DROHOBYTSKA LICENSE

LOCATION

Drohobytska block has an area of 140.9 km² and is located in Mostyska, Sambir and Drohobych districts of Lviv region between the settlements of Stare Selo, Bolechivtsi, Nezhukhiv, Zaluzhany.

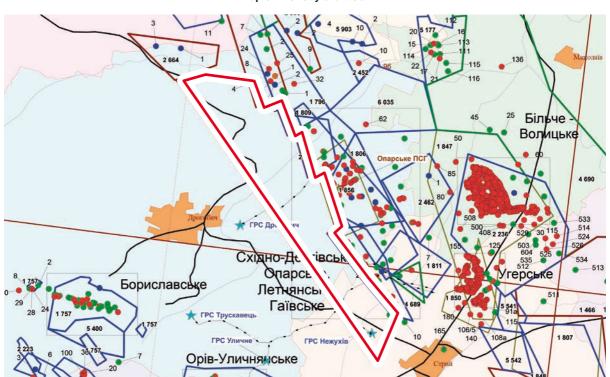
CONCESSION TYPE

Combined license for geological exploration with pilot and commercial development, and production of hydrocarbons. Duration - 20 years.

DEPOSITS DISCOVERED IN THE AREA

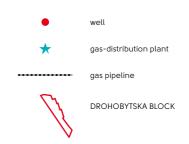
Oparske gas, Haivske gas condensate, Hrushivske gas condensate, Letnianske gas condensate and East-Dovhivske gas fields.

Map of Drohobytska block



MAP SYMBOLS

Point Number	USK 2000, E			USK 2000, N			SK-42, E			SK-42 , N		
	deg.	min.	sec.	deg.	min.	sec.	deg.	min.	sec.	deg.	min.	sec.
1	23	28	60.00	49	28	0.00	23	29	6.34	49	28	1.07
2	23	30	37.00	49	28	27.00	23	30	43.34	49	28	28.07
3	23	34	24.00	49	28	26.00	23	34	30.34	49	28	27.06
4	23	35	25.00	49	27	10.00	23	35	31.34	49	27	11.06
5	23	36	42.00	49	27	38.00	23	36	48.34	49	27	39.06
6	23	38	4.00	49	25	57.00	23	38	10.34	49	25	58.06
7	23	38	33.00	49	26	11.00	23	38	39.34	49	26	12.06
8	23	40	0.00	49	23	60.00	23	40	6.33	49	24	1.06
9	23	40	39.00	49	24	18.00	23	40	45.33	49	24	19.06
10	23	42	30.00	49	21	44.00	23	42	36.32	49	21	45.06
11	23	41	60.00	49	21	22.00	23	42	6.32	49	21	23.06
12	23	45	0.00	49	19	20.00	23	45	6.32	49	19	21.06
13	23	47	35.00	49	17	45.00	23	47	41.31	49	17	46.06
14	23	46	30.00	49	15	15.00	23	46	36.31	49	15	16.06





GEOLOGICAL CHARACTERISTICS

The block is located within the Bilche-Volytska zone of the Pre-Carpathian Foredeep and the Kosiv-Uhersk subzone. The geological structures of the block involve Paleozoic, Mesozoic and Cenozoic sediments. Commercial pools of gas on the deposits in the vicinity associated with the sandy-siltstone rocks of the horizons of the Lower Dashavska Sub-Suite. Reservoir rock in Sarmatian, Carpathian parts of the section are terrigenous sandy siltstone rock.

Experimental data shows that the clay cap rocks on the neighboring Letnyanske deposit, even in the presence of microcracks, can contain gas condensate deposits with reservoir pressure of 2,4-12 MPa. The good sealing properties of the clay cap rocks is due to the presence of clay of minerals, which are capable of swelling and "healing" cracks in the rock

Interpretation of existing seismic data shows that the northwest part of the block up for auction contains the northeast wing of the Dobrovlyanska structure.

SURVEY INFORMATION AVAILABLE

Assessment of hydrocarbon resources (Ukrainian classification) not estimated.

Well data

Within Drohobytska block, 11 wells have been drilled. None of these resulting in commercial production. Most of the wells showed gas with water.

Seismic surveys

Within Drohobytska block 2D seismic has been conducted during 1981-1993 (85/52, 57/89, 52/91 57/91, 57/93).

