



Devon Energy completes oiliest well in the Meramec

Devon Energy has brought online a record-setting oil well and notes encouraging downspacing tests in the overpressured oil window of the Meramec in Kingfisher County, Oklahoma. COO Tony Vaughn said these recent successes will help Devon

plan for optimal full-field development of its STACK position in 2017. "The Alma spacing pilot

and record-setting Pony Express oil well are examples of the excellent results we are achieving in the Meramec formation, which has quickly evolved into the best emerging development play in North America," Vaughn said.

In the southwestern portion of the county, the Pony Express 27-1H achieved an average 30-day rate of 2,100 boe/d. The well's 70% oil content (1,500 bo/d) is the highest of any Meramec well drilled yet in the play on a per-lateral-foot basis, Devon said. Pony Express sports a 5,000-ft lateral.

Devon's second spacing pilot in the core of the oil window tested five wells per section in a single interval of the upper Meramec.

➤ **Continues On Pg 17**

*Best of Meramec oil-wise, well logs
2,100 boe/d (70% oil) 30-day rate.*

Silverback shifts Reeves County Wolfcamp to the high side

Private Permian startup Silverback Exploration is at the forefront of a new phase of Wolfcamp activity focusing on higher benches in the Block 4 area of Reeves County, Texas. The San Antonio company's first two horizontal wells, drilled in the A bench

during Q1, were among the area's best to date. Now it has picked up a new rig to continue drilling the Wolfcamp A and begin delineating the upper portion of the B bench.

Speaking with PLS, Silverback COO Stephen Lipari said early Wolfcamp activity in the Block 4 area focused on the C bench and deeper, resulting in unexceptional, gas-weighted wells. "The Block 4 area was drilled early in the life of the Delaware and the Wolfcamp with not very positive results," Lipari said.

Silverback is one of four operators that have begun drilling the area with a new focus on the Wolfcamp A and "high B," Lipari said, adding that all four operators are treating the "high B" as a separate target zone from the "low B."

➤ **Continues On Pg 17**

*One of 4 operators drilling stronger,
oilier wells in A and 'high B' zones.*

Antero drills 7,274 ft of Marcellus in single day

Antero set a record in the Marcellus during Q2 by drilling a whopping 7,274 ft of lateral in a 24-hour period on the Hunter 1H well in West Virginia. The company set its previous record of 5,291 ft in Q1. Antero averaged 3,623 ft per day in Q2,

which is up 72% from Q1's average. In fact, Antero has seen its 20 best drilling days since it began drilling the Marcellus in 2009 this year, with the top days split evenly between the two quarters. It also says it recently drilled the longest lateral in company history at 14,024 ft.

Drilling time is down in both the Marcellus and the Utica. Marcellus wells are being drilled in 15 days on average from spud to rig release, down nine from 2015. Utica wells are being drilled in 16 days, down from 31 in 2015. Along with drilling time, Antero has also reduced well costs sequentially in both plays—down 5% in the Marcellus to \$8.1 million and down 9% in the Utica to \$9.4 million. The figures assume 9,000-ft laterals in both cases. Cost declines were driven by lower service costs and operational efficiencies.

In the Marcellus, Antero completed 22 wells averaging 9,200-ft laterals during Q2.

➤ **Continues On Pg 6**

*Drilled an avg. 3,623 ft per day in Q2,
which is up 72% sequentially.*

Dealmakers is scheduled for Dallas next week

We are a week away from PLS' Dealmakers Prospect & Properties Expo in Dallas, and opportunities abound. This summer's event, taking place July 26 at the Hilton Anatole, features a strong focus on Texas from the Permian Basin to the Fort Worth Basin and along the Gulf Coast. Attendees will also see deals in Louisiana, Oklahoma and Colorado.

Reserve a booth & get a pass: email rbenoche@plsx.com or call 713-600-0154.

Slots have filled up fast as the oil and gas marketplace has become increasingly competitive in the face of strengthening oil prices. It's become critical to monetize non-core assets and weigh the best options for new acquisitions in high-return plays. Buyers and sellers alike can meet face-to-face in an intimate, cost-effective and productive setting to generate opportunities.

➤ **Continues On Pg 6**

DEALS FOR SALE

MIDLAND BASIN SALE PACKAGE

10-Producing Wells, 5,869-Net Acres.

REAGAN, IRION, CROCKETT & SCHLEICHER COUNTY, TEXAS

Primary Targets: Wolfcamp B & C

92% OPERATED WI; 75% NRI

Add'l Resource Potential: 7.7 MMBOE

PDP PV9: \$11,300,000

CONTACT AGENT FOR INFO

PP 3040DV

PP

490
BOED

OKLAHOMA SALE PACKAGE

21-Producing Wells, 18,500-Net Acres.

GARFIELD, LOGAN, MCCLAIN, NOBLE & PAYNE COUNTIES

Producing From: Mississippi Lime & Woodford Formations

Avg 87.6% OPERATED WI; 70.6% NRI

Cash Flow: \$450,000 Per Month

Net Proved Reserves: 2.63 MMBOE

CONTACT AGENT FOR MORE INFO

PP 4500DV

PP

~1,000
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DEALMAKERS JULY 26, 2016**

MidContinent

Devon completes oiliest Meramec well < Cont'd From Pg 1

The Alma pilot wells recorded an average 30-day rate of 1,400 boe/d (60% oil). Not only was Devon pleased with the IP rates, but the company said it saw little well interference, pointing to tighter spacing down the line though Devon didn't indicate what spacing was tested. The Alma wells sported 5,000-ft laterals.

