

OGX Resources

Goldeneye "18" Fed Com #1H

SL: 330 fsl, 660 fwl, sec. 18, T24S, R32E

BHL: 330 fnl, 660 fwl, sec. 18, T24S, R32E

Lea County, New Mexico

Summary

- Horizontal Target = Basal Brushy Canyon (BC4 Sand) @ 8340'
- PTD: 13,100'
- Lateral Length = 4000' drilled due north (updip)
- Nearest Producers: Yates horizontal wells in sections 14 & 23, T24S, R31E
- Pay Quality: similar pay thickness and quality to the Triste Draw 5 #1H and the Yates Haracz wells to the southwest.
- Other Potential: Brushy F Sand (7400')

Geologic Description of Project

The Goldeneye proposal is located in section 18, T24S R32 E, Lea County, New Mexico, in the Delaware Basin. The prospect target is oil, possibly 250 mboe per well, from the Brushy Canyon Sands. The horizontal target is the lowermost unit of the Brushy Canyon at a TVD of 8540' (see cross section). If successful, as many as 36 additional locations could be drilled with OGX's current acreage position.

The prospect lies along the southeastern flank of the large Sand Dunes/Ingle Wells Delaware Field, where structural position of field is maintained, but reservoir sand quality is lower and less consistent than in the vertically produced portions of the field. (see map montage). The primary pay in the Sand Dunes/Ingle wells field is the BC-4 member of the Brushy "A" Sand (see Type Log on map montage). Net porosity mapping with a 14% cutoff defines a series of northeast-southwest trending channels. Hydrocarbons are trapped when these channels pass over a structural nose or closure. In the Sand Dunes Field, the primary channel is over 60 feet thick. In the area around the Goldeneye prospect, the channels are only about 15 to 20 feet in thickness. Vertical wells drilled in this area have an average cumulative production of about 50 mboe (non-commercial). By drilling the zone horizontally, the statistical odds of encountering lenses of porosity are greatly increased. Thus, we expect significantly higher reserves when the Brushy "BC4" zone is drilled horizontally, as evidenced by recently drilled Haracz #8H and #9H, and their Petrogulf #1H wells located 1 1/2 miles to the southwest. These wells are expected to cum between 250 to 400 mboe per well (see production graphs below).

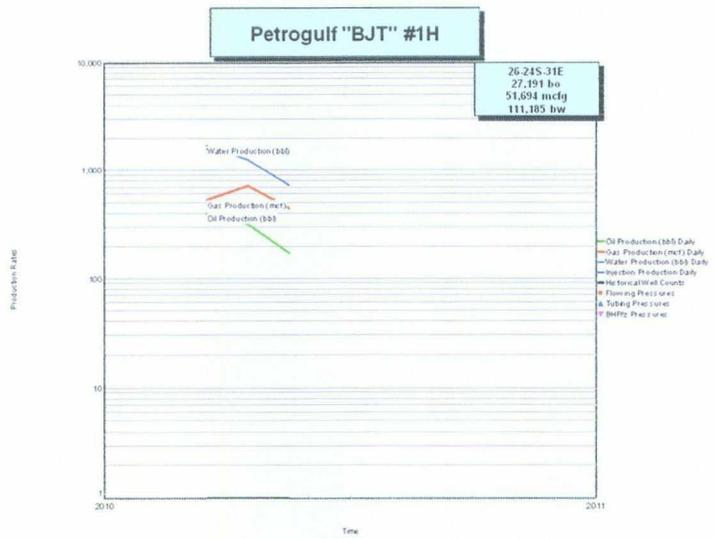
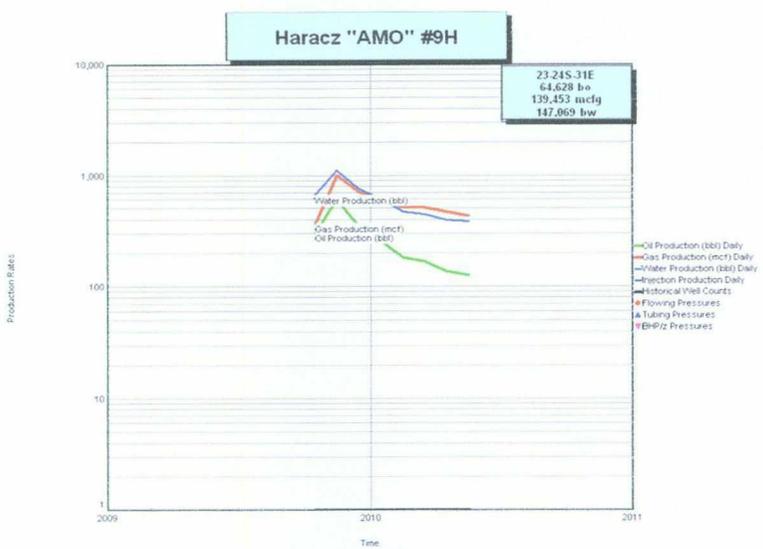
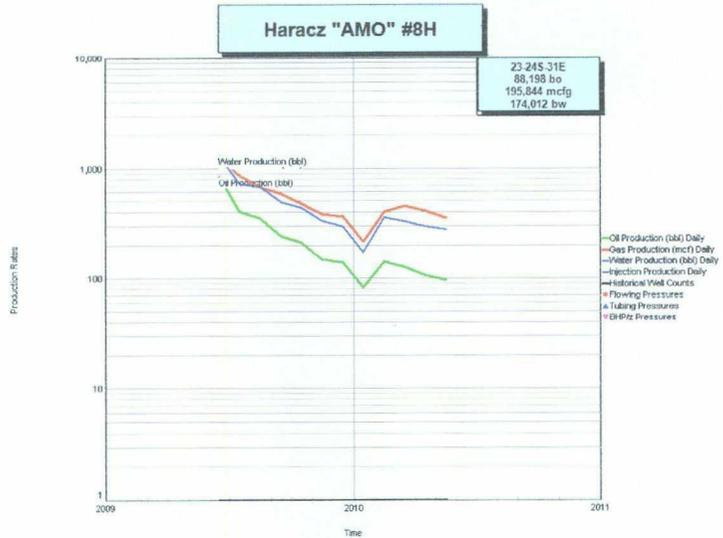
Oil Conservation Division

Case No. 6-14578

Exhibit No. 6

Notes

*100 mBO
in 1 st. yr
400 600 BOPD*



*each 1/4 1/4
will
Contrib.*