

TMCBSU – Infill Location SE Quadrant, Section 2

Arkanova Energy Corporation

Operator: Provident Energy Associates of Montana, LLC

DCS NGC Team

May 11, 2010



Support Slides

1. Lower Cut Bank Net Sand Map
2. Net Pay Map with Top 10 Producers
3. Active Producers and Wells pending Re-activation
4. SE Quadrant- Evaluated Infill Locations
5. SE Quadrant- Net Pay & Drainage Radius
6. SE Quadrant - Proposed Infill Well Surface Coordinates
7. Infrastructure Map
8. Topographic Map
9. Areal Photograph
10. Field Photographs
11. SE Quadrant Location Selection Criteria



Two Medicine Cut Bank Sand Unit (TMCBSU)





Two Medicine Cut Bank Sand Unit

Glacier and Pondera Counties, Montana

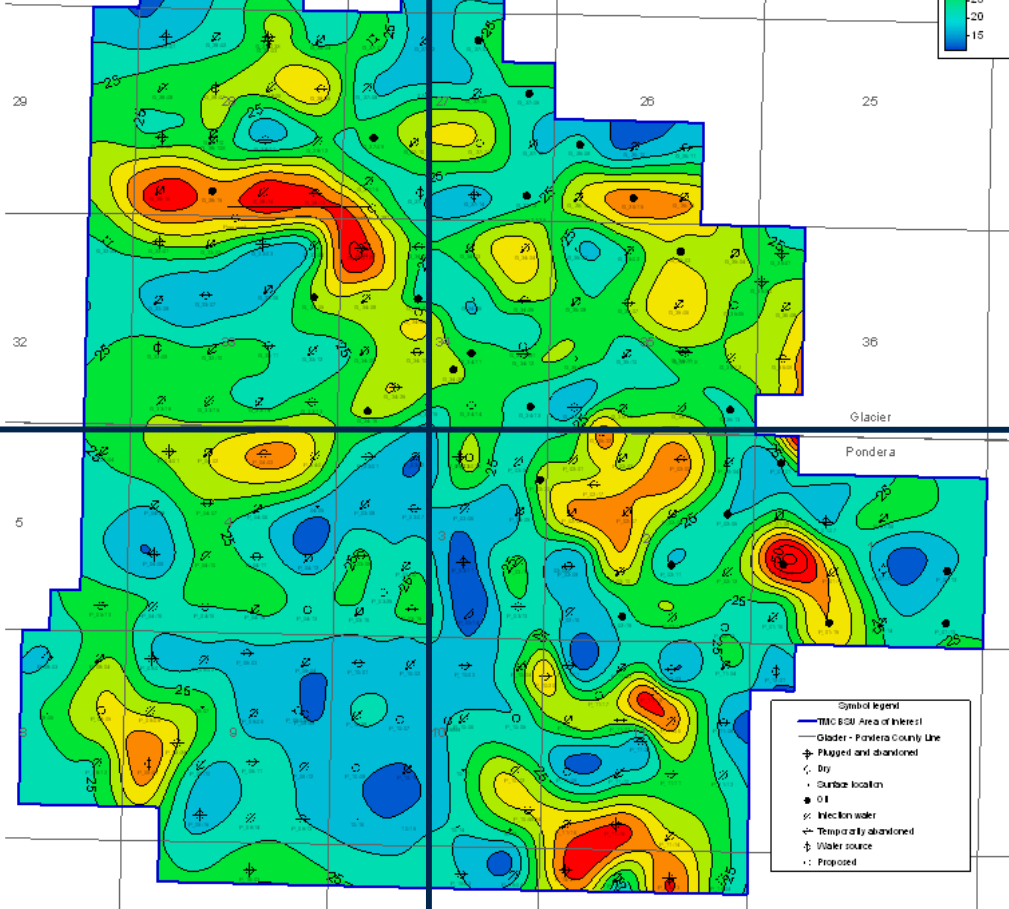
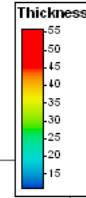
Lower Cut Bank Net Sand



Lower Cut Bank Net Sand

NW Quadrant

NE Quadrant



- Symbol legend
- TMC BSU Area of Interest
 - Glacier - Pondera County Line
 - ⊕ Plugged and abandoned
 - ⊖ Dry
 - Surface location
 - Oil
 - ⊙ Injection water
 - ⊖ Temporarily abandoned
 - ⊕ Water source
 - ⋯ Proposed

