

# THE BROWNFIELD NEWS

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## Oil boom continues around West Texas

All eyes have been on the oil fields of West Texas in recent years and experts say that's not likely to change any time soon.

Leasing activity in Terry and neighboring counties has been at a fever pitch for more than two years now although drilling activity has been slow to follow.

What exactly has led to the influx of activity remains shrouded in secrecy as oil companies famously guard their information, but it is widely believed new drilling and recovery technology has opened up new possibilities in fields once thought to be past their prime.

Heavy activity closer to Midland in recent years has found significant deposits in the Wolfcamp, a layer of rock—mostly packed limestone—that ran directly below the Spraberry Trend, a 1.7-million-acre layer of silt and sandstone about a mile and a half underground.

Industry insiders are now referring to the find as Wolfberry.

What's also happening is that the higher price of oil, combined with new fracking and drilling technology, is opening up other plays in the area.

Many believe the wells will come though, as soon as the rigs are available to drill in Terry County.

For now, the rigs are tied up in the drilling hotbeds that are the Permian Basin, new formations in southern portions of the state and far to our north in the Dakotas.

The petroleum rich fields of the Bakkan and Eagle Ford formations of North Dakota and south central Texas, respectively, have many in the global energy industry thinking the United States could soon surpass the Kingdom of Saudi Arabia as the world's largest petroleum producer by 2020.

However, don't count out the increased activity and potential new play in the petroleum rich Permian Basin and southern South Plains regions of West Texas.

Reports released this month from the Railroad Commission showed almost half of all land-based drilling rigs currently operating in the United States are busy here in Texas.

Driven by high prices and new drilling methods, U.S. production of crude and other liquid hydrocarbons is on track to rise 7 percent this year to an average of 10.9 million barrels per day. This will be the fourth straight year of crude increases and the biggest single-year gain since 1951.

The boom has surprised even the experts' forecasts.

"Five years ago, if I or anyone had predicted today's production growth, people would have thought we were crazy," says Jim Burkhard, head of oil markets research at IHS CERA, an energy consulting firm.

And, as oil prices continue to remain stable, the industry has turned back to an old friend - West Texas -- to potentially become the next hotbed in oil production.

It's an area where experts feel they can extract 3.6 million barrels of recoverable oil per square mile through the Cline Shale formation, an oil shale field running 140 miles long and 70 miles wide primarily below the surface of Scurry, Nolan, Mitchell and Fisher counties.

Recently, Devon Energy and Chesapeake Energy, two oil companies, reported test wells show the Cline Shale contains 3.6 million barrels of recoverable oil per square mile.

With an approximate 9,800 square miles of Cline Shale, this would amount to over 30 billion barrels of recoverable oil, exceeding both the Bakken fields in North Dakota, and the Eagle Ford in Texas by nearly 50 percent.

Taking into account the projected 200 to 550 depth of the Shale, this would be equivalent to having ten Eagle Ford Shales stacked on top of each other.

The oil to dry gas ratio of the Shale is also garnering attention, with the Shale containing 85 percent oil and liquid rich gas.

When you combine that with the low operating costs it takes to produce the oil in the Basin, about 50 percent less than the Bakken, it is shaping up to be



Oil rigs can be seen in Terry County as oil business picks up across the area.

one of the greatest oil and gas booms America has ever seen.

"We are very excited about the Cline," said Andy Coolidge, Devon Energy's vice president for the Permian Basin. "We expect to deliver highly economic and robust production growth."

The Energy Department forecasts that U.S. production of crude and other liquid hydrocarbons, which includes biofuels, will average 11.4 million barrels per day next year.

That would be a record for the U.S. and just below Saudi Arabia's output of 11.6 million barrels. Citibank forecasts U.S. production could reach 13 million to 15 million barrels per day by 2020, helping to make North America -- with

the help of West Texas -- "the new Middle East."

The last year the U.S. was the world's largest producer was 2002, after the Saudis drastically cut production because of low oil prices in the aftermath of 9/11. Since then, the Saudis and the Russians have been the world leaders.

The United States, however, will still need to import lots of oil in the years ahead. Americans use 18.7 million barrels per day.

