

Junior geared up for Mackenzie Valley drilling

In addition to Central Mackenzie wildcats, International Frontier Resources is testing new Sidox technology in six southern Alberta oil wells

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International Frontier Resources, a junior exploration company with big hopes for the Northwest Territories, has laid out drilling plans for 2005 that hold the key to several prospects in the Central Mackenzie Valley.

The highlights include drilling and testing the Sah Cho L-71 wildcat well and production testing of the Summit Creek B-44 well in the Wilma prospect, both in the current quarter, 2-D seismic work in the third quarter and two wells in early 2006.

Following completion of a winter road to Norman Wells, Akita's drilling rig and Nabors Industries' completion rig reached the locations, where operations have started.

The B-44 well, with EOG Resources, Husky Energy and Pacific Roderer Ventures as the major partners, is the object of intense speculation, although the lid is being kept on results for two years, as allowed by the National Energy Board. It encountered some drilling problems last February, but was eventually drilled to a total depth of about 9,950 feet.

International Frontier said testing of up to six intervals will determine the extent of commercial reserves in the Summit Creek Wilma structure. Until completion and evaluation of the data, nothing will be disclosed.

Betty larger than Wilma

The L-71 well will be drilled on the Betty structure about five miles from the Wilma structure. The company said initial interpretation of new 2-D seismic data indicates Betty is larger than Wilma. It said L-71 will test three prospective formations,

primarily the Devonian formation encountered in the B-44 well as well as testing one of a number of undrilled structures identified on seismic.

International Frontier said positive results will provide it with a “good inventory of undrilled structures to explore and develop in future years.” Preliminary plans include additional seismic on EL-397, EL-416 and EL-423.

New technology used in Alberta

On a ground-breaking front, International Frontier has also completed the first phase of a six-well pilot project using patented Sidox technology on a southern Alberta oil pool, describing the results as “technically positive,” with oil rates increased by an average 60 percent and water cuts reduced by 20 percent.

Application costs in the first phase averaged C\$25,000 per well, but because the test lasted only 90 days the results were “sub-economic.” Further testing is needed to extend the Sidox effect beyond 90 days, the company said. Through its wholly owned subsidiary, Sidox Chemicals Canada, International Frontier has the right to acquire a 10-year exclusive Canadian license for the technology.

Sidox has been successfully tested in water wet oil reservoirs in Russia, where operators have reported an average 105 percent hike in oil rates and a decrease of 20 percent in water rates over a 150-day period.