Focus Area: SE Quadrant



SW Quadrant

SE Quadrant



(CBSU)

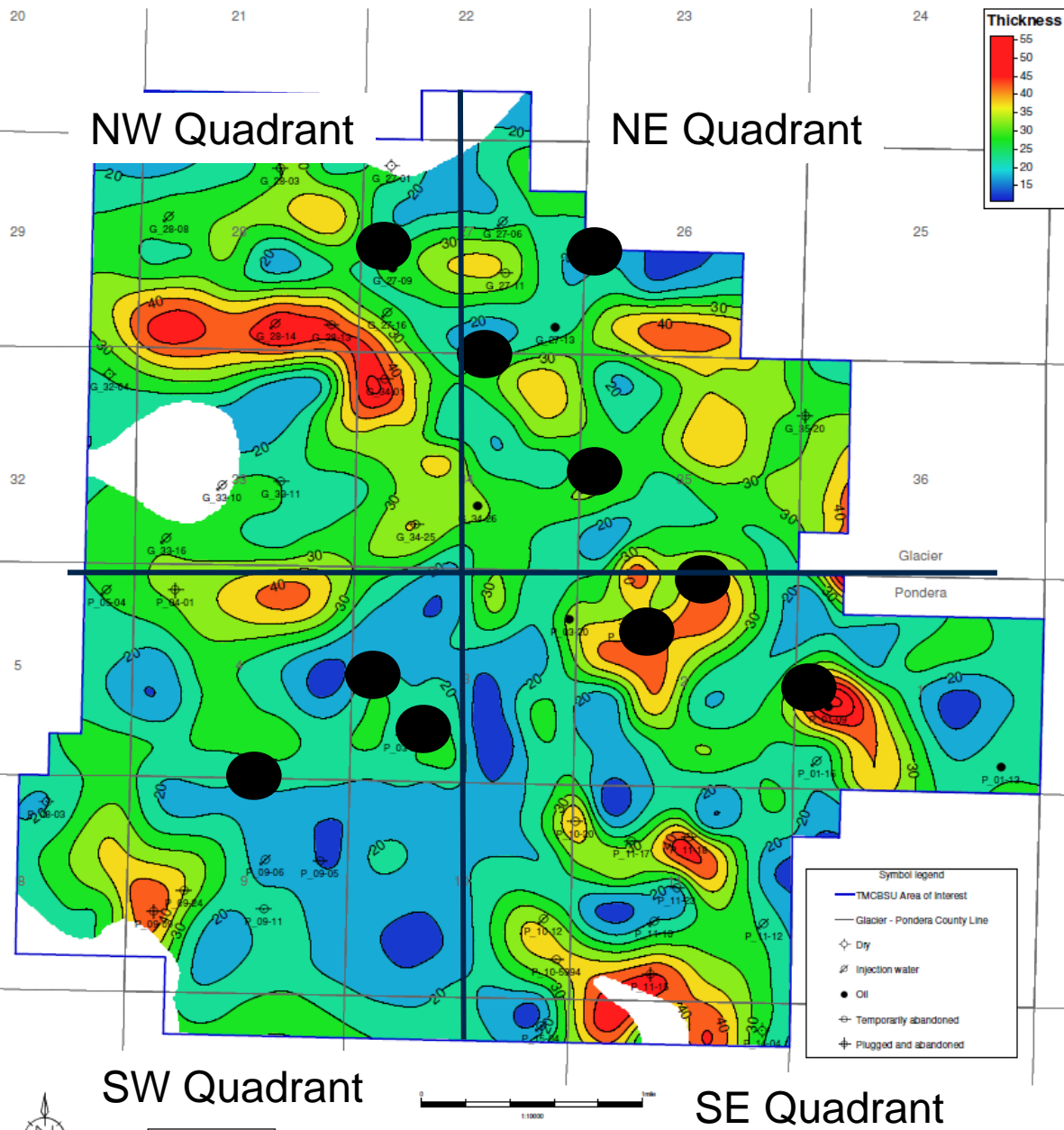


Schlumberger Private

Lower Cut Bank Net Pay with Top 10 Producers

Oil Cum > 150 Mbbbl

Schlumberger Private



- 02-03
- 01-09
- 03-15
- 03-09
- 09-03
- 02-07
- 35-09
- 26-09
- 27-09
- 34-03

In SE
Quadrant

Isopach	
Scale	Location
1:10000	Houston
Ular name	Formation
Line	Cut Bank
Company	Ular
Schlumberger	04/20/2010
Segment	Contour Inc
105	S



