

I have reviewed the planned Iolar 52/4-A well location and trajectory and I am satisfied that the well is optimally placed and that the well trajectory is appropriate in order to test the main objectives of the well. The well is planned vertical until it reaches the crest of the structure and then it deviates up to a maximum inclination of [REDACTED].

The seismic events interpreted by CNOOC are robust (see Final Well Proposal for interpreted seismic examples) and are in agreement with those I have interpreted.

Faulting along the well trajectory is minimal with potential of penetrating small scale faults visible on the seismic data in the Tertiary section. The well is deviated in the [REDACTED] in order to avoid minor faults near the crest of the structure and to penetrate a seismically unfaulted section in the [REDACTED] (CNOOC –Iolar 52/04-A Final Well Proposal pg. 15).

In the case where oil and/or gas shows are encountered within the interpreted [REDACTED] the well will TD in the interpreted top [REDACTED], therefore the well will penetrate the entirety of the interpreted [REDACTED] section. Below this proposed success case TD there is a seismic transparent zone. If the well was to continue in the proposed trajectory the next significant event with moderate amplitude is approximately [REDACTED] and would traverse a seismically faulted section. Based on this seismic evidence I am satisfied that the TD proposed by CNOOC is appropriate.

The planned VSP will provide valuable velocity information for the region and will allow for a robust tie to seismic data in the Porcupine Basin.

[REDACTED]  
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