

Privately-Held B-32 Exploration Announces Financing, Plans First Duvernay Well

By [Paul Wells \(/author/paul-wells/\)](/author/paul-wells/)

Friday, January 14, 2022, 8 AM MST



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POSITIONING THE GREATER KAYBOB BASIN

Duvernay Oil Play Facts

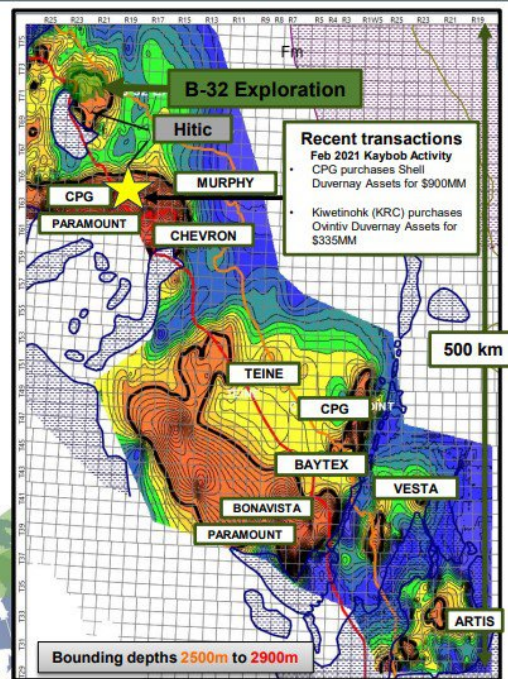
- +350 producing wells drilled to date into oil window plus billions spent on R&D
- Benefits from over 5400 wells with Duvernay penetrations
- Drilling, completion, and equipping costs of \$6-\$10 MM/well are predictable and use 100% existing technology
- Duvernay formation is a source rock generating sweet light oil and over-pressured by trapped hydrocarbons
- No free water – water produced is frac water
- On average oil gravity ranges between 33° – 46° API and corresponding GOR's of 300-2,500 SCF/BBL

B-32 Basin – Best in Class Location and Reservoir Quality

- 39° API oil, 40 MPa reservoir confirmed - 50% over-pressured
- 4-6% TOC, average 12% Porosity, OOIP 23 MMBBL/Sec
- Offset well 2-5 on test flowed over 350 BBL/day
- Potential for +1000 BOPD wells



Figure 1. Duvernay depositional system in central Alberta, Canada



B-32 has won the lottery with the timely combination of reservoir knowledge and optimized D,C & E technology

B-32 EXPLORATION

Privately-held **B-32 Exploration Ltd.** says it has reached a “significant milestone” with the closing of a non-brokered financing of \$10.75 million with additional closings expected later in January.

“Before Christmas we closed on \$10.75 million and now we’re going to be closing here in a couple of weeks on another \$2.5 million. So basically just over \$13 million total raised,” **Larry Evans**, executive chairman, told the *DOB*.

The pure-play [Duvernay](#) company, which began accumulating its acreage four years ago, will now proceed with the drilling and completion of its first Duvernay oil well. B-32's recently licensed 05-02-72-22W5 location at Sturgeon is proximal to **Hitic Energy Ltd.**'s 02-05-71-22W5 well that tested over 350 bbls/d of 39-degree API oil and sits within the greater Kaybob basin.

Normalizing for lateral length and an extreme limited entry completion results in a production rate in line with B-32's type curve of 740 bbls/d, the company said.

"Over the last four years we have put together 250 section of land there in north Kaybob. Us raising this capital, we've had basically no help from brokers — it is a challenging market. And now we're ready to drill," Evans said.

"These are exciting times for B-32 as the Duvernay unconventional resource is emerging as Canada's premiere light oil development with exceptional results being experienced throughout the basin. We are entering the play at the optimal time where drilling and completion techniques have been standardized and capital efficiencies have dramatically improved," he added.

"With over 450 locations identified in a Duvernay sweet spot that is geologically continuous with the prolific Kaybob basin we are positioned for rapid growth."

Evans said the company is currently working on the logistics of its first drill and has a rig booked for sometime in February.

"We're moving forward with our lease preparation and in the first quarter we're going to be drilling, and completing it in the second quarter," he said.

"We have budgeted \$8.5 million for this first well. So it's an expensive well out of the chute here for us. We should have that well on production this summer."

With over 250 sections of Duvernay rights, Evans noted the company is initiating a process to seek out a joint venture partner to further accelerate the development of the property.

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