Annual oil and gas expo featured 225 exhibitors and hundreds of dealmaking opportunities.

BY VELDA ADDISON & TERRANCE HARRIS

HOUSTON — Summer NAPE energized the George R. Brown Convention Center in Houston, where oil and gas players big and small cut deals for exploration, development and production, and an energy advocate challenged the industry to speak up and take back the court of public opinion.

More than 2,800 industry executives gathered at the expo, which featured over 2.4 million prospect acres from 16 states.

“We saw another successful Summer NAPE with industry leaders coming together from across the country to sell and buy prospects, gain a better understanding of the state of the industry and continue to forge lasting business relationships,” said Jim Devlin, chairman of the NAPE Operators Committee.

Abounding Opportunities

Among those giving prospect preview pitches at the expo was Josh Cornell, vice president of land for Panther Energy Co. III, who presented a Louisiana Austin Chalk opportunity — the Bloodhound prospect — in Vernon and Beauregard parishes.

“We have 50,000 net acres, mostly 100 percent ownership tracts. It’s a large contiguous, scalable footprint,” Cornell said. “We project over 26 operated DSUs [drill spacing units].”

The Bloodhound prospect is an extension of Masters Creek Field. “Masters Creek has outperformed Brookeland North and Brookeland South from an oil perspective,” Cornell said.

Brookeland North’s average oil production is 97,947 bbl and Brookeland South’s is 168,386 bbl compared with 348,231 bbl from Masters Creek, according to information handed out at the company’s booth. But there are some challenges.

“Our unknown is what water contribution we’re going to get from the fractures,” said Paul Richardson, vice president of geology for Panther Energy. “Our knowns, though, are a trend with wells that produce fairly well: 8-to-1 water ratio. But it’s real easy to get rid of the water here.”

Richardson added that “drilling might be tough with the fractures,” but 320-plus laterals have been drilled in Masters Creek. “So we know it can be done.” Plus, being in an overpressured oil window works to an advantage, he said.

Other companies pitched investment opportunities for acreage in South Texas, the Gulf Coast region, the Michigan Basin, the Rockies, California, Alaska and the Anadarko Basin.

The latter included a pitch from Trueblood Resources on a 24 MMbbl oil potential, multizone Oswego-Cherokee farmout in Oklahoma. The 5,000-acre lease position featuring Pennsylvanian-age carbonates was described as geologically well-defined with more than 3,000 wells evaluated, moderate drilling depths between 7,200 and 8,200 feet and an estimated completed well cost of $2.3 million.

The company also sought a partner for its chemical EOR project, which Trueblood Resources President John Trueblood said would start in fourth quarter 2018 or in early 2019.

“The average well, at least in the Oswego, is going to be about 300,000 barrels. So it’s very cost effective,” Trueblood said during his presentation. “We’ve done an extensive amount of our own geochem work in the Pennsylvania source rock. It’s just a very.
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Meanwhile, the industry only has about

100 organized efforts promoting energy.

“So this notion of the big bad oil and gas

industry outsends, outmaneuvers,outhus-
ties the anti-energy faction, that is not true,”

Holt said. “By our reckoning, between these

2,000 different groups, about $600 million

will be spent on anti-energy and related cam-
paigns in 2018. The oil and gas and broader

energy industry is not spending that much.”

Holt said it is about time the energy in-
dustry fights back with facts like fewer ener-
gy regulations means more jobs and more

affordable energy for the working class.

In a perfect world, people in the U.S.

would spend 6 to 8 percent of their monthly

income on energy — primarily for gasoline

and electricity, Holt said. But closer to the

poverty level, he finds that in some areas and

states people are spending as much as 35 to

40 percent of their monthly income on energy.

That is why it is so important for the

pro-energy sector to get out and have their

voices heard to influence November’s elec-
tions, he added.

“If I’m a Democratic member of Congress

and I understand that the demographics of

my community are 30 percent at or below

the poverty level, opposing sensible energy

policy is not something I really want to do,”

Holt said. “The fastest way to put dispos-
able income back into someone’s pockets is
to keep energy prices low.”

Holt, who predicted that Republicans

should either maintain or add seats in the

Senate but could lose some ground in the

House, said President Trump and his ad-

ministration have been good for the energy

industry.

“Trump — who frankly is not a Republi-
can or a Democrat, he’s a Trump — sees this

as a way to create jobs, to create swing vot-
ers who support him and his administration

and to create economic opportunity. It’s

really about those forgotten Americans, that

working class, those labor unions and other
groups in key states — Ohio, Pennsylvania,

Wisconsin. The states that without winning

those states, Donald Trump would not be

president today,” Holt said.

“He is going to continue to promote

energy policy that expands our opportunity

for all energy, primarily oil and natural gas,

but look for ways to get more working-class

Americans back to work.”

Holt encouraged attendees not to be

afraid to debate anti-energy voices and to

do so with the facts.

Anti-energy groups are wrapping their

cause into the environmental cause, but
everyone is in favor of keeping the environ-
ment safe and clean, he noted.

“We all think that the environment

needs to be protected. We all want to do, and

we actually are doing, all that we can
to make sure the environment is protect-
ed,” he said.

Holt challenged those in the audience,

when they are debating anti-energy people,
to ask about their solution to solving the

energy issue.

“The discussion needs to be on energy

solutions,” he said. “What are we doing to

meet the needs of this family, of this com-

munity, of society at large to create jobs?

They need to come to the table on energy

solutions. If we do that, that’s a debate

worth having for the nation.”

Mark your calendars now: Summer

NAPE returns to Houston August 21–22,

2019. ♦

NAPE is presented by AAPL, IPAA, SEG

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up and take back the court of public opinion
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NAPE Business Conference. Carl Campbell

leads a discussion with Ben “Bud” M. Brigham and Harold D. Carter as they share their insights

and experiences after 25+ years of ups and downs in oil and gas exploration.

very rich section.”

The company plans to spend about $10

million and has three drill-ready locations in

the Oswego play, he said. Under the farmout
terms, an investor could earn 640 net acres

by drilling one horizontal test with 25 percent

after payout interest retained. There was also

an option to drill more wells and earn interest

in the 5,000-acre lease block.

He described Trueblood Resources as a

small, family-owned company focused on the

Anadarko Basin. But Oklahoma’s Oswego

Formation has also attracted some bigger

players, such as Chesapeake Energy.

“Oswego volumes continue to climb with

average 30-day production rates of 1,015 boe

per day and over 80 percent oil cuts,” Chesa-

apeake said in a recent earnings release.

Chesapeake is testing advanced comple-
tions and longer laterals across its Mid-Con-
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