Brookian Topset Stratigraphic Play: *Petroleum Systems Elements*

Paul Decker, Alaska Division of Oil and Gas Alaska Geological Society Meeting



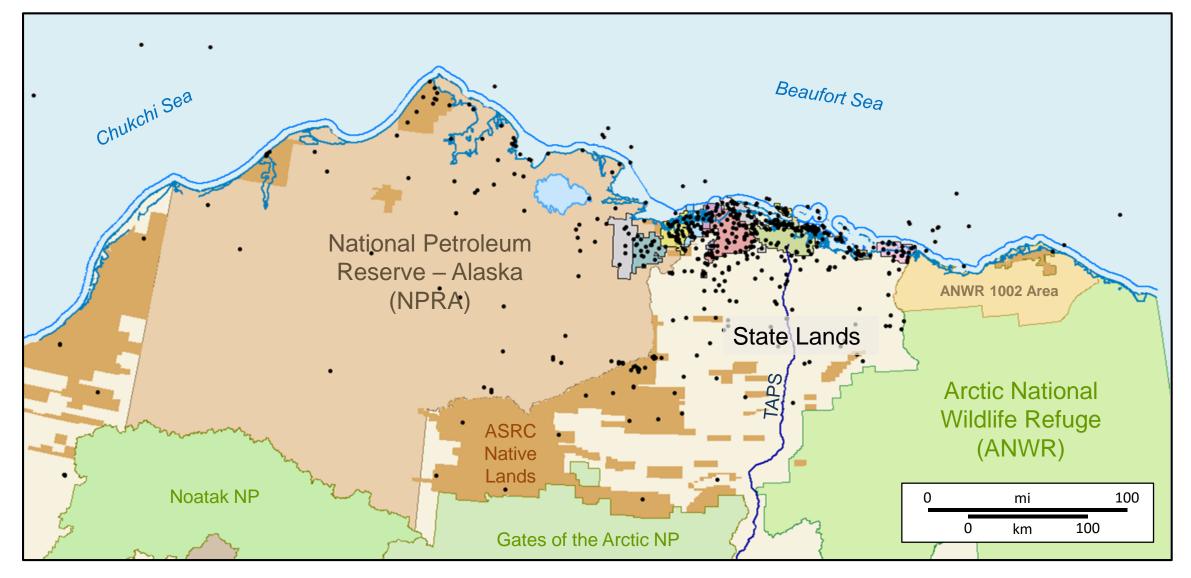
December 13, 2018



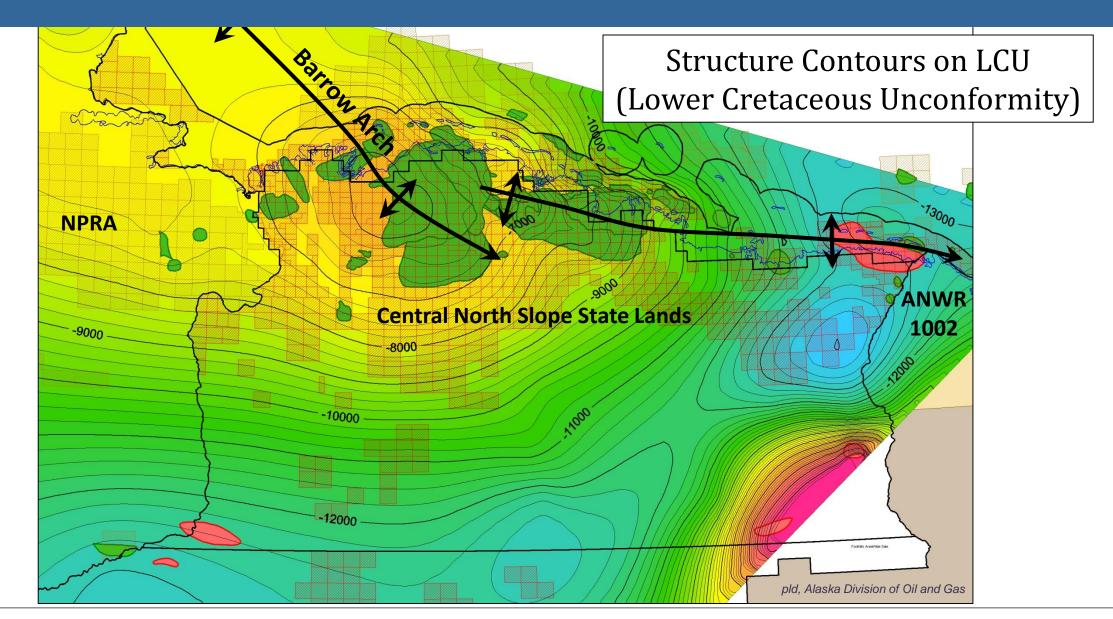
TOPICS & THEMES

North Slope introduction and recent activity Regional geology – Nanushuk & Torok Fm plays **Compare & contrast recent major discoveries Barrow Arch region vs. other areas** Implications for undiscovered oil Nanushuk Formation, Killik Bend, Colville River

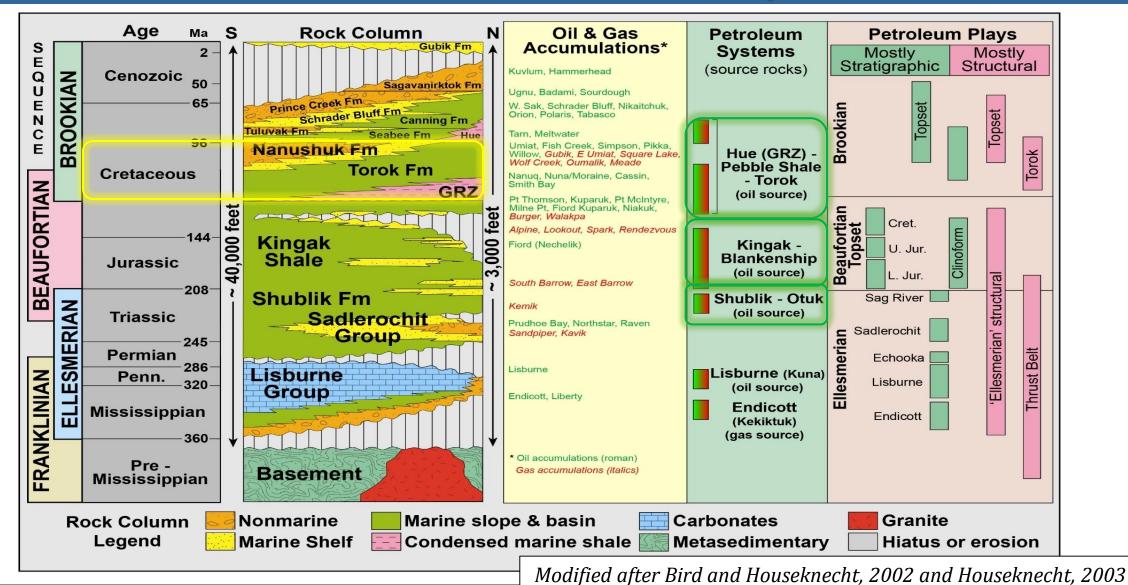
NORTHERN ALASKA - Underexplored Petroleum Province -



