

**PCO<sub>2</sub>R Annual  
Membership Meeting**

*September 25-26, 2013*



**PURE**  
Denbury

- Fred Walsh - Asset Supervisor
  - North Region CO<sub>2</sub>
  - 7 years at Denbury
- Russell Welch - Sr. Reservoir Engineer
  - Bell Creek Field
  - 9 years at Denbury/Encore
- Howard Miller - Sr. Operations Engineer
  - Bell Creek Field
  - 7 years at Denbury



## Proven Process

- CO<sub>2</sub> EOR is one of the most efficient tertiary oil recovery methods
- 29% compound annual growth rate (CAGR) in our EOR production since 1999
- We have produced ~100 million barrels (gross) of oil from CO<sub>2</sub> EOR to date

## Unique Strategy

- We acquire mature oil fields and recover oil using CO<sub>2</sub>
- Competitive advantage: strategic CO<sub>2</sub> supply, over 1,100 miles of CO<sub>2</sub> pipelines and a large inventory of mature oil fields

## Repeatable Growth

- We anticipate a decade of low teens annual EOR production growth
- Over 1 billion barrels of potential oil reserves

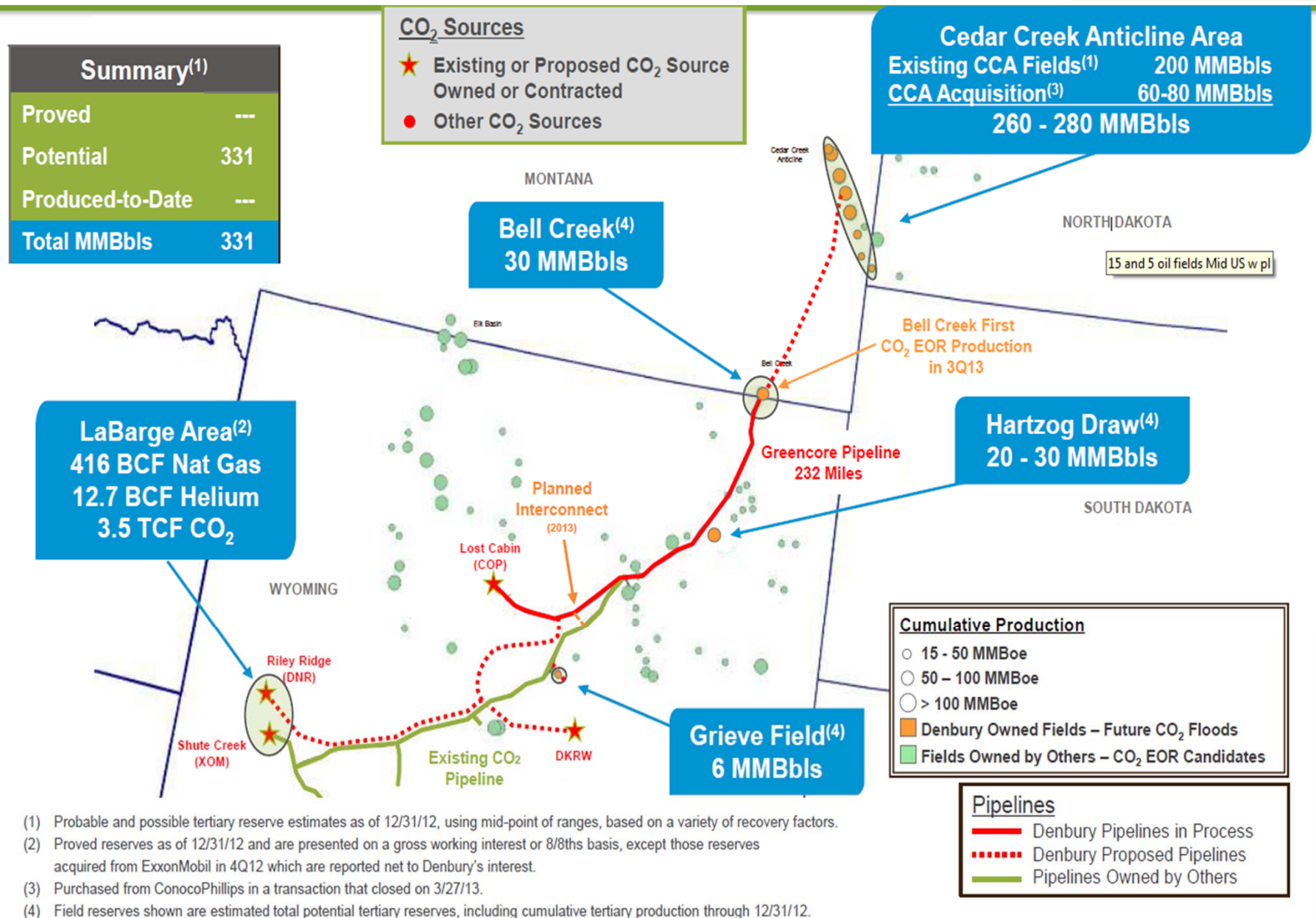
## Environmentally Responsible

- We store CO<sub>2</sub> captured from industrial facilities, resulting in net carbon reduction
- By developing existing oil fields, we are disturbing fewer new habitats