Two Medicine Cut Bank Sand Unit

Glacier and Pondera Counties, Montana

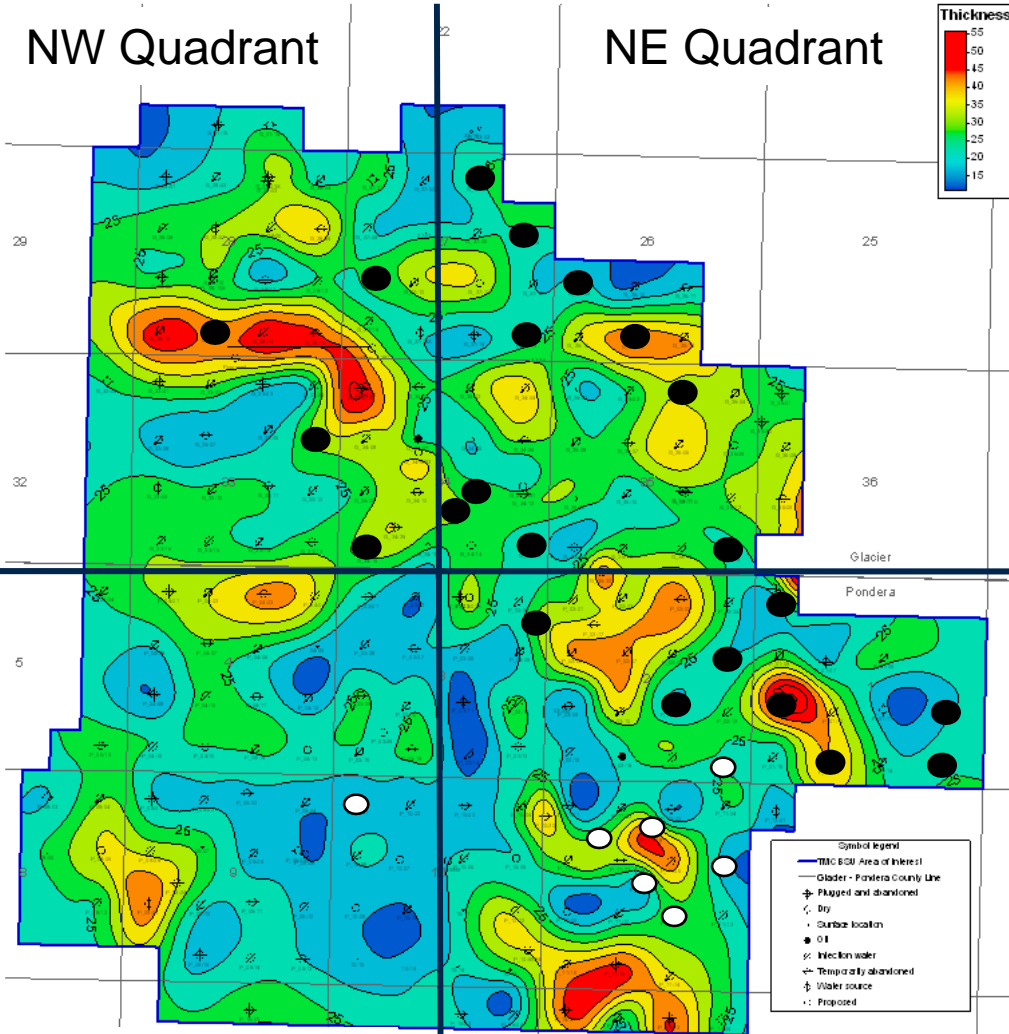
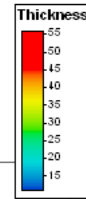
Lower Cut Bank Net Sand