NORTH SLOPE FIELDS & BARROW ARCH

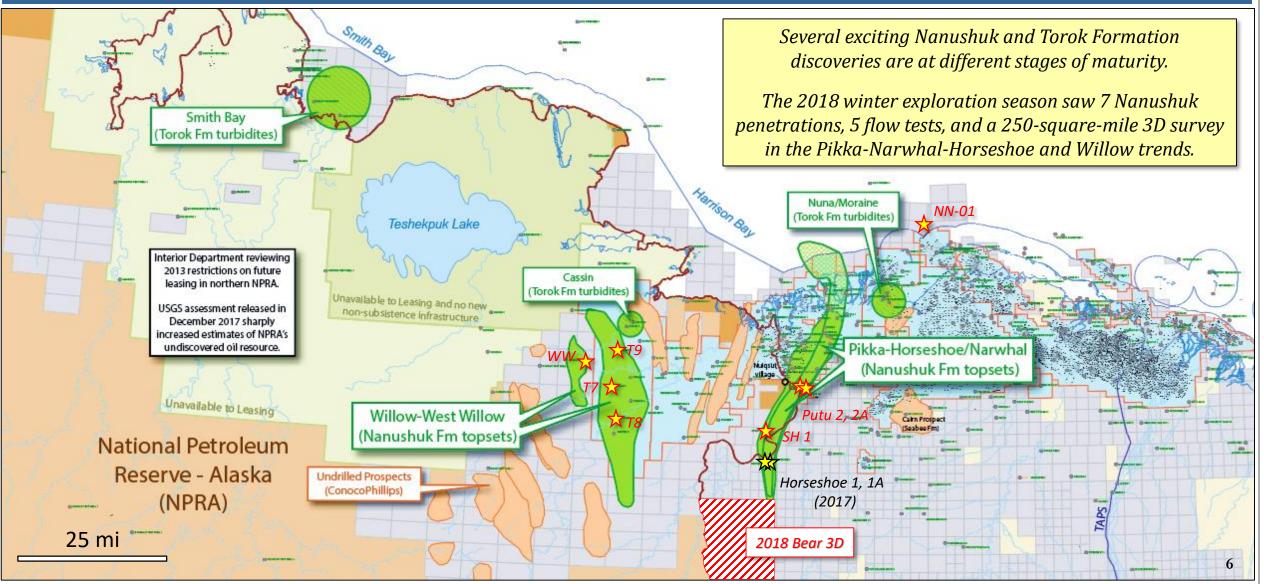


NORTH SLOPE PETROLEUM SYSTEMS - Focus on Lower Brookian Sequence -

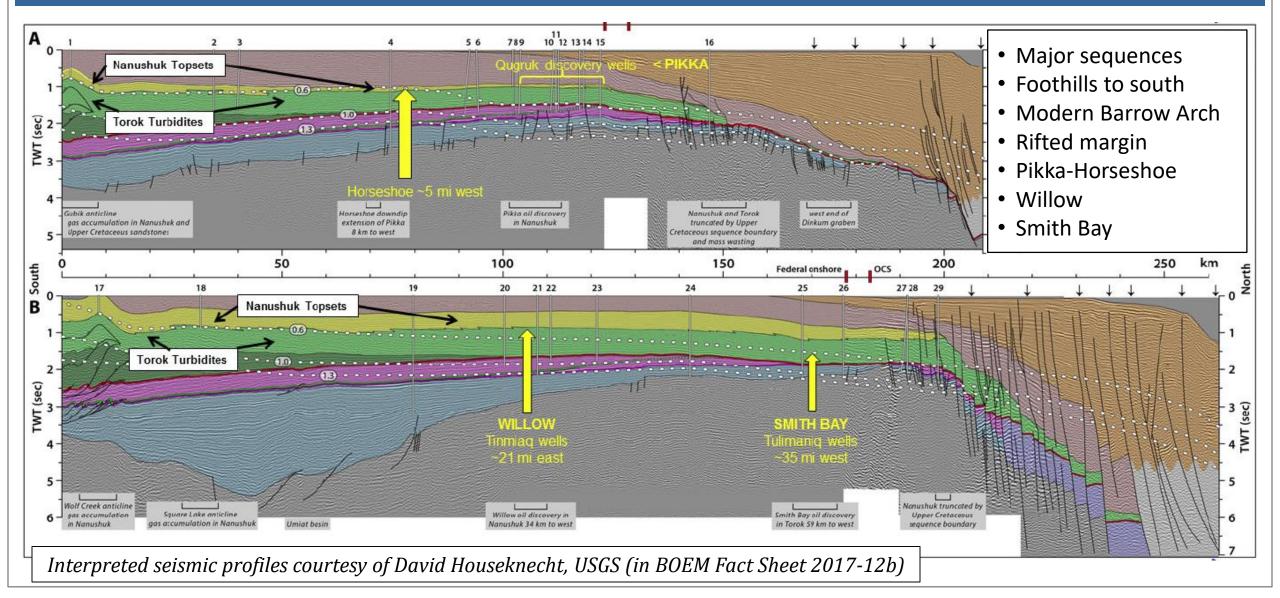


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RECENT BROOKIAN DISCOVERIES - NANUSHUK AND TOROK FORMATIONS -



NORTH SLOPE TECTONIC SETTING - NANUSHUK AND TOROK DISCOVERIES -



MAJOR RECENT BROOKIAN DISCOVERIES

	Smith Bay	Willow	Pikka-Horseshoe/Narwhal
Operator(s)	Caelus	ConocoPhillips	Oil Search/ConocoPhillips
Reservoir Formation	Torok Fm	Nanushuk Fm	Nanushuk Fm
Penetrations to date	2	7	12
Location	State Waters <mark>Offshore</mark> of NPRA	Federal Onshore Northeast NPRA	Onshore Colville Delta
Road/Pipeline Tie-in	~ 125 miles	~ 28 miles	~ 20 miles
Trap type	Turbidite Stratigraphic	Topset Stratigraphic	Topset Stratigraphic
Net Pay	183-223 ft	42-72 ft	< 225 ft
Oil Gravity	40-45 degree API (calc)	41-44 degree API	30 degree API
Test Rate	No Flow Tests	< 3,200 bopd vertical	~ 2,100 bopd vertical; 4,600 bopd horizontal
Contingent Recoverable Resource	1.8-2.4 BBO (est)	400-750 MMBO	1.15-1.4 BBO*
Expected Production (Operator Releases)	< 200,000 bopd	100,000 bopd	< 120,000 bopd

* Oil Search estimates assume 2019 delineation drilling successful; moves some 3C resource to 2C (P50) resource category.

Overview of Brookian Sequence and Plays

- The Brookian sequence represents a wide range of clastic rocks shed from the Chukotka and ancestral Brooks Range orogens into the Colville foreland basin during Cretaceous and Tertiary time.
- Multiple formations and clinoformal successions make up the Brookian sequence, which filled the basin from west to east.

- Readily apparent in seismic, Brookian clinoforms consist of
 - > **Topsets:** sand-prone coastal plain and shallow marine shelf;
 - *Foresets:* muddy slope and sandy turbidite channels and slope apron fans;
 - **Bottomsets:** sandy basin-floor turbidites, organic-rich condensed shales.
- In the central to western North Slope, the topsets are the Nanushuk Formation, whereas the time-equivalent foresets and bottomsets represent the Torok Formation.
- The newly proven play is stratigraphically trapped sandstones deposited on muddy outer shelf strata during falling stage or lowstand stage, and sealed by overlying mudstone deposited with next transgression.

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BROOKIAN SEQUENCE CLINOFORMS - CENTRAL NORTH SLOPE STATE LANDS -

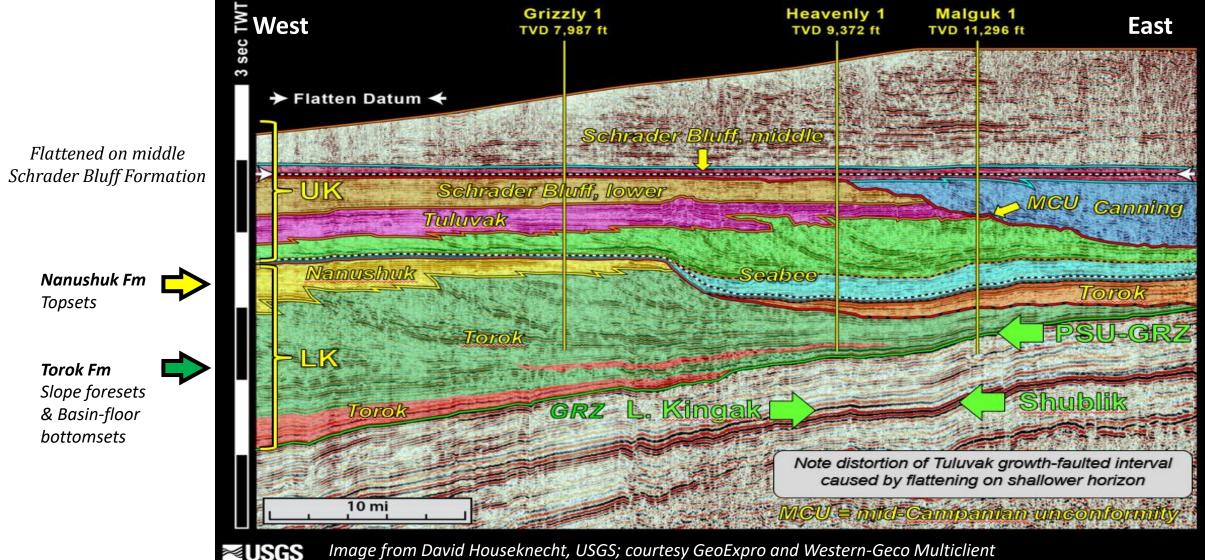
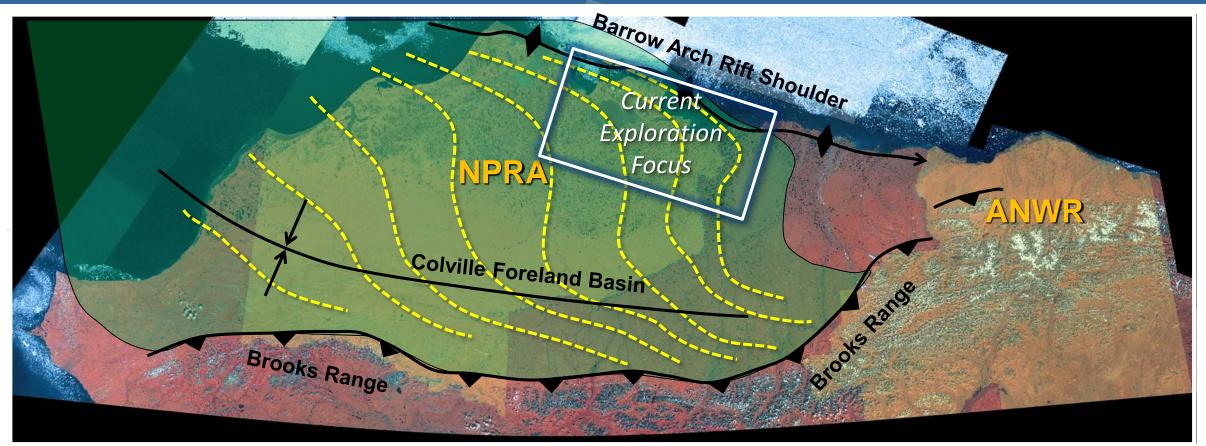


