

# Texas Upstream Trends

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Global Platts

October 10, 2018

Review of upstream activities in West - and South Texas with a closer inspections of key trends and impacts



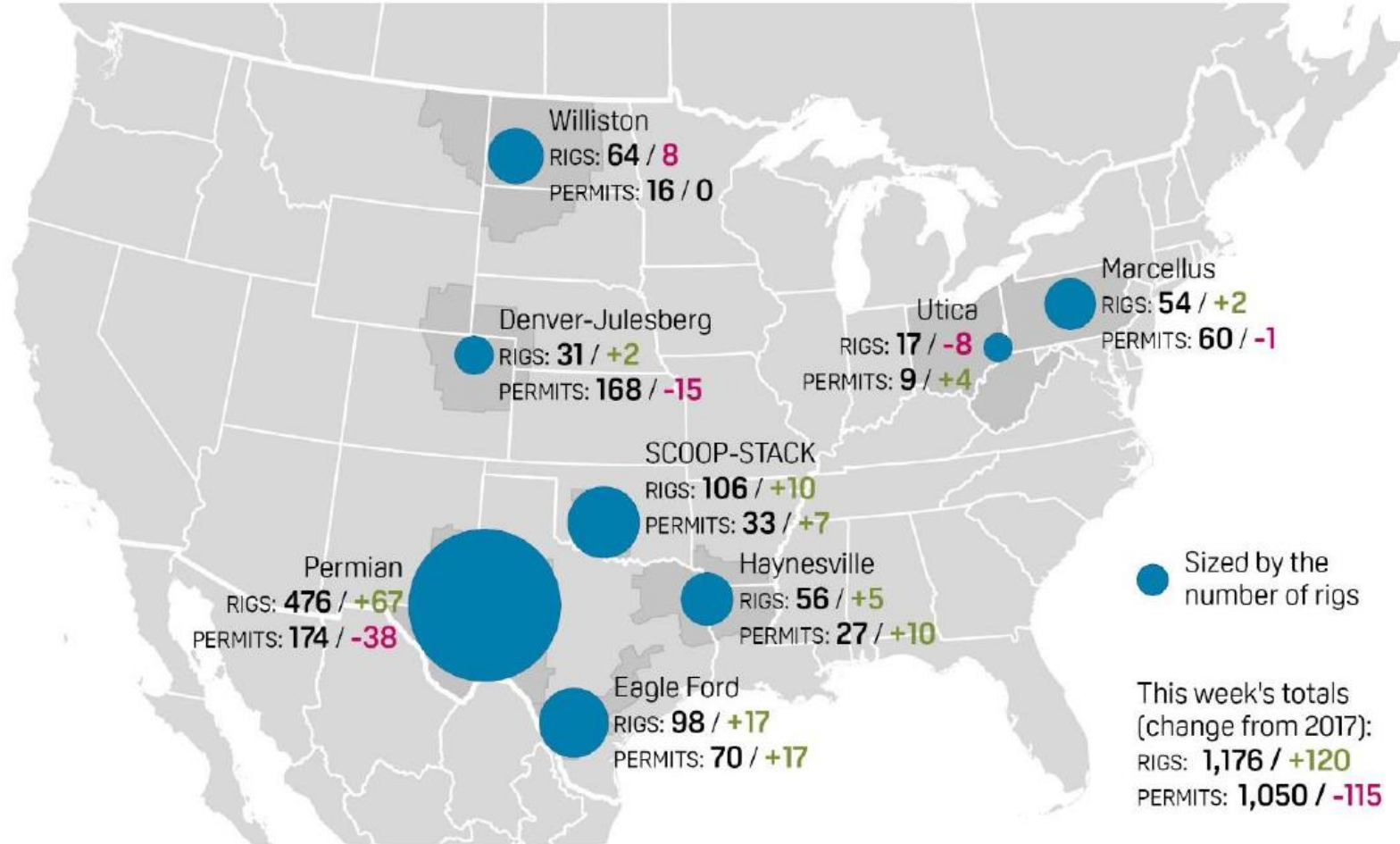
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# Recent Activity