Lower Cut Bank

NW Quadrant

NE Quadrant



Glacier

Pondera

SW Quadrant

SE Quadrant

- Symbol legend
- Two Medicine Cut Bank Sand Unit Area of Interest
 - Glacier - Pondera County Line
 - ⊕ Plugged and abandoned
 - ⊖ Dry
 - Surface location
 - Oil
 - ⊙ Injection water
 - ⊖ Temporarily abandoned
 - ⊕ Water source
 - ⋯ Proposed

Symbol	Description
⊕	Plugged and abandoned
⊖	Dry
•	Surface location
●	Oil
⊙	Injection water
⊖	Temporarily abandoned
⊕	Water source
⋯	Proposed

- Active Producers
- Wells pending Re-activation

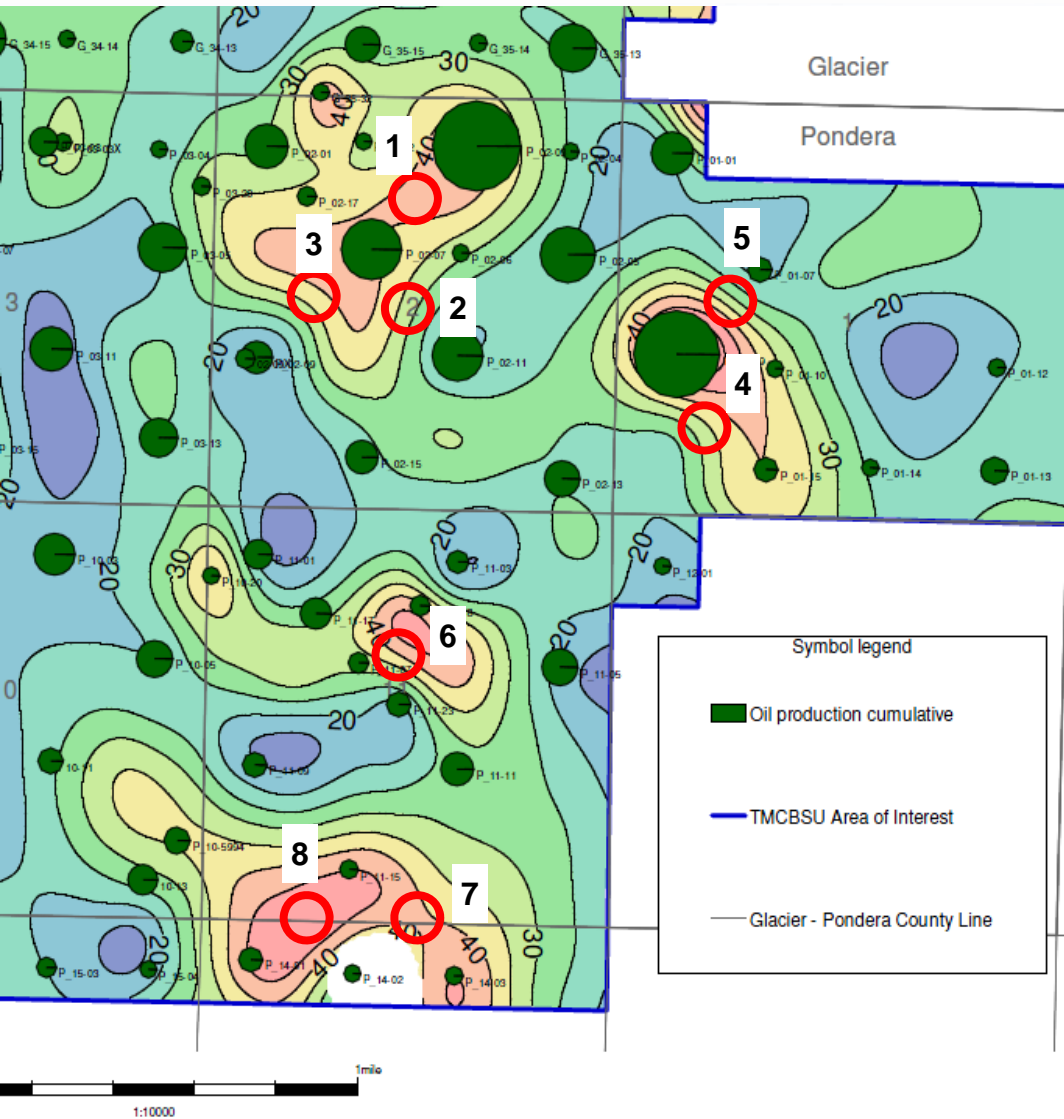
Schlumberger Private




(CBSU)