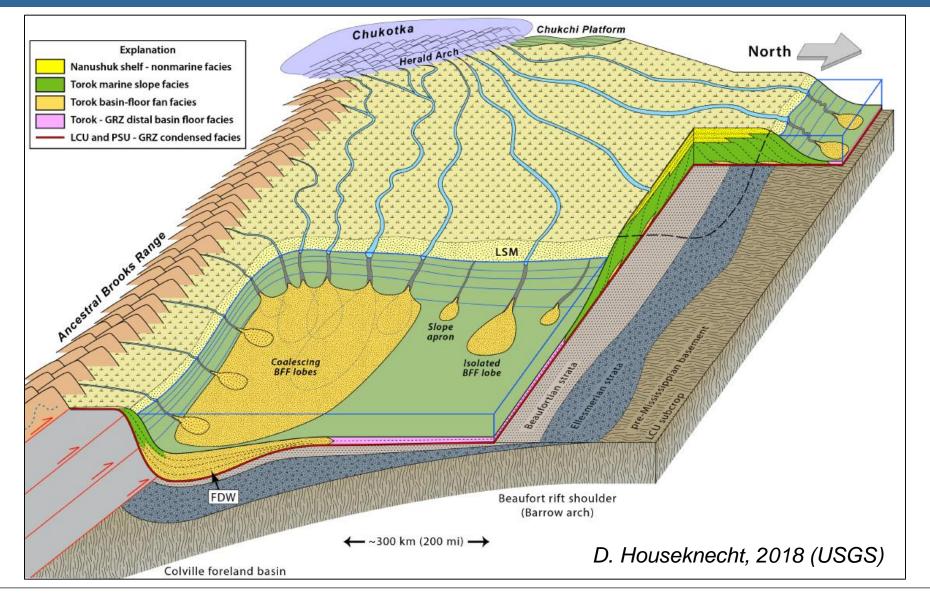
Image from David Houseknecht, USGS; courtesy GeoExpro and Western-Geco Multiclient

NANUSHUK-TOROK DEPOSITIONAL SYSTEM - Regional Play Extents -

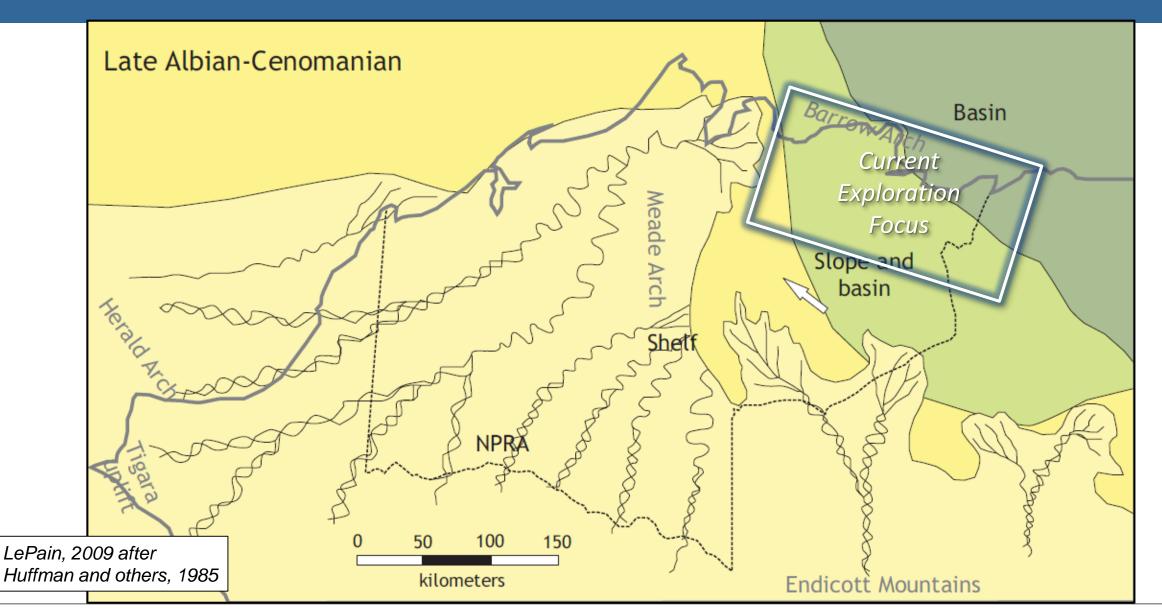


- Overall progradation of Nanushuk-Torok clinothem across foreland basin illustrated schematically as series of advancing shelf margins (dashed yellow lines).
- Numerous higher-order sea-level fluctuations repeatedly set up potential for enhanced reservoir and strat traps.
- Nanushuk and Torok Formation plays exist over large areas of the central and western North Slope.

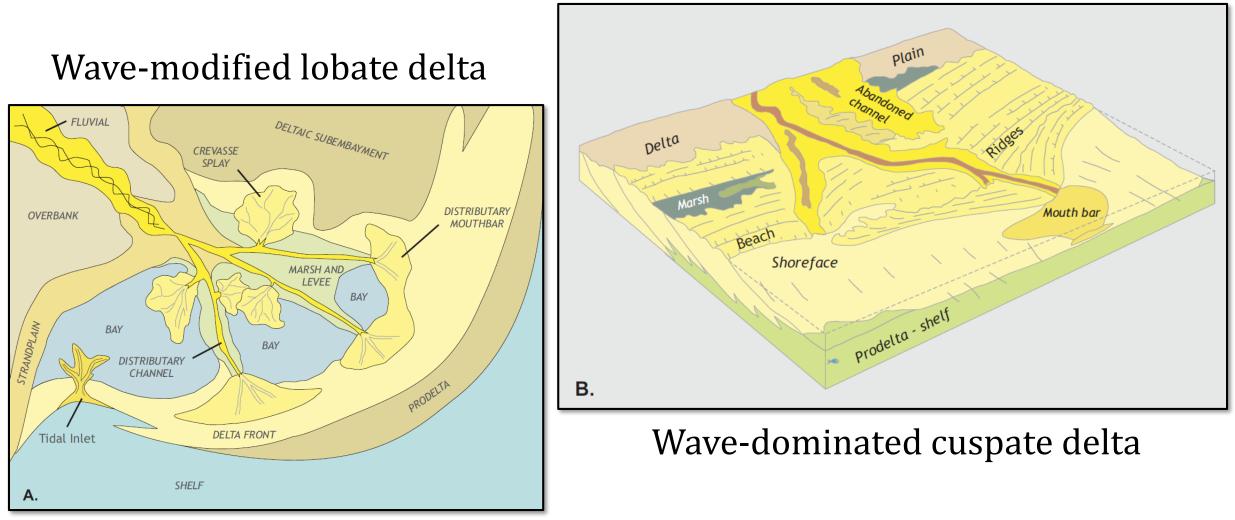
NANUSHUK-TOROK DEPOSITIONAL SYSTEM - Axial & Transverse Foreland Basin Sedimentation -



