



Guane Geological Consulting

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Buckhorn On-Trend Drilling: Brown County, N.W. Illinois
45,000-150,000 BO prospect on-trend drilling opportunity

EXECUTIVE SUMMARY

<u>Prospect Summary:</u>	Northwest Illinois Basin Silurian Kankakee (Edgewood Dolomite) stratigraphic-structural trap supported by well data, structural surveys , and an adjacent oil show.		
<u>Depth/Objective:</u>	680' TVD/ Basal Silurian Porosity and analogue to Buckhorn Consolidated pay zone (Cumulative Production- 3 MMBO).		
<u>Resource Potential:</u>	Mean- 45 MBO (15,000 BO from 3 wells), Upside- 150 MBO (10 wells).		
<u>Estimated Costs:</u>	<u>Dry Hole</u>	<u>Completed</u>	
Drilling Cost	\$85,000	\$85,000	
Completion Cost	--	\$82,000	
Land	\$12,600	\$12,600	
Total	\$97,600	\$179,600	
<u>Land Overview:</u>	210 gross/net acres leased.		
<u>Interest Available:</u>	80% WI at 80% NRI.		
<u>Proposed Terms</u>	\$75/acre (168 acres) and 20% Carry to casing point.		
<u>Operator:</u>	Guane Geological Consulting, LLC		
<u>Projected Spud:</u>	2nd quarter, 2024.		



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Guane On-Trend Drilling

Guane Geological is a small E&P company concentrating on conventional shallow oil, short pay-out projects on the low end of the cost spectrum. We are currently focused on “On-Trend” drilling within the prolific Buckhorn Consolidated trend of the Illinois basin. These prospects offer very low upfront costs while still exposing the investor to significant upside.

On-trend wells are wells located near existing producing fields/discoveries and have a higher expectation of success than wildcat exploration wells. Guane’s drilling prospects are within an established trend and will test independent structures or traps adjacent to producing fields.

The Investment

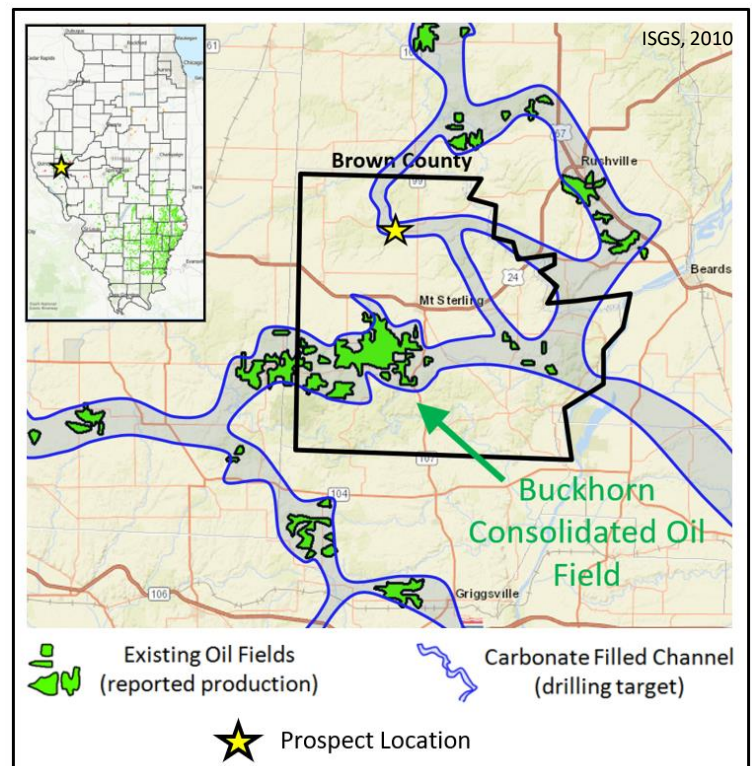
Guane has identified and leased a 210 acre parcel within the prolific Buckhorn Consolidated trend. The prospect has a 45,000 BBL (Mean) potential with an up-side of 150,000 BBL. Guane plans to drill in the 2nd quarter of 2024. Investment dollars will be utilized to drill the initial well in the prospect.

