

# OIL BUSINESS

from Page One

Early estimates for the Cline, based on Devon Energy's exploration in the area, put the estimated recoverable reserves at 30 billion barrels of oil.

By comparison, the U.S. Geological Survey estimates the Eagle Ford holds up to 7 billion to 10 billion in recoverable reserves, while the Bakken Shale could hold as much as 4.3 billion barrels of recoverable oil.

Benjamin Shattuck, an analyst with Wood Mackenzie in Houston, said just 80 to 100 wells have been drilled in the Cline, and data is sketchy so far. He expects the industry in six months will have twice as much information on Cline Shale as it does now.

"Operators are doing their best to keep the result confidential," he said. "The big thing in the Cline is that results so far have been good."

Peggy Williams, editorial director with Hart Energy, said the Permian Basin, with more than 400 drilling rigs operating, is the

most complex field in the state, with both horizontal and vertical drilling in multiple geologic horizons. The formations are so thick that they're using vertical hydraulic fracturing, the process of using water, sand and chemicals pumped at high pressure to break open dense rock.

"It's a very prolific conventional basin that produces in many, many zones," Williams said. "If you're in an area that's produced a lot of oil, it's a good place to look for more oil. In the Permian you have a world-class petroleum basin. There's just oil all over the place."

Hart Energy estimates the Permian Basin could produce 1.65 million barrels of oil equivalent per day by 2020, just from unconventional drilling that uses hydraulic fracturing.

The company estimates South Texas' Eagle Ford Shale could produce 2.4 million barrels of oil equivalent per day by 2020.

"It's enormous, enormous," said Williams. "That's more than

some OPEC countries produce." In the Fort Worth area, the Barnett Shale is the grandfather of unconventional drilling—the place where operators first used both horizontal drilling and hydraulic fracturing.

Although drilling has declined, with most of the recent business activity coming in the form of asset sales, Chris Robertson, an analyst with Wood Mackenzie, said it's still the third most productive U.S. gas field behind the Marcellus in Pennsylvania and the Haynesville in Louisiana.

"The Barnett is very well understood," he said. "It's a good source of cash flow that's predictable."

And natural gas prices have started to rise a bit from historic lows, driving a slight uptick in drilling in the Barnett. "Rigs have started to return to these dry gas plays," Robertson said. "It's nothing to write home about, but they are returning."

In East Texas, there were 21 drilling rigs targeting the Haynes-

ville/Bossier Shale as of Feb. 15. The formation is more productive and lucrative in Louisiana, but it primarily produces natural gas, so operators are largely drilling because they must if they want to hold onto their mineral leases.

But there's one area of the field, the Cotton Valley formation in Rusk, Panola and Harrison counties, where companies have been able to produce a higher proportion of the more profitable crude oil and natural gas liquids.

"In the Haynesville right now our view is that operators can make money in the top-tier core areas," Robertson said. "On average there's no economic reason to be drilling other than to hold acreage or to explore the liquids prone areas in the Cotton Valley."

In the Panhandle, 47 drilling rigs were recently targeting the Granite Wash, a tight sandstone that extends into Oklahoma. "There's quite a lot going on there, too, even though it's primarily natural gas," said Ingham.

Most of the state's drilling is focused on finding crude oil because dry natural gas is selling near historic lows. But the heat content of the Granite Wash gas is so great that it sells at a premium

of 30 percent to 50 percent over standard prices.

"You can sell it for more, so the natural gas and the liquids are a big deal up here," Ingham said.

## INVESTIGATION from One

with no weapon visible, got into his car and drove off.

"It appears to all have been very cold and calculated," the investigator said.

Five shell casings were found inside the home and the gun was recovered at the scene of the car accident near Plains with five bullets missing from its 17-round clip.

The gun belonged to DeLuna and was purchased legally some time ago for home protection.

That accident, a head-on collision with a west-bound 18 wheeler on U.S. 380, was recorded by a dash camera mounted inside the truck, Langehennig said.

"It showed that the wreck was deliberate," he said. "He swerved into the oncoming lane and when the truck driver moved his vehicle to the shoulder, DeLuna continued to drive into its path and they eventually ended up colliding in the bar ditch with the car hitting the driver's side gas tank under the truck's

door."

The damage was significant and DeLuna's injuries were severe, but he was alive and coherent when paramedics arrived.

The truck driver was uninjured.

The time of the wreck was 1:10, one hour after the murders occurred. He was pronounced dead in the Denver City Hospital at 2:53 p.m. Tuesday, a result of massive chest injuries suffered in the collision.

He was not being chased by police or any other law enforcement when the wreck occurred.

The nearest patrol unit was more than 10 miles away, according to the report.

Langehennig told the News that the case is now closed and he said the investigation was conducted professionally and smoothly by the Brownfield Police Department.

"Everyone went to work and did what they needed to do," he said. "It is a terrible situation, but we did handle it well."

CITY	NET PAYMENT THIS YEAR	COMPARABLE PAYMENT PRIOR YEAR	% CHANGE	2013 PAYMENTS TO DATE	2012 PAYMENTS TO DATE	% CHANGE
Brownfield	94,440.23	84,131.19	12.25%	351,412.09	339,464.24	3.51%
Denver City	83,871.14	60,474.64	38.68%	257,165.63	195,458.93	31.57%
Lamesa	115,842.65	102,866.08	12.61%	403,148.61	366,595.20	9.97%
Levelland	281,704.65	270,307.35	4.21%	932,648.64	839,300.87	11.12%
Littlefield	93,116.50	71,535.29	30.16%	283,657.90	242,908.89	16.77%
Plains	12,941.33	7,944.39	62.89%	39,531.89	29,166.06	35.54%
Seagraves	22,339.28	24,308.66	-8.10%	64,928.11	70,228.26	-7.54%
Seminole	143,286.67	111,868.90	28.08%	440,721.54	375,852.48	17.25%

  

COUNTY	NET PAYMENT THIS YEAR	COMPARABLE PAYMENT PRIOR YEAR	% CHANGE	2013 PAYMENTS TO DATE	2012 PAYMENTS TO DATE	% CHANGE
Terry	39,402.85	47,082.53	-16.31%	159,160.00	147,016.61	8.25%

Sales Tax Revenue Rebates for February 2013

**Wellman Union**  
JR High  
Cheerleaders

FUNDRAISING MEAL AND RAFFLE

Saturday, March 16, 2013  
12pm - 2pm  
United Parking Lot  
Hamburger, Drink & Chips \$5.00

(Proceeds to help pay for cheerleading camp and uniforms)



## EASTER

# EGGHUNT

The HUNT is on....

**HOW TO PLAY:** (1) Find 3 Numbered Easter Eggs Printed in THIS issue of the Brownfield News. (2) Fill out the entry form on this page. Write the page number down next to the corresponding egg number. (3) Submit your completed entry form by mail or drop it by the Brownfield News to enter.

03/13/13



1. \_\_\_\_\_ Name: \_\_\_\_\_ Age: \_\_\_\_

2. \_\_\_\_\_ Parents Name: \_\_\_\_\_

3. \_\_\_\_\_ Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Girl: \_\_\_\_\_ Mail or drop off completed entry form to:  
Brownfield News  
409 W Hill St • PO BOX 1272  
Brownfield, TX 79316

Boy: \_\_\_\_\_

Entry deadline: March 26, 2013 at 5:00 p.m. - One entry per person per newspaper the contest is run in. Winners will be selected by random from pool of completed correct entries. Must be 18 or under to enter.

... WIN one of

## 4 Easter Baskets

donated by Wal-Mart



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## Energy Services

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