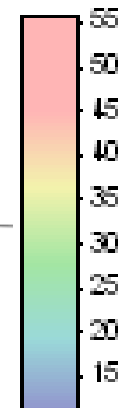


SE Quadrant - Evaluated Infill Locations

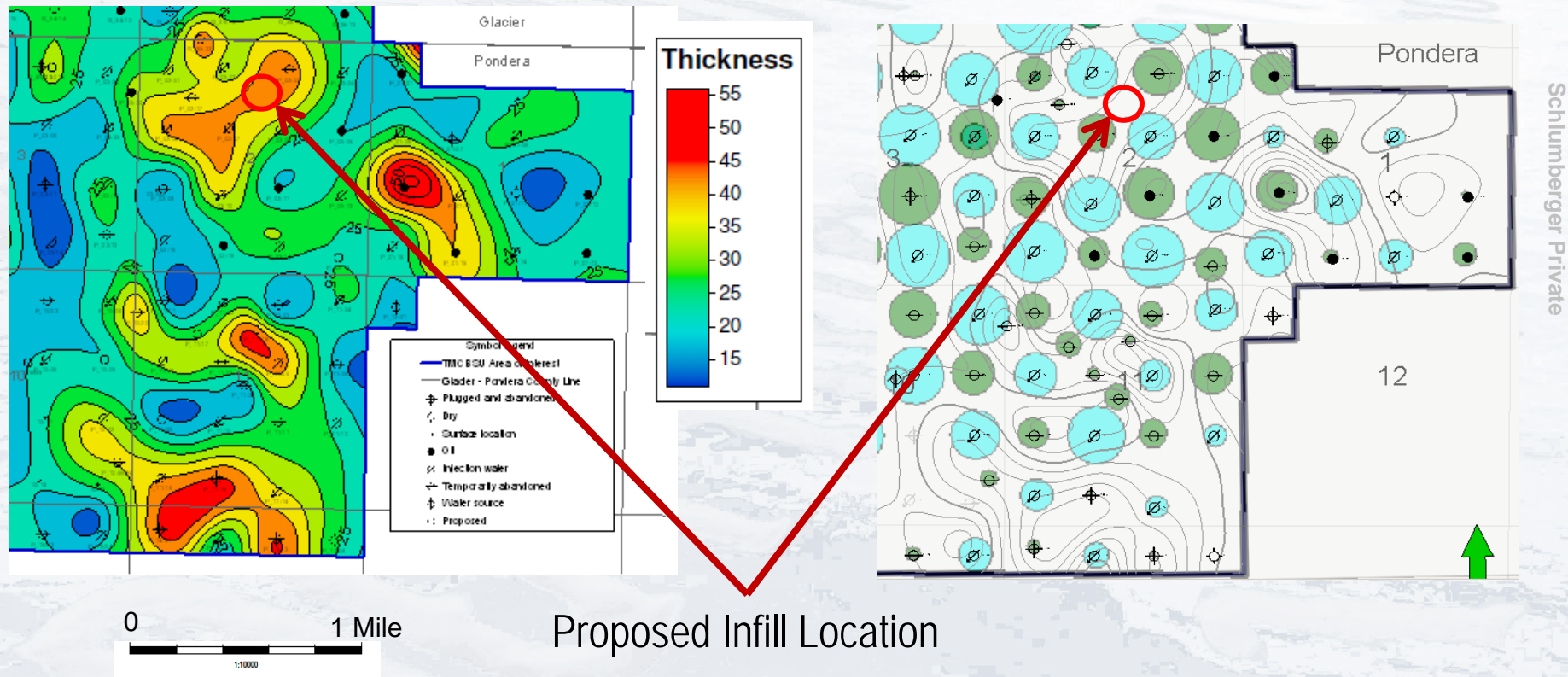


 Locations evaluated in SE Quadrant

Thickness



SE Quadrant - Net Pay & Drainage Radius



Two Medicine Cut Bank Sand Unit (TMCBSU)



SE Quadrant - Proposed Infill Well Surface Coordinates

Proposed Well Surface Location:

