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Torchlight Announces Measured Oil and Gas Production From Its Orogrande Basin Project

PROPERTIES SIMILAR TO WELL-KNOWN PERMIAN WOLFBONE AND WOLFBERRY PLAYS

PLANO, TX / ACCESSWIRE / February 25, 2020 [Torchlight Energy Resources, Inc.](#) (NASDAQ:TRCH) ("Torchlight" or the "Company"), today announced that it has measured substantial initial potential oil and gas hydrocarbon recoveries from the recently drilled and completed Cactus A35 #1H well.

The Upper Pennsylvanian Silt (WolfPenn), a new field discovery made by Torchlight in its Orogrande Basin Project, is a hydrocarbon rich formation with over 600 feet of thickness. The petrophysics and thermal maturities strongly suggested an oil-rich reservoir with a significant gas component. However, the first horizontal well drilled into this zone, the Founders A25 #1H well, encountered very high gas rates with almost no liquid hydrocarbons. Gas rates reached over 2 MMCFPD, with a stabilized rate of 1.2 MMCFPD, from a small 1,000 foot frac interval. Extrapolated to a 10,000' lateral, this well would be stronger than most Cotton Valley gas wells, and approaching many Haynesville gas wells.

Following the Wolfpenn discovery, Torchlight hired a team of petroleum scientists, led by Mike Zebrowski, to examine the incongruous results of the gas well from a formation that clearly appeared liquids-rich. After significant research, Zebrowski and team concluded that the Wolfpenn displayed a dual porosity system similar to both the Wolfbone and Wolfberry Plays of the Permian Basin. Early wells in the western portion of Wolfbone encountered the same dichotomy of results, with wells making inordinately high gas-to-liquids ratio compared to expectations created by the petrophysics. Many of the early Wolfbone operators condemned large portions of western Reeves County and eastern Culberson County, based on the incorrect analysis of the area being primarily gas productive only.

A few operators, including EOG, Concho, and Cimarex, realized that the solution to this problem was a much larger frac that could penetrate both porosity systems. The results have been spectacular in not only liberating a large liquid hydrocarbon component, but also significantly increasing gas rates in their wells.

Based on Zebrowski's recommendations, Torchlight drilled a short lateral into the Wolfpenn formation in their Cactus A35 #1H well. The Company made the decision to only perforate a 100 foot interval and put a significantly larger frac on this well. Torchlight used 3,000 pounds per foot of sand instead of the 2,000 pounds per foot used on the Founders A25 #1H gas well. The injection rates were increased from 60 barrels/minute to over 80 barrels/minute. As historically seen in the western Wolfbone wells, the results have proved the potential for high volumes of oil production.

To date, Torchlight's peak 24-hour production rates are 15 BOPD and 110 MCFPD (33 BOEPD). Equating this to a 10,000-foot lateral, the Cactus well can be extrapolated to make 1500 BOPD and 11 MMCFPD potentially, or combined 3,300 BOEPD. This type of well production has potential to be significantly better than most Midland Basin wells from a moderate depth of only 5700 feet.

As predicted by the dual porosity system hypothesis, the oil and gas rates increase significantly as the imposed pressure on the producing interval, caused by the liquid hydrostatic, is reduced. In other words, this reduced pressure on the matrix (primary porosity) and the higher evacuation rate of fluid producing from the secondary porosity (fractures), allows the fluid in this lower permeability formation matrix to enter the wellbore. For example, in the Cactus well when the fluid level was vertically 1400 feet above the producing interval in the lateral, which restricts the primary matrix porosity during the producing pump cycle, the well made no oil or gas. Once the fluid level, and equivalent hydrostatic pressure on the producing formation, was reduced to 1000 feet above the producing interval, the well began to make a skim of oil and produce a gas rate of ~10 MCFPD. However, once the fluid level was reduced to approximately 825 feet above the producing interval, the well produced a maximum 24-hour rate of 15 BOPD and 110 MCFPD. To view images of the flare and oil sample, [click here](#) to go to our website.

"While these results are extremely compelling," stated Greg McCabe, Torchlight's Chairman, "we are very excited about next steps to further evaluate the Cactus well. With the current production system, Torchlight is unable to

significantly reduce the fluid level without causing mechanical issues to the pump design. We are in the process of changing our production design to greatly reduce the hydrostatic pressure by reducing fluid level to as close to 90° TVD as possible. By doing so, we expect the rates of both oil and gas to increase on this well. We look forward to releasing the results of our additional testing in the very near future. With the play consisting of 134,000 acres all under one D&D unit with University Lands, having oil and gas present in the hydrocarbon system is a major development for Torchlight and its shareholders. I want to thank Scott Kimbrough and the operating team at Maverick Operating, the Zebrowski science team, and most importantly, Rich Masterson, who has consistently led us in the right direction for this discovery."

"There's a rare few of these left in the world...now there's one less!"

- Jim McNeely, *The Iron Orchard*

About Torchlight Energy

[Torchlight Energy Resources, Inc. \(NASDAQ: TRCH\)](http://www.torchlightenergy.com), based in Plano, Texas, is a high growth oil and gas Exploration and Production (E&P) company with a primary focus on acquisition and development of highly profitable domestic oil fields. The company has assets focused in West and Central Texas where their targets are established plays such as the Permian Basin. For additional information on the Company, please visit www.torchlightenergy.com.

Forward Looking Statement

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in such statements. Such forward-looking statements involve known and unknown risks and uncertainties, including risks associated with the Company's ability to obtain additional capital in the future to fund planned expansion, the demand for oil and natural gas, general economic factors, competition in the industry and other factors that could cause actual results to be materially different from those described herein as anticipated, believed, estimated or expected. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

Investor Relations Contact

Derek Gradwell
Investor Relations
Phone: 512-270-6990
Email: ir@torchlightenergy.com

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