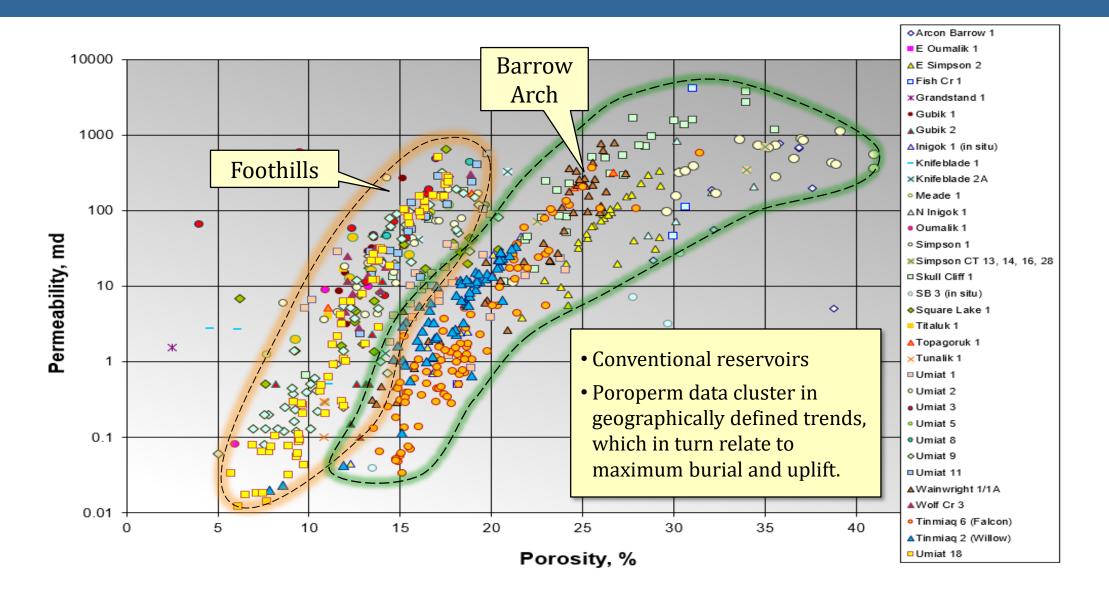
NANUSHUK-TOROK PALEOGEOGRAPHY



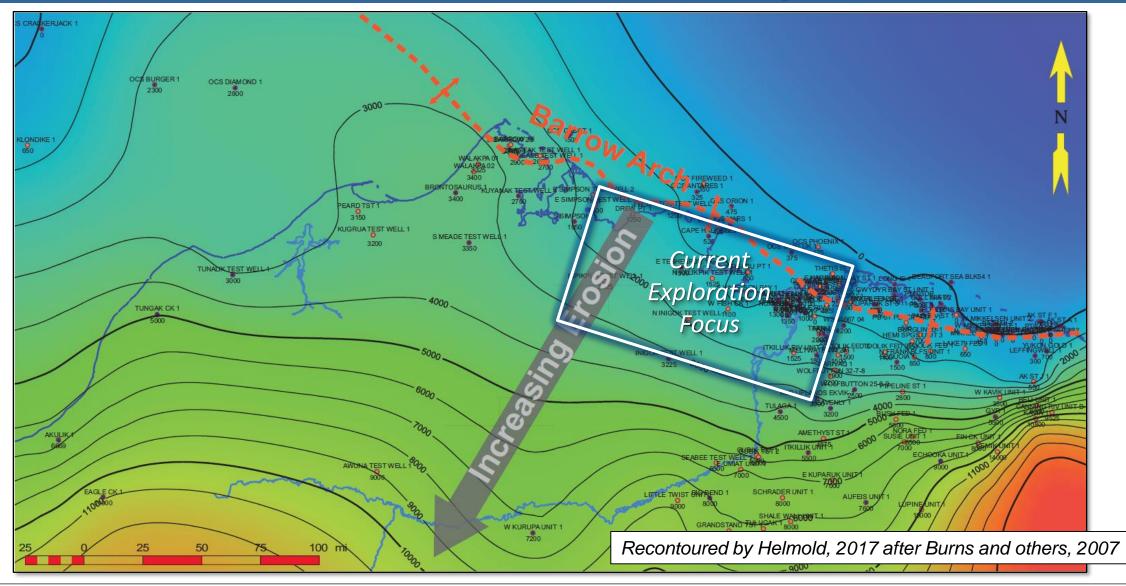
NANUSHUK DELTAIC ASSOCIATIONS



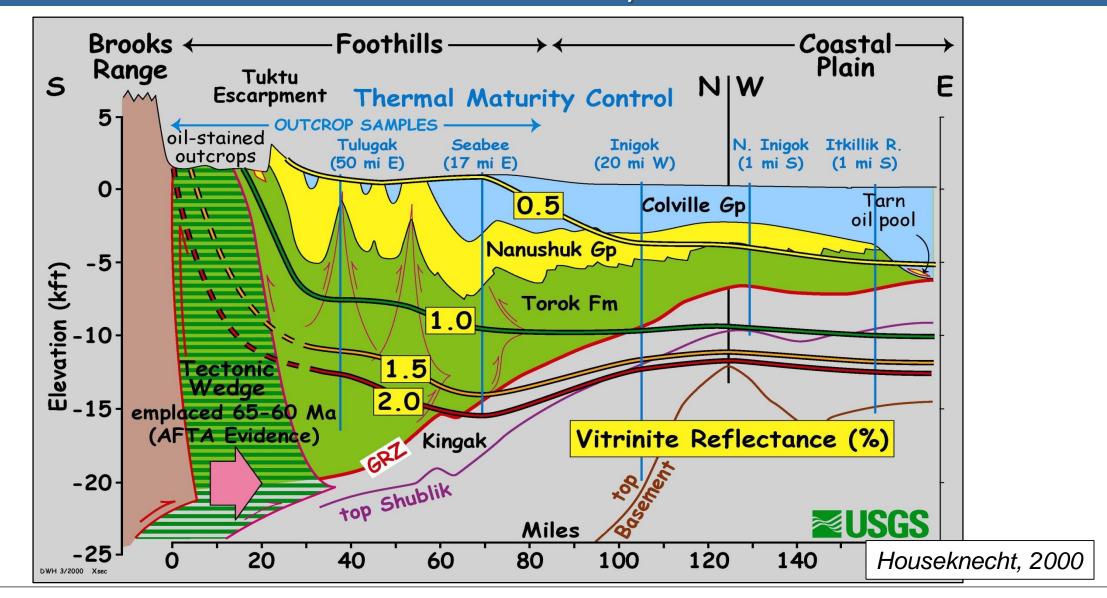
NANUSHUK FM RESERVOIR QUALITY



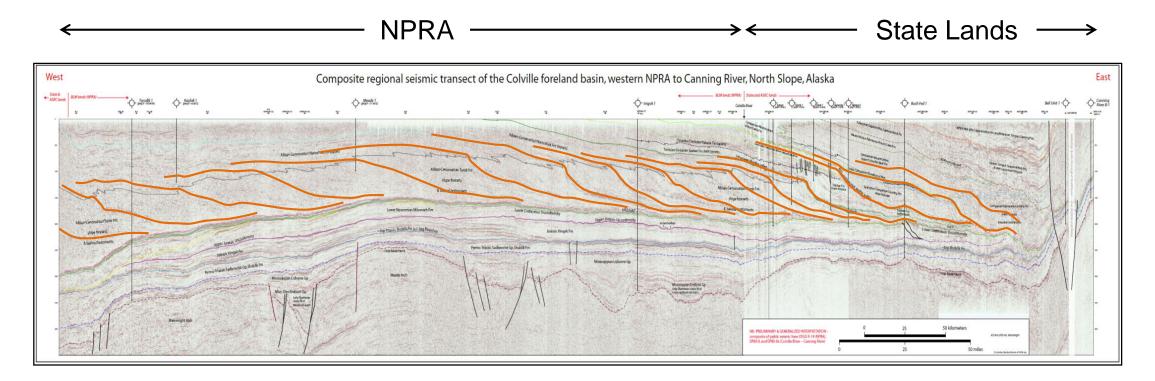
CENOZOIC UPLIFT AND EROSION - COMPACTION EFFECTS ON RESERVOIR QUALITY -



COLVILLE BASIN THERMAL MATURITY - Elevated Maturity in Foothills/Foredeep Wedge -