But thanks to the growth in domestic production and the improving fuel efficiency of the nation's cars and trucks, imports could fall by half by the end of the decade.

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## Coach Welps named Coach of the Year

When Bryan Welps was named Head Coach of the Brownfield Cubs in 2011, he promised he would do whatever it took to turn the struggling program around.

After just two seasons, the Cubs made their first appearance in the post season and Welps was honored by his peers last week when they selected him as the District 2-2A 2012 Coach of the Year.

Welps and his staff, including several coaches that moved to Brownfield with him, led the Cubs to a 2-8 record in 2011 and improved to 5-5 in 2012.

The Cubs finished this season with four straight district wins to earn their spot in the playoffs, where they fell to the Bushland Falcons.

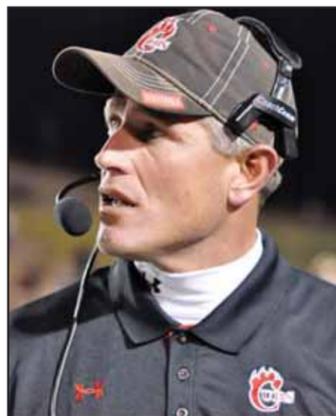
Welps is a graduate of Hart High School, where he also coached after graduating from West Texas A&M University.

He was head coach at Hart at the age of 23.

He then was Head Coach and AD at Amarillo Highland Park for four years.

His most recent stop has been six seasons as Head Coach and AD at Amarillo River Road.

He coached River Road's best



Bryan Welps

team in school history, taking them to the Class AA State Quarterfinals in 2009 and the team was a playoff contender two years prior.

Welps was a three-year letterman for the WTAMU Buffaloes and was an Academic All-American his senior year in Canyon.

He graduated in 1997 with a Bachelor's Degree in Kinesiology.

His wife, Charity, is a math teacher at BHS and also Head Volleyball Coach.



(ABOVE)

### SANTA'S MAILBOX

#### SANTA STOPS IN BROWNFIELD

Miley Jiminez, three-year-old daughter of Roy and Mary Jiminez of Brownfield, sat on Santa's knee Thursday night to tell him what she wants for Christmas. The jolly old fellow was seen in several locations around town during the Chamber of Commerce's annual Keep the Cheer Here event highlighting local businesses. Monica Garcia won the \$100 Brownfield Bucks.

Deadline for turning Santa Letters in to the Brownfield News: Friday, DEC 14 at 5:00 PM

## Christmas in the Park set for December 14-15

The Boys and Girls Club of Brownfield is in the Christmas spirit. Are you? The newly-formed local chapter of the nationwide after-school program invites the community to their upcoming Christmas in the Park. The long-planned fundraiser will be from 6-9 p.m. both Friday, Dec. 14 and Saturday, Dec. 15 in Coleman Park.

As with other events in the park such as Harvest Festival, admission is free, but donations will be accepted. All contributions will benefit the BGCB.

Visitors to Christmas in the Park will arrive near the Brownfield Family Aquatic Center, then travel southwest and around the park up through the Party House.

Various attractions will include a live nativity scene sponsored by the Terry County Ministerial Alliance - complete with live animals - near the baseball field, and live entertainment in the amphitheater by local school choirs. Christmas carolers will parade throughout the park, while Santa Claus will make an appearance in the Party House. Carriage rides will be offered with BGCB donations encouraged. About 20 vendors are anticipated, giving guests a chance to purchase candles, jewelry and other stocking-stuffers.

The BGCB's board of directors have been preparing for Christmas in the Park since June, and aim to promote their new organization through the event as much as raise start-up costs.

"Our whole goal when we started this was to make our presence known in the community," said board President Sheryl Vaughan.

They also plan to turn it into an annual event, with more and more participation each December.

"We hope it will grow every year," Vaughan said.

As per tradition, the *Brownfield News* will monitor the harvest with weekly bale counts from the county's gins.

#### 2012 Bale Count

Lone Star .....	17,320
Meadow Co-op.....	18,914
Southwest.....	29,652
Terry County .....	24,014
West.....	5,253
Needmore .....	12,739
Total.....	107,892



Sat 12/1	Sun 12/2	Mon 12/3	Tue 12/4	Wed 12/5



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