Guane is looking for a partner to take an 80% Working Interest. Guane asks for \$75 an acre for partner’s portion of acreage (168 acres) and a 20% Carry until Casing Point. Guane will operate and plans to deliver an 80% NRI for the project.

Key Highlights

- Target TD: 670 FT (MD)
- On trend with direct analogs
 - Buckhorn – Cum: >2,300,000 BO
 - Kellerville/Siloam– Cum: ~600,000 BO
- EUR per well: 15,000 BO (High-side: 70,000 BO)
- Prospect supported by Sub-Surface Mapping and a significant Oil Show.
- 100 Acres mapped closure
- Potential number of wells in project: 3-10

Location



The on-trend opportunity is located in Brown County, Illinois at the Northwest margin of basin and in the prolific Buckhorn Consolidated Trend.

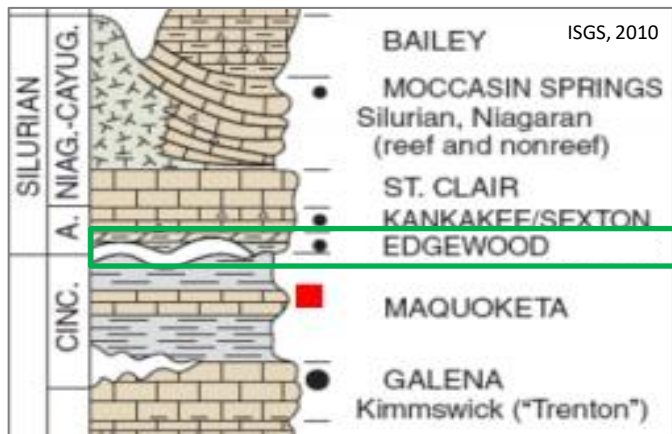
Buckhorn Consolidated On-trend Drilling: West Illinois

45,000-150,000 BO on-trend drilling opportunity

Technical Section

Overview

The prospect targets the Edgewood Dolomite, a high-quality Porous Dolomite reservoir along the prolific Buckhorn Consolidated trend in Western Illinois. The analog reservoirs are some of the basin's most impressive with initial production sometimes exceeding 500 BOPD at 650' of depth (Howard, 1961). The production horizon is located at the base of the Silurian section and was deposited as channel-fill in Maquoketa Shale channels (Kolata, 2010).



Production History

The direct field analogues are Buckhorn, Kellerville, and Siloam which share a common trapping mechanism and reservoir enhancement both related to paleo-channels.

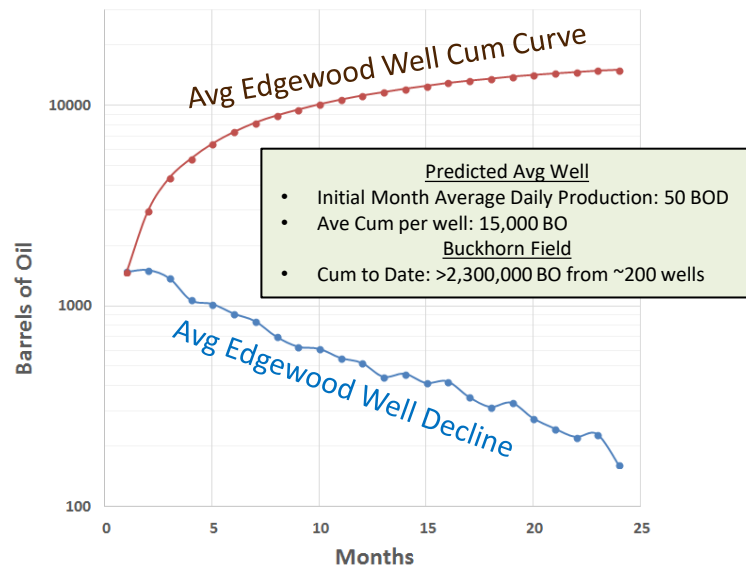
Kellerville and Siloam fields: Each field's total production exceeds 300,000. Some wells had initial production rates of over 500 b/d of oil.