WEST-EAST REGIONAL SEISMIC TRANSECT - WESTERN NPRA-COLVILLE RIVER-CANNING RIVER/ANWR -

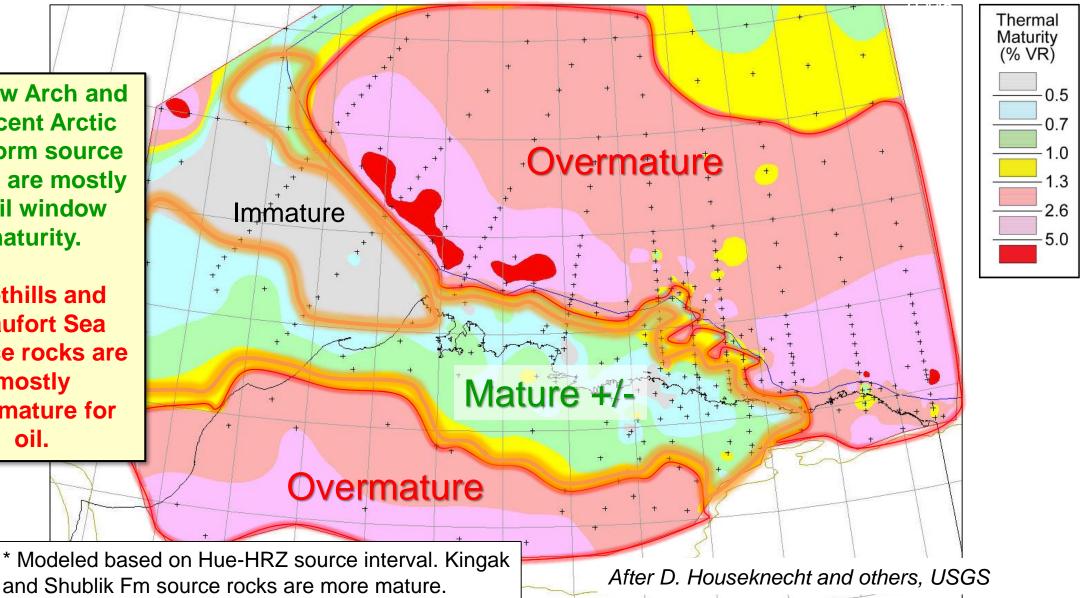


East-northeast progradation of Brookian clinoforms drove source rock burial and maturation, ~110 – 50 Ma

THERMAL MATURATION OF SOURCE ROCKS*

Barrow Arch and adjacent Arctic **Platform source** rocks are mostly at oil window maturity.

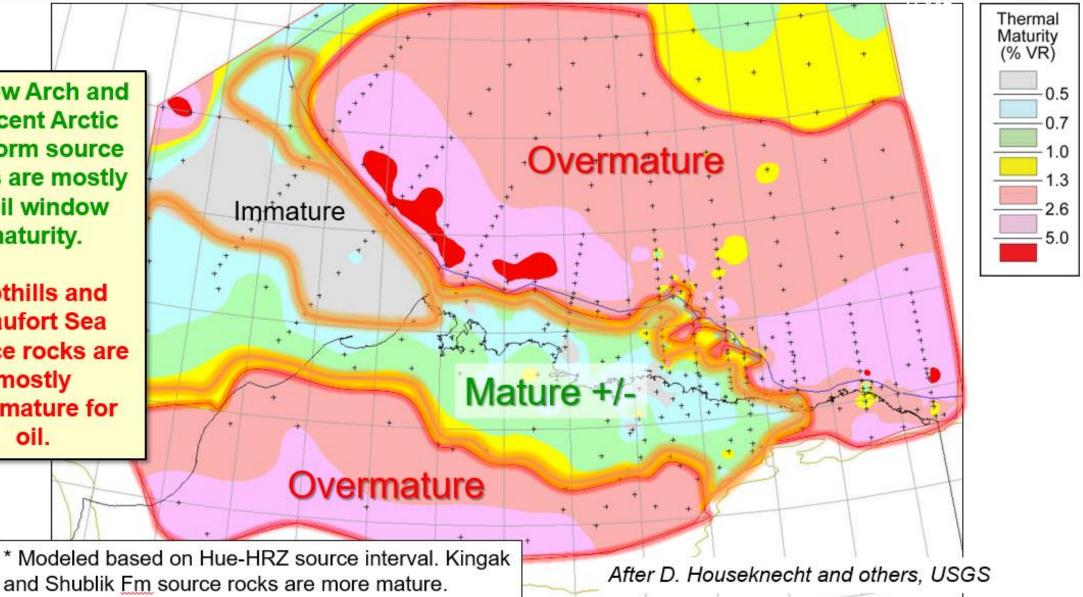
Foothills and Beaufort Sea source rocks are mostly overmature for oil.