## Value Creation

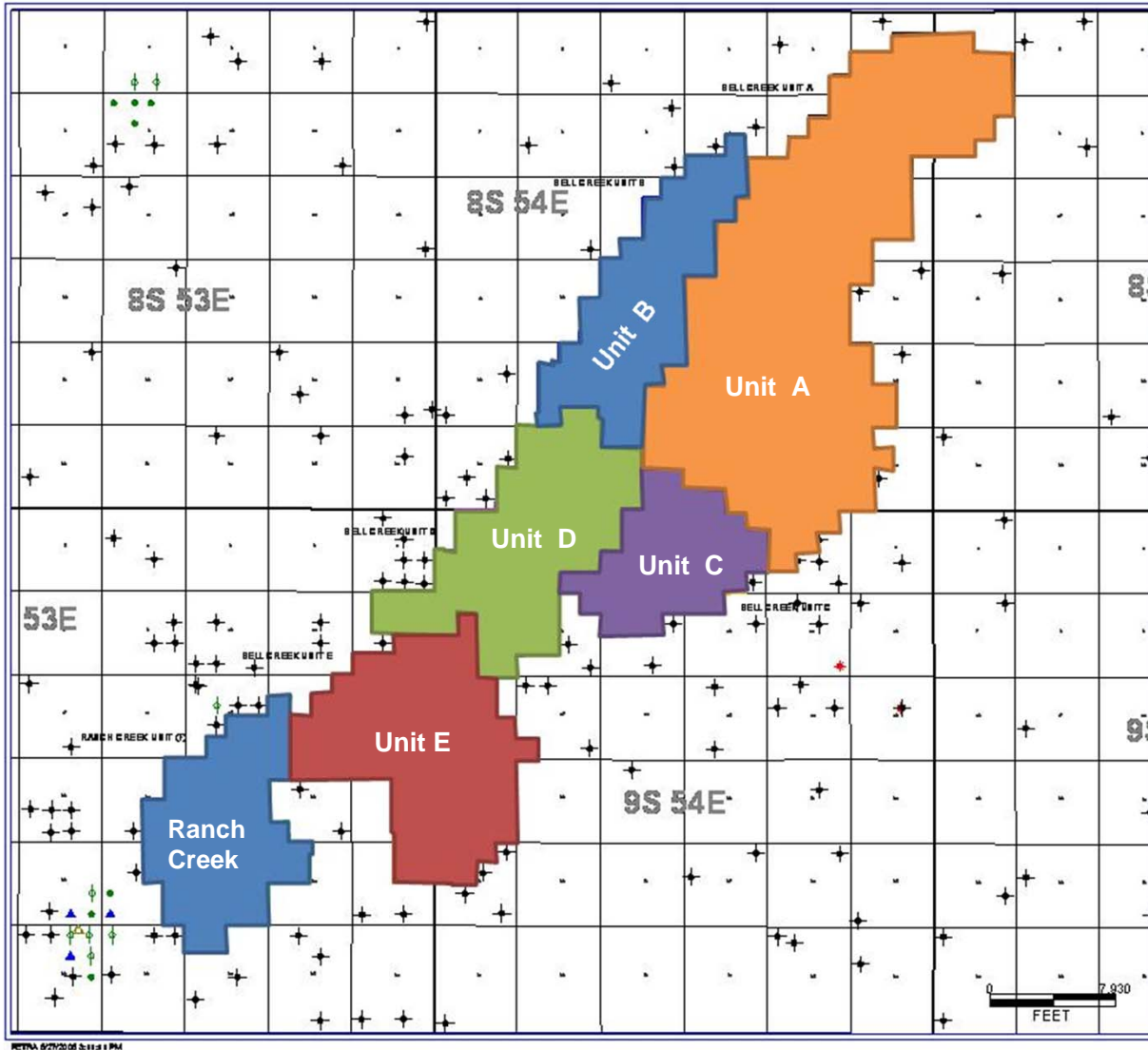
- Highest operating margins and capital efficiency in peer group
- Within the next 5 years, we anticipate a growing wedge of free cash flow

