AvGranite Wash Play Overview, Anadarko Basin: Stratigraphic Framework and Controls on Pennsylvanian Granite Wash Production, Anadarko Basin, Texas and Oaklahoma*

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Introduction and Play Highlights

- Granite Wash play extends over 130 miles across 7 counties in the Anadarko Basin covering 2.5 million acres.
- Multi-stacked resource play concentrates value with potential of 40 Hz wells/section in Granite Wash.
- There are almost no federal leases.
- Established infrastructure is present.
- Landowners and state governments are industry-friendly.
- Range of cost of completed wells is \$6-9MM...
- IP Range 50-3,500 BO and 3,000-30,000 MCFGPD.
- EUR Range 3-17 BCFE.
- Total Recoverable resources potential of 500 TCFE, (114 BBOE including NGL's).

Conclusion

- Desmoinesian Granite Wash Play in the Anadarko Basin is one of the most active plays in the Continental United States.
- Clastics shed from the Wichita Mountain-Amarillo Uplift were deposited in the Anadarko Basin by sediment gravity flows, creating a massive submarine sand complex.
- Anomalously pressured hydrocarbon system, both under- and overpressured.
- Produces both oil and gas, ratios vary laterally and vertically.
- Minimum of fifteen separate reservoirs.
- Advent of horizontal drilling technology and isolated multi-stage fracture stimulation has revolutionized play.

^{*}Adapted from oral presentation at Forum: Discovery Thinking, at AAPG Annual Convention and Exhibition, Long Beach, California, USA, April 22-25, 2012. Update of presentation is Search and Discovery Article #80420 (2014).

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- New technology has enabled development of a giant field within a mature basin.
- As mapped today this field will take decades to develop, with new isolated reservoirs still being discovered.

References

Lyday, J.R., 1985, Atokan (Pennsylvanian) Berlin Field: Genesis of Recycled Detrital Dolomite Reservoir, Deep Anadarko Basin, Oklahoma: AAPG Bulletin, v. 69/11, p. 1931-1949.

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Granite Wash Play Overview, Anadarko Basin

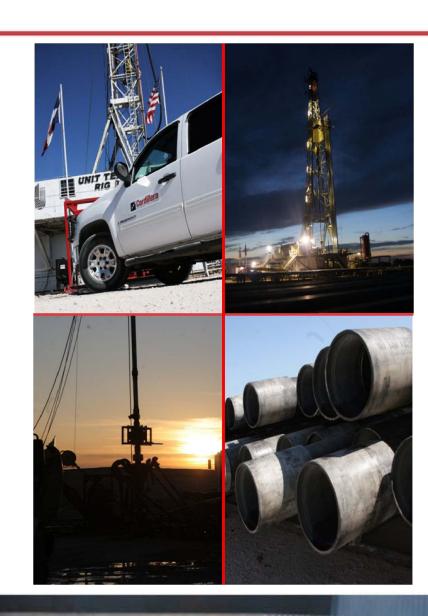
Stratigraphic Framework and Controls on Pennsylvanian Granite Wash Production, Anadarko Basin, Texas and Oklahoma





Acknowledgements

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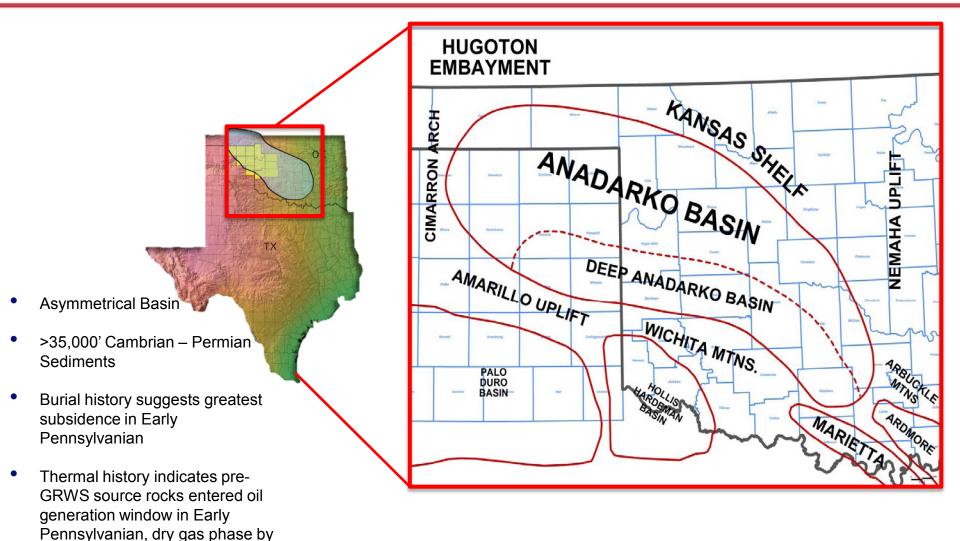


Discussion Outline

- Location Map and Stratigraphic Column
- Play extents and expansion through time
- Depositional model and hydrocarbon system
- Momenclature issues and type log
- Regional cross-sections
- Met sand isopachs
- M Conclusion



Anadarko Basin





Early Permian

Stratigraphic Column

Key Points

- The Granite Wash and associated plays are among the most attractive domestic opportunities due to liquids-rich production, stacked pay zones and high rates of return
- Horizontal drilling technology, combined with advancements in multi-stage fracture stimulation, has caused a massive expansion of the resource potential with numerous attractive stacked development opportunities

Map of Western Anadarko Basin Focus Area

Stacked Pay Zones

Anadarko Basin				
System	Series / Epoch	Generalized Stratigraphic Column		
Lower Permian	Wolfcampian	Hugoton / Pontotoc (Brown Dolomite)		
		Chase / Council Grove		
		Admire		
Pennsylvanian	Virgilian	Wabaunsee		
		● ☀ Shawnee	• 💥	
		Douglas Tonkawa	• *	
	Missourian	■ ★ Cottage Grove	<u>• ₩</u>	
		■ ★ Hoxbar / Hogshooter	• 🛎	
		● ★ Checkerboard	• <u>₽</u> ¥	
		■ ★ Cleveland	Granite Was	
	Desmoinesian	Marmaton Group (Glover / Big Lime / Oswego)	*	
		Cherokee (Skinner / Pink Lime / Red Fork)	*	
	Atokan	☆ Atoka Lime	**	
		☆ 13 Finger Lime	**	
	Morrowan	☆ Morrow Shale / Dornick Hills Shale	二共	
Mississippian	Chesterian -	☆ Springer		
	Meramecian -	Meramec Lime / St. Louis		
	Osagean -	Osage Lime / Osage Chert		
	Kinderhookian	Kinderhook / Sycamore Lime		
Devonian	Upper Devonian	☆ Woodford		
Devoritai	Sppor Dovonian	☆ Hunton		

Note: Granite Wash spans from the Early Permian to the Pennsylvanian in age. Areas marked with an oil, gas or liquids symbol represent zones present in the Western Anadarko Basin.



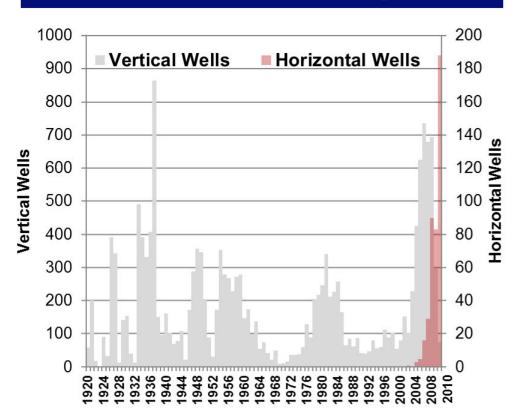


Anadarko Basin Goes Horizontal

	ged Set)	
	Cleveland	Granite Wash
First Well	1951	1920
# Verticals	2,660	16,307
First Horizontal	2002	2002
# of Horiz Completions	880	415
# of Horiz	22	60
Rias		
# of Horiz Permits	153	165