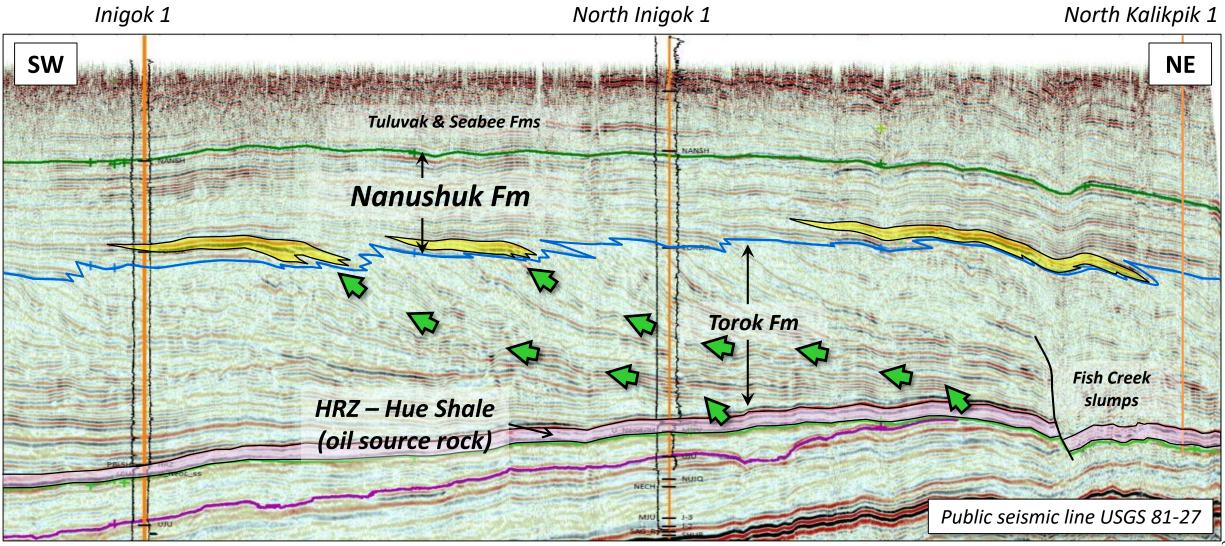
THERMAL MATURATION OF SOURCE ROCKS*

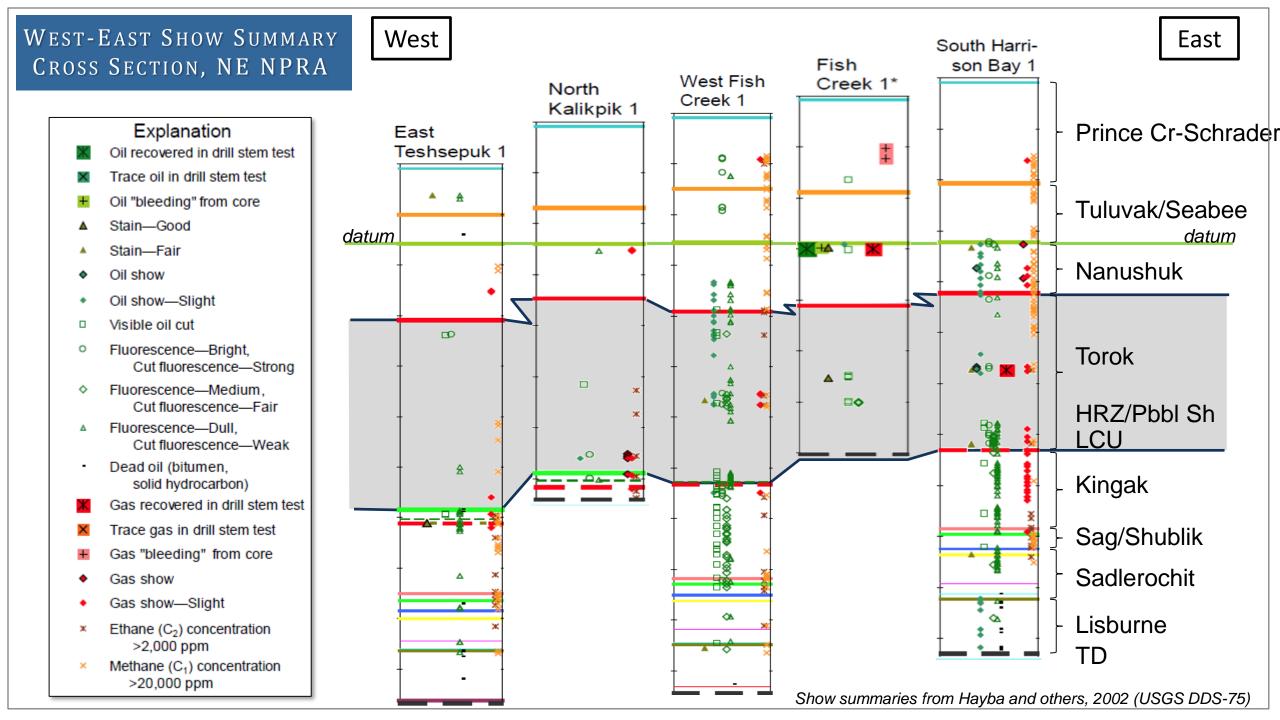
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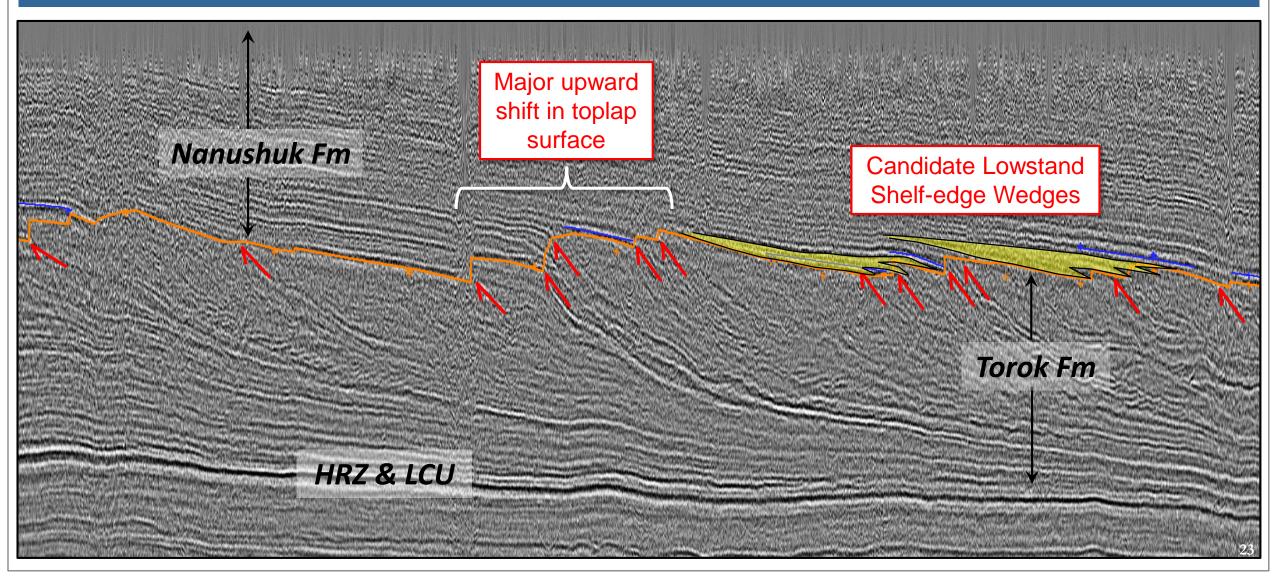


HRZ-NANUSHUK OIL MIGRATION - Northeast NPRA -



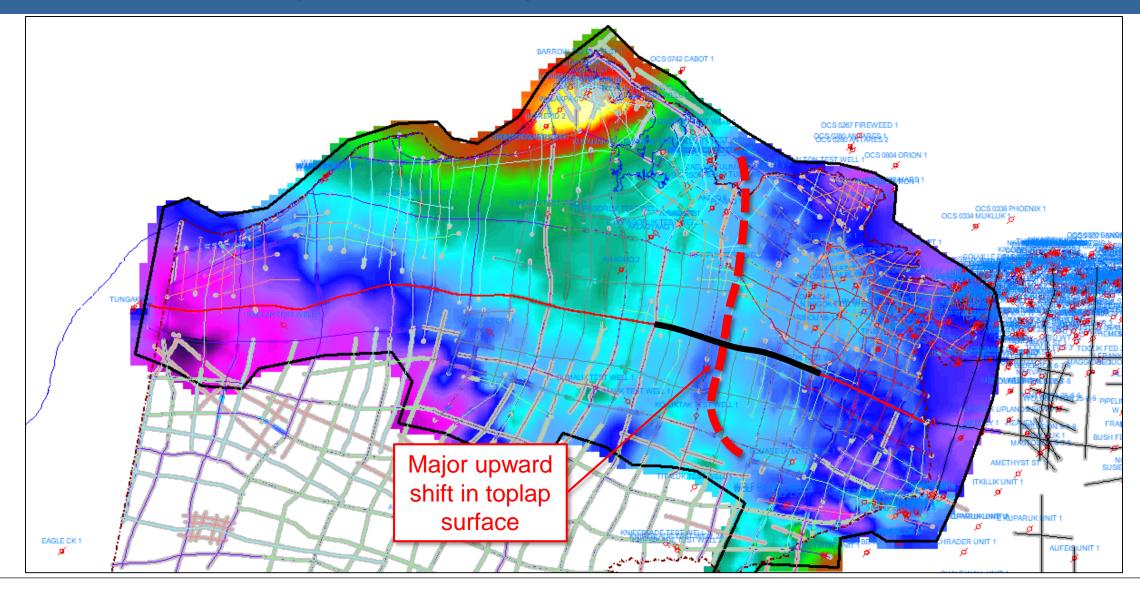


BASAL NANUSHUK TOPLAP SURFACE - Public 2D Seismic Line NPRA Regional R-15 -



BASAL NANUSHUK TOPLAP SURFACE

- TIME STRUCTURE, NPRA AND ADJACENT STATE LANDS PUBLIC 2D SEISMIC -



BASAL NANUSHUK SHELF-MARGIN ANOMALIES - 3D Seismic, Northern NPRA -

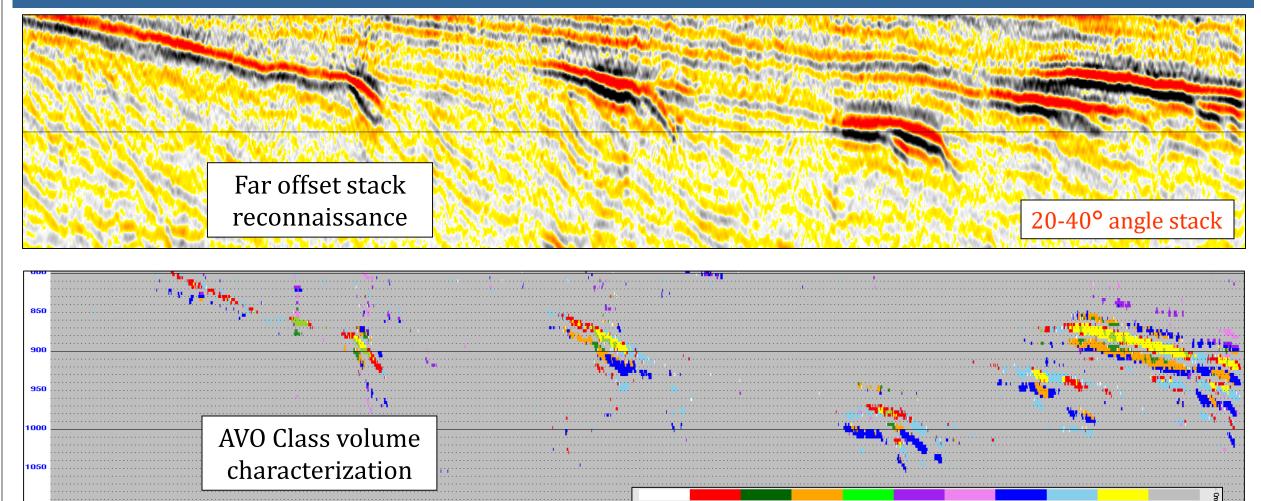


Image courtesy L. Niglio and others , 2011 (BLM, BOEM) with permission of data owners WesternGeco, LLC and Geokinetics Plot (zone