## RIG AND PERMIT COUNTS AS OF OCTOBER 4, 2018

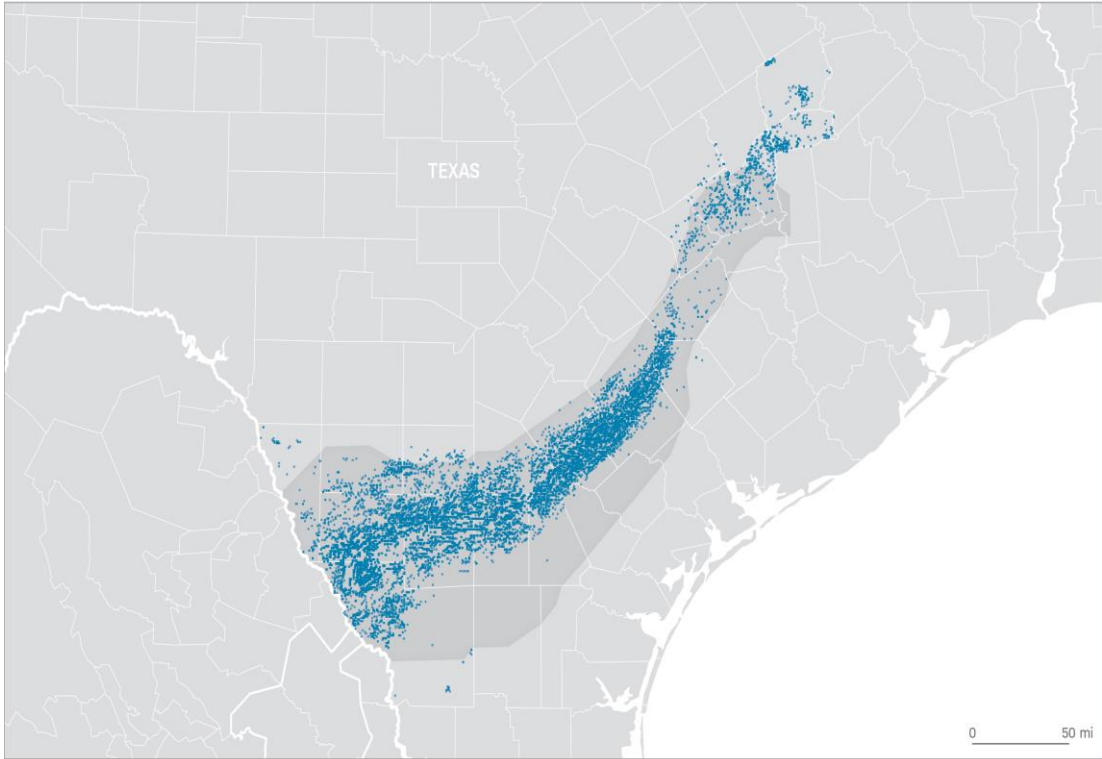
Number of rigs or permits / Year-on-year **+Increase** or **-Decrease**



