



# Madalena Energy

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## Madalena Energy reports initial results from "boomer" Ostracod well in west-central Alberta

Madalena Energy (CVE:MVN) has unveiled the results of a three-day production test from its most recent horizontal Ostracod oil well in the Paddle River area of west-central Alberta, showing oil flow of 1,045 barrels of oil equivalent per day (boe/d) that is expected to be brought on stream next month.

The well, in which the Canadian junior oil and gas company has a 100 per cent working interest, reached a total depth of 3,250 metres. Completion operations included a 16-stage multi-frac program, according to Madalena's statement released Monday, where a total of 4,800 barrels of water-based load fluid were pumped.

The well was thereafter production tested for three days, during which time it flowed continuously, and recovered a total of 3,120 barrels of load fluid, or 64 per cent of the pumped volume.

The average rate from the well was 877 barrels per day of 30 degrees API oil, and 1.007 million standard cubic feet per day of natural gas, for a total of 1,045 boe/d, 84 per cent of which was oil, Madalena said.

After accounting for shrinkage and natural gas liquids recovery at the local production facility, the test rate over the final 24 hours would be about 957 boe/d, according to the company release.

The horizontal well, which is currently shut-in, is currently being equipped for production, with operations also underway to tie in the solution gas to existing Madalena facilities.

Madalena has a large land base of over 150 net sections in the Greater Paddle River area of which the company controls approximately 60 net sections of land across the Ostracod oil trend, with a sizable inventory of drill-ready horizontal locations for Ostracod development. Ongoing technical work and operational enhancements continue to improve its understanding of the Ostracod oil play potential, the company said.

In emailed comments, president and CEO of Madalena, Kevin Shaw, told Proactive Investors that the results are a significant well event for the company as it continues to "drive forward on its world class shale and unconventional assets internationally, while building a solid production base domestically across its 150+ net section land position."

Indeed, aside from its existing production in Canada, the Calgary, Alberta-based junior is working hard at developing its prized Vaca Muerta play in Argentina, where it holds 135,000 net acres on the Coiron Amargo, Curamhuele and Cortadera blocks within the Neuquen basin.

It has been suggested that there is a big disconnect between Madalena's market cap and the implied valuation of its properties in Argentina and Canada, along with the fact that the company has ample cash in the bank and zero debt.

A recent bustle of activity by oil majors in Argentina has also drawn much attention to Madalena, which seeks partners to fund the appraisal of its shale resources in the region. A deal announced last week between Dow Chemical Co. (NYSE:DOW) and state-run YPF to invest up to \$120 million in developing 16 shale gas wells in the Vaca Muerta formation would be "a major catalyst" for Madalena, according to Mackie Research.

**Price:** C\$0.47

**Market Cap:** C\$159.19M

### 1 Year Share Price Graph



### Share Information

**Code:** MVN

**Listing:** TSX-V

**Sector:** Oil & Gas Exploration & Production

**Website:** [www.madalena-ventures.com](http://www.madalena-ventures.com)

### Company Synopsis:

*Madalena is an independent, Canadian-based domestic and international upstream oil and gas company whose main business activities include exploration, development and production of crude oil, natural gas liquids and natural gas.*

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In July, U.S. oil company Chevron Corp. (NYSE:CVX) also signed a deal with YPF to invest \$1.24 billion in the Vaca Muerta formation.

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