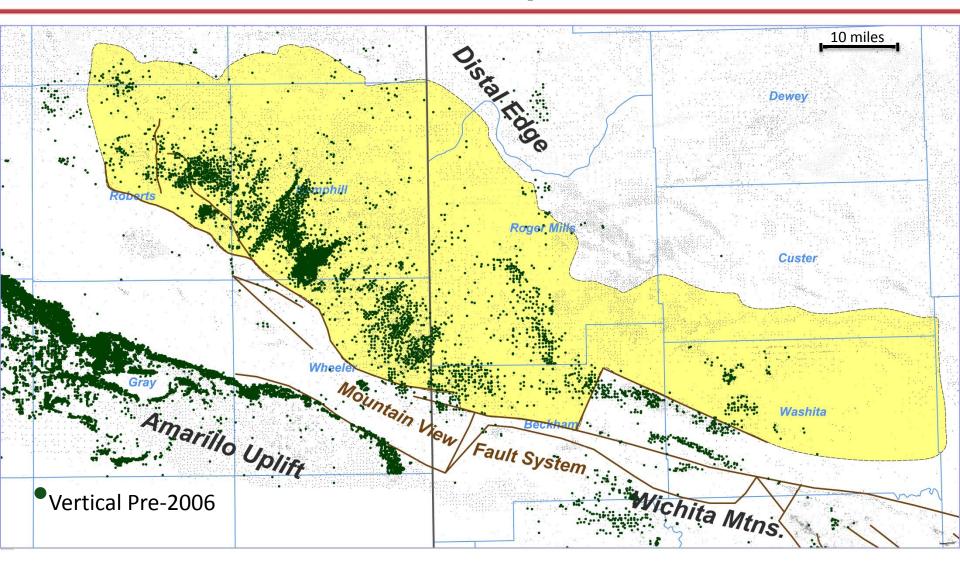
HZ Development Explodes in 2008

Granite Wash Wells Completed



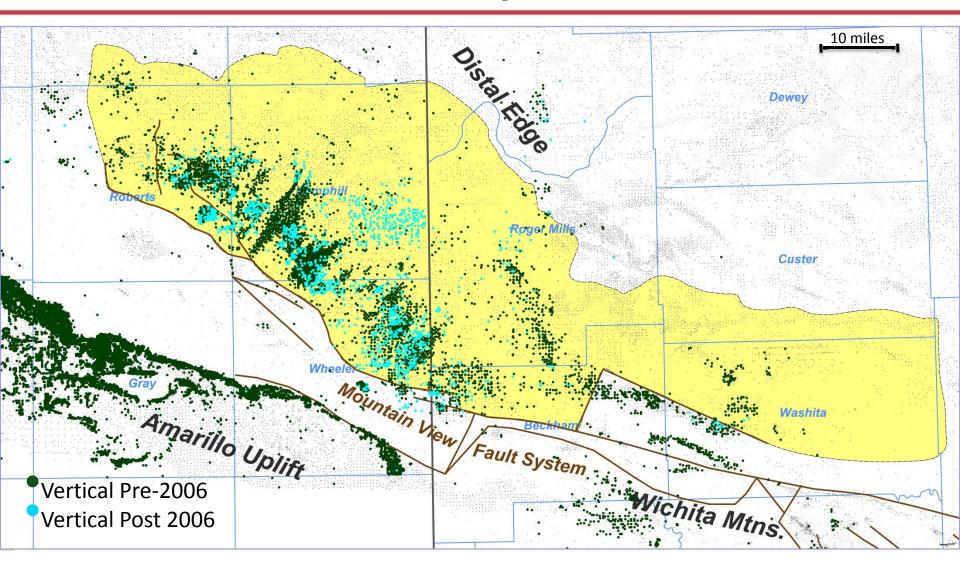
Source: IHS, Inc. - reflects YE 2010 data

Granite Wash Vertical Completions – Pre 1/1/2006



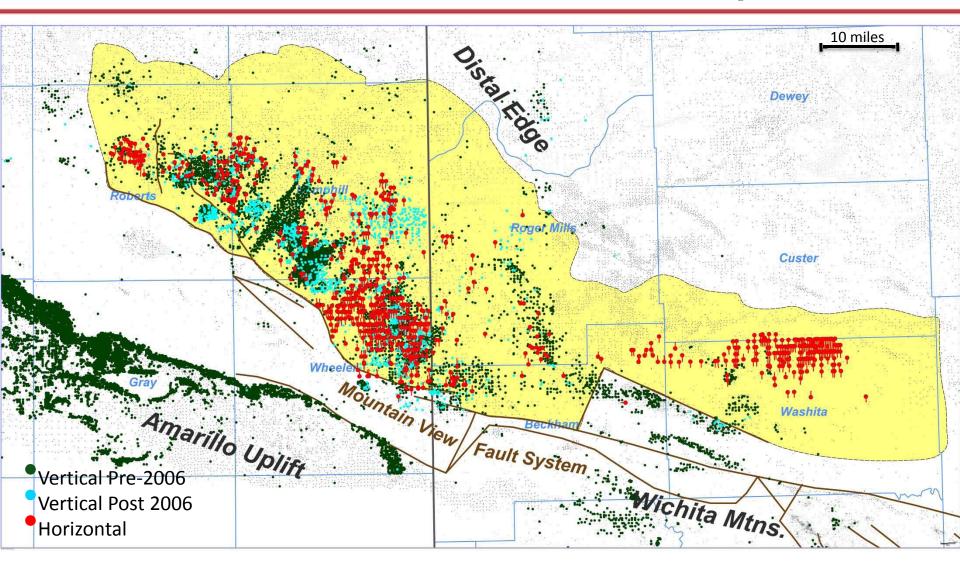


Granite Wash Vertical Completions – Post 1/1/2006



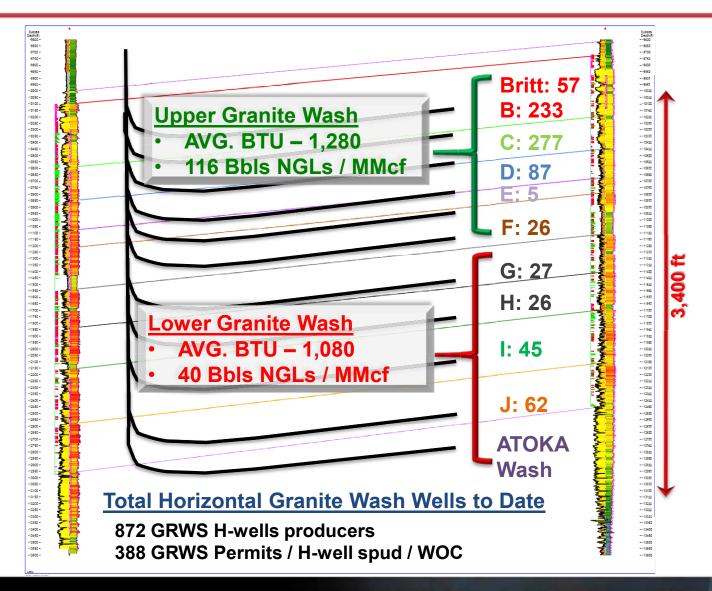


Granite Wash Vertical & Horizontal Completions



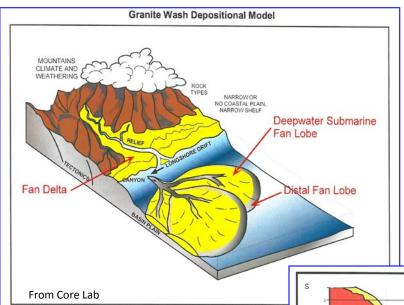


Eleven Stacked Horizons

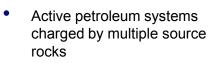




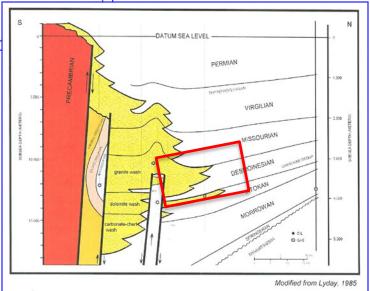
Granite Wash Depositional Model

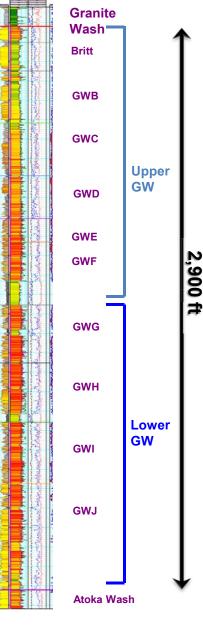


- Massive sand deposits shed off the Amarillo uplift and Wichita Mtn. to SW, >15,000 ft of GRWS deposits preserved in the rock record
- Sediments spread laterally and stacked vertically to create a submarine sand complex
- GRWS records cyclic sandstone and siltstone deposition that corresponds to submarine fan growth and abandonment
- Focus on DSMS GRWS