Source: S&P Global Platts Analytics

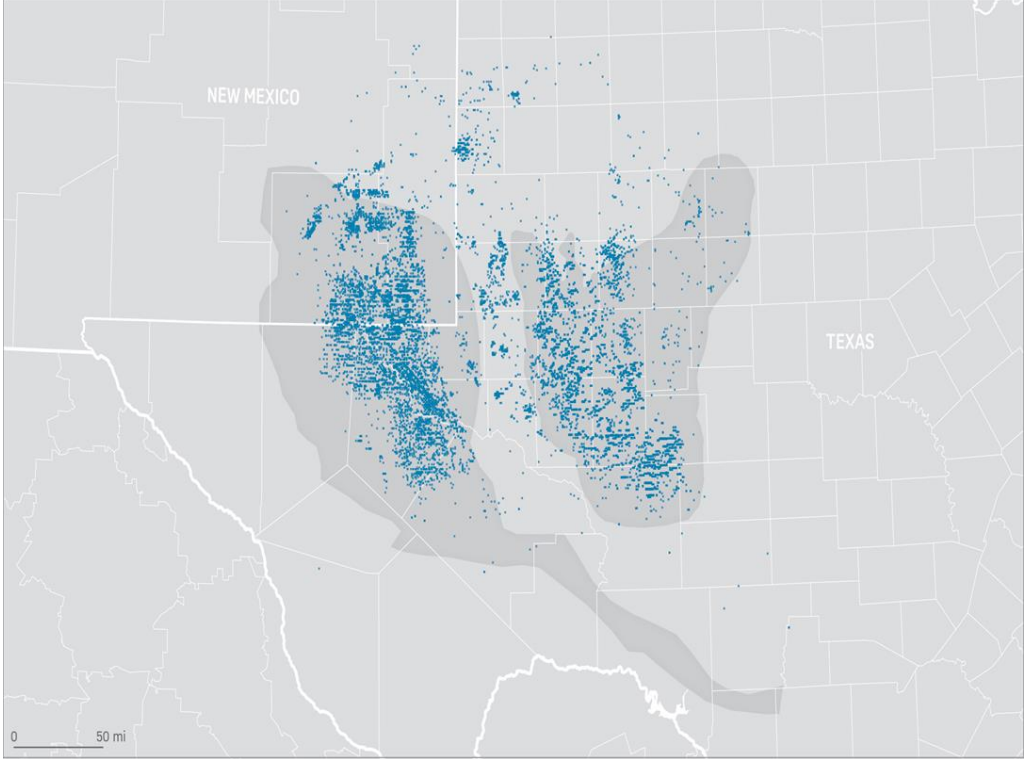
# Eagle Ford and Permian Oil Production

OIL WELLS IN THE EAGLEFORD BASIN



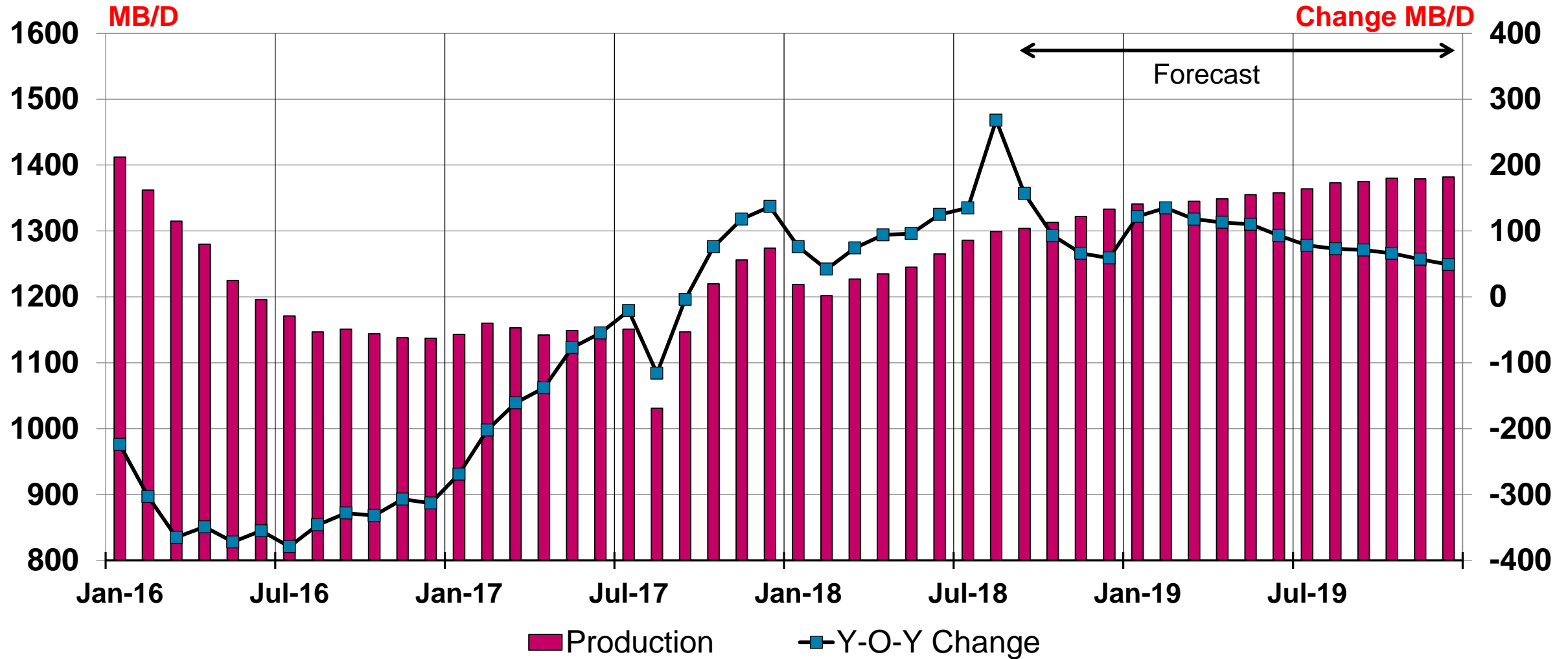
Source: S&P Global Platts Analytics

OIL WELLS IN THE PERMIAN BASIN

