

SHALE OIL & GAS ATTACK-A-MARKET™ NEWSLETTER

Meeting the Inherent Challenges of the Shale Oil & Gas Plays, by Keeping
All of Your Machinery Running at Peak Performance!



BP Plans Separate U.S. Shale Oil Business Focus

NOTE: This Shale Oil and Gas Newsletter from Luber-finer is a quick read on the shale oil and gas market as it pertains to opportunities or "need to know" news related to Luber-finer products. If you have news to share, please send an email (with a link) to Darren Wight at dwight@deanhouston.com.

Colorado Oil Production Reaches New 60-Year, Record-High Levels

The oil booms in Texas and North Dakota have gotten a lot of press, with good reason, too: the production increases in those states have been dramatic and transformative, spurred by technological advancements that have opened up new geological formations for drilling.

One region that hasn't gotten quite the same amount of press is Colorado, but maybe it should receive more coverage: the state is close to breaking a production record first set back in 1956.

Initial estimates are quite positive as the final yearly numbers for 2013 were at 57.88 million barrels produced, barely shy of the nearly 60-year-old record of 58.6 million barrels. This pace is even more incredible than many had estimated. While there were widespread predictions that 2014 would be the year the mark was set, few foresaw that 2013 would be such a banner year for Colorado production.

This is especially true considering that 2,650 wells had to be shuttered for months after floods in September.

Full story: <http://bit.ly/1kEzubE>
SOURCE: OilPro.com

BP Planning Separation Of U.S. Shale Assets Into New Business

BP will separate its onshore U.S. oil and gas assets into a new wholly owned business in order to improve the competitiveness of its U.S. shale portfolio.

The unit will have the equivalent of 7.6 billion barrels of oil across 5.5 million acres and a stake in more than 21,000 wells.

Several energy majors, including Shell and BG Group, have struggled after making large investments in U.S. shale. This has rendered them susceptible to depressed gas prices, dragging on their profits. Independents have proven much more successful in developing shale, as they have shorter decision times and are more nimble in deploying capital to the right places as shale plays evolve.

BP stated that a separate U.S. shale business, headquartered in a new Houston, TX, location, would be more competitive because it would have more rapid decision-making abilities and shorter cycle times from gaining access to drill through to production. In other words, BP's move to separate is akin to trying to replicate the independent model.

BP CEO Bob Dudley said the establishment of a "discrete, high quality" unit would give options for the company's future plans.

Full story: <http://bit.ly/1g9hzqa>
SOURCE: OilPro.com

Upcoming Industry Events

APRIL 2014

Energy Network Expo

The Woodlands, TX – April 3

NAPE Expo

Pittsburgh, PA – April 9-11

Midland Energy Expo 2014

Midland, TX – April 14-15

Complete list at
www.luberfinerenergy.com

Featured Product



TotalTec™ HD Fuel Filter

Luber-finer® TotalTec™ HD Fuel Filter provides reliability with OEM-quality-or-better performance. Luber-finer delivers 75 years of filtration excellence with a one-filter solution to plastic-bowl add-on-type filters.

Upcoming Luber-finer Ads

Bulk Transporter	March
Commercial Carrier Journal	March
Fleet Maintenance	March

Bakken Rig Count Exceeds 175, EOG Planning To Double Wells

The Bakken-Three Forks rig count increased by two to 175 rigs. The NDIC notes around 192 rigs are active in North Dakota, but around 18 of those are in the process of moving in and rigging up.

EOG Resources plans on drilling 80-net wells in 2014. That's nearly double the number drilled in 2013, which was 54. At that rate, the company has a drilling inventory in the Bakken of eight years.

Full story: <http://bit.ly/NKLpXm>
SOURCE: *BakkenShale.com*

Ohio Shale Oil Recovery May Have To Navigate Yet Another Hurdle

You might call this a "boom/bust" for the legacy oil and gas producers in Ohio (also known as the vertical well drillers). The "boom" has given them the ability to monetize their deep rights, namely the Utica, Point Pleasant and Marcellus shales.