# CO<sub>2</sub> EOR in Rocky Mountain Region





# Bell Creek Unit: Waterflood Units & Data



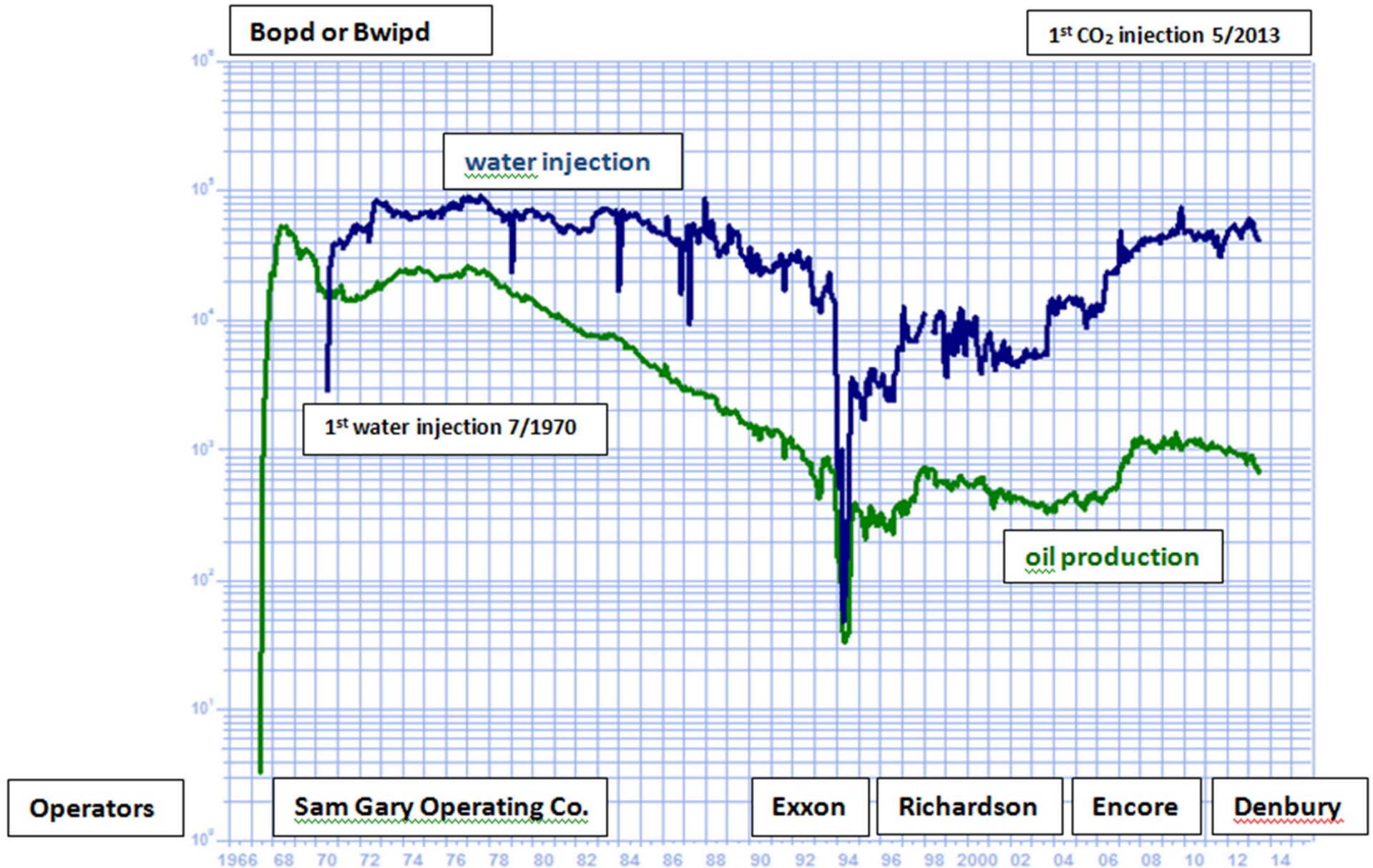
- Geologic Information

- Muddy Sandstone
- Near-shore marine environment cut by erosional, then valley-fill sequence
- Structure: Monocline with 1° dip
- Trap: Stratigraphic – up-dip facies change