- Basin-centered gas system combined with regional stratigraphic pinch-out
- Gross DSMS thickness as much as 3,400 ft
- Subdivided DSMS GRWS into 11 productive benches separated by regionally correlative shales

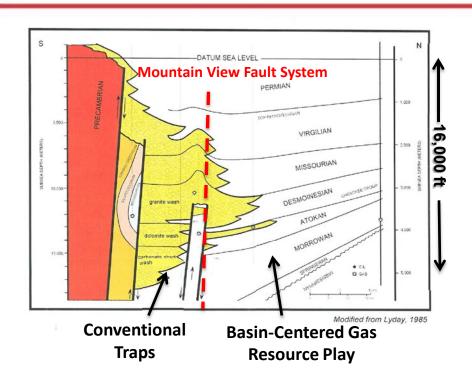




16,000



Two Plays: Conventional and Unconventional



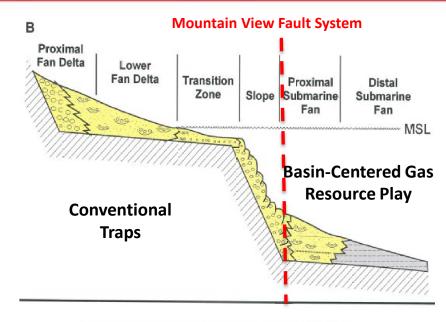


Diagram (Reading, 1986) features a depositional facies models for a fan delta with a narrow shelf.

- South of Mountain View Fault System: Conventional Traps
- Morth of Mountain View Fault System: Basin-Centered Gas Resource Play



Challenges

- Perception that the Granite Wash is only one or two reservoirs
 - When it is at least fifteen reservoirs
 - At least eleven Desmoinesian-age reservoirs
- Limited published studies
- Subsurface study only, no outcrops
 - Over 30,000 wells to correlate; blessing and a curse.
 - Five years ago when we started this work there were few digital logs available
- Petrophysical challenges
 - Radioactive minerals
 - Variable clay content
 - Low porosity and permeability
 - Overbalanced drilling masked Granite Wash pay
- Mo established stratigraphic framework
- Momenclature issues are a major hurdle to overcome



What's in a name?

Numerous different styles for naming individual Granite Wash zones

Lithology

Granite Wash

Conglomerate
Carbonate Wash
Dolomite Wash

Age Connotation

Permian Wash

Missourian Wash

Pennsylvanian Wash

Desmoinesian Wash

Atokan Wash

Morrowan Wash

Kansas Shelf Nomenclature

Cottage Grove Wash

Hogshooter Wash

Cleveland Wash

Marmaton Wash

Cherokee Wash

Skinner Wash

Red Fork Wash

Atoka Wash

Morrow Wash

Other

Colors

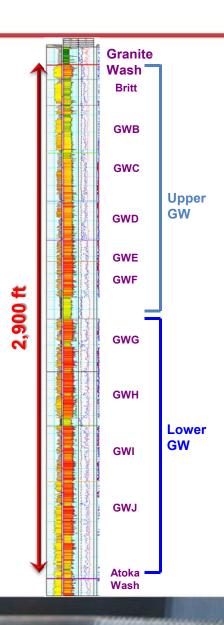
Alpha-Numeric

Inverse Alphabetic



Our Nomenclature

- Divided the Desmoinesian age Granite Wash into eleven zones
 - Separated by regionally correlative flooding surfaces
 - Frac barriers
 - At least eleven Desmoinesian-age reservoirs
- System is a hybrid of Core Lab study members



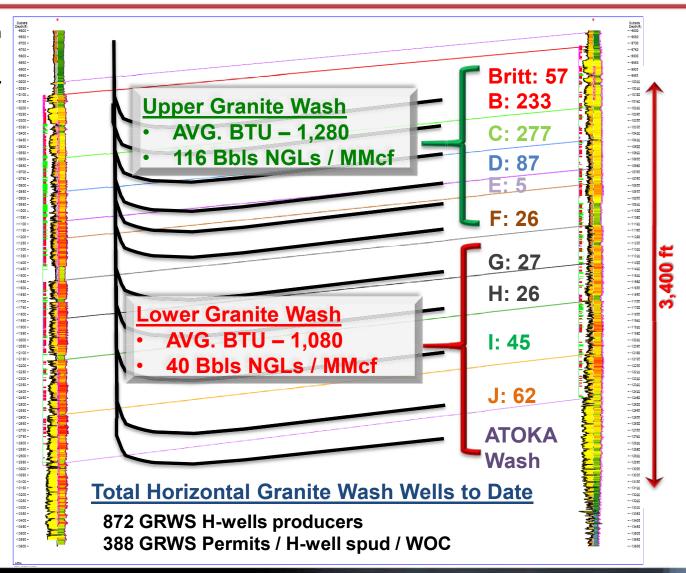


Mapping Strategy

- Granite Wash divided into 11 zones (does not include Atoka Wash)
 - Strategy was to correlate significant flooding surfaces across area of interest
 - Create structure maps for each surface and project those surfaces into all wells
 - Define zones based on projected surfaces to eliminate nomenclature issues and to be able to extract meaningful test, perf, and production data
- Met sand maps for each individual zone
 - Only wells penetrating that zone
 - Highlight wells with perfs in that zone
 - Highlight HZ wells in zone

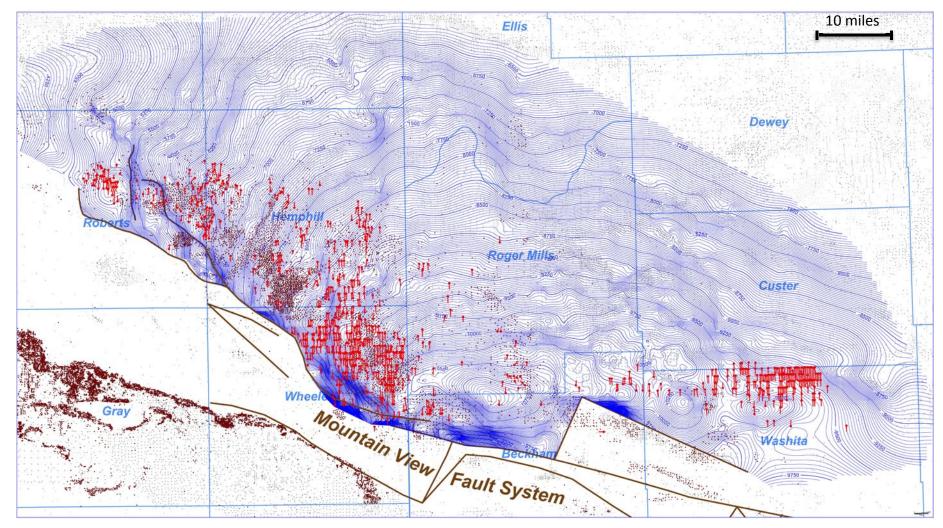
Eleven Stacked Horizons

- All GRWS zones proven productive by 100's to 1000's of vertical wells, and over 800 Hz wells
- Most Hz wells target the upper zones
 - Shallower drilling
 - More liquid-rich in central portion of the play





