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Energy Briefs for April 15

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SIPES hosts BEG director

Members of the Midland chapter, Society of Independent Professional Earth Scientists (SIPES) will meet 11"15 a.m. Wednesday in the upstairs ballroom at Midland Country Club.

Scott W. Tinker, director of the Bureau of Economic Geology, state geologist and holder of the Allday Endowed Chair at the University of Texas, will speak on "The Complete Paradox of Shale."

There is no charge for members; there is a \$20 charge for guests.

WhiteWater Midstream begins operations at Agua Blanca Pipeline

AUSTIN – WhiteWater Midstream's Agua Blanca pipeline began commercial operations on April 1, putting in service 72 miles of 36-inch diameter pipe with a capacity of 1.4 billion cubic feet per day.

The pipeline runs from Orla to the Waha Hub, servicing portions of Culberson, Loving, Pecos, Reeves and Ward counties with multiple direct downstream connections including to the Trans-Pecos Header.

The project is supported by substantial long-term, firm volume commitments. WhiteWater is in the process of expanding Agua Blanca's connectivity and is considering a number of options to expand overall pipeline capacity.

U.S. natural gas production sets record in 2017

U.S. natural gas production reached record levels last year, according to the U.S. Department of Energy, an increase that substantially boosted exports even as Texas,

the largest gas-producing state, lost some of its momentum.

Gross withdrawals reached 90.9 billion cubic feet per day in 2017, the agency's highest volume on record. Marketed natural gas production, which does not include gas vented, flared, used for re-pressuring or removed during processing, also reached record levels.

Louisiana's gross withdrawals increased from 4.8 billion cubic feet per day to 5.8 billion cubic feet per day, marking the largest annual gain of any state. And the Appalachian region, which includes the Marcellus and Utica shale fields in Ohio, West Virginia and Pennsylvania, also saw substantial volume growth.

Texas, however, saw production volume decline from 22.2 billion cubic feet per day in 2016 to 21.7 billion cubic feet per day last year. But the state remained the nation's top producer, outpacing Pennsylvania's production by about 7 billion cubic feet per day.

Nationally, gross withdrawals increased for five consecutive months starting in July and reached a record monthly high of 96.7 billion cubic feet per day in December, the Energy Department reported. Marketed natural gas production set an annual record at 78.9 billion cubic feet per day.

Natural gas exports increased 36 percent amid the surge in production, making the nation a net natural gas exporter for the first time in nearly 60 years.

--Katherine Blunt, Houston Chronicle

BP, Shell make new North Sea commitments

European oil majors BP and Royal Dutch Shell said Tuesday they're committed to developing new fields in the North Sea as the offshore sector slowly rebounds through thriftier projects.

BP and its partners said they will spend about \$520 million to develop the new areas. Each field will connect to an existing oil platform, which follows the trend projects that don't require adding new multibillion-dollar deepwater platforms.

The new Alligin field north of Scotland is a 50-50 partnership between BP and Shell

that will tie into BP's Glen Lyon floating, production, storage and offloading vessel.

Likewise, BP will develop the Vorlich field east of Scotland with a subsidiary of Israel's Delek Group called Ithaca Energy that's based out of Scotland. BP owns a two-thirds stake. The development will connect with Ithaca's FPF-1 floating production facility.

Both fields are expected to come online in 2020 and produce about 30,000 barrels of oil equivalent a day each. Alligin has an estimated 20 million barrels of recoverable oil while Vorlich has about 30 million.

--Jordan Blum, Houston Chronicle

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