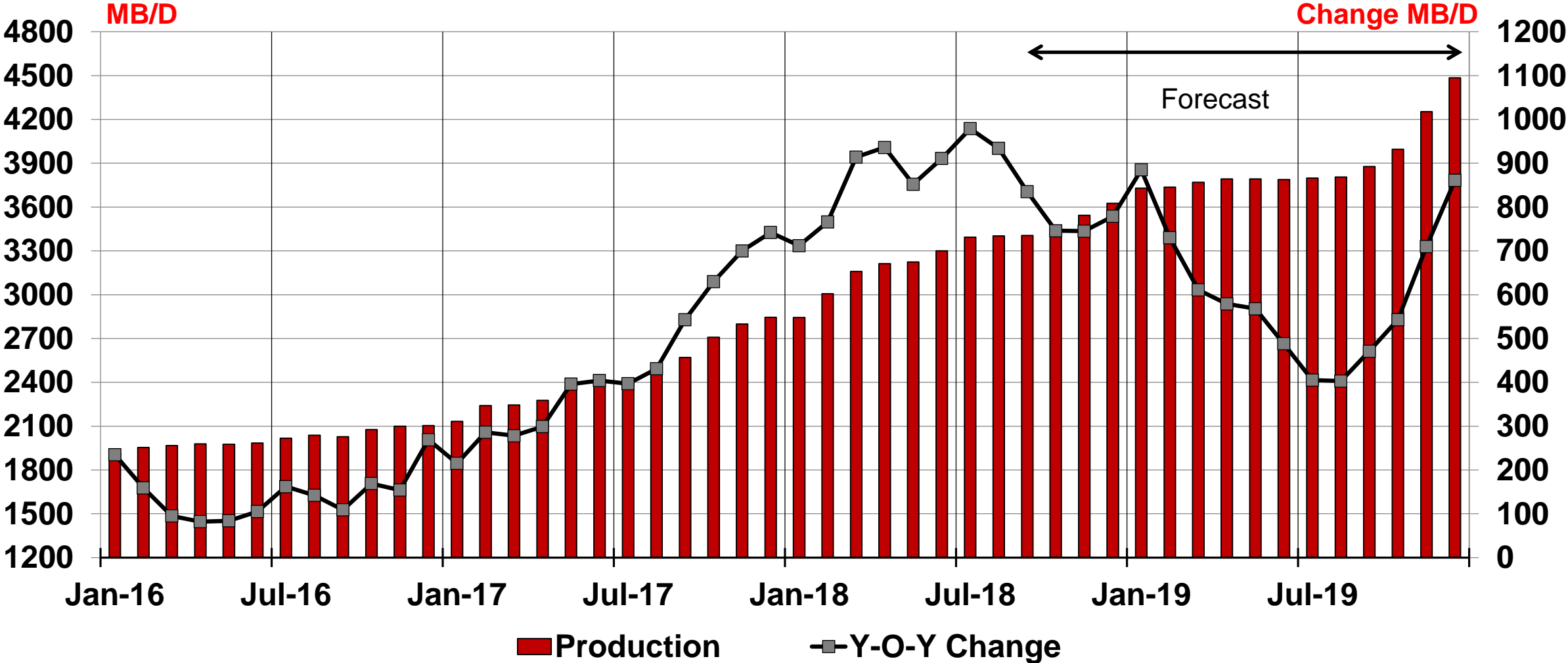


Source: S&P Global Platts Analytics

# Eagle Ford production will grow steadily over the next year



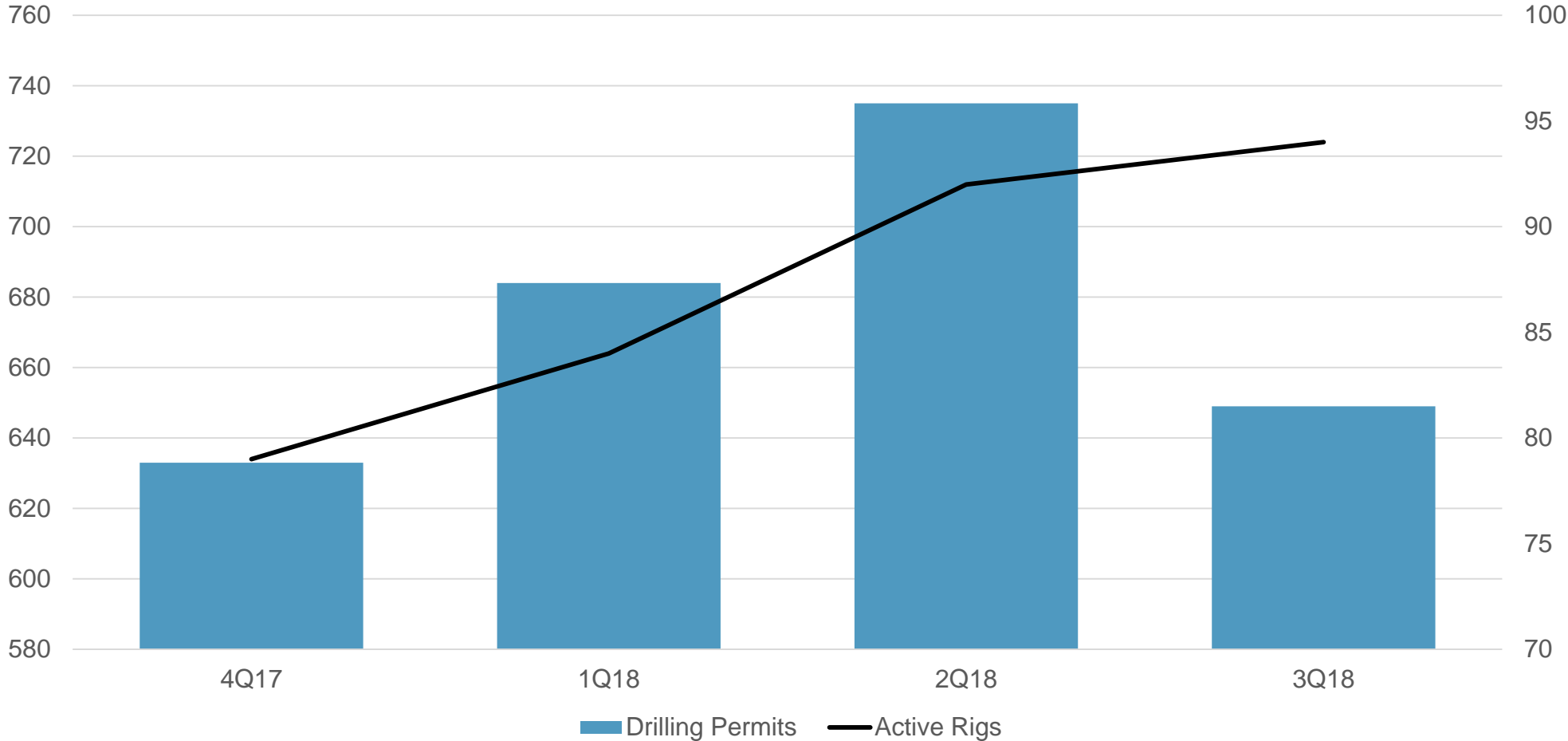
# Production growth in the Permian will depend heavily on pipeline additions