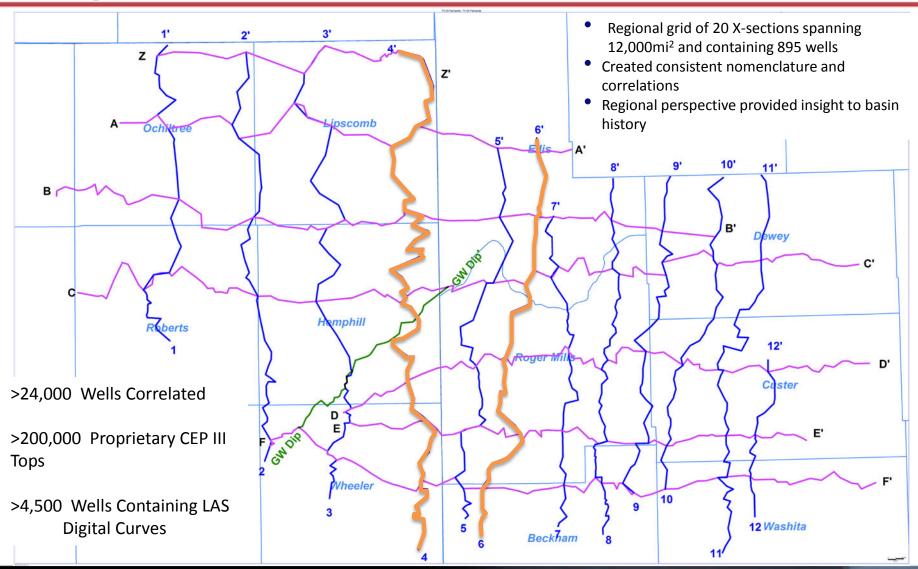
Granite Wash Structure



C.I= 25'