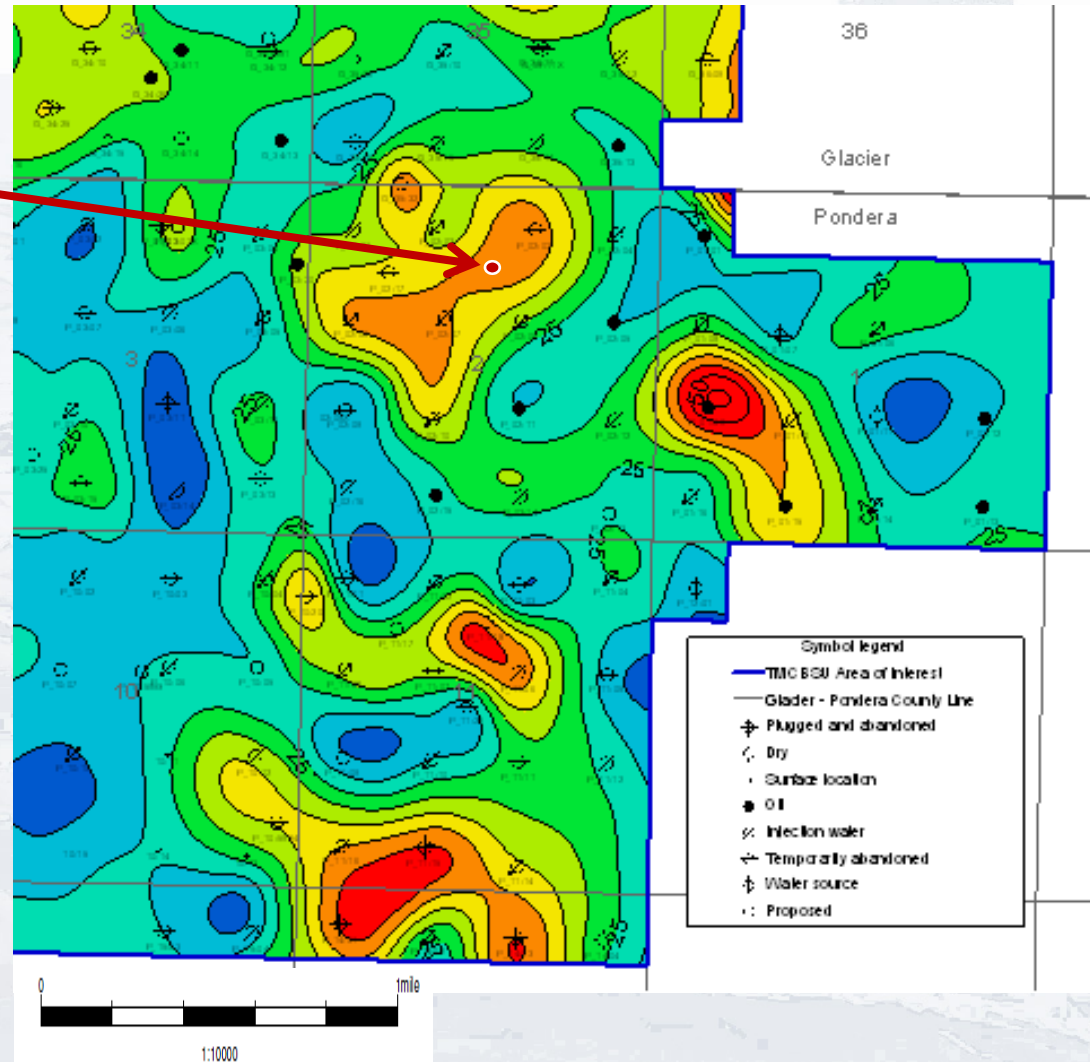
Lat: 48.48026°N

Long: -112.34905°W

Lat: N 48° 28' 48.956"

Long: W 112° 20' 56.609"

