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## Drilling rights auction nets \$140M

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CALGARY HERALD

Not all cowboys were at the Calgary Stampede this week, based on substantial results from Alberta's 12th oil and gas land sale of the year.

The first of July's two auctions of drilling rights brought in a total of \$140.32 million from oil and gas companies buying licences and leases, according to the Alberta Energy website Wednesday.

Bids came in for parcels in all three major regions of the province, from the plains in southern Alberta, to along the Foothills and into the province's north.

"The noticeable thing is that you have various regions all across the province all having significant bids," said Gregg Scott, of Scott Land and Lease. "It wasn't all concentrated in one area, which is always encouraging."

A total of 232,723 hectares were sold at an average price of \$602.96 per hectare, the province said.

The previous land sale, June totalled \$49.73 million between leases and licences for 87,700 hectares at an average \$567.03 per hectare.

The largest bonus in licences came in directly south of Grande Prairie, at \$23.12 million, or \$4,753.77 per hectare.

The unnamed bidder likely targeted deep rights, mostly below the Cretaceous sandstones of the Deep Basin, said Brad Hayes, president of Petrel Robertson Consulting.

"A deep target was thus the focus of these bids, and it was most likely the Montney Formation," Hayes said in an e-mail.

Licence totals reached \$92.40 million, on 167,526 hectares, averaging \$545.06 per hectare.

The largest lease bid was \$14.20 million for a parcel in the Porcupine Hills south of Calgary, with the price per hectare averaging \$8,216. The region is traditionally known for its natural gas resource, making the high bid unusual in a low gas-price environment.

Total in the immediate area was more than \$24 million.

"For significant portions of some of these leases, only deeper rights were available, leading us to believe that a deep play is the focus," said Hayes

These lands lie within the northern part of the hot Alberta Bakken play fairway, which has been very active in northern Montana and southwestern Alberta for close to two years. A number of major operators, including Shell, Murphy, and Crescent Point, are actively drilling this play, while other majors hold significant land positions."

Lease bonuses totalled \$47.92 million for 63,196 hectares, averaging \$758.25 per hectare.

While large compared to the previous auction, Wednesday's results were still far below the record-breaking total of \$842 million seen at the June 15 sale.

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Alberta Basin  
Bakken Play



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ALBERTA DEPARTMENT OF ENERGY  
 Accepted Offers for July 13, 2011  
 Public Offering of PETROLEUM AND NATURAL GAS

Parcel	M-R-T	Percent	Client Name	Bonus (\$)	\$/Ha
** PLAINS REGION **					
A0005	(4-10-008)	100%	ECHOEX LTD	12,500.48	48.83
A0006	(4-24-009)	100%	WINDFALL RESOURCES LTD.	14,197,524.48	8,216.16
A0007	(4-26-009)	100%	SANDSTONE LAND & MINERAL COMPANY LT D.	878,930.97	709.25
A0008	(4-26-009)	100%	SCOTT LAND & LEASE LTD.	2,512,502.40	2,617.19
A0009	(4-26-010)	100%	LANDSOLUTIONS GP INC.	1,860,003.84	1,210.94
A0010	(4-26-010)	100%	SANDSTONE LAND & MINERAL COMPANY LT D.	649,996.80	507.81
A0011	(4-27-010)	100%	LANDSOLUTIONS GP INC.	3,507,496.32	2,382.81
A0012	(4-27-011)	100%	SANDSTONE LAND & MINERAL COMPANY LT D.	1,013,178.24	586.33
A0013	(4-14-011)	100%	WINDFALL RESOURCES LTD.	18,444.44	384.26
A0014	(4-21-011)	100%	SECRETARIAT ENERGY CORPORATION	2,051.20	32.05
A0015	(4-26-011)	100%	SANDSTONE LAND & MINERAL COMPANY LT D.	337,280.00	263.50
A0016	(4-24-013)	100%	O & G RESOURCE GROUP LTD.	8,183.68	127.87
A0017	(4-27-013)	100%	O & G RESOURCE GROUP LTD.	326,594.56	637.88
A0018	(4-28-013)	100%	PARAMOUNT RESOURCES LTD.	95,191.04	371.84
A0019	(4-28-013)	100%	PARAMOUNT RESOURCES LTD.	95,191.04	371.84
A0020	(4-28-013)	100%	SCOTT LAND & LEASE LTD.	15,646.72	61.12
A0021	(4-29-013)	100%	PARAMOUNT RESOURCES LTD.	95,191.04	371.84
A0022	(4-29-013)	100%	SCOTT LAND & LEASE LTD.	9,318.40	36.40
A0023	(4-28-014)	100%	WINDFALL RESOURCES LTD.	48,255.36	251.33
A0024	(4-28-014)	100%	O & G RESOURCE GROUP LTD.	6,696.96	34.88
A0025	(4-28-014)	100%	O & G RESOURCE GROUP LTD.	21,617.28	337.77
A0026	(4-28-015)	100%	O & G RESOURCE GROUP LTD.	124,897.28	487.88
A0027	(5-01-015)	100%	O & G RESOURCE GROUP LTD.	99,269.12	387.77
A0028	(4-18-016)	100%	MAVERICK LAND CONSULTANTS LTD.	7,152.64	111.76
A0029	(4-18-016)	100%	MAVERICK LAND CONSULTANTS LTD.	14,305.28	111.76
A0030	(4-18-016)	100%	MAVERICK LAND CONSULTANTS LTD.	7,152.64	111.76
A0031	(4-18-016)	100%	MAVERICK LAND CONSULTANTS LTD.	7,152.64	111.76
A0032	(4-18-016)	100%	ZARGON OIL & GAS LTD.	13,150.00	205.47
A0033	(4-19-016)	100%	BRISTOL LAND & LEASING LTD.	27,645.44	107.99
A0034	(4-19-016)	100%	BRISTOL LAND & LEASING LTD.	27,645.44	107.99
A0035	(4-19-016)	100%	ZARGON OIL & GAS LTD.	31,165.99	121.74
A0036	(4-19-016)	100%	ZARGON OIL & GAS LTD.	52,400.50	204.69
A0037	(4-29-016)	100%	O & G RESOURCE GROUP LTD.	86,494.72	337.87
A0038	(4-29-016)	100%	O & G RESOURCE GROUP LTD.	99,294.72	387.87
A0039	(4-19-017)	100%	TANDEM ENERGY CORPORATION	20,592.64	80.44
A0040	(4-20-017)	100%	BASM LAND & RESOURCES LTD.	20,935.68	81.78
A0041	(4-28-017)	100%	O & G RESOURCE GROUP LTD.	824,289.92	677.87
A0042	(4-09-018)	100%	WINDFALL RESOURCES LTD.	2,110,966.08	4,255.98
A0043	(4-09-018)	100%	SCOTT LAND & LEASE LTD.	77,829.12	152.01
A0044	(4-09-018)	100%	SCOTT LAND & LEASE LTD.	167,137.28	326.44
A0045	(4-21-018)	100%	WILCOX ENERGY CORP.	33,777.28	527.77
A0046	(4-28-018)	100%	SCOTT LAND & LEASE LTD.	259,125.76	1,012.21

*\$/Acre*

*\$3,325*  
*237*  
*\$1,060*  
*490*  
*205*  
*963*  
*237*

*Lands within the Alberta Basin BAKKEN Foothill*