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SNL Daily Gas Report

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**Study: Barnett Shale to remain potent for producers through 2030****BYLINE:** Mark Passwaters**SECTION:** SNL Extra**LENGTH:** 353 words

**HIGHLIGHT:** The Barnett Shale will continue to be a major producer of natural gas for well more than a decade even as overall production declines, according to a report from the University of Texas, Austin, published in Oil & Gas Journal.

The Barnett Shale will continue to be a major producer of natural gas for well more than a decade even as overall production declines, according to a report from the University of Texas, Austin, published in Oil & Gas Journal.

The study, done by the **Bureau of Economic Geology** at the university's Jackson School of Geosciences, separates the north Texas play into 10 tiers of productivity. According to the authors, models indicate that wells in the best, or Tier 1, areas could have life spans of as long as 25 years. Tier 10 wells, on the other hand, are estimated to have life spans of two to three years. The estimated ultimate recovery, or EUR, for a 4,000-foot lateral in a Tier 1 zone, the report indicated, could be as much as 4.3 Bcf.

The report's findings give an EUR of 45 Tcf for the Barnett, of which approximately 12.1 Tcf has already been drilled. Current production of approximately 2 Tcf per year, the authors of the report said, is likely to be the peak for the play.

Modeling done for the report, the authors said, indicated "production declining predictably to about 900 Bcf/year by 2030 from the current peak of about 2 Tcf/year."

"The forecast falls in the mid to higher end of other known predictions for the Barnett and suggests that it will continue to be a major contributor to U.S. natural gas production through 2030," they said.

The estimate that production has already peaked in the Barnett, however, is based on the idea that gas will remain in the neighborhood of \$4/Mcf through 2015. Should the Henry Hub price of gas increase to \$10/Mcf, production would easily surpass 2 Tcf per year by 2017. If prices were to reach \$6/Mcf, production would not peak until approximately 2016 and more than 25,000 wells in the play would be drilled.

According to the analysis, an estimated 29,217 wells could be drilled in the Barnett by 2030, meaning production could continue beyond 2050. A total of 15,144 wells were drilled in the shale play by 2010 and an estimated 3,000 more since that time, the authors said, meaning approximately 11,000 more wells could successfully be drilled in the next 17 years.

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