NANUSHUK SHELF-MARGIN ANOMALIES - NORTHERN NPRA -

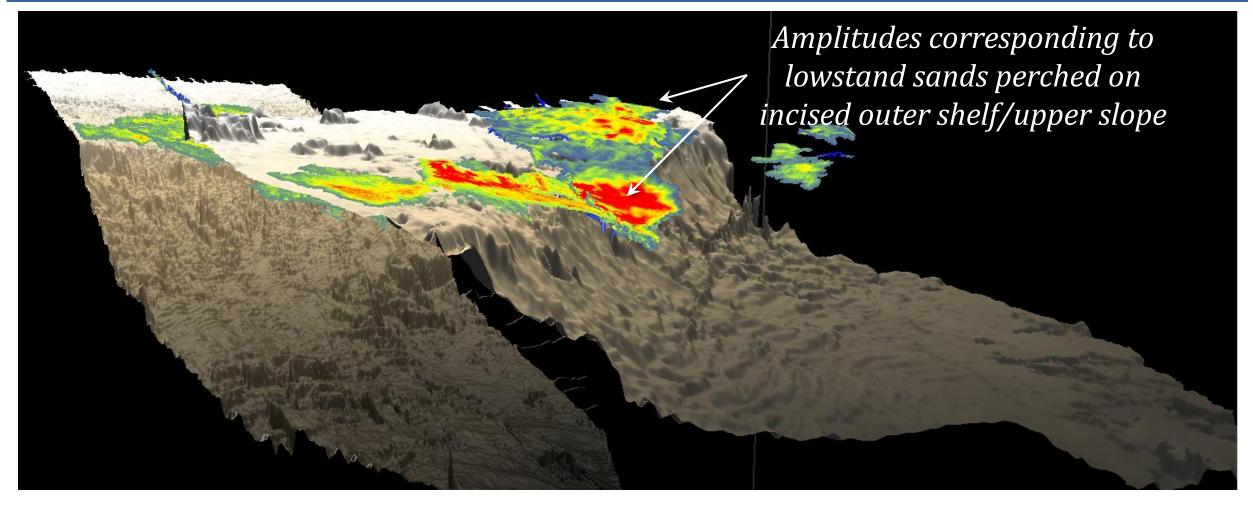
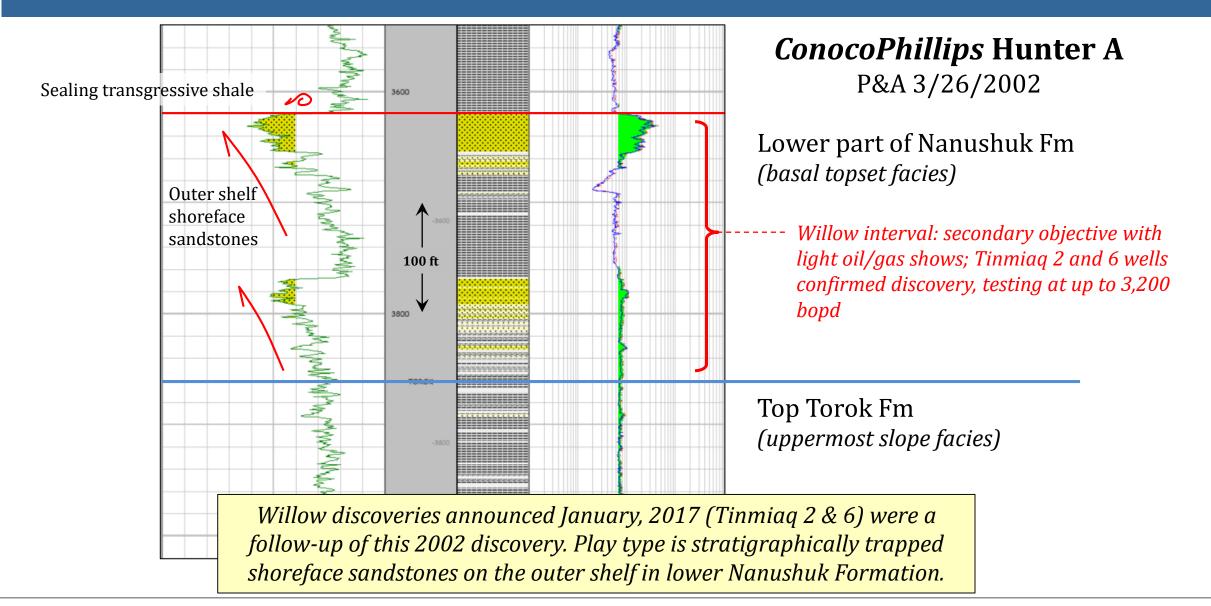
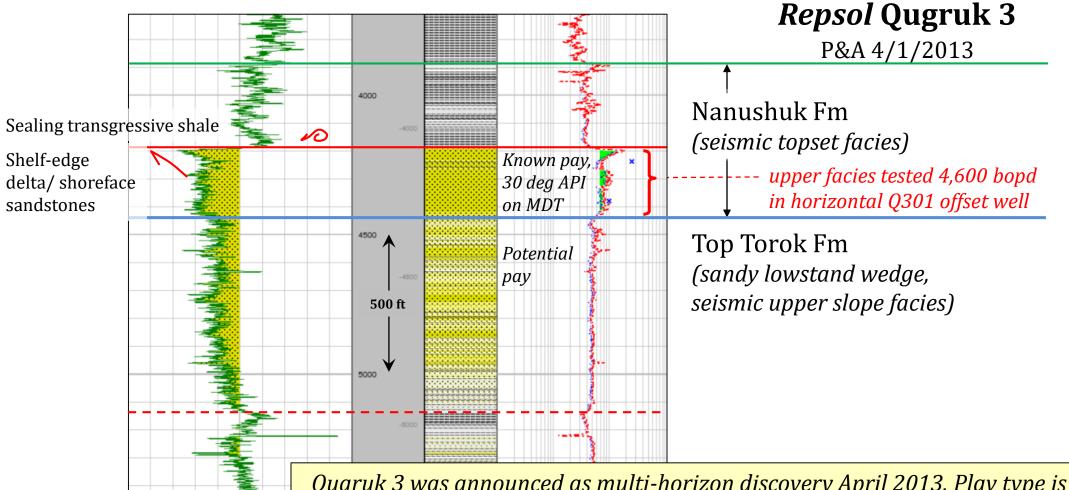


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Initial Willow Discovery - Nanushuk Fm

