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Mainland Commences Drilling Ms. Well

Source: Mainland Resources Inc

Mainland has commenced drilling its Burkley Phillips No. 1 well on the Buena Vista Prospect in Mississippi.

The Burkley Phillips No. 1 well will be drilled to a depth of 22,000 feet. Based on data from the Chevron Long well drilled on this property in 1981, the Company expects that this depth should allow the Company to test and complete in at least 2,500 feet of Haynesville Shale.

This well should also allow the Operator to test several shallower, potentially productive formations identified during the drilling of the Chevron well.

The Chevron well was an offset well drilled to 22,000 feet with the objective being the Smackover and Cotton Valley formations. At the time of drilling, Chevron encountered an extremely high-pressure and thicker shale zone (22,000 psi) at 19,400 feet (It should be noted that a typical North Louisiana Haynesville shale well has approximately 8000 psi pressure). Importantly, the data gathered from the well also indicated there were several shallower, potentially productive zones.

The Chevron well was then drilled over the next 2,600 feet as a controlled blowout. Chevron did not reach the Smackover formation, and elected to plug and abandon the well due to the lack of technology required to complete in the shale in 1981 and certain casing problems uphole.

Mainland President, Mike Newport said, "We are very encouraged to be drilling on the Buena Vista Prospect. A lot of skilled planning and hard work has brought us to this point where we can look forward to evaluating all the potentially productive zones, and, in particular, the high-pressured Haynesville Shale zone."

Mainland and its working interest partners control in excess of 17,500 net acres on the prospect area, which has been confirmed with reprocessed seismic data. In the event the Burkley Phillips No. 1 well is successful, there is potential for more than 220 net drilling locations using 80 acre spacing per well covering the 17,500 acres.

Upon completion of Mainland's previously announced proposed merger with American Exploration Corp, Mainland will have a 92% working interest in the well, while Guggenheim Energy Opportunities Fund will have an 8% working interest in the well.