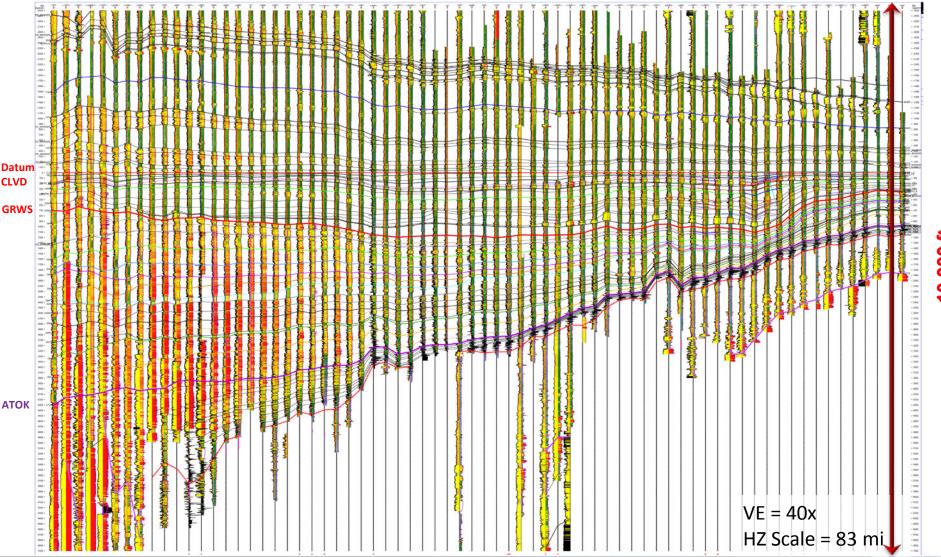


Regional Cross-Section Index Map

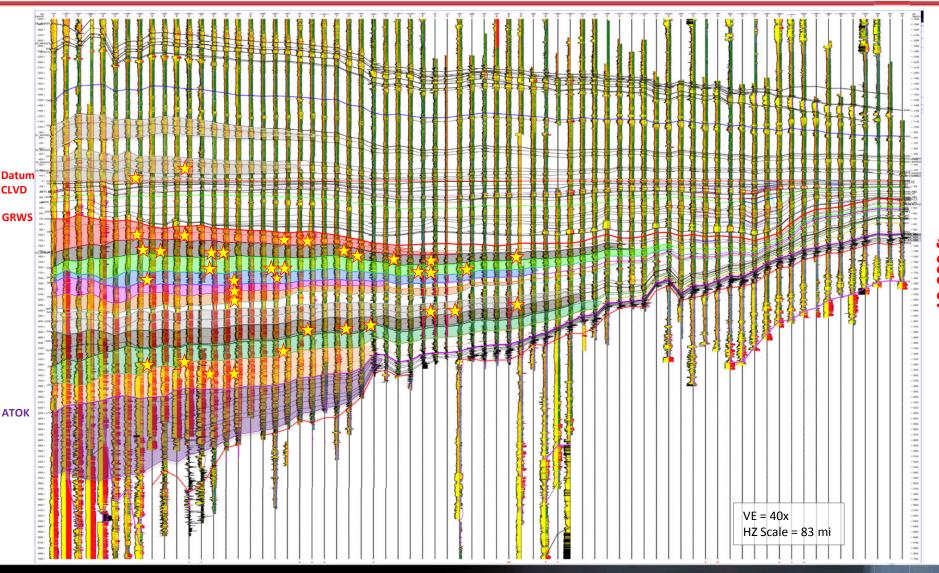






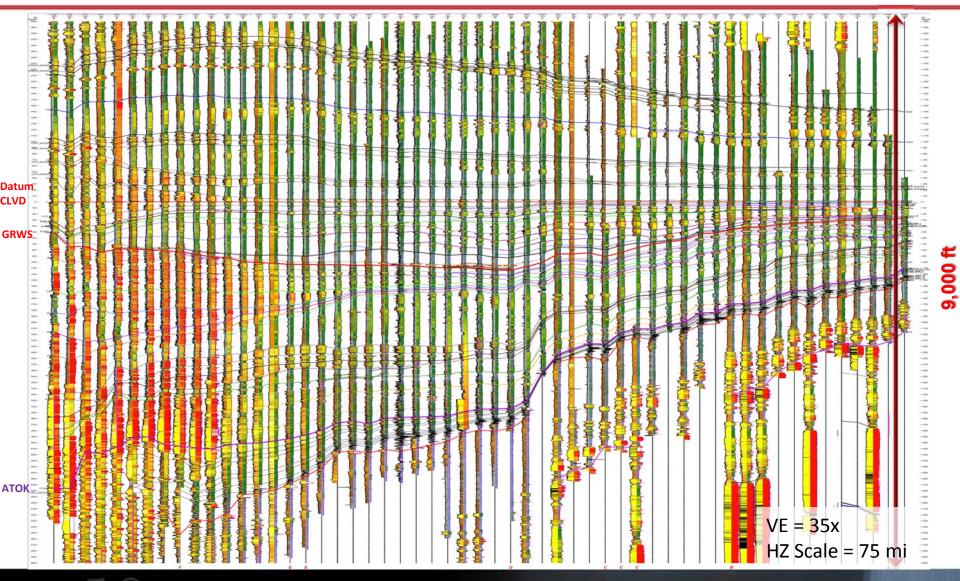






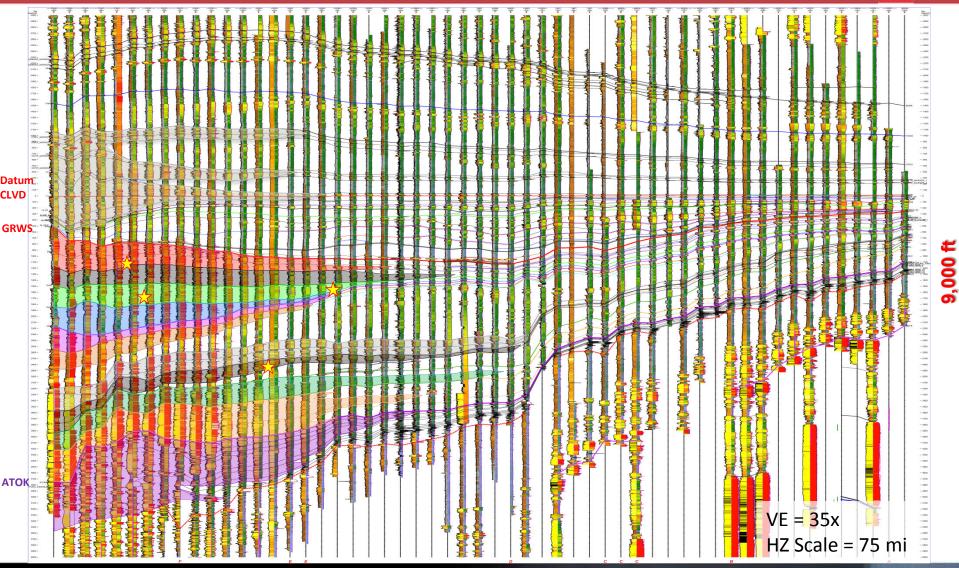
Section 4





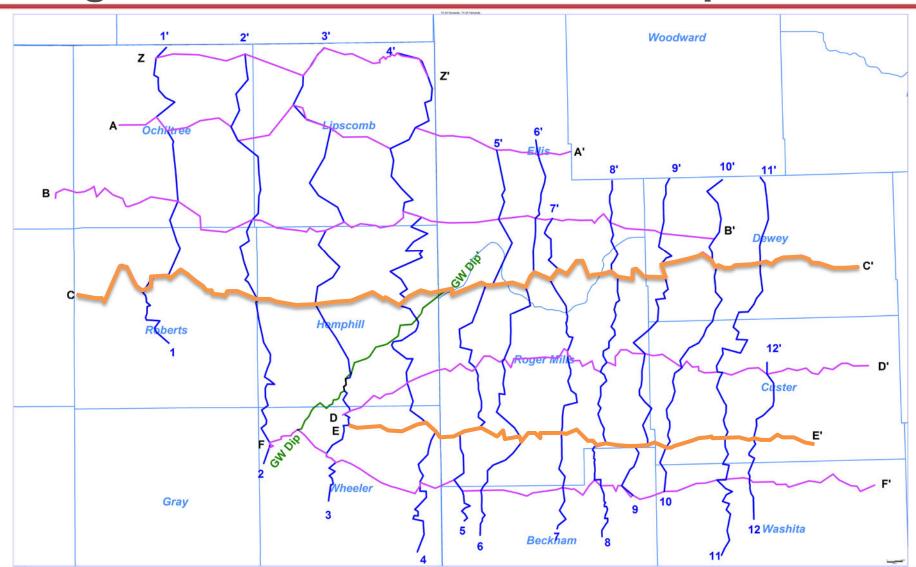








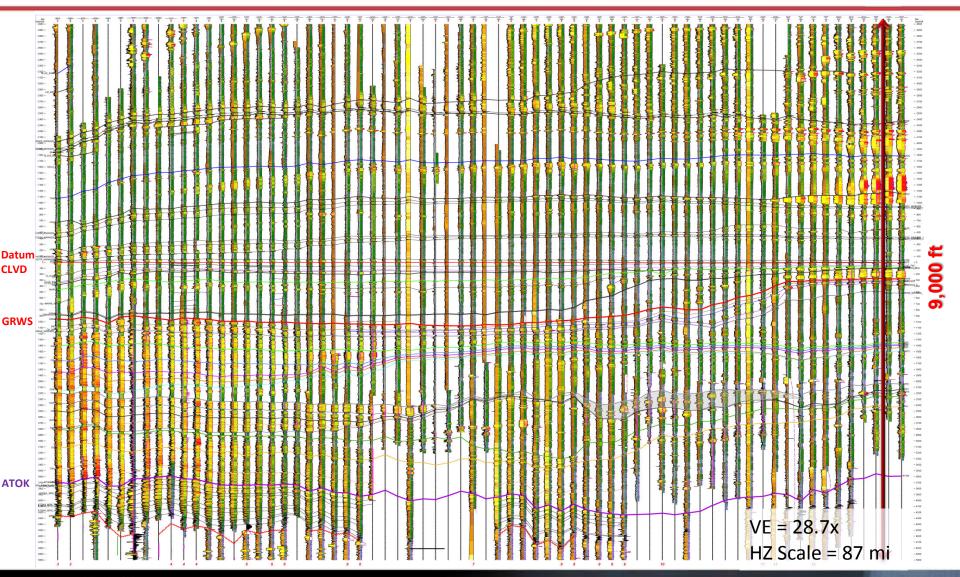
Regional Cross-Section Index Map





Section E

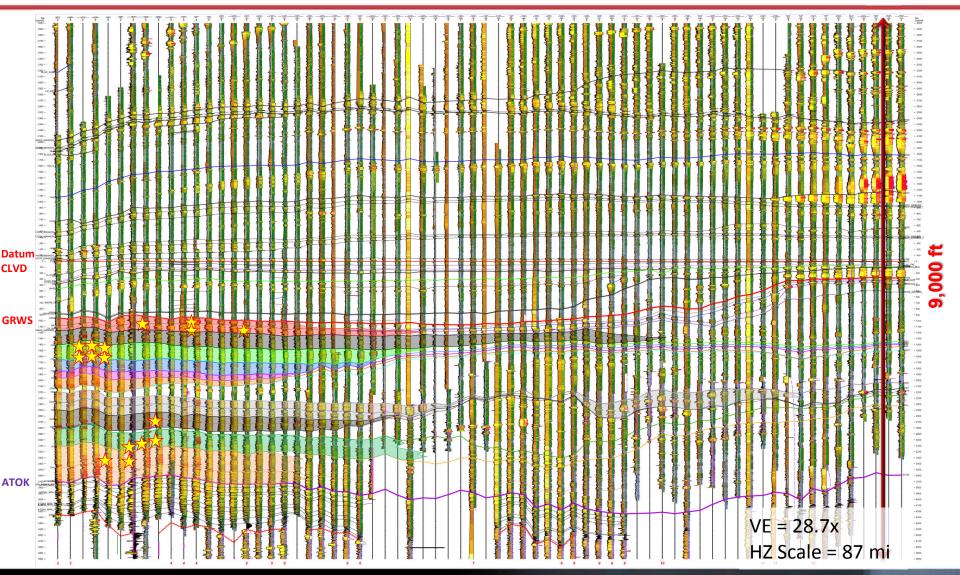
East



