

**Features****Study: Eagle Ford Still Has Plenty of Running Room**

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Oil production in the South Texas Eagle Ford Shale peaked at nearly 1.7 million barrels per day in March 2015, but since then output has slipped more than 500,000 b/d as operators in the play dramatically scaled back activity.

However, a new study from the University of Texas at Austin shows the Eagle Ford still has plenty of room to grow.

Researchers from the university's Bureau of Economic Geology unveiled a study at Hart Energy's Dug Eagle Ford Conference this week that shows the play still has 10 billion bbl of recoverable oil.

Scott Tinker, the bureau's director, and research scientist Svetlana Ikonnikova estimated total oil-in-place in the Eagle Ford at 230 billion bbl, of which 10 billion bbl are recoverable with current prices and technology. They added that 462 trillion cubic feet of natural gas remains in place, of which 34 Tcf is recoverable.

Data from the Texas Railroad Commission (RRC) show around 1.6 billion barrels of oil equivalent has been produced in the Eagle Ford dating back to 2008, when the first wells in the region were drilled.

But according to Tinker, the estimates could be viewed as conservative given the ongoing evolution of technological innovation in the industry.

Additionally, the team of researchers estimated that 100,000 wells could be drilled in the Eagle Ford. So far, just 17,000 wells have been drilled, according to the RRC.

The university's Eagle Ford research included only the upper and lower portions of the play and excluded the overlying Austin Chalk formation.

The vast remaining potential in the Eagle Ford and other US tight oil plays could also be the key to meeting global demand.

Mark Sooby with Bank of America Merrill Lynch said he expects global demand to grow 9 million b/d by 2020, and US tight oil could potentially supply 6 million b/d of that.

"I would say this is achievable," Sooby told the conference in San Antonio. "The amount of resource still available in the Eagle Ford is quite substantial."

Sooby added that the Eagle Ford offers the most productive wells in the US onshore, even when compared to the Permian Basin in West Texas and New Mexico and Bakken tight oil play in North Dakota.

"The Eagle Ford has the best wells, but the problem is we are only drilling a few," he said.

From an M&A standpoint, Sooby believes the play's potential will eventually outweigh its less competitive economics.

Private equity-backed firms are likely to continue to play a big M&A role in the Eagle Ford. In May, EnerVest acquired core acreage in the play for \$1.3 billion, by far the largest deal in the Eagle Ford this year (OD May18'16).

"Quality of future opportunity in Eagle Ford is very substantial," Sooby said. "... This shows to me the inherent value of Eagle Ford acreage stands the test of time."

Tyler Webb, San Antonio

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