Production: 400 Rigs in Basin Region

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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 Haynesville/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.

Dating back to January 1993, Gaines County has ranked as Texas' top oil producing county, with 625.3 million barrels of produced oil during the 20-year span, which was over 80.1 million barrels more than neighboring Andrews County, which ranked second with 545.1 million barrels produced during the same time span.

TRC's production database, on it's website (www.rrc.state.tx.us) was not available for dates prior to than the 1993 calender year.

Texas, during that time span, had produced 8.38 billion barrels of oil for the 20-year span, of which, Gaines County wells were responsible for roughly 15-percent of that total.

Local Oil Permits

Drilling Permits

Gaines County
13 miles S. of Seminole, Texas
Harris (San Andres) Field
Parallel Petroleum LLC has a new drill permit for its Hall A Lease, Well No. 4 (API No. 42-165-37751), a vertical well --- 1,503' FNL & 1,536' FWL of Section 24, Block A22, PSL Survey, Abstract 869, 6,000' total depth, 120 acre lease

Gaines County
13 miles S. of Seminole, Texas
Carm-Ann (San Andres) Field
Parallel Petroleum LLC has a new drill permit for its Carm-Ann San Andres Unit Lease, Well No. 1321 (API No. 42-165-37754), a vertical well --- 587' FSL & 1,128' FEL of Section 21, Block A22, PSL Survey, Abstract 426, 5,500' total depth, 1,480 acre lease

Gaines County
13 miles S. of Seminole, Texas
Carm-Ann (San Andres) Field
Parallel Petroleum LLC has a new drill permit for its Carm-Ann San Andres Unit Lease, Well No. 1319 (API No. 42-165-37753), a vertical well --- 587' FSL & 1,915' FEL of Section 21, Block A22, PSL Survey, Abstract 426, 5,500' total depth, 1,480 acre lease

Gaines County
12 miles S. of Seminole, Texas
Carm-Ann (San Andres) Field
Parallel Petroleum LLC has a new drill permit for its Carm-Ann San Andres Unit Lease, Well No. 808 (API No. 42-165-37752), a vertical well --- 2,225' FNL & 921' FWL of Section 20, Block A22, PSL Survey, Abstract 781, 5,500' total depth, 1,480 acre lease

Oil Well Completion

Gaines County
26 miles NE. of Seminole, Texas
Adair Field
Three Span Oil & Gas Inc. has completed its Adair SE (San Andres) Unit Lease, Well No. 54 (API No. 42-165-37651), a new vertical well completed 10-23-2012 --- 2,300' FWL & 2,310' FNL of Section 4, Block C31, PSL Survey, Abstract 1074, 4,920' total depth, 4,840'-4,860' producing interval, 1,560 acre lease
***** 24 HR. POTENTIAL TEST *****
DATE OF TEST 12-12-2012
22 barrels of oil per day, no gas, 161 barrels of water per day, no choke, pumping, 33.8 degree API oil, stimulated with 2,000 gallons of 15% NEFE HCL acid, fracture stimulated with 25,000 pounds of sand with 38,000 gallons of gel

CodeRED Notification System Still Available

Gaines County residents are being asked by local first responders and governmental officials to register for the CodeRED Emergency Notification System.

Registration for the system is at no cost to any Gaines County resident who wishes to receive vital information in the event of an emergency situation where the public needs to be notified, i.e.: gas leaks, Amber Alerts and severe weather situations.

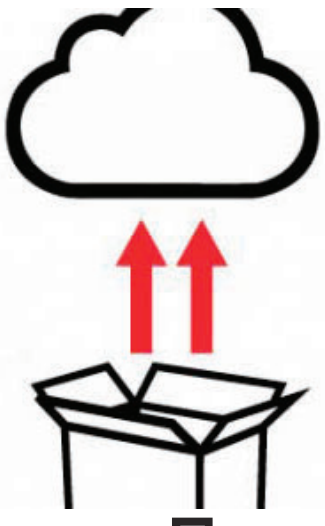
Existing CodeRED members are also being encouraged to re-register with the system, which was recently upgraded to include pinpoint weather notifications for those who are interested in up-to-the minute severe weather updates through the National Weather Service.

Those who wish to register may log online to the Gaines County governmental website -- www.co.gaines.tx.us. On the site, users can scroll to the local links and click on "CodeRed."

The required information that residents will need for the phone system includes first and last name, street address (physical address, not P.O. boxes), city, state, zip code, and primary phone number, additional phone numbers (optional).

