"RESOURCE PLAYS"
Risk Level High – as much as 50 – 90%

1. Find Zone
2. Reservoir Quality Characteristics
3. Trapping Mechanism
4. Source for Oil and Gas to Migrate into the Trap

If just one of these Characteristics is missing, you have just drilled a dry hole.
Nonconventional “Resource Play”

The low to no risk and the size is what allows a company to pay high bonuses per acre and 25% royalty compared to conventional play lease terms of $100/acre and 18.75% royalty.
Producing Well – 54
Permitted Well, Waiting on Completion – 101
Permitted Well, Drilling in Progress – 47
Permitted Well, Not Drilling – 91

293 Total Wells Permitted in Haynesville shale
Operators in the Haynesville Shale

- Encana
- Petrohawk
- Chesapeake
- Samson
- Devon
- EXCO
- XTO
- Shell
- Plains Exploration
- Goodrich Petroleum
- Heritage Energy
- Questar
- Southern Star
- Mainland Resources
• Drill a vertical hole 11,500’ -12,000’ then drill 3,000’ – 4,000’ horizontal
• Drilling time per well 45 – 60 days
• A single rig can drill 6 wells per year
• A Haynesville Shale well cost $7 - $10 million
Fracturing

- Barnett Shale
- Ellenberger (Water Bearing Formation)
- Viola (Frac Barrier)
Haynesville Shale Issues
Working with Local Governments

- Water
- Roads
- Noise
- Pipelines
- Production Facilities
- Public Education
- Drilling - Safety
- Leasing – Public Education
Haynesville Shale Education Center

Northwest Louisiana's most comprehensive resource for information relating to the Haynesville Shale natural gas formation.

www.HSEC.la