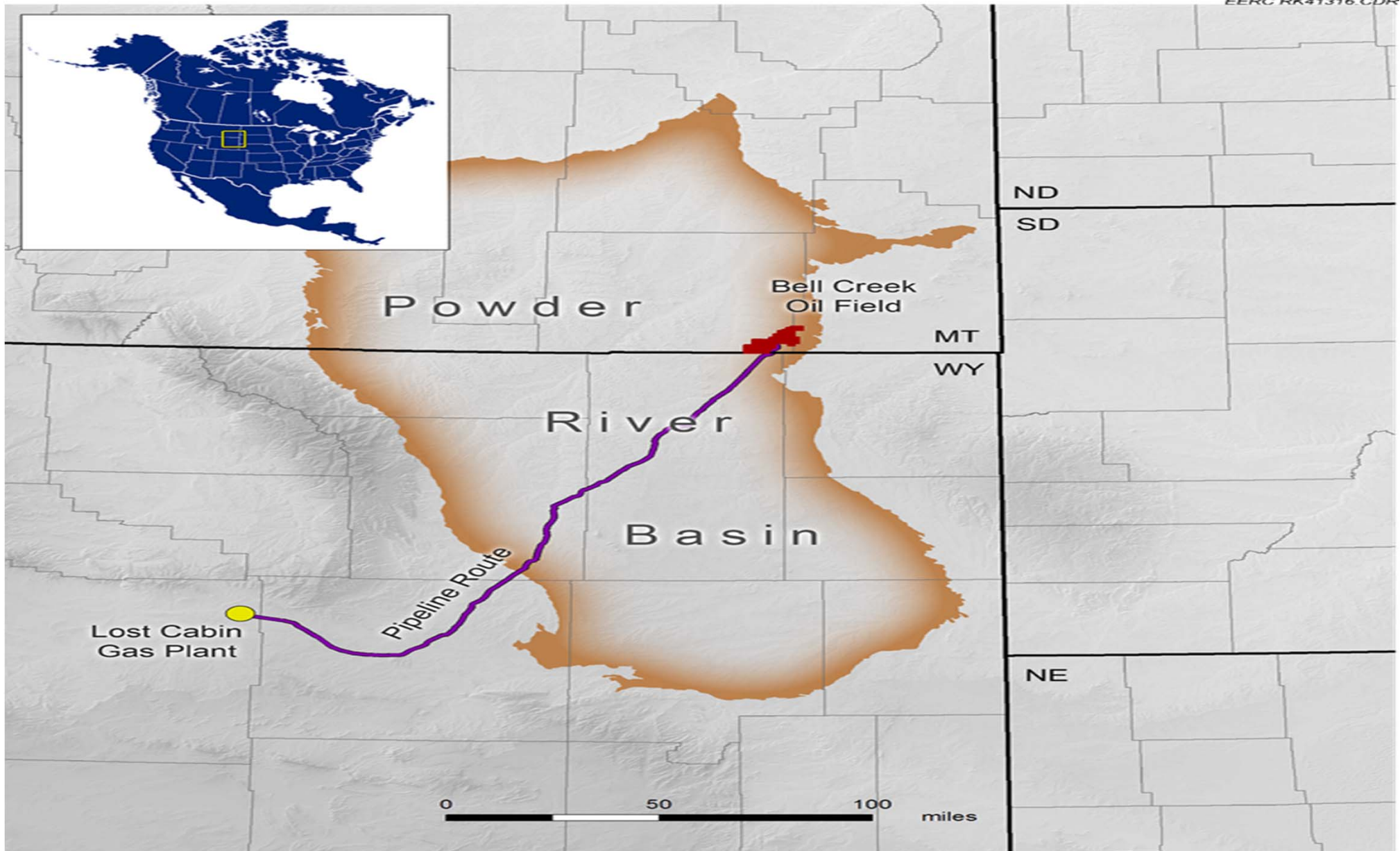
- Reservoir Parameters:

- API gravity: 33-41°API
- Depth: 4500'
- Temperature: 108 °F
- Porosity: average = 24%
- Permeability : average= 900 md
- Gross Thickness: 25-30 feet
- 40-acre 5-spot patterns