The "bust" for these Ohio producers is the inability to lease acreage, unless they want to pay \$5,000 an acre, even if the landowner is allowed to retain their deep rights. The other part of the "bust" is the increased costs for oil and gas services and equipment due to the shale boom.

Full story: <http://bit.ly/1cKJZSL>
SOURCE: *OilPro.com*

Chevron CEO: U.S. Should Increase LNG, Crude Exports

Chevron Corp. Chairman and CEO John Watson said the United States should get on with exporting oil and liquefied natural gas, saying that U.S. consumers and allies of the U.S. would benefit.

The controversy over exports of liquefied natural gas (LNG) from the U.S. has subsided, but the timing of the U.S./Canadian LNG export projects is still in development.

Full story: <http://bit.ly/PdntwN>
SOURCE: *RigZone.com*

Canada Rigs Begin Spring Break Up, 500 Rigs Ready For Return

Spring Break Up is just around the corner in Canada, and, based on historical patterns, it should start to be reflected in the coming rig counts.

On average, spring break-up takes about 500 rigs out of action in Canada for several months, as thaw-related road bans and load limits prohibit heavy vehicle transit.

Predictions for Q1 in 2014 would put current estimates at a slightly below-predicted rate.

Full story: <http://bit.ly/1int1BQ>
SOURCE: *OilPro.com*

Eagle Ford Rig Count Seeing Increased Activity With Spring

The Eagle Ford Shale rig count increased by two to 266 rigs up and running. EOG Resource's Eagle Ford resource potential went up 45% to 3.2 billion barrels per day (b/d) from 2.2 billion b/d in 2013.

In 2014, EOG will be focusing a large portion of its \$8.1 billion to \$8.3 billion capital budget in the Eagle Ford Shale. This decision comes on the heels of increased well productivity and initial production rates in the play in 2013.

Full story: <http://bit.ly/1k4c9NT>
SOURCE: *EagleFordShale.com*

Tuscaloosa Marine Shale Is The New Kid On The Shale Block

The Tuscaloosa Marine Shale formation covers 6.6 million acres, stretching in a boomerang shape across mid-Louisiana and into southern Mississippi.

Although explorers have known about the formation for years, cost-effective technology to extract the oil from the shale's tight pores was slow to develop. Two of the serious knocks on the TMS have been the reservoir depth and the high clay content.

Full story: <http://bit.ly/1ilagdQ>
SOURCE: *OilPro.com*

U.S. Shale Oil Drilling Boom Is Bolstering U.S. Economy, Jobs

The U.S. oil and gas drilling boom is creating jobs far faster than the general economy and generating enough wealth to prevent a lapse back into recession, according to a report published this month by Manhattan Institute.

Some key findings of the report, by Senior Fellow Mark P. Mills:

- Overall U.S. employment has yet to return to its prerecession level, but the number of oil and gas jobs has grown 40% since then.
- In the 10 states at the epicenter of oil and gas growth, overall statewide employment gains have greatly outpaced the national average.

Full story: <http://bit.ly/1nt34zm>
SOURCE: *Oil&GasJournal.com*

Mexico Reforms Could Open Oil Sector To International Investment

Experts say the American continent and its three oil-producing countries could become energy independent with Mexico's reform, which eliminates the state monopoly and opens the oil sector to international investment and contractors with expertise to extract the country's vast proven reserves.

Full story: <http://bit.ly/1ilaEsT>
SOURCE: *Vindy.com*

U.S. Shale Boom Will Be Hard To Replicate In Other Countries

There are some people who really think they can replicate the United States shale gas boom. But it's not as easy as that. The land ownership and the resource ownership go together in the United States – the only country where that is the case.

It's also about having the right gas industry, the right knowledge, the right infrastructure, the water, the human skills, the geological information, etc. And geology in the U.S. is quite different from Ukraine or Poland.

Full story: <http://bit.ly/1k4cFLM>
SOURCE: *CSmonitor.com*