



Northrock, International Frontier Announce Northern Canada Discovery

International Frontier Resources Corporation and **Northrock Resources Ltd.** this morning announced a significant new oil and natural gas discovery in the Northwest Territories.

“What we’ve found is a whole new petroleum province,” **Pat Boswell**, IFR’s president and chief executive officer told the Bulletin. “We sure like it... it’s a lot better than a dry hole.”

Summit Creek is located about 50 kilometres southwest of the town of Tulita and 80 kilometres from the existing **Enbridge Inc.** oil pipeline and the proposed Mackenzie Valley gas pipeline route.

Northrock, a subsidiary of California-based **Unocal Corporation** and the operator of the hole, said testing of the Summit Creek B-44 discovery, drilled in January 2004, confirmed “several productive intervals” within a gross hydrocarbon column of over 600 feet.

Two separate zones were perforated and tested for 18 and 39 hours, respectively. Each interval produced 10 mmcf per day of gas and over 3,000 bbls of light oil and condensate with flowing well head pressures of 900 - 1100 psi.

Combined flow rates against a one-inch choke were 20 mmcf of gas and 6,000 bbls of condensate per day. One of the zones also produced 1,000 bbls of water per day.

Due to operational problems, coupled with time restrictions, two additional zones included in the original B-44 completion program were not tested. The companies said the untested zones can be re-examined in the future.

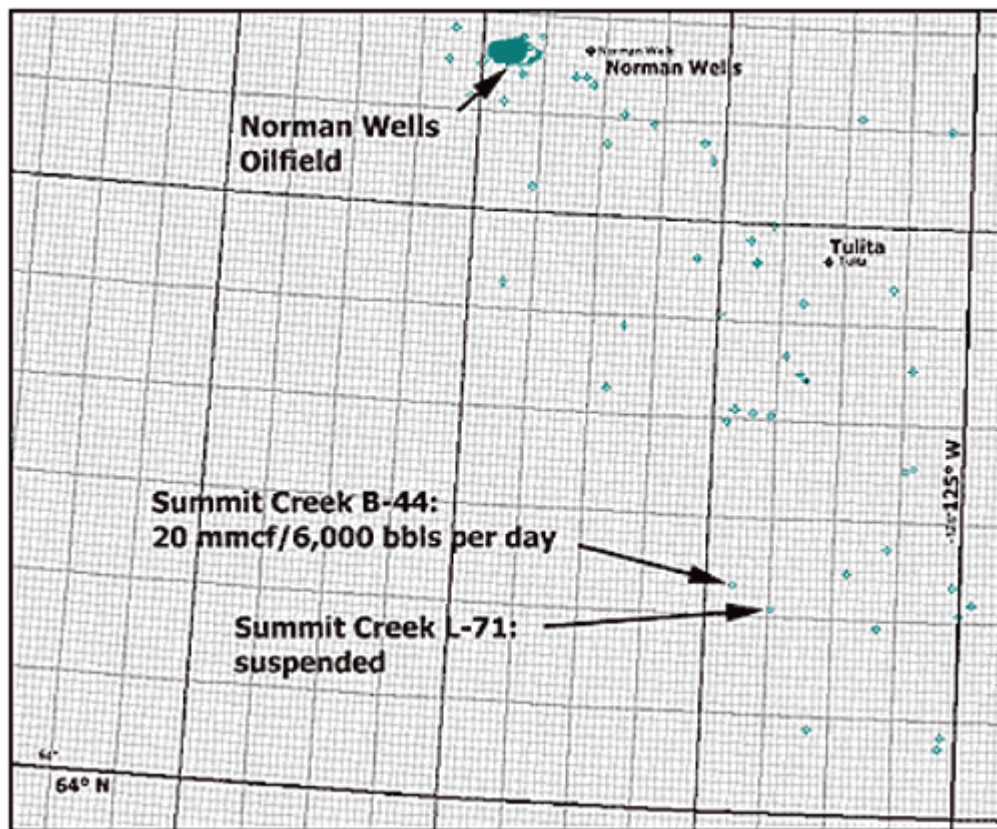
Meanwhile, the Sah Cho L-71 spudded on Jan. 21, and was drilled to a total depth of 12,050 feet. International Frontier said the well tested a separate structural closure located approximately five miles southeast of the Summit Creek B-44 well.

Hydrocarbons were encountered at L-71; however, open hole testing did not establish commercial flow rates. Subsequently, the well was cased to total depth and suspended.

But that hasn't dampened enthusiasm for the initial B-44 discovery. The companies are describing the area as an "emerging play" and did not provide any indication of possible reserves.

Total cost of drilling and testing both wells has been pegged at about \$50 million ([DOB, Dec. 23, 2004](#)), including \$20 million for the L-71 and about \$10 million for additional seismic shot last summer. Last spring the drilling consortium secured an additional 226,550 gross acres ([DOB, June 9, 2004](#)) after the **Department of Indian and Northern Affairs** granted a licence for a work commitment bid of \$24.8 million.

Boswell said even more seismic, exploratory and appraisal drilling are required to weigh other prospects identified on the consortium acreage and prove commerciality of the play. Future drilling depends on a thorough assessment of data gained to date, he added. "We still have a whole bunch of technical information to evaluate," he said.



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"While the results of this winter's program are encouraging, additional work will be necessary to assess the commercial viability of this emerging play," **David Pearce**, Northrock's president said in a release.

Boswell said he has "no idea" when the discovery well will eventually be put on production. "There's gas associated, so obviously it all depends on a Mackenzie Valley pipeline."

Pipeline applications are currently working through the regulatory process with estimates of an in-service date ranging from 2009 to 2012.

International Frontier's working interest ranges between 3.1% and 10.875% and Boswell said the company would continue to maintain its participation in the project.

Other working interest owners in the B-44 well are Northrock 32.5%; **Husky Oil Operations Limited**, 29.48%; **EOG Resources Canada Inc.** 26.4%; and **Pacific Roder Energy Inc.** 6.63%.

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