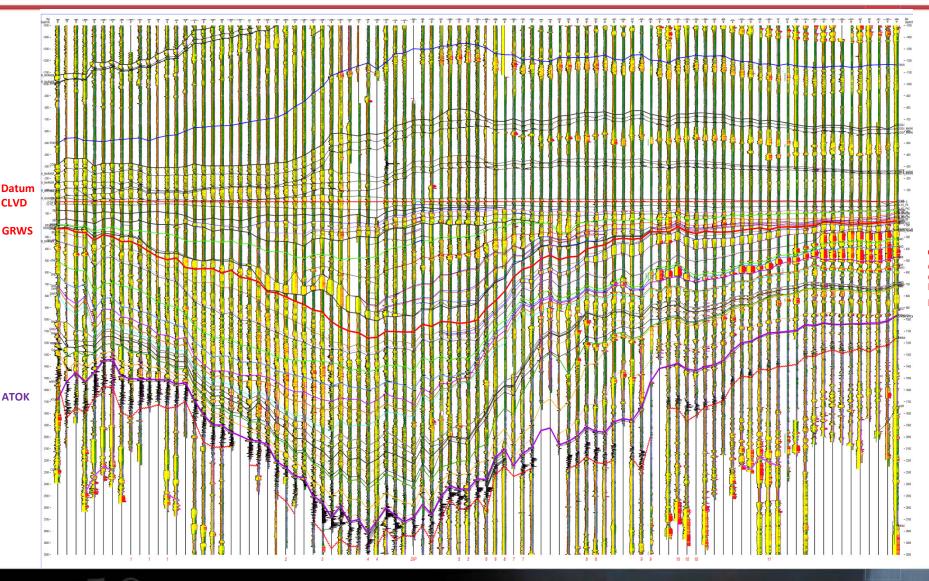


Section E

East

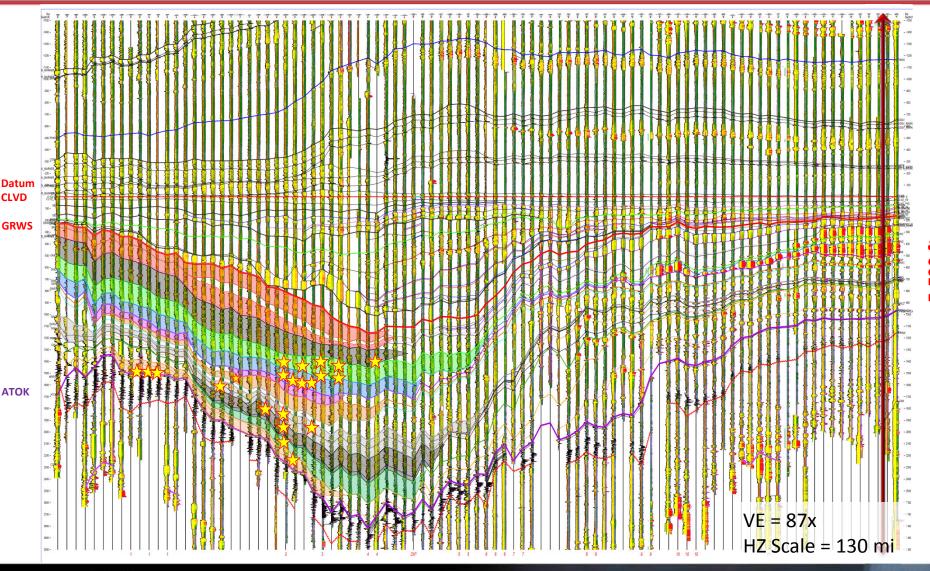






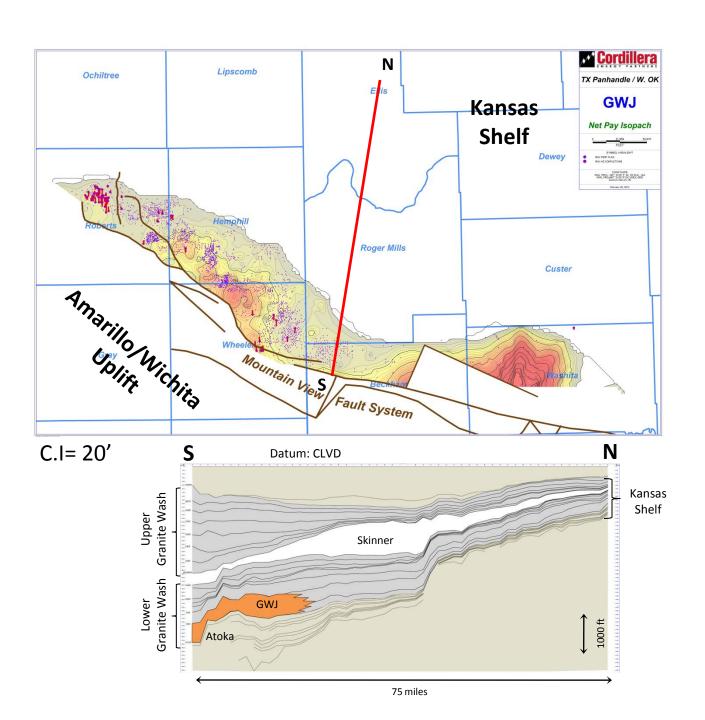
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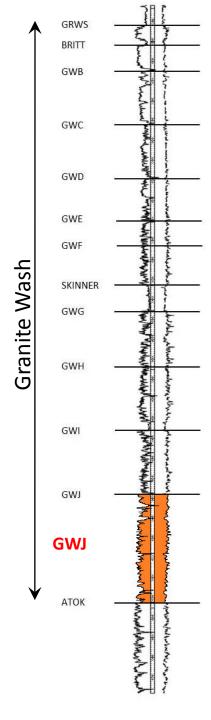


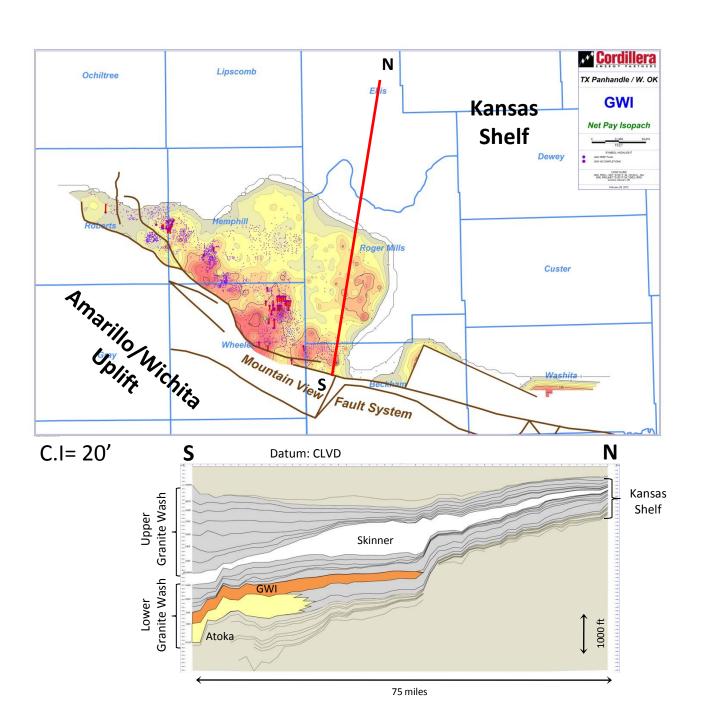


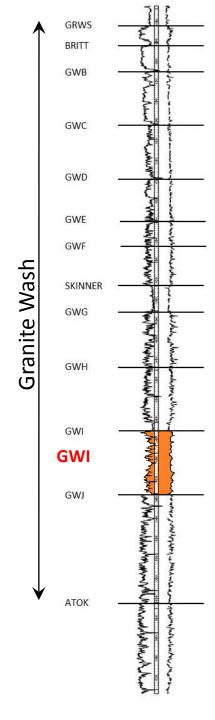
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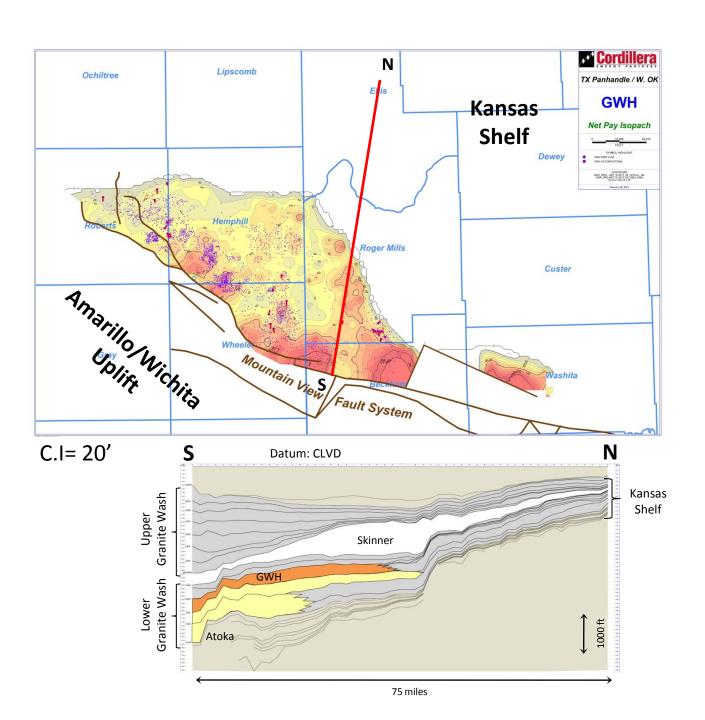


