

**Mr. T  
Niagaran  
Reef Prospect**

**Prospect Overview:** This prospect is a Niagaran Reef anomaly defined by 3D seismic and nearby well control. Seismic data indicates a reef height of 300 ± feet. In addition to a loss of brown Niagaran reflector, there is also a loss of A<sub>1</sub>C event. The A<sub>1</sub>C event is usually absent on Niagaran reef prospect (see analog reef display).

Well control is critical to the prospect. The most critical well is the West Bay Exploration 2-31 well. This well encounters 151 feet of WET Brown Niagaran reef build up and produced minor amount of gas and oil (300mmcf and 3000bo). This well was drilled in 1987 on 2D seismic data. Recently a 15 square mile state of the art 3D program has been conducted in this area. Based upon this 3D data it is believed that a much higher structural position on this reef can be obtained. This prospect is in an area of significant reserves on the reef trend with reserves ranging up to 20Bcfg. The average eur per reef in this immediate area is 4.7BCFG and 60MBO

**Analog Reef:** The beauty of 3D this seismic survey is that a direct comparison can be made between this re-drill candidate and the nearby reefs. To this end please refer to the attached seismic analog reef. As can be seen from this seismic display the Brown Niagaran and A<sub>1</sub>C are disrupted which is indicative of a reef. This reef has an areal extent of only 28 acres, 350 feet in height and produced 6.3Bcf of gas.

**Well Control:** As indicated on the enclosed cross section a low flank well was drilled into this reef by West Bay Exploration of Traverse City. This well as per the 3D is in a inferior location and it is felt that a new location based on 3D will allow an additional 120 feet of reef build up. As seen on this cross section structure is key as there is a water leg in this reef.

**Conclusion:** This Niagaran reef prospect is defined by excellent quality 3D seismic data and a flank well. Aerial extent of this reef is estimated to be 70 acres. All reefs on this trend exhibit good reservoir rock quality and the same is expected here. It is expected that this reef prospect could have an oil EUR of 60 MBO and 4.5 BCF gas. Pipeline infrastructure is in place and line capacity is available.

**Terms:** Up to 60% available. Core will operate. Prospect Fee \$1,500 / point (leasehold & seismic) Drilling cost 1/3 for 1/4 basis; all thereafter at actual costs; 78% delivered NRI. Estimated (8/8<sup>th</sup>s) costs: Drilling (\$700,000); Completion (\$250,000); Facility (\$500,000). Dry Hole for 60% WI, incl. Prospect Fee (\$649,800 or \$10,830 / point).

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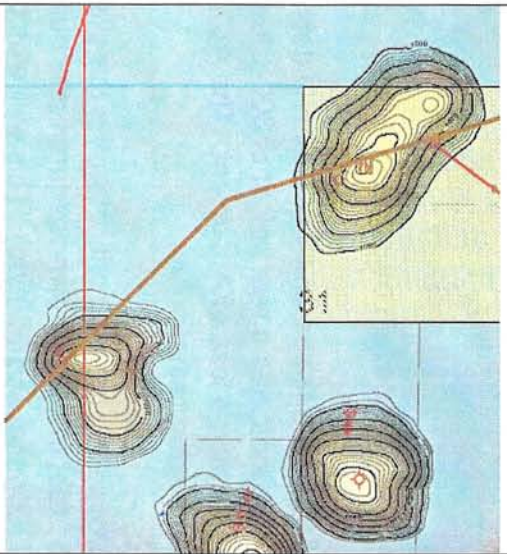
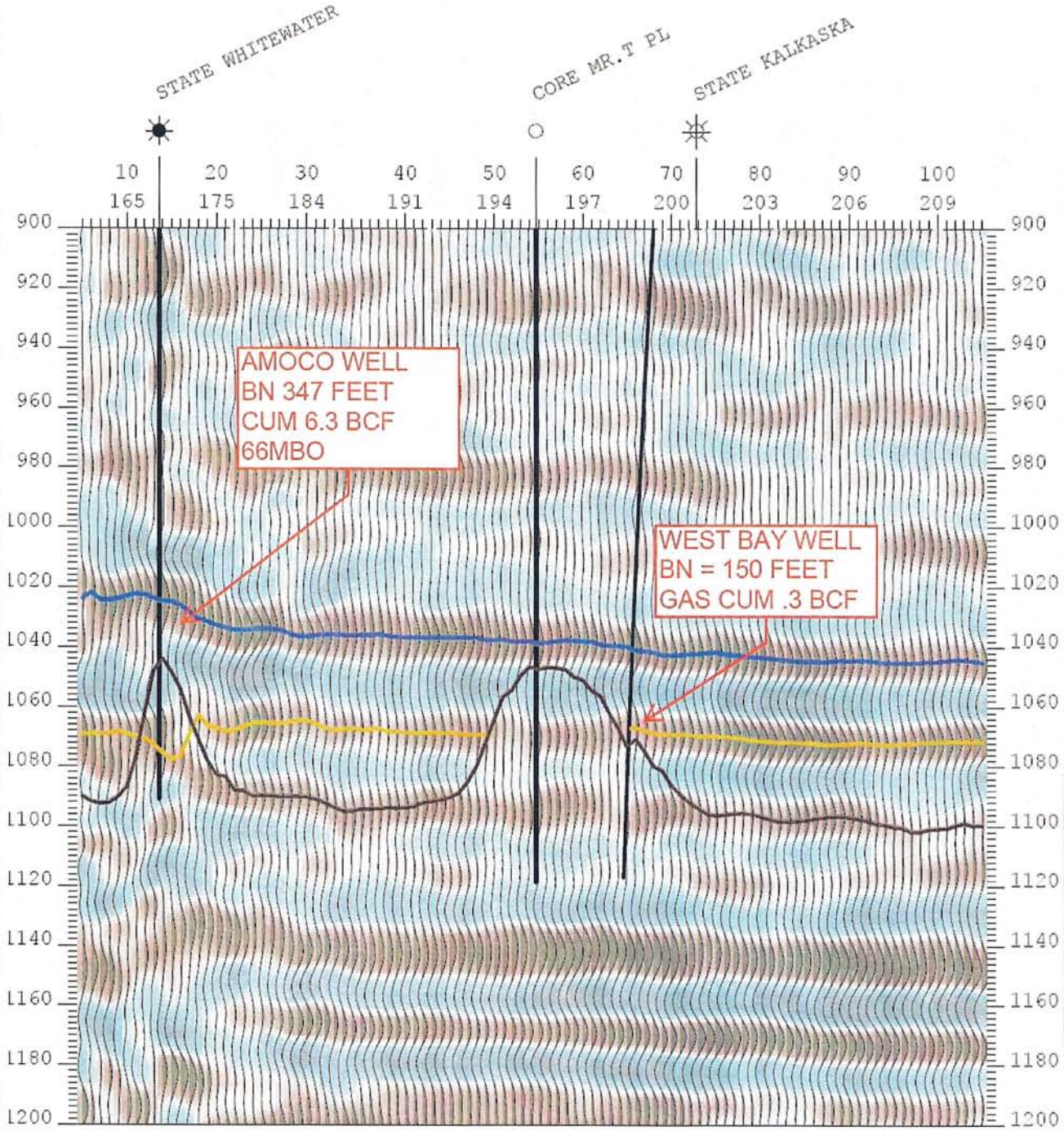
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# CORE ENERGY LLC

MR. T PROSPECT  
 BLUE = A2C  
 ORANGE = A1C  
 BROWN = BN = 300 + FEET  
 ALLEN MODROO  
 JAN 2010



CORE ENERGY, LLC