Coordinate System: NAD83

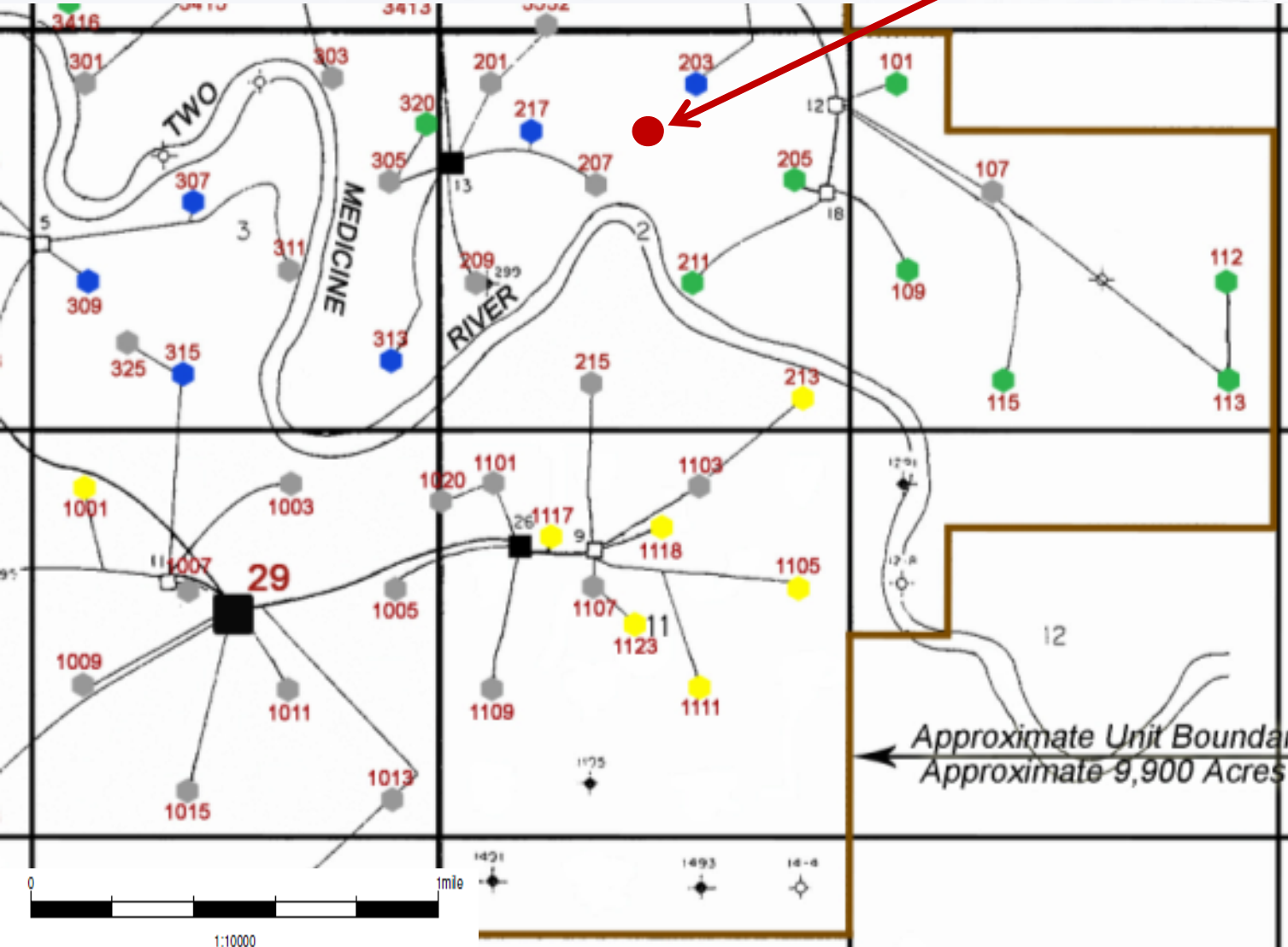


Two Medicine Cut Bank Sand Unit (TMCBSU)