# Eagle Ford Quarterly Permit & Drilling Activity

Permits Approved

Average Rigs



Source: S&P Global Platts Wellscape

# Highest Rig Usage Among Eagle Ford Operators

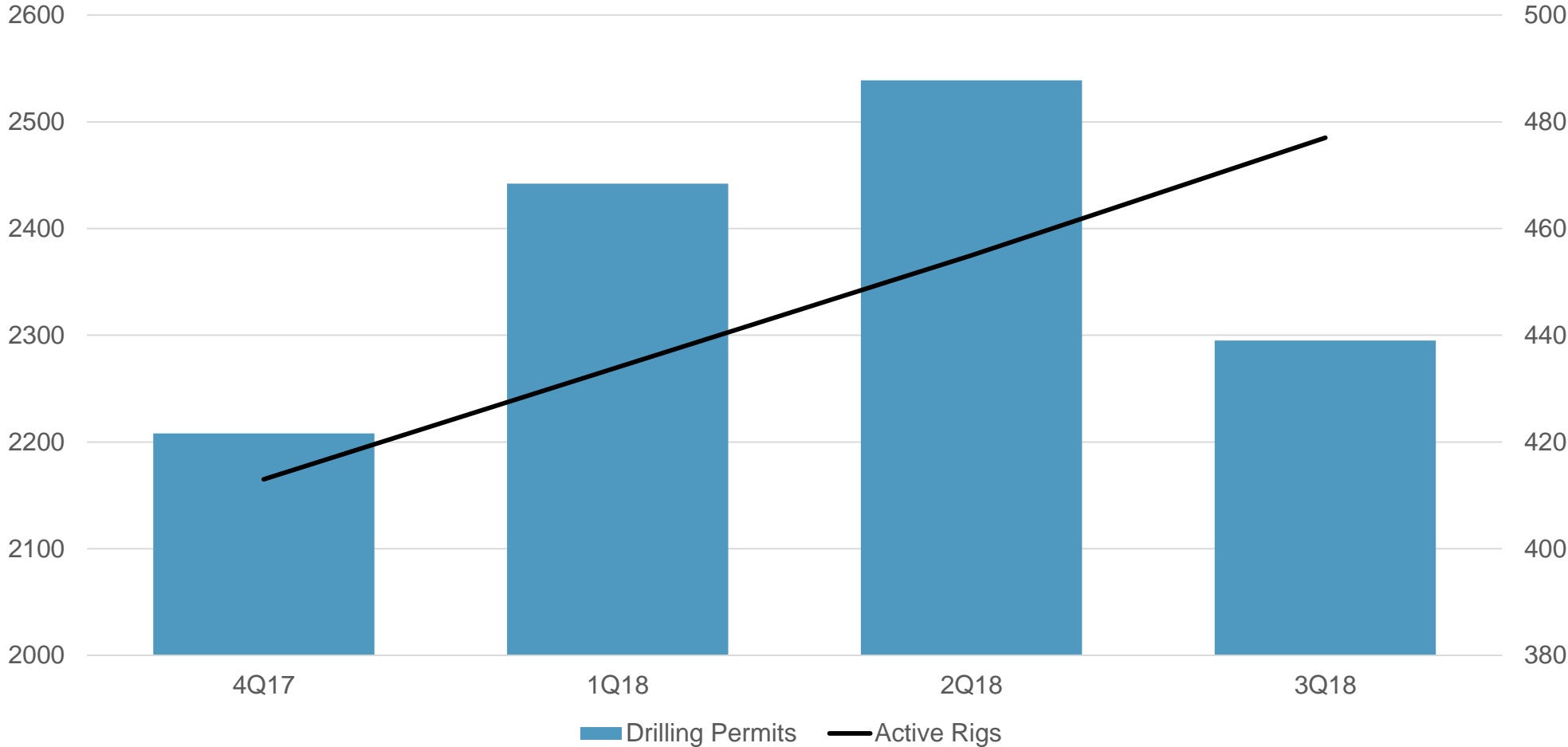
Company	Rig Usage Exiting 3Q18	Active Counties (rigs)	Acreage
EOG Resources	12 rigs (-2)	Gonzales (5) Karnes (3) LaSalle (2) DeWitt (1) McMullen (1)	582,000
ConocoPhillips	7 rigs (+1)	DeWitt (3) Karnes (2) Live Oak (2)	210,000
Carrizo O&G	5 rigs (+4)	LaSalle (5)	80,000
Wildhorse Resources	4 rigs (-1)	Burleson (4)	387,000
Chesapeake Energy	4 rigs (-1)	Dimmit (3) LaSalle (1)	245,000

Source: S&P Global Platts Upstream Indicator

# Permian Drilling & Permitting Activity

Permits Approved

Average Rigs



Source: S&P Global Platts Wellscape



# Highest Rig Usage Among Permian Operators

Company	Rig Usage Exiting 3Q18	Active Counties (rigs)	Acreage
Exxon Mobil Corp.	34 rigs (+11)	Midland (14) Eddy (6) Loving (4) Martin (3) Ward (3) Glasscock (2) Lea (2)	300,000
Concho Resources	31 rigs (+11)	Lea (10) Midland (5) Reeves (5) Eddy (3) Glasscock (3) Upton (2) Ector (1) Loving (1) Martin (1)	640,000
Pioneer Natural Resources	23 rigs (+1)	Midland (16) Upton (3) Glasscock (2) Reagan (2)	750,000
Apache Corp.	21 rigs (+5)	Reeves (11) Upton (5) Reagan (2) Winkler (2) Eddy (1)	2,800,000
Chevron Corp.	20 rigs (+3)	Culberson (8) Midland (5) Eddy (4) Reeves (2) Lea (1)	2,200,000

