

NARO-Texas Report



You know the old saying, “Everything is bigger in Texas”? Perhaps this is true, and why some big-time players in the oil and gas industry are coming back to Texas. Texas is the second largest state in the U.S. in both area and population, and the largest in area in the contiguous United States. According to the Energy Information Administration, Texans consume the most energy in the nation per capita and as a whole. Texas is also a leader in natural gas production, producing one-fourth of the nation’s supply.

ExxonMobil is ready to get back on top in the game with its proposed purchase of XTO Energy. Total’s recent acquisition of 25% of Chesapeake’s Barnett Shale gas portfolio also puts them in the big leagues. Analysts are speculating that ExxonMobil and Total not only bought into some of the

largest producers of natural gas, but they will benefit from the know-how these companies have developed over the years in their efforts to seek new creative ways to generate natural gas from complex formations.

Also, for 2010, South Texas is going to continue getting some serious attention with the growing interest in the Eagle Ford Shale including the following counties: Colorado, Lavaca, DeWitt, Karnes, Goliad, Bee, Live Oak, McMullen, La Salle, Dimmit, and Webb. The low break-even cost, high liquid contents and larger lease sizes are only a few upsides attracting production interest to this area, making it competitive with other shale gas plays. Conoco-Phillips is one of the majors jumping into this action, with approximately 300,000 acres already under lease. Other companies include Petrohawk Energy, St. Mary Land & Exploration, and Rosetta Resources.

-- Candice Brewer, President, NARO-Texas