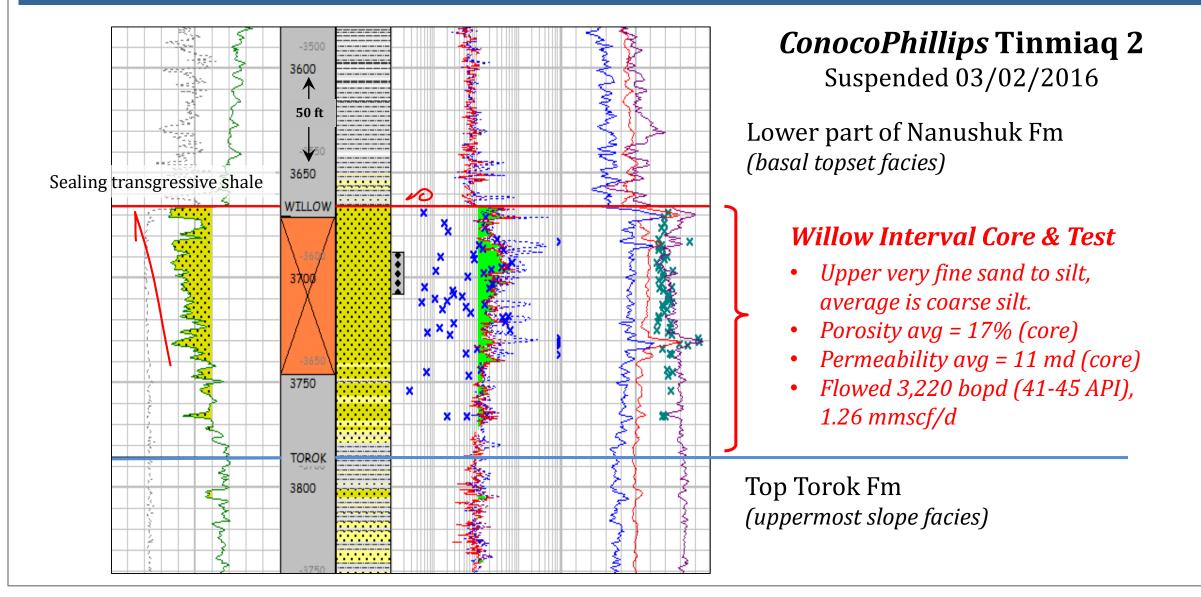


Pikka Discovery Typelog - Nanushuk Fm

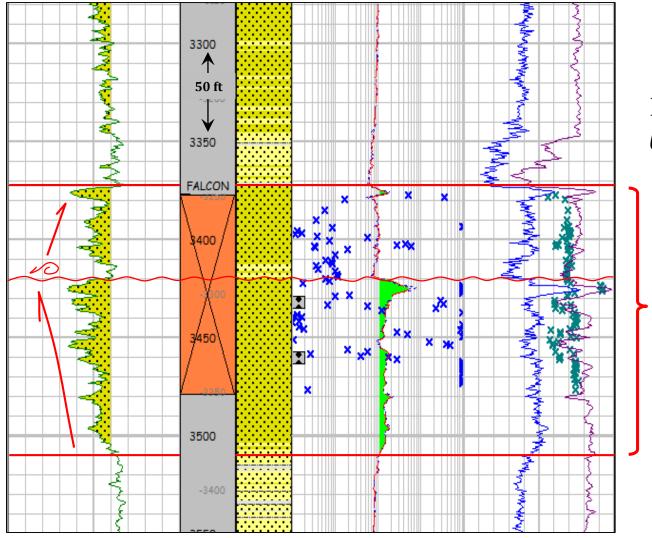


Qugruk 3 was announced as multi-horizon discovery April 2013. Play type is stratigraphically trapped shelf-margin/lowstand wedge sandstones in lower Nanushuk and potentially the underlying sandy slope Torok Formation.

WILLOW TREND - NANUSHUK FM



WILLOW DISCOVERY - NANUSHUK FM



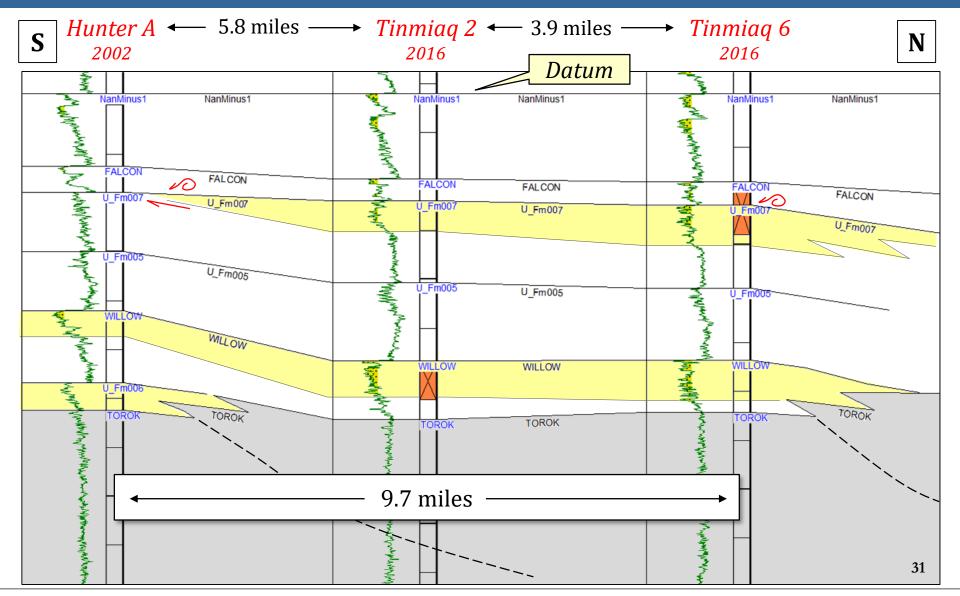
ConocoPhillips Tinmiaq 6 Suspended 03/22/2016

Lower part of Nanushuk Fm (topset facies)

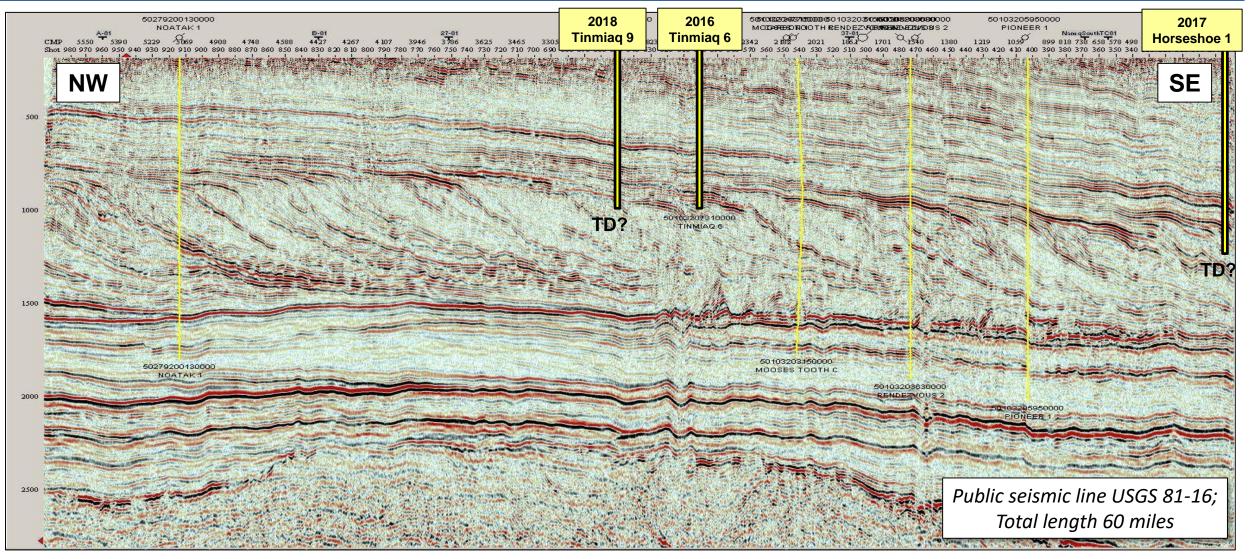
Falcon Interval Core & Test

- Very fine to fine sand, overlain by silt
- Porosity avg = 18%
- Permeability avg = 18 md
- Flowed 1,000 bwpd, trace oil (42 API), gas too small to measure
- Tight transgressive surface within interval(?) Sealing?

RESERVOIR CONTINUITY ALONG STRIKE - WILLOW AND FALCON INTERVALS -



HAVE WE SEEN JUST THE TIP OF THE ICEBERG? - Willow, Horseshoe Trends Among Many More -



UNDISCOVERED RESOURCES

- USGS and BOEM are actively reassessing Arctic Alaska's undiscovered, technically recoverable conventional resources:
 - As of December 2017, interim revisions raise the mean estimate for all of Arctic Alaska by ~9 billion barrels to nearly 50 billion barrels of oil + natural gas liquids (NGL), ~evenly split between onshore and offshore.
- The Nanushuk topset play in the central and western North Slope is far more prospective than previous resource assessments recognized:
 - For example, at 300 million barrels recoverable, the Willow discovery alone far exceeds even the 2010 USGS upside estimate (F5 case) for the entire Stratigraphic Brookian Topset play in NPRA.
 - By itself, the Nanushuk Fm play (NPRA, state lands, and nearby OCS) is now assessed with a mean of 7.3 billion barrels of undiscovered oil + NGL.

RECAP – KEY POINTS

- Proven petroleum system for very large Shublik and HRZ(?) oil accumulations in basal Nanushuk Fm stratigraphic traps:
 - Reservoir quality sands and strat traps developed in response to repeated sea level fluctuations
 - ✓ Source rocks are at early to peak maturity in Barrow Arch province; effective oil migration to lower Nanushuk from both sources
- Play has plenty of running room to west; gas risk and leasing access are potential constraints.
- Recent USGS assessment volumes reflect the significance of this newly proven world-class play

- FOOTHILLS OUTCROP ANALOGUE, SLOPE MOUNTAIN -

NEL M

wpper Nanushuk Fm (nonmarine)

> lower Nanushuk Fm (estuarine/shallow marine)

> > Torok Fm (Slope)