



Madalena Energy

Jan 9th 2015

Madalena Energy sitting just east of major industry activity at Loma Campana

Madalena Energy (CVE:MVN) could be getting closer to clinching a joint venture this year for its Argentina assets that offset the Loma Campana development where drilling activity is heating up.

Argentina state-owned YPF and Chevron are partners in developing the Loma Campana area, and have recently announced plans to drill an additional 160 wells there in 2015, on top of the 200 wells which are now on production. The 160 wells will be comprised of 120 vertical wells and 40 horizontal, according to Paul Iuliano, manager of Loma Campana, who spoke to a local Argentina paper.

He said the joint venture is moving strongly toward the northwestern part of the field, which is an area it has identified as high performance. YPF is also starting the first stage of development of horizontal wells in the east, where it has seen few wells with good results.

Argentina is estimated to hold 27 billion barrels of technically recoverable oil and 802 trillion feet of technically recoverable shale gas, much of it attributed to the prized Vaca Muerta shale formation in the Neuquen basin, the fourth largest shale oil deposit in the world.

Madalena has 14 concessions over 1 million net acres of land in Argentina, with a major foothold in an area dominated by industry majors such as YPF, Chevron, Total and Exxon. It is focused on developing the unconventional Vaca Muerta and Agrio shales in addition to multiple tight sand plays, as well as developing high impact conventional plays.

It is planning to drill multiple high impact plays in Argentina this year, focused on the Loma Montosa oil resource, the Sierras Blancas light oil pools, the Vaca Muerta and Agrio shales and other liquids rich plays.

Loma Campana is a 290-square-kilometre area in the Vaca Muerta shale formation, and is just west of Madalena's Coiron Amargo block, where the junior company is currently drilling ahead in the Sierras Blancas light oil play.

Madalena has been a significant holder of acreage in the Vaca Muerta shale since 2007, back when the whole play was just an engineering pipe dream and before the recent bustle of drilling action by industry majors.

The company also has existing production in the Great Paddle River area of west-central Alberta in Canada, and holds 150 net sections of land with light oil and liquids-rich gas resources.

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No investment advice

Price: C\$0.25

Market Cap: C\$133.892M

1 Year Share Price Graph



Share Information

Code: MVN

Listing: TSX-V

Sector: Oil & Gas Exploration & Production

Website: www.madalenaenergy.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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