



SOUTH TEXAS SCOUT



Serving the local market with drilling activity, permits & deals for sale

Volume 04, No. 07

Regional Activity (State Data)

Permits Issued (04/25/16 to 05/13/16)

	Compls	Permits
South Texas (RRC 1)	36	58
South Texas (RRC 2)	34	54
South Texas (RRC 3)	2	9
South Texas (RRC 4)	9	15

Most Active Operators by Permits

1 Hilcorp Energy	25
2 EOG Resources	21
3 Chesapeake	15

Permits by Formation (by Last Scout)

Formation	05/19	04/28	04/07
Eagle Ford	80	94	68
41-A & 98-A Cons	18	-	25
Buda	5	3	2
Austin Chalk	3	2	3
4600 Sand	2	-	-
Wilcox	2	2	3
Mirando	2	-	-
Vicksburg	2	-	-
Lewisville	1	3	2
Others	21	27	22
TOTAL	136	131	125

Source: TXRRC

Active Rigs Running (Baker Hughes) 39

EOG and GulfTex crack code in Austin Chalk

Usually Eagle Ford focused, EOG Resources joins GulfTex as operators finding new success in the Austin Chalk and flowing over 3,000 boe/d from the formation.

Located in Sugarkane field in Karnes County, Texas, EOG's first test well in the formation, the Leonard AC Unit 101H, flowed at 3,215 boe/d (85% oil), according to state data, and averaged 2,715 boe/d (77% oil) for 30 days. The second well, the Denali Unit 101H,

averaged 3,130 boe/d (72% oil) over its first 20 days, according to EOG.

Privately held GulfTex is drilling impressive Austin Chalk wells, too. After flowing its first well last month at 3,687 boe/d (82% oil) (see Issue 04), the company completed its second well to even better results. Texas data indicate the Moczygemba Unit #104H flowed 3,775 boe/d (59% oil) and was drilled with a ~3,000-ft lateral.

➤ **Continues On Pg 11**

Marathon reduces Eagle Ford stage spacing with 20% uplift

Marathon Oil is tightening up stage spacing on its high-GOR Eagle Ford wells and seeing 20% outperformance vs. offset wells, the company said. Stage spacing on 15 wells that came online in Q1 was 200 ft vs. 250 ft on the offset wells. Individual well results

Stage spacing 200 ft vs. offset wells with 250-ft spacing; testing 150 ft.

aren't known, but the Brysch Jonas four-well pad targeting Upper and Lower Eagle Ford in Karnes County, Texas, yielded 30-day IPs ranging from 1,198-1,409 boe/d. All four of the wells utilized the 200-ft stage spacing.

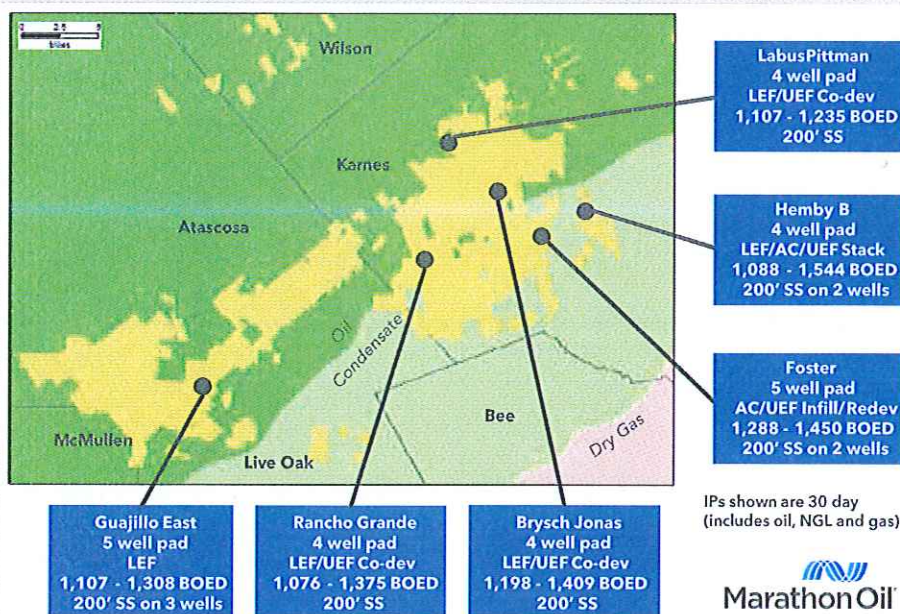
The 200-ft stage spacing is now Marathon's baseline for all wells drilled in the oil window, said CEO Lee Tillman, adding that the company is even testing down to 150-ft spacing.

