

DOWJONES | Newswires

WSJ BLOG: The Natural Gas Boom Has Decades to Run

396 words

28 February 2013

11:09

[Dow Jones News Service](#)

DJ

English

(c) 2013 Dow Jones & Company, Inc.

(This story has been posted on The Wall Street Journal Online's Market Beat blog at <http://blogs.wsj.com/marketbeat> [<http://blogs.wsj.com/marketbeat>].)

By Paul Vigna

If you were on the fence about converting to natural gas, worried that this boom is just a flash in the pan, we've got something for you to chew on.

The natural-gas boom looks like it could last for decades, Jerry DiColo said this morning on the Markets Hub. That's the conclusion of a new study that actually looked at the stuff in the ground.

From today's WSJ story by Russell Gold:

The most exhaustive study to date of a key natural-gas field in Texas, combined with related research under way elsewhere, shows that U.S. shale-rock formations will provide a growing source of moderately priced natural gas through 2040, and decline only slowly after that. A report on the Texas field, to be released Thursday, was reviewed by The Wall Street Journal.

The research provides substantial evidence that there are large quantities of gas available that can be drilled profitably at a market price of \$4 per million British thermal units, a relatively small increase from the current price of about \$3.43.

The study, funded by the nonpartisan Alfred P. Sloan Foundation and performed by the University of Texas, examined 15,000 wells drilled in the Barnett Shale formation in northern Texas, mostly over the past decade. It is among the first to study the geology and economics of shale drilling, a relatively recent development made possible by hydraulic fracturing, or fracking, in which a mixture of water, sand and chemicals is pumped at high pressure into rocks to release gas.

Looking at data from actual wells rather than relying on estimates and extrapolations, the study broadly confirms conclusions by the energy industry and the U.S. government, which in December forecast rising gas production.

"We are looking at multi, multi decades of growth," said Scott Tinker, director of the **Bureau of Economic Geology** at the university and a leader of the study.

For more MarketBeat and other streaming markets coverage from The Wall Street Journal, point your mobile browser to wsj.com/marketspulse.

-For continuously updated news from The Wall Street Journal, see WSJ.com at <http://wsj.com> [<http://wsj.com>].

[02-28-13 1209ET]

Dow Jones & Company, Inc.

Document DJ00000020130228e92s000f6

Search Summary

Text	"Bureau of Economic Geology"
Date	In the last 3 months
Source	All Sources
Author	All Authors
Company	All Companies
Subject	All Subjects

Industry	All Industries
Region	All Regions
Language	English

© 2013 Factiva, Inc. All rights reserved.