Alma pilot tested 5 wells per interval with 1,400 boe/d 30-day rate.

In an update to its first spacing test, the staggered two-well Born Free pilot, Devon said results were still exceptional, with a 90-day average of 1,500 boe/d (60% oil). The pilot's wells were spaced 400 ft apart and landed in two Upper Meramec intervals. These wells' 30-day average was 2,200 boe/d (53% oil), which outperformed Devon's type curve by 70%. Born Free also experienced minimal interference.

Born Free staggered pilot clocks in with 1,500 boe/d 90-day rate.

Devon said results will be available in Q3 from its Pump House spacing pilot in southwest Kingfisher, where it is testing seven wells in a single Upper Meramec interval. The company added that it was participating in additional spacing pilots this year that are testing up to eight wells in a single interval, but it is also evaluating the joint development of stacked-pay intervals with staggered pilots. Devon expects to use all results to tailor 2017's development plan.

Permian

Silverback shifts Reeves County Wolfcamp < Continued From Pg 1

These four operators have drilled and completed 11 Wolfcamp wells since December 2015 with much stronger results than the area had previously experienced.

The new wells had 24-hour rates averaging 1,524 boe/d with oil cuts ranging 40-75% based on a two-phase calculation.

These wells had an average 30-day rate of 1,160 boe/d. "These

Silverback on high of industry 30-day rates at 1,463 boe/d.

IPs compete with all the IPs of the better operators in the play," Lipari said.

Silverback's two Wolfcamp A wells were at the high end of these results. The Folk Rolwing A 4-34 33-1H, drilled in February with a 1.5-mile lateral, had a 24-hour rate of 1,964 boe/d (42% oil) and the Williams 4-53-2H, drilled in March with a 1-mile lateral, had a 24-hour rate of 2,054 boe/d (40% oil). These two wells had an average 30-day rate of 1,463 boe/d, 26% higher than the average for all 11 new wells.

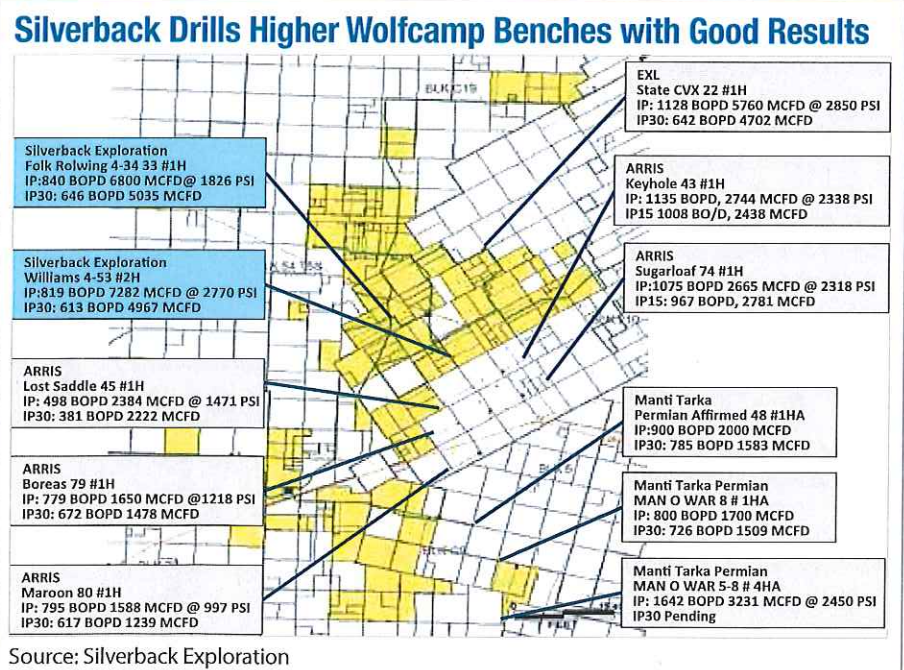
Drilling the first well in 'high B,' seen as closer to A than to gassy 'low B.'

Illustrating the difference in commercial potential between the Wolfcamp A and "low B" zones in the area, last summer Silverback completed two "low B" wells that had been drilled by previous operator **BHP Billiton** with 1-mile laterals. The Donaldson 4-54-1H and Williams 4-53-1H wells flowed initial 30-day rates of 875 and 997 boe/d, respectively, each with 32% oil. Those rates were ~60% of what Silverback would later achieve with its first two Wolfcamp A wells.

Silverback has 275 locations each in A & 'high B' based on 7,500-ft laterals.

Now Silverback is running one of three active rigs in the Block 4 area to drill its first well in the Wolfcamp "high B," which it believes to be more akin to the Wolfcamp A than to the "low B." The Admiral 4-57-58-1H will be drilled with a 2-mile lateral. Silverback says it has identified 275 wells each in the Wolfcamp A and "high B" on its 31,500-net-acre leasehold, based on 7,500-ft laterals.

Silverback was formed in November 2013 with \$350 million from **EnCap Investments**. Its first acquisition was in December 2014, buying an operated 44,000 net acres with 26 producing wells (22 horizontal) in Reeves County from BHP for \$1 billion. Silverback then completed acreage swaps with offset operators to block up this position.



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