More than half of the company's 2016 program is devoted to drilling high-GOR wells, which represent over 60% of Marathon's future Eagle Ford inventory.

Marathon is also realizing drilling efficiencies in the play. Average spud-to-TD time was eight days, or 2,300 ft per day, in Q1.

➤ **Continues On Pg 3**

Marathon Sees Increased Uplift From 200-ft Spacing



Source: Marathon Oil May 04, 2016 via PLS docFinder (www.plsx.com/finder)

Deals For Sale

TEXAS EAGLE FORD NONOP

10-PDP Wells. 13-PDNP. 1-PUD.

MCMULLEN COUNTY

Eagle Ford Oil Play. >7,000 Ft. Lateral

~8% NonOperated WI; 75% Lease NRI

Additional ~4.6% WI In 11-WOC Wells.

Expected Q3 2016 Compl.Date. **NONOP**

Gross Prod: 1,193 BOPD & 1,128 MCFD

Net Production: 72 BOPD & 68 MCFD

Avg Net Cash Flow: ~\$100,000/Mn

PP 5505DV

SOUTH TEXAS MULTIPAY PROJECT

34,000-Total Acres.

WEBB & LASALLE CO.

EAGLE FORD SHALE

Escondido, Eagle Ford, Olmos & More.

25% NonOp WI Available. **MULTIPAY**

Offset Escondido Wells IP >7 MMCFD.

Offset Eagle Ford Wells IP >30 MMCFD.

Some Horizon's IRRs Exceed 30%.

DV 5402PP

SOUTH TEXAS (RRC 2)

KARNES

Burlington Resources. 2 Completions, 6 Horizontal Permits.**Eagleville Field (Eagle Ford)**

● Completion. McCumber Unit A #3. 42-255-34302. HZ. Oil. Completed 03/14/16. Orig Permit 11/05/14. F J Haskins A-136. Spud 01/05/16. TD 17,281'. TVD 10,736'. Form Rec: Yegua 2077; Queen City 4371; Reklaw 5130; Carrizo 5410; Wilcox 5566; Austin Chalk 12493' & Eagle Ford 12836'. Surf Casing 9.625" to 4265' & Prod Casing 5.5" to 17262'. Perf'd 13133'-17130'. Choke 13/64-in. CP 6,342 PSI. Oil Grav 52.7° API. GOR 1,814:1. Flowed 983 bo/d & 1,784 Mcf/d. 20 Stgs.

● Completion. McCumber Unit A #4. 42-255-34594. HZ. Oil. Completed 03/14/16. Orig Permit 05/19/15. F J Haskins A-136. Spud 01/03/16. TD 17,426'. TVD 12,688'. Form Rec: Yegua 2078; Queen City 4374; Reklaw 5130; Carrizo 5410; Wilcox 5573; Austin Chalk 12551' & Eagle Ford 12862'. Surf Casing 9.625" to 4245' & Prod Casing 5.5" to 17406'. Perf'd 13390'-17267'. Choke 13/64-in. CP 6,095 PSI. Oil Grav 52.5° API. GOR 207:1. Flowed 1,072 bo/d & 2,222 Mcf/d. 19 Stgs.

3x 17,000' Amended. Allen Unit A #3 (thru #5). 42-255-33985 (33986, 34079). O&G. Haskins, F J A-136; PBHL A-136. 360 Acres. Issued 05/04/16.

2x 17,500' Amended. Leo Janysek Unit A #2 (#3). 42-255-34193 (34194). O&G. Haskins, F J A-136; PBHL A-136. 387 Acres. Issued 05/12/16.

17,500' Permit. William Unit A #4. 42-255-35008. O&G. Haskins, F J A-136; PBHL A-136. 360 Acres. Issued 05/13/16.