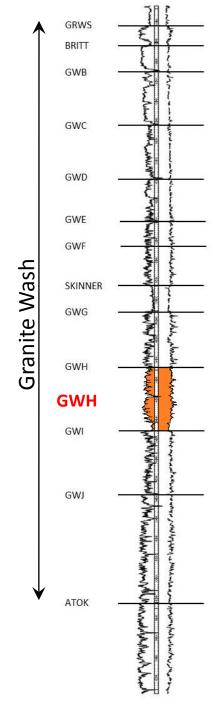


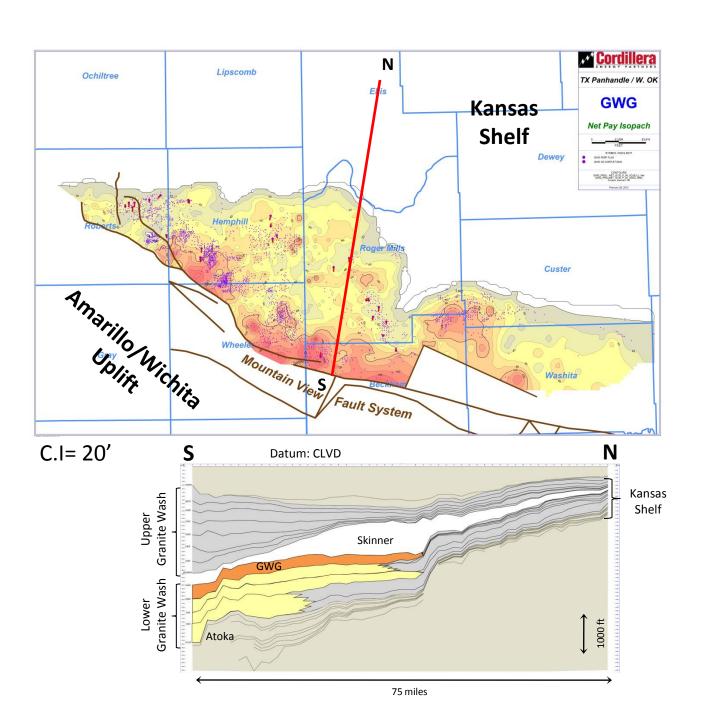


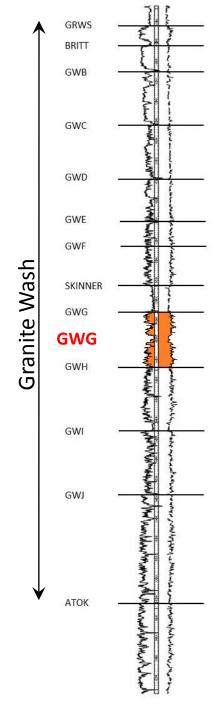


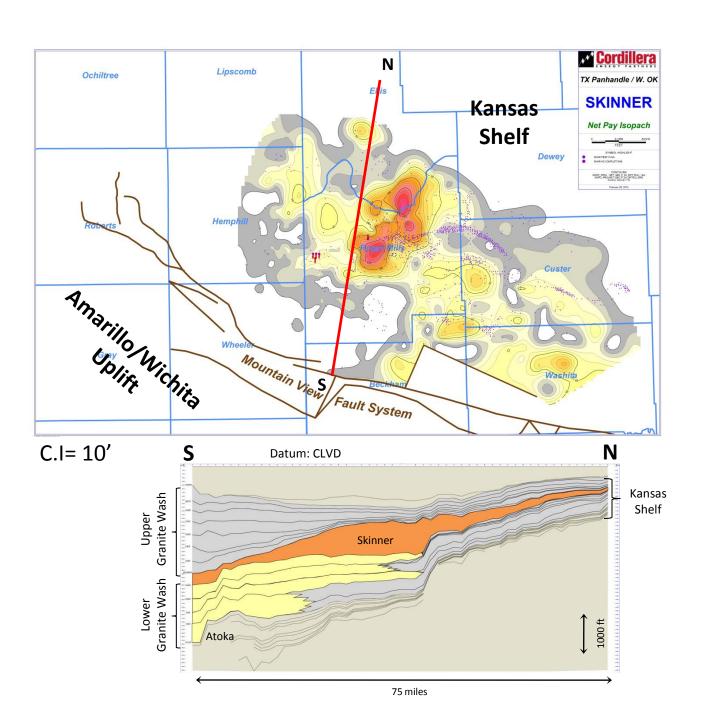


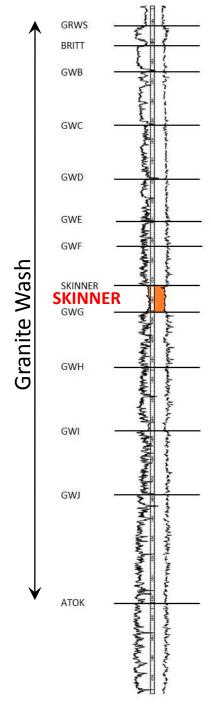


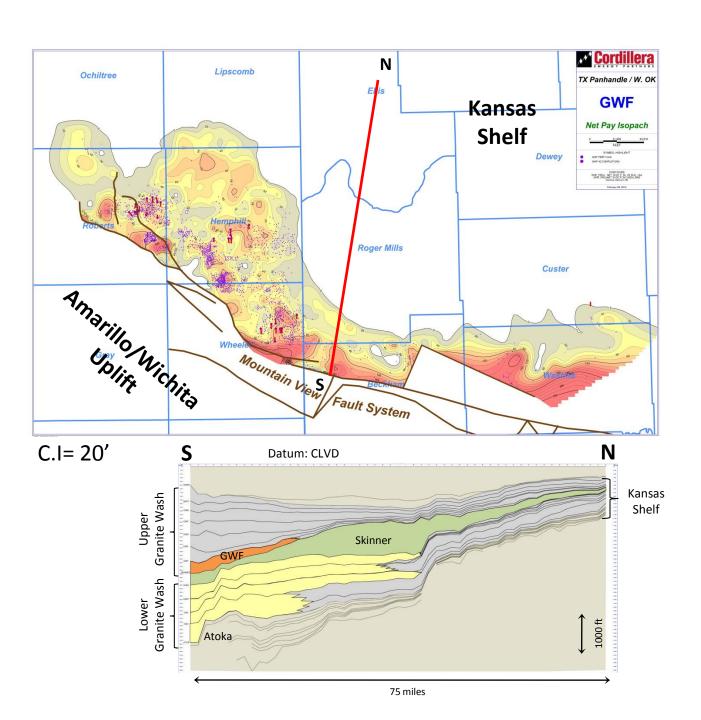


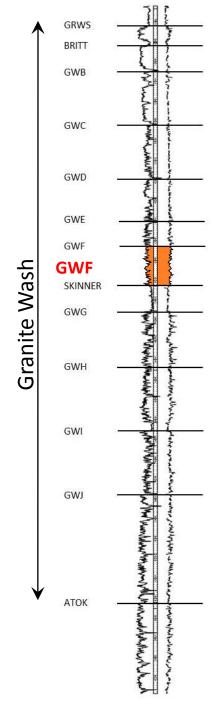


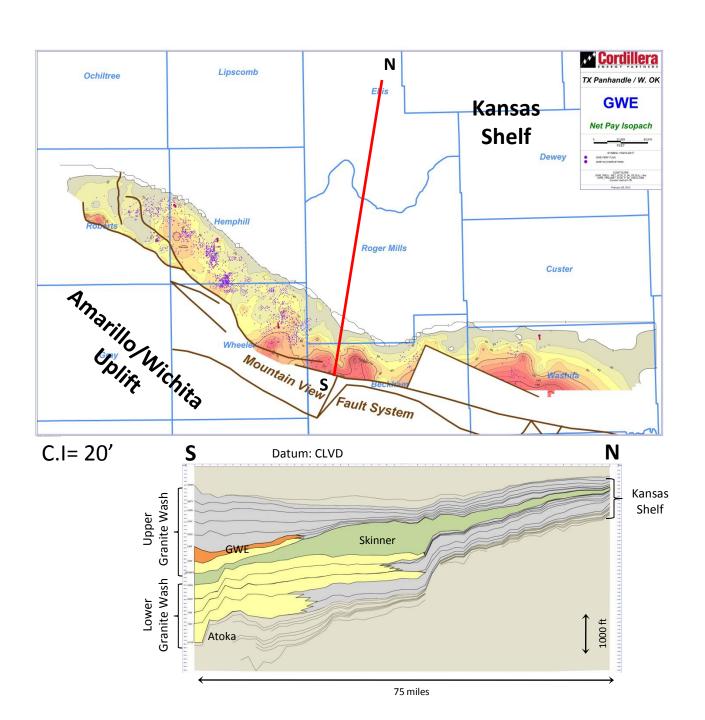


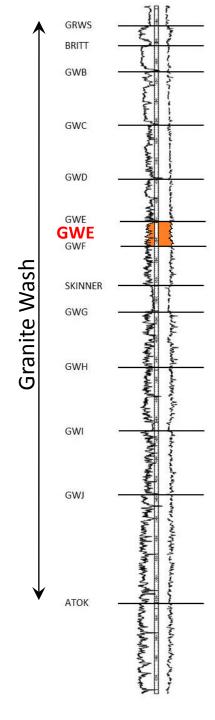