Buckhorn Consolidated field: Formal discovery well status was awarded in April 1982 to the 1 Hippen well drilled by R&R Enterprises in NE SE SE 36-1s-4w. This well had reported initial production of 125 b/d from the basal Silurian dolomite. Since that time, over 200 wells have been completed as producers in the field with total production exceeding 2.3 million bbl of oil.

Individual wells have produced as much as 70,000 bbl of oil. However, average reserves per well are about half that (on 20 acre spacing). Anticipated EUR per well on 10 acre spacing is 15,000 BO with a 24 month life.

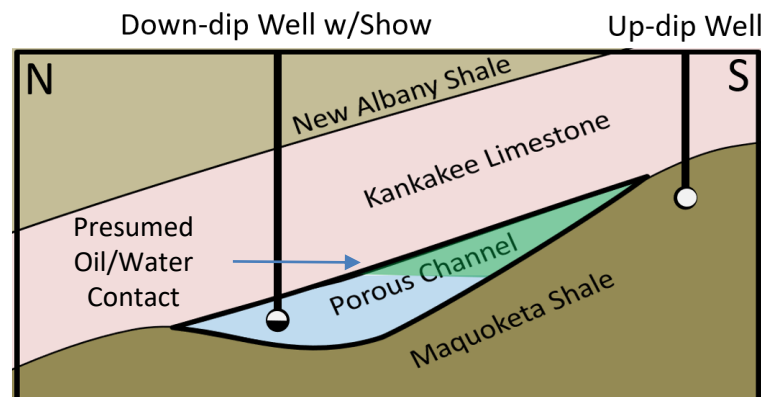
Decline Curves

Production decline curve character from the Mike Callihan No. 1 Cecil Noftz, Kellerville Oil Pool, SE1/4 NE1/4 NE1/4 sec. 2, T. 2S., R. 5 W., Adams County.



Reservoir/Trap Diagram

The trap is a pinch-out at the edge of a channel. Well control confirms the up dip pinch out at the channel's edge. The down dip well encountered porous reservoir rock and had a strong oil show.