Encana O&G. 3 Completions, 2 Permits.**Eagleville Field (Eagle Ford)**

● Completion. Charger Unit #10H. 42-255-34806. HZ. Oil. Completed 02/04/16. Orig Permit 10/15/15. F Carillo A-64. Spud 11/18/15. TD 17,583'. TVD 10,473'. Form Rec: Yegua 536; Reklaw 2414; Carrizo 2971; Queen City 2971; Wilcox 4047; Austin Chalk 9583' & Eagle Ford 9893'. Surf Casing 9.625" to 4362' & Prod Casing 5.5" to 17570'. Perf'd 10356'-17517'. PBDT 17,570'. Choke 21/64-in. FTP 525 PSI. CP 836 PSI. Oil Grav 44° API. GOR 1,060:1. Flowed 530 bo/d & 562 Mcf/d. KOP 9,500.

● Completion. Golden B Unit #15H. 42-255-34548. HZ. Oil. Completed 02/04/16. Orig Permit 07/13/15. D Austin A-17. Spud 07/23/15. TD 16,634'. TVD 11,870'. Form Rec: Yegua 1480; Queen City 3560; Reklaw 3860; Carrizo 4781; Wilcox 5831; Austin Chalk 11041' & Eagle Ford 11452'. Surf Casing 9.625" to 4236' & Prod Casing 5.5" to 16615'. Perf'd 11527'-16562'. PBDT 16,611'. Choke 13/64-in. CP 1,395 PSI. Oil Grav 43° API. GOR 1,613:1. Flowed 940 bo/d & 1,517 Mcf/d. KOP 10,978.

● Completion. Thunderbird Unit #11H. 42-255-34805. HZ. Oil. Completed 02/04/16. Orig Permit 10/15/15. F Carillo A-64. Spud 11/17/15. TD 17,690'. TVD 10,437'. Form Rec: Frio 536; Reklaw 2414; Queen City 2971; Wilcox 4047; Austin Chalk 9618' & Eagle Ford 9902'. Surf Casing 9.625" to 4358' & Prod Casing 5.5" to 17670'. Perf'd 10083'-17615'. PBDT 17,667'. Choke 18/64-in. FTP 526 PSI. CP 975 PSI. Oil Grav 45° API. GOR 701:1. Flowed 429 bo/d & 301 Mcf/d. KOP 9,587.

BURLINGTON RESOURCES

11,000' Permit. Hoffmann Unit #17H. 42-255-35006. HZ. O&G. Seguin, D E A-10; PBHL A-10. 418 Acres. Issued 05/04/16.

11,000' Permit. Hons Unit #19H. 42-255-35004. HZ. O&G. Seguin, D E A-10; PBHL A-10. 530 Acres. Issued 05/04/16.

EOG Resources. 6 Completions, 3 Horizontal Permits.**Eagleville Field (Eagle Ford)**

● Completion. Josey Unit #3H. 42-255-33856. HZ. Oil. Completed 02/25/16. Orig Permit 11/03/15. C Myers A-407. Spud 10/02/15. TD 16,010'. TVD 11,121'. Form Rec: Frio 600; Yegua 1300; Queen City 3178; Reklaw 3469; Wilcox 4048; Midway 7676; Navarro 8769; Anacacho 10335' & Eagle Ford 10642'. Surf Casing 9.625" to 4247' & Prod Casing 5.5" to 15998'. Perf'd 10974'-15900'. PBDT 15,905'. Choke 48/64-in. FTP 1,196 PSI. CP 140 PSI. Oil Grav 42° API. GOR 817:1. Flowed 2,813 bo/d & 2,300 Mcf/d. KOP 10,282. 11,352,348 Gals Ld.

● Completion. Josey Unit #4H. 42-255-33857. HZ. Oil. Completed 02/06/16. Orig Permit 05/03/16. C Myers A-407. Spud 10/13/15. TD 15,884'. TVD 11,093'. Form Rec: Frio 600; Yegua 1300; Queen City 3178; Reklaw 3469; Carrizo 4272; Midway 7676; Navarro 8769; Wilcox 4048; Austin Chalk 10480; Anacacho 10465' & Eagle Ford 10645'. Surf Casing 9.625" to 4939' & Prod Casing 5.5" to 15874'. Perf'd 11029'-15779'. PBDT 15,784'. Choke 40/64-in. FTP 1,370 PSI. CP 1,430 PSI. Oil Grav 42° API. GOR 784:1. Flowed 2,019 bo/d & 11,584 Mcf/d. 11,246,382 Gals Ld.