Shop Us First
Largest Selection in this area of
Prom Gowns

Also Tuxedo Rentals
Everything Nice
Your Prom & Special Occasion Shop
2827 Dal Paso, Ste 110, Dal Paso Shopping Center, Hobbs
575-392-1512
Open: Mon.-Sat., 10 a.m. - 5 p.m.

Our Office has Moved

Dr. Armand Wiltz, MD
Gynecologist
1004 Hobbs Hwy.
Suite 2
432-758-4709

Community Calendar

Check Dates and Times Below for All Weekly Community Happenings

SUNDAY, March 17

Attend the church of your choice.

MONDAY, March 18

8:00 a.m.-12 noon and 1:00-5:00 p.m.--South Health Clinic, 704 Hobbs Hwy.

9:00-11:30 a.m. and 1:30-3:30 p.m.--Immunization clinic, South Plains Health Department, 704 Hobbs Highway. (Clinic in Seagraves every third Monday, 1:30-3:30 p.m.; open from 8 a.m.-6 p.m. the first Monday and from 7 a.m.-5 p.m. the first Tuesday of each month).

9:00 a.m.--Exercise class, Senior Citizen Center.

5:00 p.m.--Seminole Economic Development Board Meeting, Board Room, Economic Development Offices.

6:30 p.m.--Masonic Lodge #957 Meal and Meeting (meeting at 7:30 p.m.), Masonic Lodge...meet 1st Monday of every month.

7:00 p.m.--Seminole Memorial Hospital Board Meeting, Board Room, Memorial Hospital.

7:00 p.m.--Seagraves City Council Meeting, Board Room, Seagraves City Hall.

7:00 p.m.--Loop ISD Board Meeting, Board Room, Loop ISD.

8:00 -9:00 p.m.--Alcoholics Anonymous, CR 402K, #110.

TUESDAY, March 19

8:00 a.m.-12 noon and 1:00-5:00 p.m.—South Plains Health Clinic, 704 Hobbs Highway.

9:00 a.m.-12 noon—Seagraves shot clinic, Senior Citizen's Center, 1204 Avenue F.

12 noon—Seminole Lions Club, First Presbyterian Church.

1:30-4:00 p.m.--First Monday of the month Adult Learning Center Registration, SE 4th St.

7:00 p.m.--Al-Anon Group, 109 SW Ave G (First Assembly of God Fellowship Hall).

6:00-7:00 p.m.—Young People's Group, Gaines County Rehabilitation Center, 110 Southwest Avenue B.

7:00 p.m.--Al-Anon Group, 110 SW Ave B.

7:00 p.m.—Seminole EMT Volunteer Association. EMS building. (First Tuesday of each month).

7:00 p.m.—Gaines County Committee on People with Disabilities, Seminole City Hall. (First Tuesday of each month).

7:00 p.m.—"Wings of Glory" Chapter of the Christian Motorcycle Association, Thelma's One Stop. (Fourth Tuesday of each month).

7:30 p.m.—Seminole American Legion, Legion Hall, two miles west of Seminole on U.S. 180. (First Tuesday of each month).

WEDNESDAY, March 20

8:00 a.m.-12 noon and 1:00-5:00 p.m.—South Plains Health Clinic, 704 Hobbs Highway.

9:00 a.m.—Exercise class, Senior Citizen's Building.

10:00 a.m.-12 noon—Bob Lewis Mission open, 109 Southwest Avenue B. (Open each Wednesday during the same hours.

8:00 p.m.--Alcoholics Anonymous (Spanish), Community Rehabilitation Center, 110 Southwest Avenue B.

8:00 p.m.—Al-Anon, Community Rehabilitation Center, 110 Southwest Avenue B.

THURSDAY, March 21

8:00 a.m.-12 noon and 1:00-5:00 p.m.—South Plains Health Clinic, 704 Hobbs Highway.

12 noon—Seminole Rotary Club, First Presbyterian Church.

7:00 p.m.—Alcohol and other drug education group, 110 Southwest Avenue B.

7:00 p.m. (Mountain Time, 8 p.m. Texas Time)—Alzheimer's Disease and Related Demential Disorders Support Group meeting, Columbia Lea Regional Hospital Educational Complex Room, Hobbs. (Last Thursday of each month).

8:00 p.m. (Texas Time)--Gambler's Anonymous, 800 West Bender, Hobbs, N.M., First Assembly of God Church (across from Albertsons).

FRIDAY, March 22

8:00 a.m.-12:30 p.m. and 1:30-3:00 p.m.—South Plains Health Clinic, 704 Hobbs Highway.

9:00 a.m.—Exercise class, Senior Citizen's building.

SATURDAY, March 23

No scheduled activities

SEMINOLE THRIFTWAY
ANDREWS HWY. 758-9869