Potential for increasing production

Joint House Resources and Energy Committee
21 April 2012
William C. Barron
Division of Oil and Gas
Barriers to new production

• Winter exploration season only
• Cost of development
• Lack of physical infrastructure
  – Roads
  – Power distribution systems
• Facility capacity & limitations, age
• Environmental/subsistence issues & permitting
• Fear of litigation-related delays
• Fiscal certainty
Typical Permitting Time Frame for a Large Scale Development Project

Initial Exploration

- Advanced Exploration
- Environmental Studies
- Prefeasibility Study
- Feasibility Study
- Permitting
- Financing
- Construction
- Operation
- Closure
- Reclamation and Post-Closure Monitoring
Reasonably expected time to production

Legacy fields
Heavy & viscous oil
Shale oil

New discoveries
Heavy & viscous oil
Shale oil

OCS Beaufort
OCS Chukchi
ANWR
NPR-A

Gas: Infrastructure dependent
Potential Shublik Production
Eagle Ford Analog
Single Well Example, Typical of Several Reviewed Re-Stimulated in Month 3 Gonzales County, Texas
Potential Shublik Production
Eagle Ford Analog
Based on 6 Rigs/6 Wells per month
20 Year Production Life
2000 Wells in Project
IP 500; FP 30

65,000 BOPD Plateau in 20 Years
Potential Shublik Production
Eagle Ford Analog
Based on 6 Rigs/6 Wells per month
20 and 5 Year Production Lives
2000 Wells in Project
IP 500; FP 30

65,000 BOPD Plateau in 20 Years
32,000 BOPD Plateau in 4.5 Years
What will it take to reach the goal?

• Collaborative and competitive environment
• Minimize all barriers
• Access all fields and all types of oil