# Bell Creek Production History



# Greencore Pipeline to Bell Creek Field





# Bell Creek Field – Oil Field and Farmland



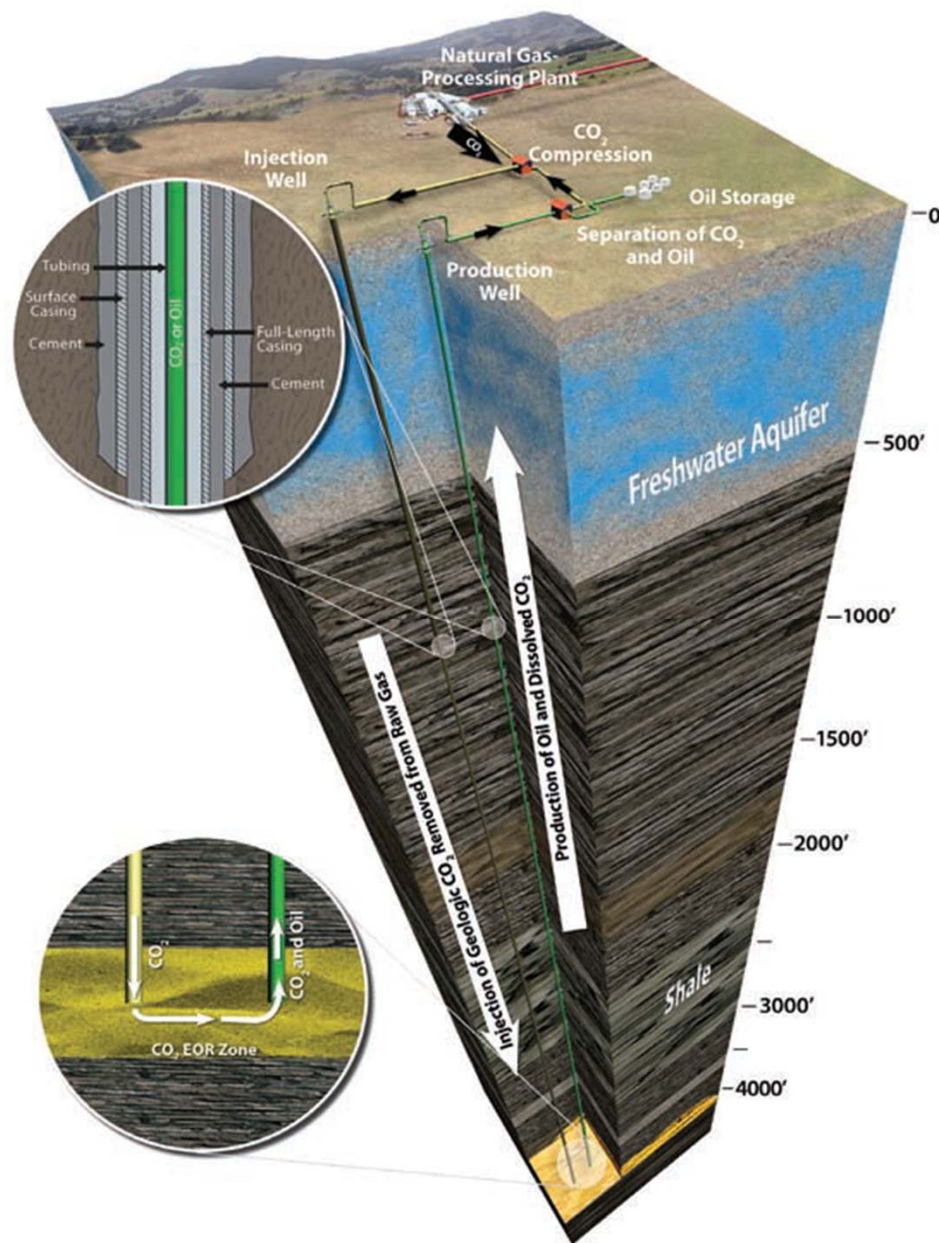


# Muddy Sandstone Outcrop near Hulett, WY

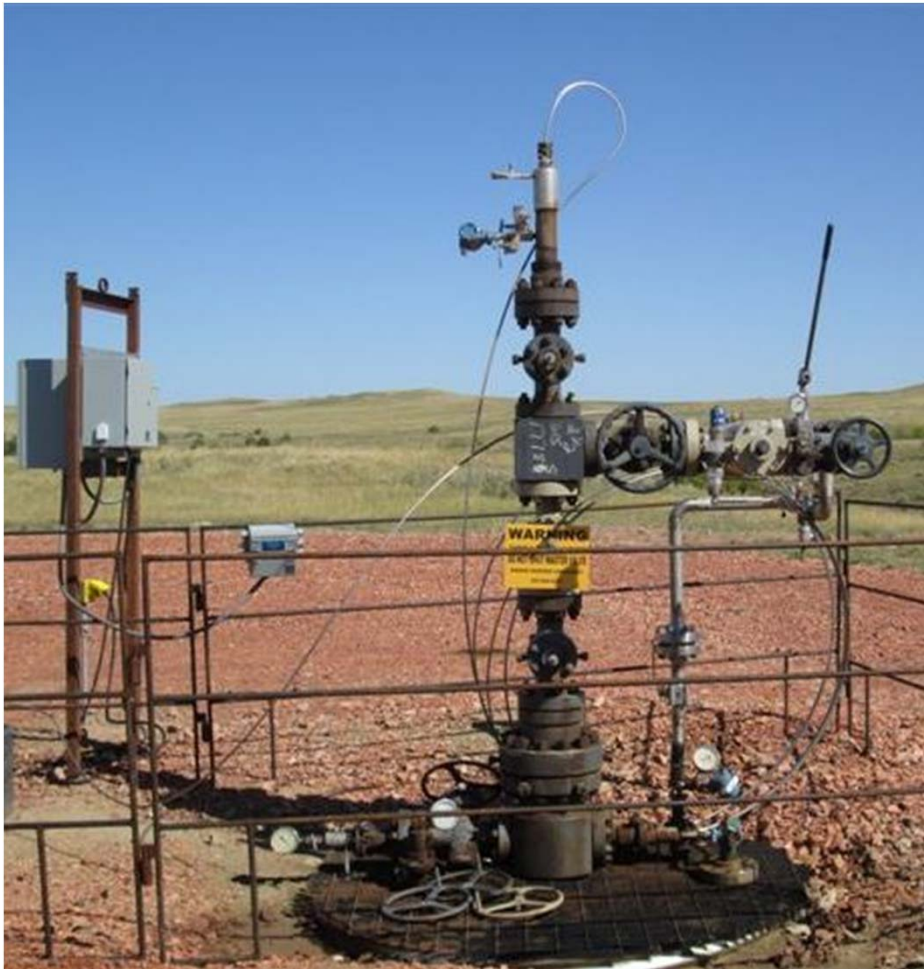




# The CO<sub>2</sub> Story in Depth



## Producer with Capillary String



## Injector (CO<sub>2</sub> or Water)





# Test Site Production Manifold





# Test Site Injection Manifold





# EOR Facility: Under Construction





# EOR Facility: Today





# Manifold Building: High & Low Pressure Piping & Water, CO2 Purchase and Recycle Distribution







# Laying Lines within the Facility





Heat Media System, June 13, 2013

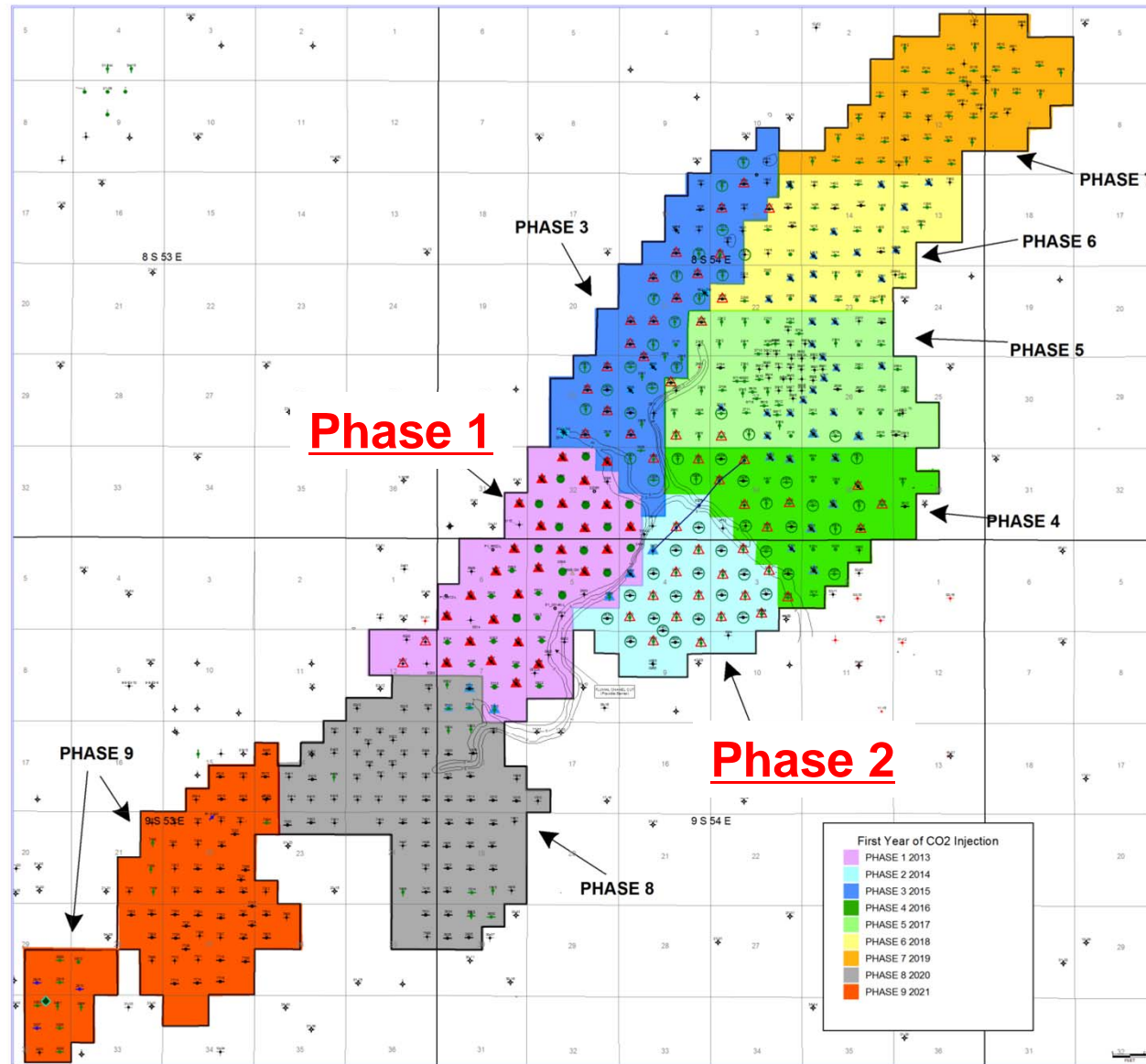




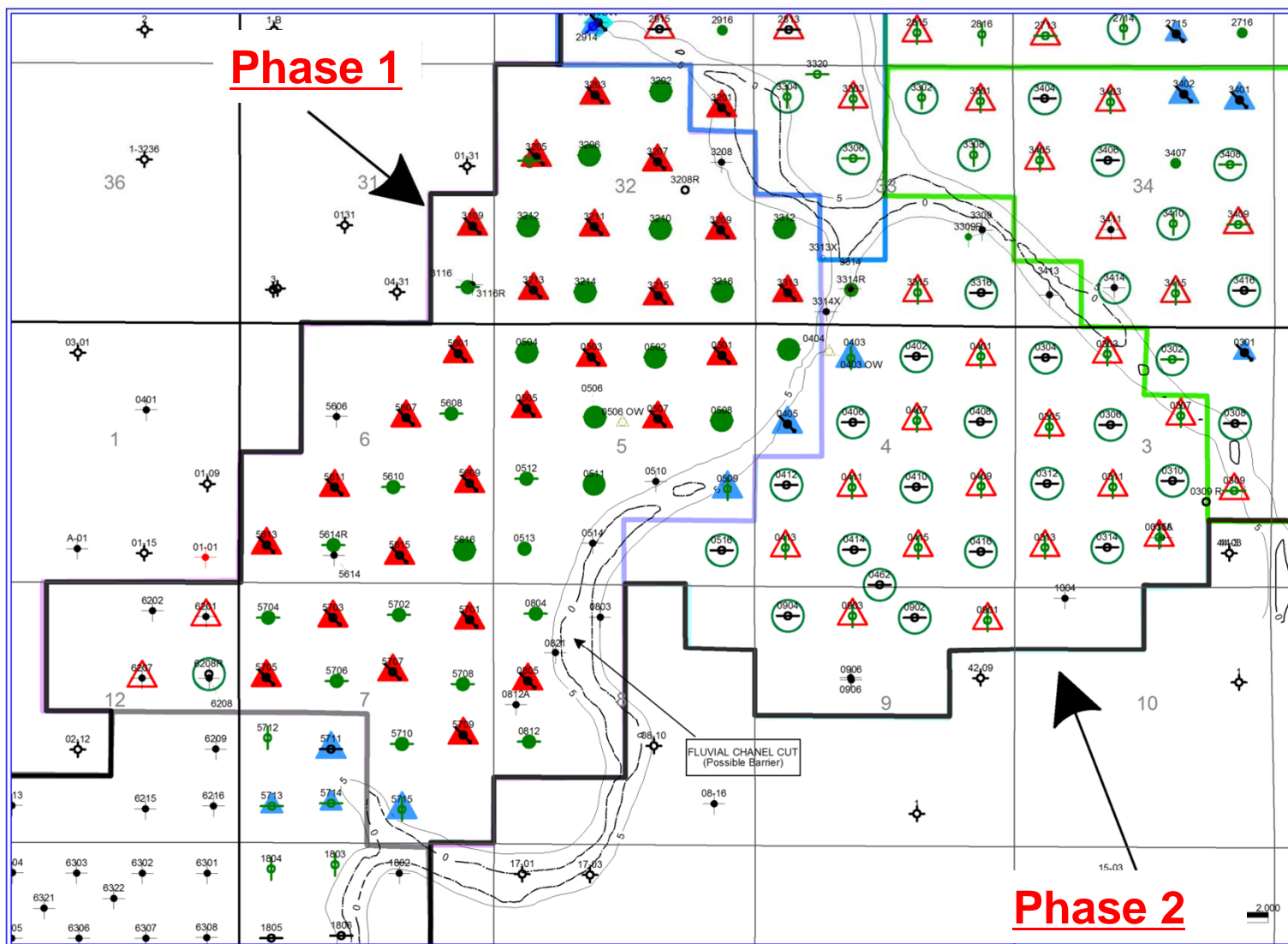







# Bell Creek Field – Full Development



**Phase 1**



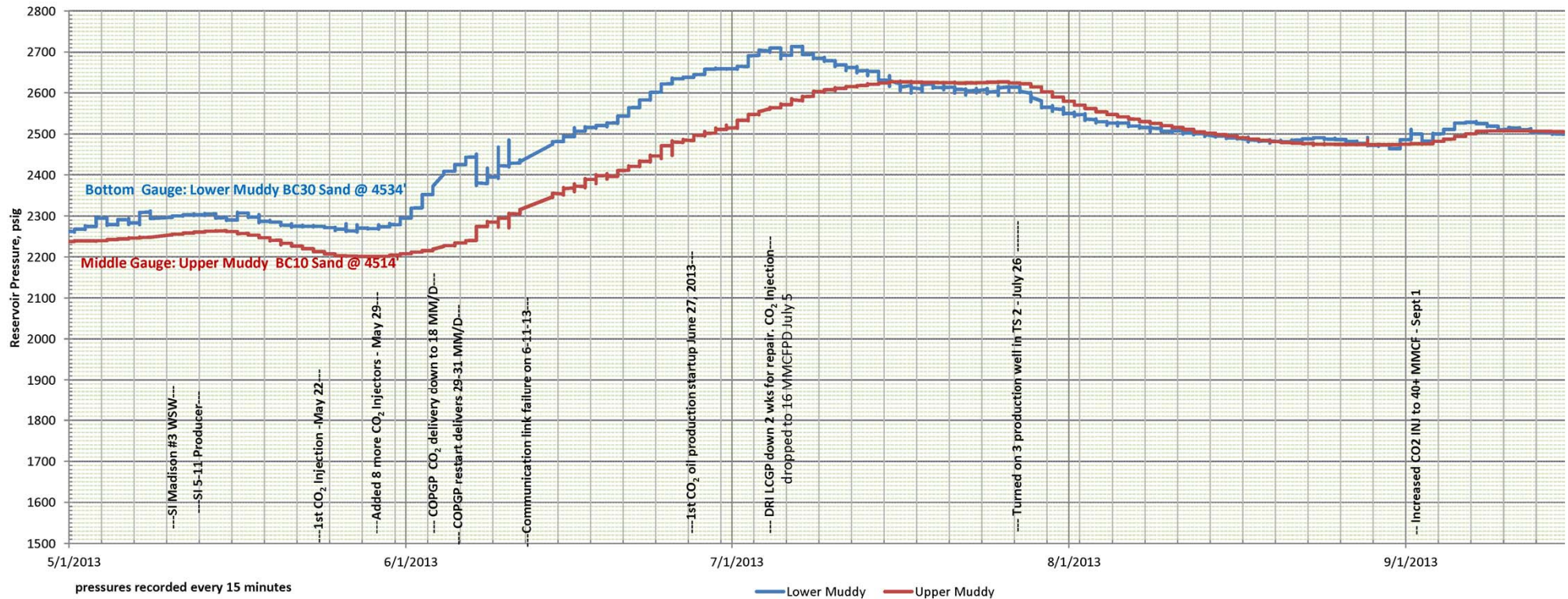
## Well Symbols

-  Producer
-  CO<sub>2</sub> Injector
-  Water Injector



# Bell Creek Unit 05-06 OW (Observation Well)

Bell Creek 05-06 Observation Well- External Casing Promore Gauge Pressure Data



- **1<sup>st</sup> CO<sub>2</sub> injection began on May 22, 2013**
- **1<sup>st</sup> CO<sub>2</sub> oil production (BCUD 32-06) in Phase 1 on June 27, 2013**
- **Test Site 1 well testing commissioned on July 22, 2013**
- **Test Site 2 production commenced with 3 wells on July 25, 2013**
  - **well testing commissioned on August 27, 2013**
- **LACT commissioned August 8, 2013 – First oil sales**
- **Formal Facility Commissioning Ceremony on August 16, 2013**
- **Phase 2 Construction kicked off July 15, 2013**



## *Ribbon Cutting at Bell Creek Draws Montana Governor*

- State's First CO<sub>2</sub> injection oil field
- Reviving a 1960s era oil field
- CO<sub>2</sub> is piped 232 miles to plant from Lost Cabin in Wyoming

**"This is cutting edge technology, this is innovative, and we are all here to celebrate these accomplishments."**

**Gov. Steve Bullock**









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Questions?