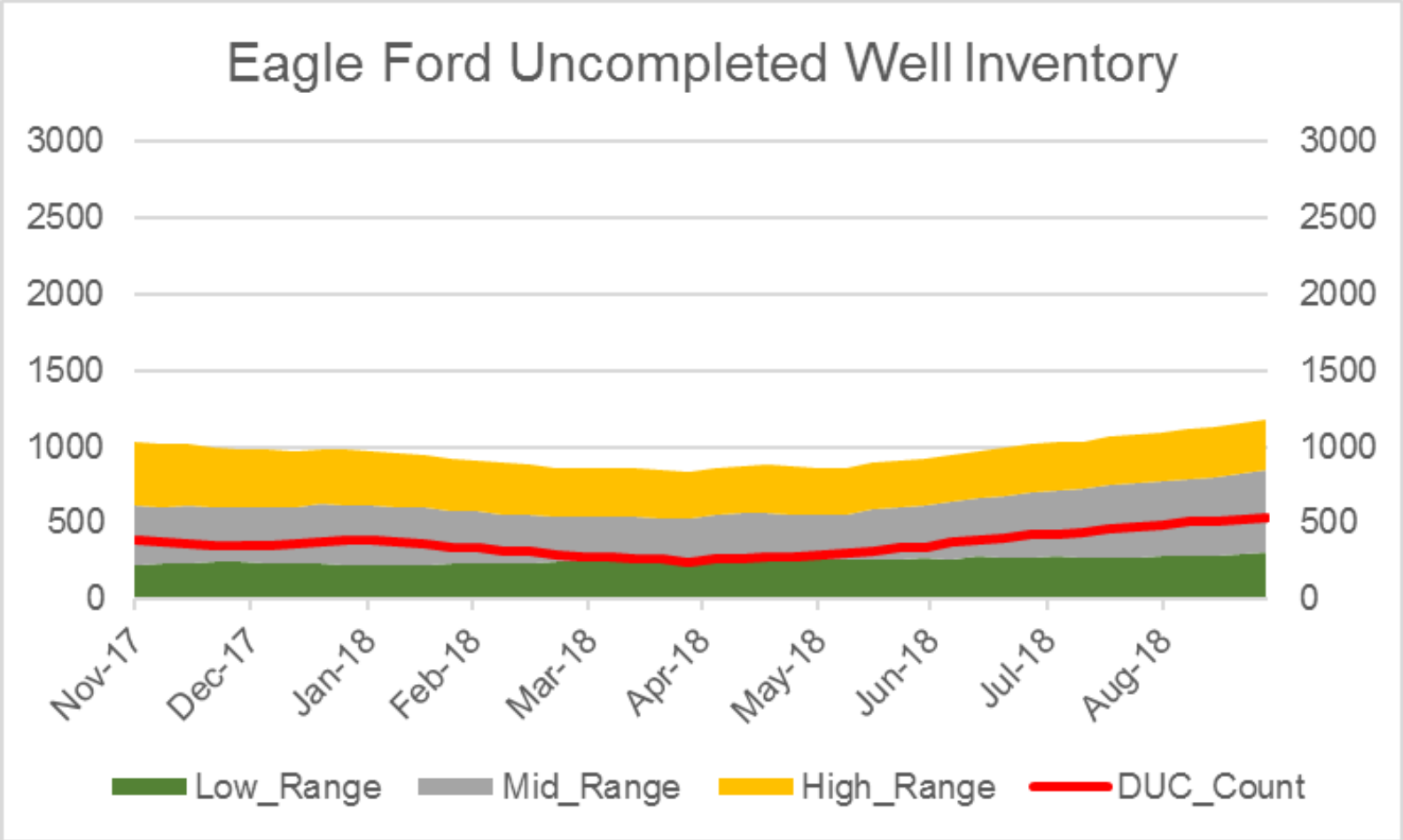
Source: S&P Global Platts Upstream Indicator