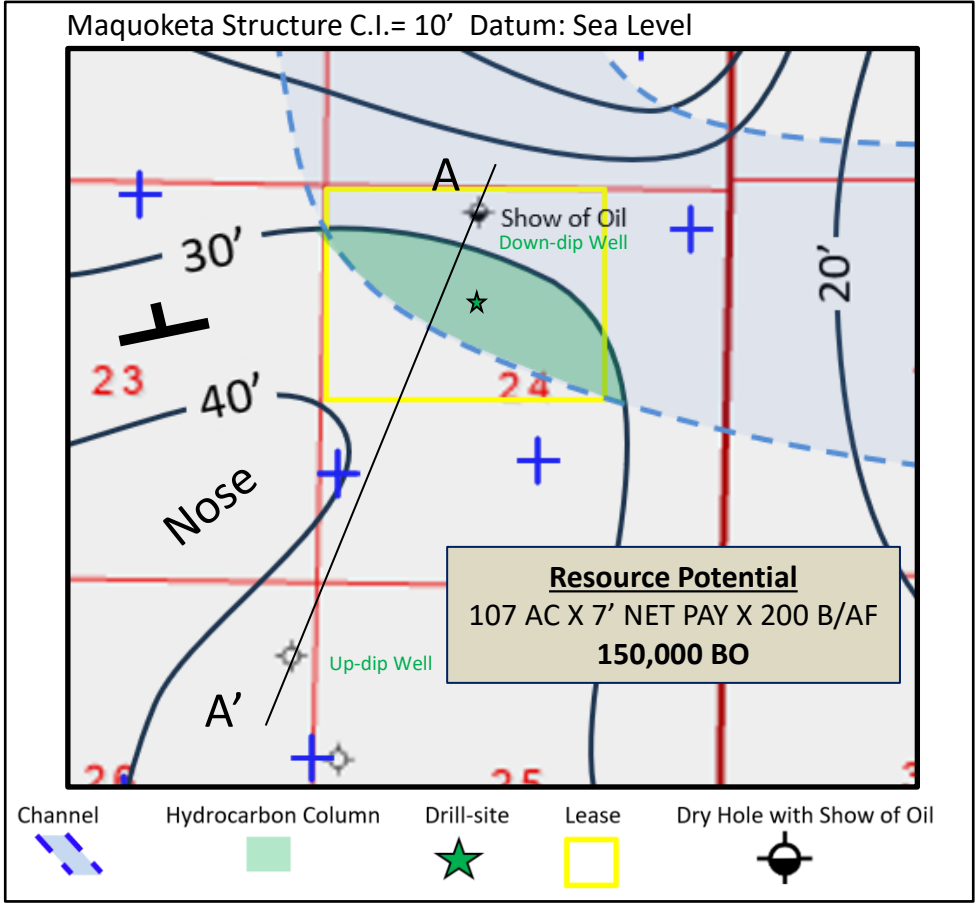


Buckhorn Consolidated On-trend Drilling: West Illinois

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Prospect Map

The trap is formed by a Northwest to East Edgewood Dolomite channel crossing over a structural nose.

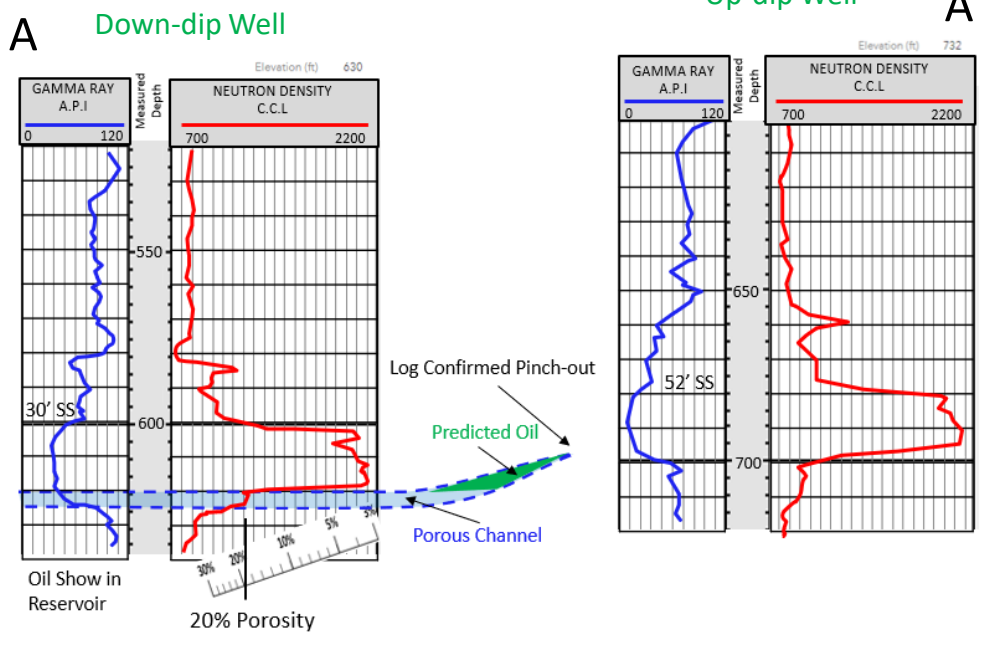


Oil Show

Oil shows in non-productive wells have proven to indicate close proximity to oil accumulations. In the analog fields of the Buckhorn Consolidated Oil Trend, oil shows occur within one or two well spacings from proven oil pools.

The down-dip well is located 2 well spacings from the drill-site and had a strong oil show in the target reservoir zone.

Cross section



References

Howard, Richard H., 1961, Oil and gas in the Adams-Brown-Schuyler County area, Illinois: Illinois State Geological Survey

Kolata D., Nimz C., 2010, Geology of Illinois: Illinois State Geological Society