

A Statistical Type Well Approach for the Effective Economic Modeling and Portfolio Selection of Unconventional Resource Plays

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Many firms are pursuing unconventional Resource plays across the globe as a low risk vehicle for growth. Unfortunately, not all of our resource plays have met the expectations of this low risk model. Some plays are product price dependent and others are both price and technology dependent. This talk will provide a brief overview of the North American industry's use of statistically based type curves to assess ongoing developments.

The focus of the paper will be to provide participants with an alternative methodology for the selection of future Unconventional Resource plays. The selection of the correct Unconventional Resource Play is critical to the long-term success of our companies. Pick the wrong play and no matter how good you are, you will provide limited returns to your shareholders. Select the right Unconventional Resource play and you will have happy shareholders. The methodology is similar, yet unique from traditional basin analysis in its use of pilots versus exploration wells and type wells versus a range of reserves in a prospect.