Mt. Auburn Step-out Drilling: Central Illinois
250,000-1,500,000 BO/prospect on-trend step-out drilling opportunities

RJ Enterprises Step-Out Drilling

RJ Enterprises is a small E&P company concentrating on conventional shallow oil, short pay-out projects on the low end of the cost curve. We are currently focused on “step-out” drilling within the prolific Mt. Auburn trend of the Illinois basin. These prospects offer very low upfront costs while still exposing the investor to significant upside.

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

The Investment

RJE has identified numerous prospects along the prolific Mt Auburn trend and intends to lease and drill in the next 12-18 months. Investment dollars will be utilized to acquire the leases and drill the initial step-out test well in each prospect.

RJE is looking for a partner to take Working Interest in exchange for a prospect fee and a carried working interest. Prospect fee covers all leasing, technical and general and administrative expenses. RJE has the capability to operate and plans to deliver an estimated 80% NRI for the project.

Key Highlights

- Multiple prospects
- 1,000 BOD IP and 250,000-1,500,000 BO Potential per prospect
- Target TD: 2,500 FT (MD); Estimated DHC: $150,000
- On trend with direct analogs
  - Sharpsburg – 3 Year Cum: >300,000 BO
  - Kincaid Field – Cum: ~7,000,000 BO
- High quality Devonian, vuggy, dolomitic reservoir
- 80% NRI Leases
- Potential number of wells in avg project: 8-16
- **LOW ENTRY COST WITH EXPOSURE TO LARGE UPSIDE**

Location

The step-out opportunities are located on the basin ward margin of the Mt. Auburn Trend along the southern flank of the Sangamon Arch in Sangamon, Christian and Macon Counties, Illinois. They consist of multiple geologically related prospects that comprise laterally discontinuous reservoirs in the Devonian Lingle Formation.
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Technical Section

Introduction

RJ Enterprises is offering working interest in a series of prospects in Central Illinois. Prospects range in size: 200-750 acres, with 250,000-1,500,000 BO potential. Target depths are less than 2,500 FT MD.

Overview

The prospects target the high quality middle Devonian Lingle Porous Dolomite reservoir along the prolific Mt. Auburn trend in Central Illinois. The analog reservoirs are some of the basin’s most prolific with initial production in the range of 1,500 BOPD. The trap is an up dip regional erosional pinch out along the basin-ward flank of the ancient Sangamon Arch. Well control confirms the up dip pinch out. The down dip oil/water contact conforms to structural contours.

History

The direct analogues are Sharpsburg and Kincaid Fields which share a common trapping mechanism and reservoir enhancement below a paleo-weathering surface. Kincaid was discovered in the 1950’s, has cumulative production from the Lingle Porous Dolomite of ~7 MMBO and is still producing today. The average reservoir depth is 1,850 FT MD. The field produced from 153 wells with average well EURs of 45,000 BO. The best wells IP’d at over 1,200 BOD. Sharpsburg is a 2012 discovery and has a 36 month cumulative production of more than 300,000 BO from 9 wells in the Lingle Porous Dolomite. Average reservoir depth is 2,000 FT MD. The average well cum is 35,000 BO with a 30 day average IP of 170 BOD. The first two discovery wells IP’d between 1,000 and 1,500 BOD. Identical geologic conditions have been identified in each of the prospects.

Sharpsburg Decline Curves

Reservoir/Trap Diagram

The trap is a regional erosional pinch-out where a zone of porosity is truncated and sealed by the New Albany Shale Group.

Initial Wells

We propose one well to test each prospect. Initial wells will encounter the Lingle Porous Dolomite and Silurian reservoirs with a total depth 250’ below the base of the New Albany Shale Group.

Additional Wells

Upon positive results from initial drilling, the average prospect area would allow for 7-15 development wells.
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Prospect Map
Well control confirms up dip pinch out trap and down dip oil/water contact conforming to structural contours.

Stratigraphic Column
The Lingle Formation erosionally thins to the Northwest and pinches out onto the Sangamon Arch. The New Albany Shale provides the top seal.

Cross section
Reservoir and up dip pinch-out demonstrated in well logs.