# Total Drilling and Completions Costs

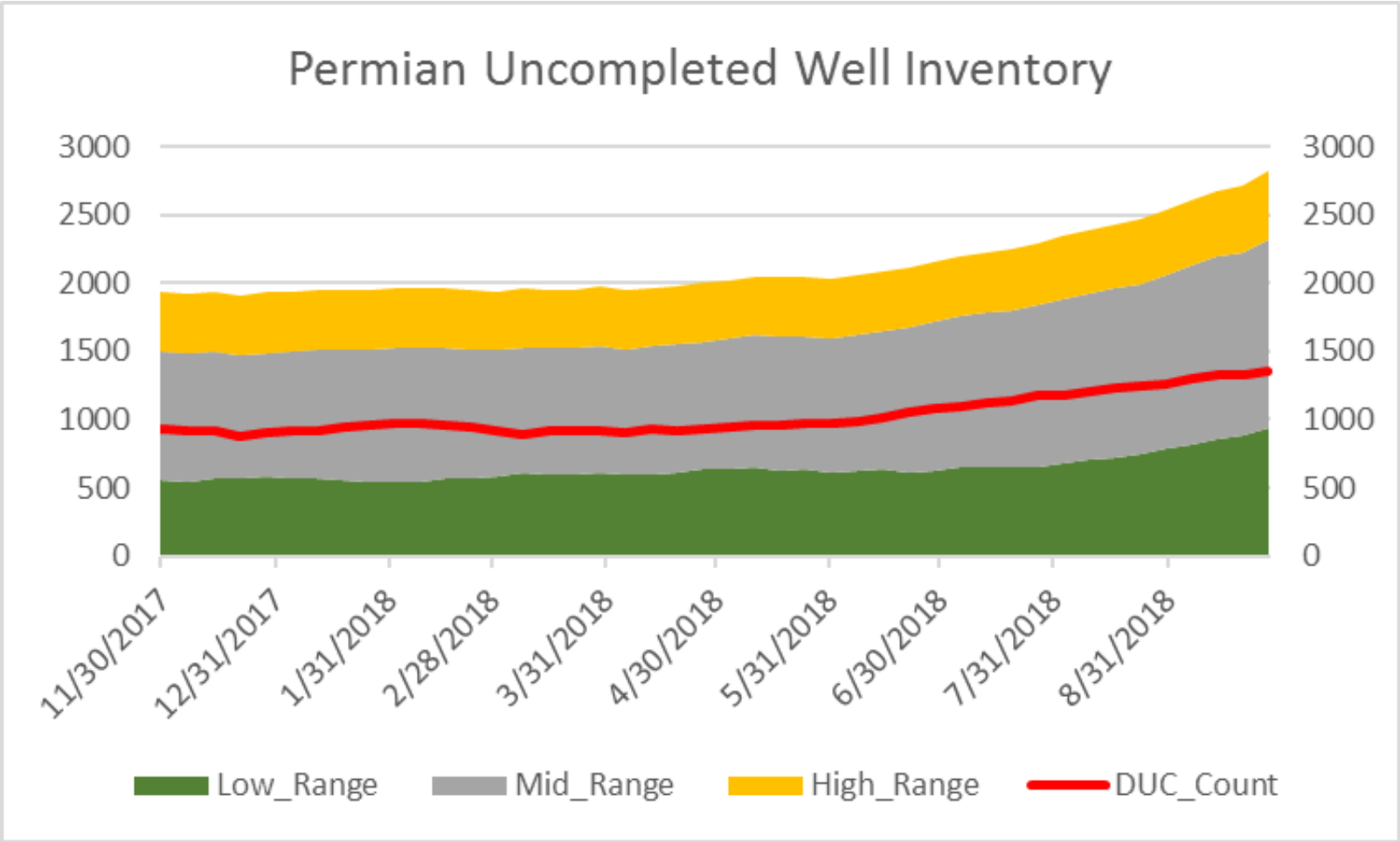
Type of Expenditure	Share
Facilities and Fees for Waste Removal	3% to 7%
Completions (chemicals, water, design)	30% to 40%
Proppants	8% to 12%
Pressure Pumping	11% to 19%
Tubulars	7% to 13%
Contract Drilling (rig)	8% to 12%
Drilling Services (drilling fluids ect.)	13% to 17%

- Total cost of well is dependent upon a multitude of variable.
- Total cost for an Eagle Ford well is roughly estimated at \$6 million.
- Total cost for a Permian well is +\$8 million.