● Completion. Josey Unit #5H. 42-255-33858. HZ. Oil. Completed 02/12/16. Orig Permit 05/03/16. C Myers A-407. Spud 10/23/15. TD 16,015'. TVD 11,108'. Form Rec: Frio 600; Yegua 1300; Queen City 3178; Reklaw 3469; Wilcox 4048; Carrizo 4272; Midway 7676; Navarro 8769; & Eagle Ford 10610'. Surf Casing 9.625" to 4929' & Prod Casing 5.5" to 15993'. Perf'd 11060'-15857'. PBDT 15,900'. Choke 44/64-in. FTP 1,312 PSI. CP 11 PSI. Oil Grav 42° API. GOR 752:1. Flowed 2,740 bo/d & 2,063 Mcf/d. KOP 10,402. 11,513,082 Gals Ld.

● Completion. Parker Unit #3H. 42-255-34856. HZ. Oil. Completed 03/04/16. Orig Permit 11/30/15. HRS A Hernandez A-4. Spud 01/20/16. TD 17,442'. TVD 10,406'. Form Rec: Frio 450; Yegua 710; Queen City 2871; Reklaw 3446; Carrizo 4272; Wilcox 5053; Midway 7537; Navarro 8507; Anacacho 10471; Austin Chalk 10632' & Eagle Ford 10898'. Surf Casing 9.625" to 5197' & Prod Casing 5.5" to 17439'. Perf'd 11080'-17344'. PBDT 17,349'. Choke 44/64-in. FTP 1,044 PSI. Oil Grav 41° API. GOR 667:1. Flowed 1,596 bo/d & 1,065 Mcf/d. KOP 10,263. 15,735,902 Gals Ld.

● Completion. Parker Unit #4H. 42-255-34857. HZ. Oil. Completed 03/20/16. Orig Permit 11/30/15. HRS A Hernandez A-4. Spud 01/04/16. TD 17,448'. TVD 10,434'. Form Rec: Frio 450; Yegua 710; Queen City 2871; Reklaw 3446; Carrizo 3980; Wilcox 5053; Midway 7537; Navarro 8507; Anacacho 10370; Austin Chalk 10600' & Eagle Ford 10870'. Surf Casing 9.625" to 5226' & Prod Casing 5.5" to 17448'. Perf'd 11069'-17355'. PBDT 17,360'. Choke 30/64-in. FTP 1,809 PSI. CP 283 PSI. Oil Grav 41° API. GOR 539:1. Flowed 2,359 bo/d & 1,273 Mcf/d. KOP 10,292. 15,150,156 Gals Ld.

● Completion. Parker Unit #5H. 42-255-34858. HZ. Oil. Completed 03/12/16. Orig Permit 11/30/15. HRS A Hernandez A-4. Spud 12/22/15. TD 17,369'. TVD 10,428'. Form Rec: Frio 450; Yegua 710; Queen City 2871; Reklaw 3446; Carrizo 4272; Wilcox 5053; Midway 7537; Navarro 8507; Anacacho 10381; Austin Chalk 10616' & Eagle Ford 10880'. Surf Casing 9.625" to 5219' & Prod Casing 5.5" to 17369'. Perf'd 11064'-17273'. PBDT 17,278'. Choke 44/64-in. FTP 1,170 PSI. Oil Grav 41° API. GOR 655:1. Flowed 2,728 bo/d & 1,789 Mcf/d. KOP 10,102. 14,796,180 Gals Ld.

2x 12,000' Amended. Josey Unit #4H (#5H). 42-255-33857 (33858). Oil. Myers, C A-407. 204 Acres. Issued 05/03/16.

11,500' Amended. Maverick Unit #3H. 42-255-34423. Oil. Clover, I A-62; PBHL A-62. 166 Acres. Issued 05/13/16.

EOG Resources < Con'd From Pg 1

The best of this new batch of Austin Chalk wells, the Moczygamba, logged an IP rate ~54% better than the only other operator drilling oil wells in the last three years. State data show that privately held BlackBrush completed four wells last year with an average IP of 2,459 boe/d (82% oil). Marathon has been the primary operator in the reservoir historically, but it is focused on gassy wells flowing ~1.8 MMcf/d. Marathon's oiliest well in the play IP'd at 927 boe/d (76% oil) in 2014, according to state data. **PLS**