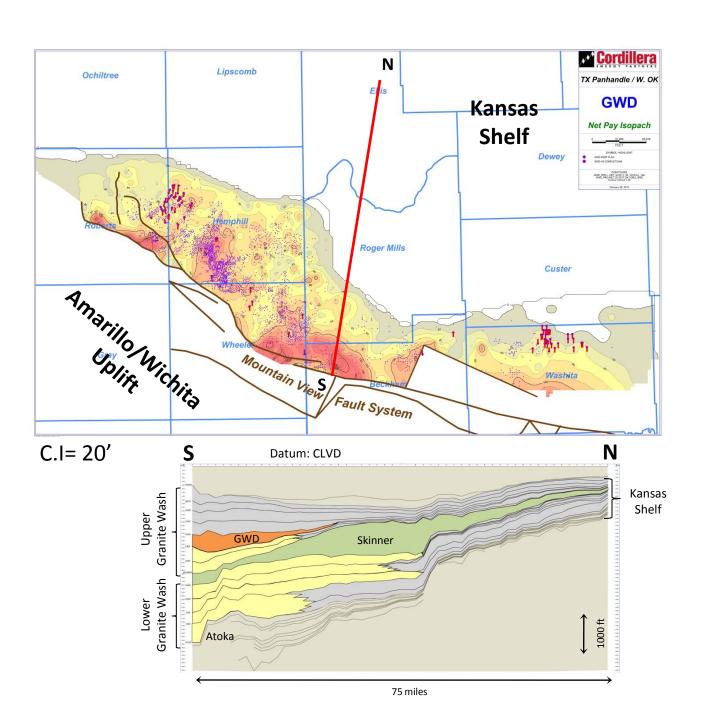


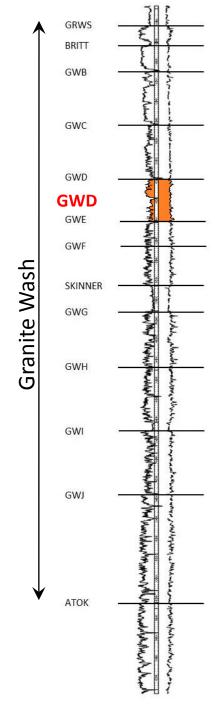


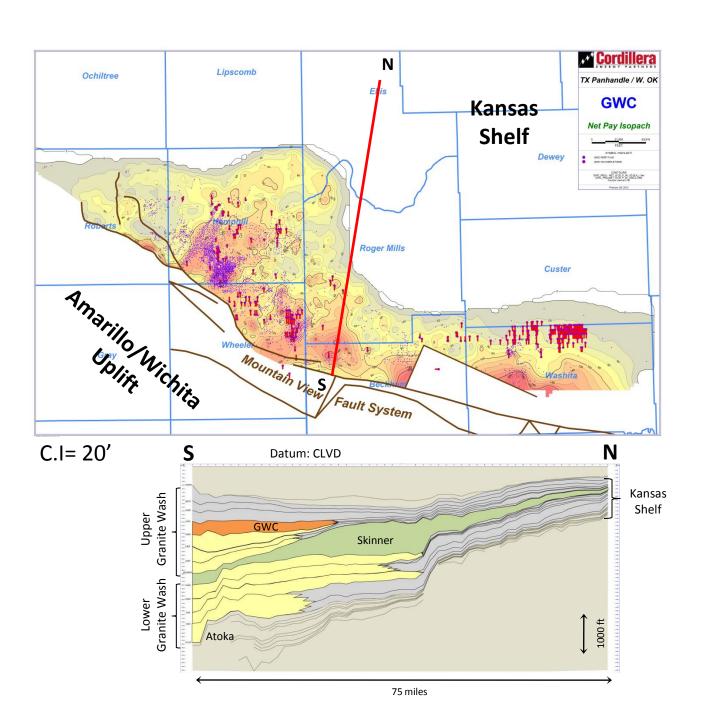


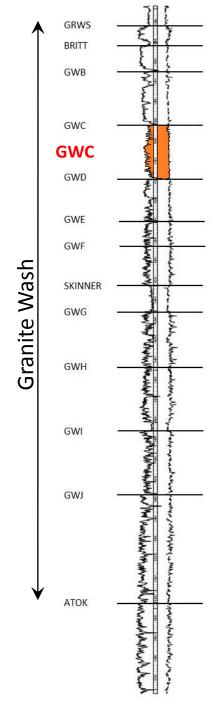


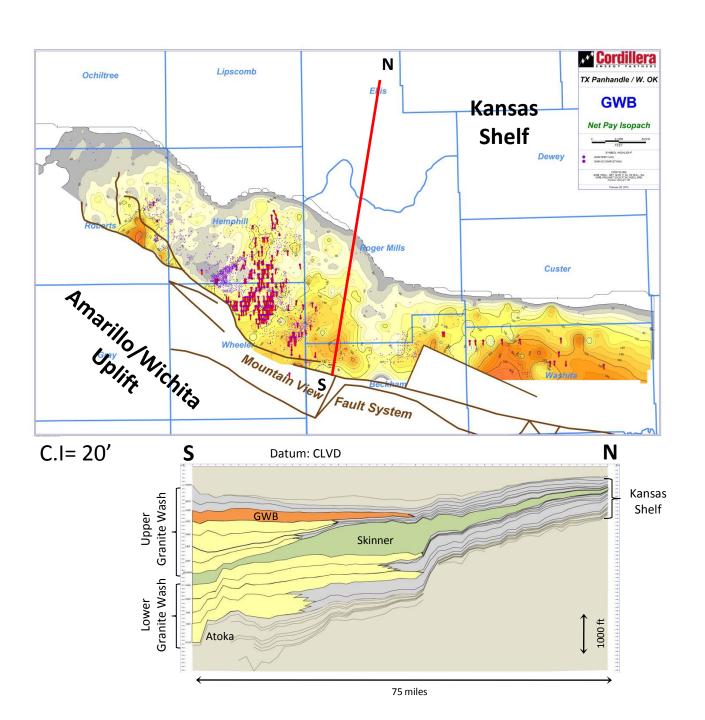


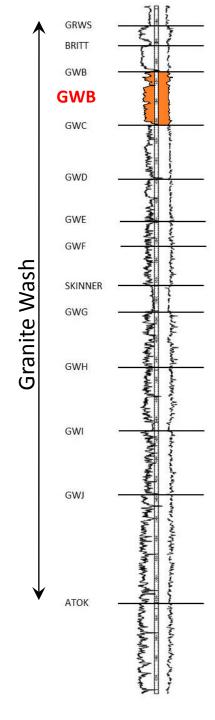


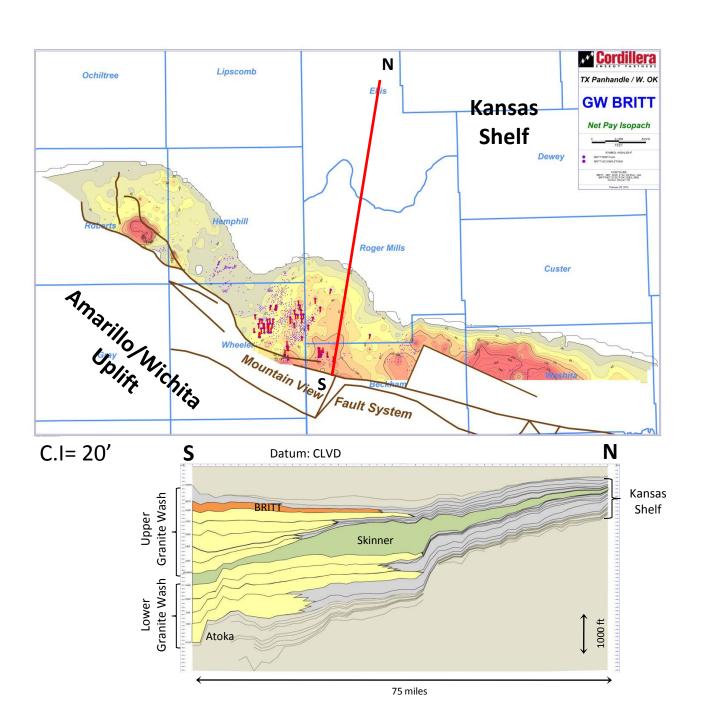


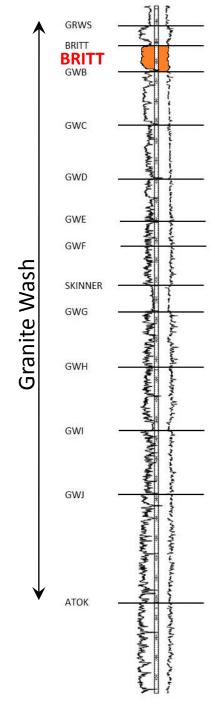












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