# Well Completion Trends – Eagle Ford

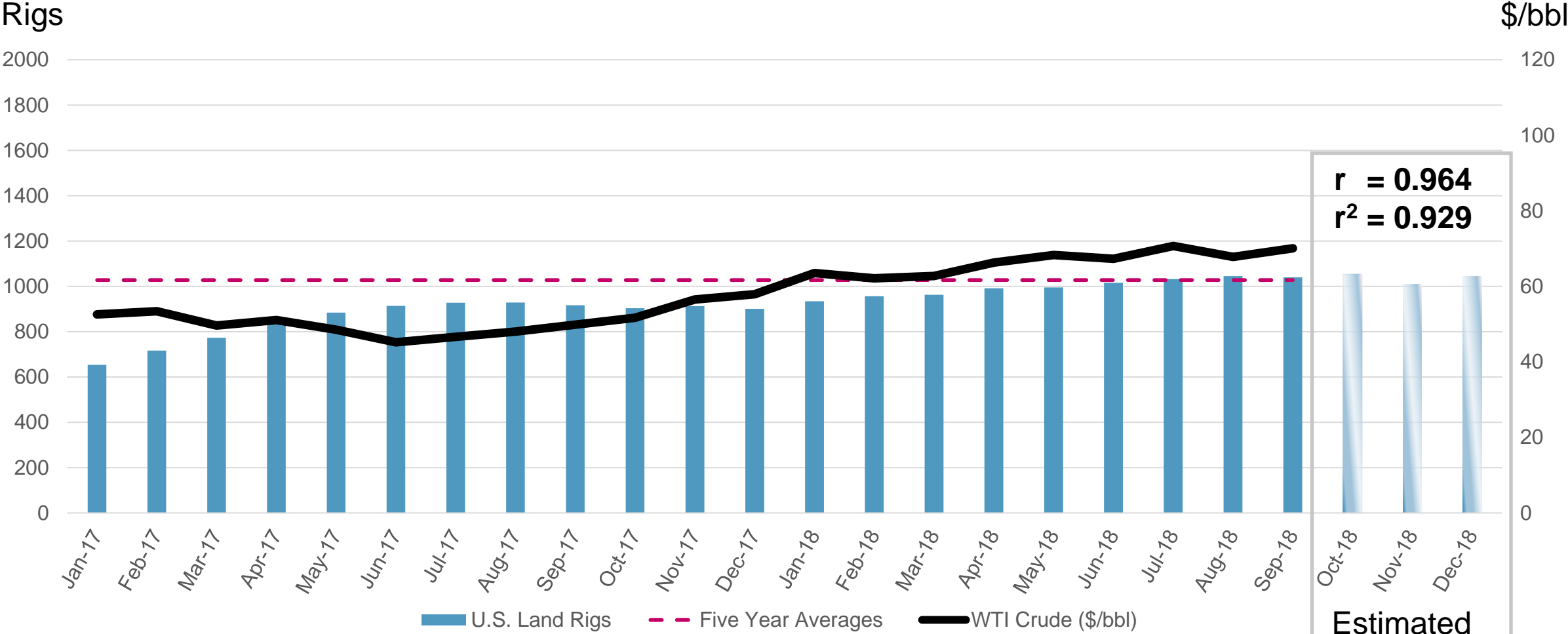


# Well Completion Trends



# Correlation Between Price and Activity Remains High

Monthly WTI Crude Versus U.S. Land Rigs



Source: S&P Global Platts Analytics

# We have launched our new Platts Rig Count report available every Thursday at 1pm (ET).

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## UPSTREAM INDICATOR

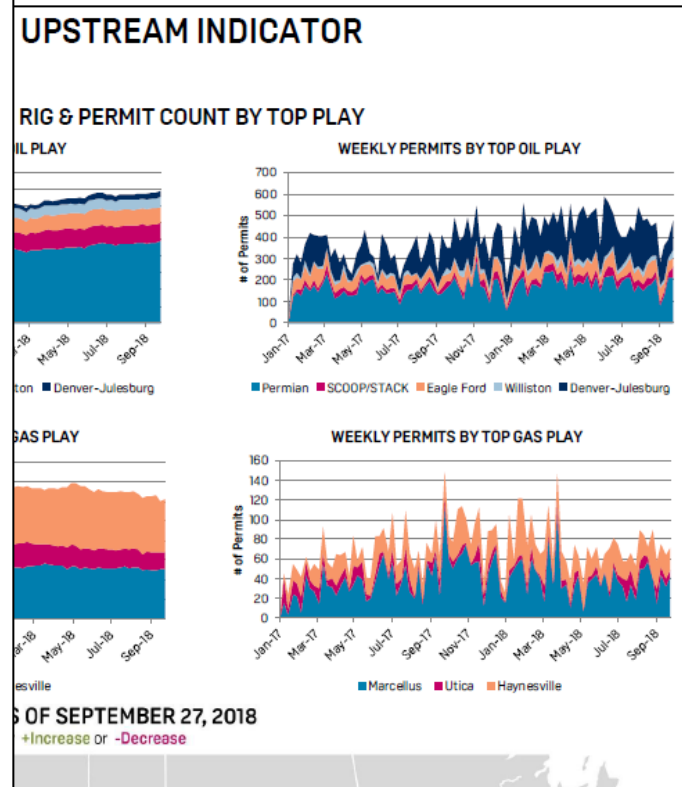
Thursday, September 27, 2018

### KEY STATISTICS & OVERVIEW

	Current Week	Prior week	Change Prior Week	Change Prior Year
<b>United States</b>				
WTI (\$/b)	\$72.09	\$69.49	\$2.60	\$20.80
US Rigs	1175	1163	12	107
US Permits	855	820	35	-266
<b>Permian</b>				
WTI Midland (\$/b)	\$61.72	\$58.10	\$3.62	\$11.03
Permian Rigs	489	479	10	75
Permian Permits	211	213	-2	31
<b>Bakken</b>				
Bakken Composite (\$/b)	\$68.55	\$66.35	\$2.20	\$16.56
Bakken Rigs	62	60	2	7
Bakken Permits	41	14	27	30
<b>Haynesville</b>				
Henry Hub (\$/MMbtu)	\$3.06	\$2.94	\$0.12	\$0.08
Haynesville Rigs	54	52	2	3
Haynesville Permits	23	24	-1	1
<b>Appalachia</b>				
Dom South (\$/MMbtu)	\$2.25	\$2.45	-\$0.20	\$0.89
Marcellus Rigs	51	51	0	-1
Marcellus Permits	41	32	9	-76
Utica Rigs	17	17	0	-8
Utica Permits	7	8	-1	-2

US WEEKLY RIG COUNT BY ORIENTATION VS WTI

US WEEKLY PERMITS



## UPSTREAM INDICATOR

Thursday, September 27, 2018

### RIG COUNT BY STATE

	9/12/18	9/19/18	9/26/18	Month Avg
AL	0	0	0	0
AR	0	0	0	0
CA	0	0	0	0
CO	4	4	4	4
CT	0	0	0	0
DC	0	0	2	1
DE	16	16	17	17
FL	0	0	0	0
GA	16	16	17	17
IA	35	34	37	35
IL	0	0	0	0
IN	21	20	20	21
KS	0	0	0	0
KY	9	9	7	8
LA	0	0	1	0
MA	0	0	0	0
MD	24	29	26	28
ME	0	0	0	0
MI	51	48	49	48
MN	7	8	7	7
MO	58	56	56	55
MS	0	1	2	1
MT	4	4	5	5
NC	0	0	0	0
ND	4	4	5	5
OH	0	0	0	0
OK	2	2	2	2
OR				
PA				
RI				
SC				
SD				
TN				
TX				
VA				
VT				
WA				
WI				
WV				
WY				

# Thank you



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