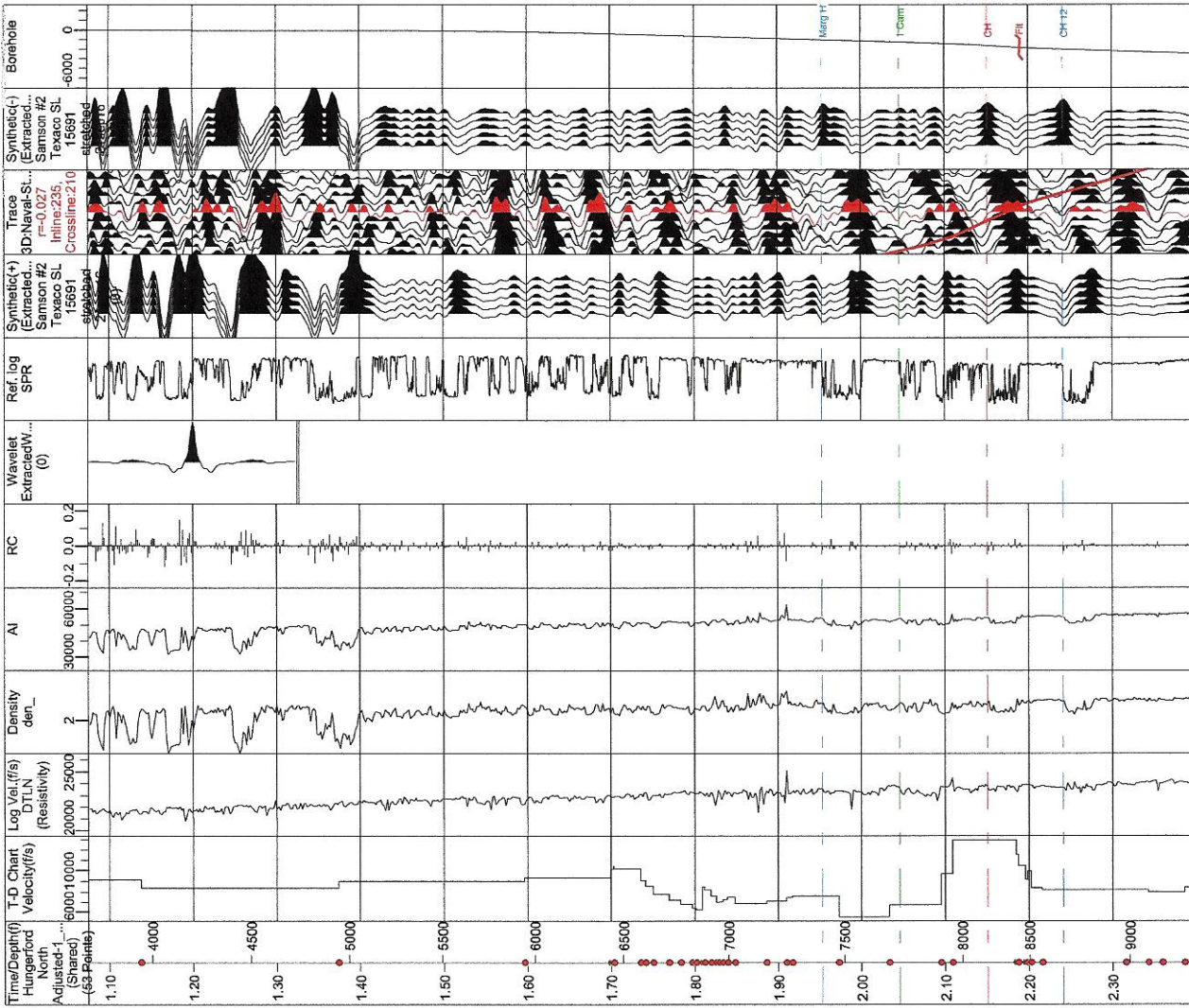
location. That said and considering the low cost and high reserve potential, this is an attractive proposition, but only after the first well has been successfully drilled.

Reserves for this location should be comparable to known producing wells, that is between 300,000 and 500,000 BO under a strong water drive.

#### CONCLUSIONS

This suite of prospects is definitely one of the better proposals for low risk, low cost and high potential reserves I have seen in recent years, Broadbridge has done his homework and I fully agree with his conclusions. I recommend that you pursue these leases on these prospects and get them drilled.





FORMATION	DEPTH	AVG VEL	TIME TO TOP	INT VEL	THICKNESS
Marg H-1	7420.0	7407.0	1.95278	0.09265	6130.5
1 Cam	7704.0	7691.0	2.04543	0.10508	9630.9
CH	8210.0	8197.0	2.15051	0.09086	10463.6
CH 12	8685.4	8672.4	2.24137		475.4

**KIMSU OIL COMPANY**  
**CIB HAZ 12 PROSPECT**  
 Gillis-English Bayou Field - Calcasieu (h., Louisiana  
 SynPAK: Samson #2 Texaco SL 15691 stretched 21 sep 16; SL 15691-2; SL 15691 2, Depth Type: TVD  
 (Seconds), Distance Units: feet