Seismic surveys

Year of surveys	Number of lines	Number of linear km	Fold
1985	14	114,3	12-24
1989	16	140,258	12-24
1991	14	166,373	12-24
1993	3	19,186	12

EXPLORATION WORK PROGRAM REQUIREMENTS

Stage I (12 months) - processing and reinterpretation of 2D archival seismic data:

Stage II (12 months) – acquisition of 2D or 3D seismic data on 1/4 of the block's area;

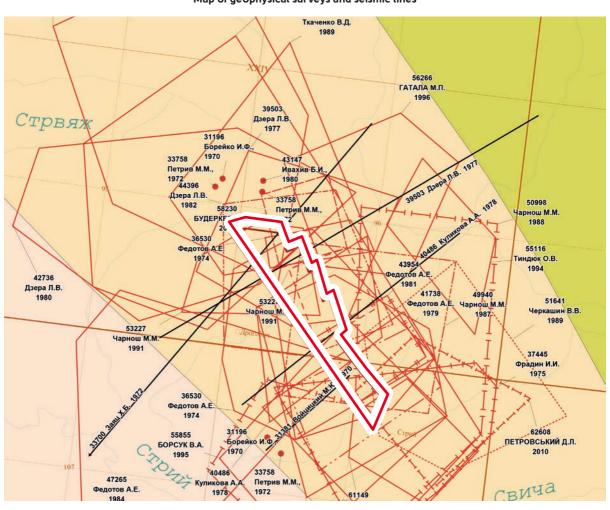
Stage III (24 months) – one productive well drilling.

REPORTS

The search and preparation of oil and gas prospecting objects in the Bilko-Volytsky zone of the PreCarpathian Foredeep. "Report on the results of the seismic surveys of the common depth point shooting in Turynska (team No.52/89), Khymchinska and Putylska (team No.53/89), Dobrotovsky (team No./89), Grynivska (No.56/89), Tvirzhska and Dobrylyanska (team No.57/89) areas and vertical seismic profiling in deep wells (team No. 60/89), carried out in 1989-1991 by Yanyshyn Y.I., 1991. Report on the results of seismic exploration works on the Dobryansko-Chernivtsi-Kiblyarska area of the Carpathian region carried out in 1993-1995 by the teams 51/93, 52/93, 53/93, 54/93, 56/93, 57/93, 59/93, 60/93. Borsuk V.A., Charnosh M.M. 1995.

DROHOBYTSKA LICENSE

Map of geophysical surveys and seismic lines







Data on wells drilled within Drohobytska block

Name and No. of the well	Altitude, m	Depression, m (horizon)	Testing result
1-Dorozhiv	284,2	4310 (N1stb)	-
1-Roliv	293,5	4611(ΓA)	3734-3513 m (НД-16) reservoir water with clay solution
13-Hrushiv	268,8	2377 (J)	2240-2215 m (NIs) gas and water 2005-1980 m (NIs) water
14-Hrushiv	272,2	3882 (NIs)	3100-2820 м (N1s) – water
1-Mykhaylevychi	275,6	3050	-
2-East Dovhivska	269,1	2054 (NIs НД-13)	1863-1896 m (HPД-12) water with the release of combustible gas 1914-1950 m (HД-12) Qr $-$ 6,4 ths.m³/d, aerated water; 1945-2000 м (HД-12,13) Qr- 4,08 ths.m³/d; 2016-2024 m (НД-12,13) water
4-East Dovhivska	282,7	1950 (NIs)	1718-1766 m (НД-13) Qr — 1,3 ths.m³/d, 1558-1530 m (НД-12) Qr — 1,76 ths.m³/d, 1456-1453 m (НД-11) Qв — 37,2 m³/d
6-East Dovhivska	279,0	1950 (N1s)	1733-1781 m (НД-12) water with gas 1795-1848 m (НД-12) gas flare 1896-1911 m (НД-13) water with gas
2-South Opary	282,2	3137 (J)	3040-3014 m (J) dry 2450-2415 m (NIs) gas was released 2380-2307 m (NIs) water with gas 2252-2242 m (NIs) water with gas 2220-2180 m (NIs) water 2190-2180 m (NIs) water with gas
3- South Opary	312,8	3229 (N1s HД-16)	well is flooded
1- Nezhukhivska prospecting well	310,4	2080 (J3)	2042,5-2080 m (J3) reservoir water