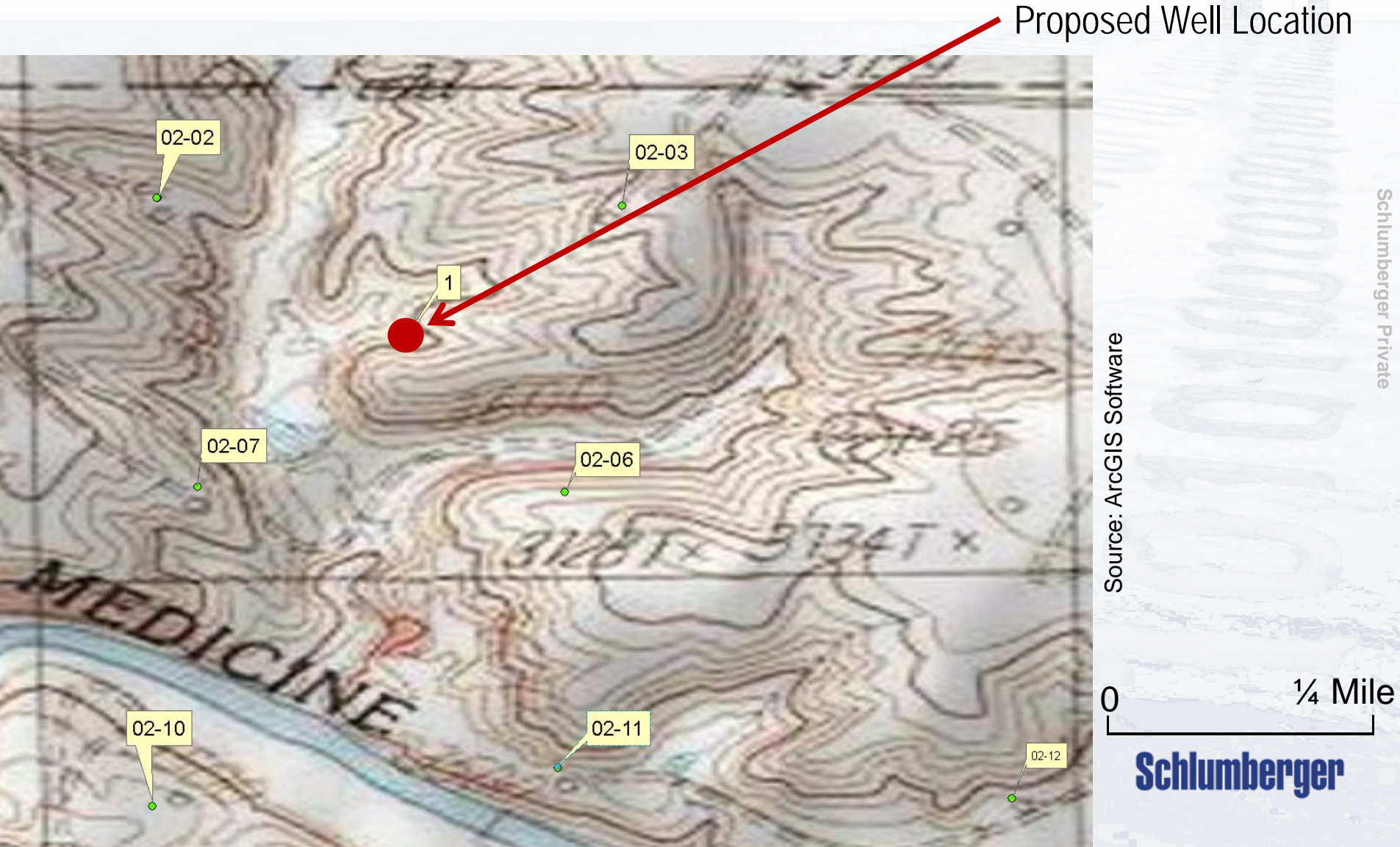


Infrastructure Map

Proposed Well Location



Topographic Map



Areal Photograph



Proposed Well Location

Source: ArcGIS Software

0 ¼ Mile

Schlumberger

Schlumberger Private

Field Photographs



Two Medicine Cut Bank Sand Unit (TMCBSU)

Location Selection Criteria: SE Quadrant Proposed Infill Well

- Surrounded by wells with above average LCB Net pay thickness (>40 ft) and porosity (12%): 02-02, 02-03, 02-06, & 02-07
- Structurally high location on trend with current producers but outside the drainage radius of producers.
- Selected to avoid infill drilling too close to injection wells. No Injection since 1986.
- Follows a downsizing pattern from 80 acres to 40 acres
- Near two of the Top 10 Producers: 02-03 & 02-07
- Proximity to surface facilities
- Topography– Gradient of 250 ft/mi (3° slope) for site access and 900 ft/mi (11° slope) at selected location – Field Inspection Recommended
- Top of the Lower Cut Bank sand estimated at 3,150 ft MD



Two Medicine Cut Bank Sand Unit (TMCBSU)

