REFERENCE CODE **GDGE0106MAR** | PUBLICATION DATE **JUL 2015**

GlobalData

EAGLE FORD SHALE: CRUDE OIL PRICES LEVEL OFF DEVELOPMENT ACTIVITY

Table of Contents

1 Table of Contents

Table of Contents

Table of Contents

1.1 List of Tables

Table of Contents

1.2 List of Figures

Key Points

2 Key Points

- Eagle Ford production for 2015 is predicted to stay stagnant or show only minimal improvement compared to 2014 levels. Less development and a reduced number of new wells is not likely to bring enough new production online to improve production levels and offset a drop in production from legacy wells.
- The number of rigs in the Eagle Ford is likely to remain stagnant or drop slightly because Q1 2015 has already seen operators make significant cuts. However, rig counts will show a slight improvement going forward as crude oil prices remain stronger than in Q1.
- Companies have made cost reductions a priority for 2015, which is evident from the continual reduction in well costs across the Eagle Ford. Improved drilling rates, altered completion techniques, and lower service costs mean that companies have achieved up to a 10% reduction in well costs for 2015 compared to 2014.

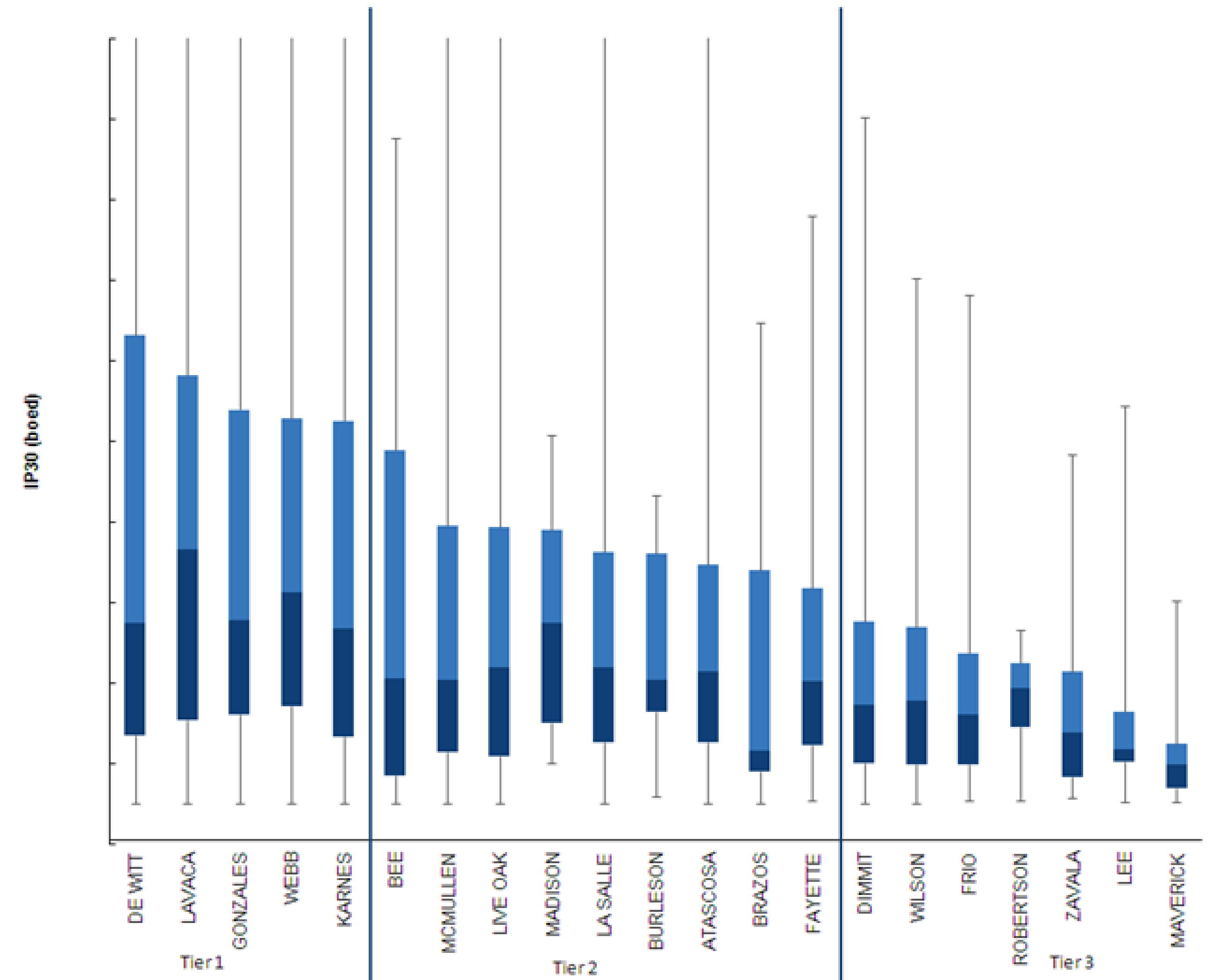
3 Introduction

The Eagle Ford has undergone a radical transformation in terms of development activity in the last few months, largely due to the drastic drop in oil prices. Rig counts have fallen roughly 46%, and companies have significantly cut back development budgets. In rare cases like Comstock, they have suspended all drilling activities in the play. Companies have increased development activity in regions that indicate the most favorable economics, and slowed or even halted it in other regions in their acreage holdings until market conditions improve.

Based on well performance, particularly the Initial 30-day Production rates (IP30) of specific counties within the Eagle Ford, play development activities will focus on consistently productive areas, rather than on those where results vary and the acreage is therefore less lucrative to develop. Other key considerations for development during these challenging times are break-even prices for the given counties, and Estimated Ultimate Recovery (EUR) per well. In order to achieve economical break-even prices, operators will focus on areas with greater EURs, as well as higher liquids production.

Introduction

Figure 1: IP30 by County



Source: GlobalData

4 Geology

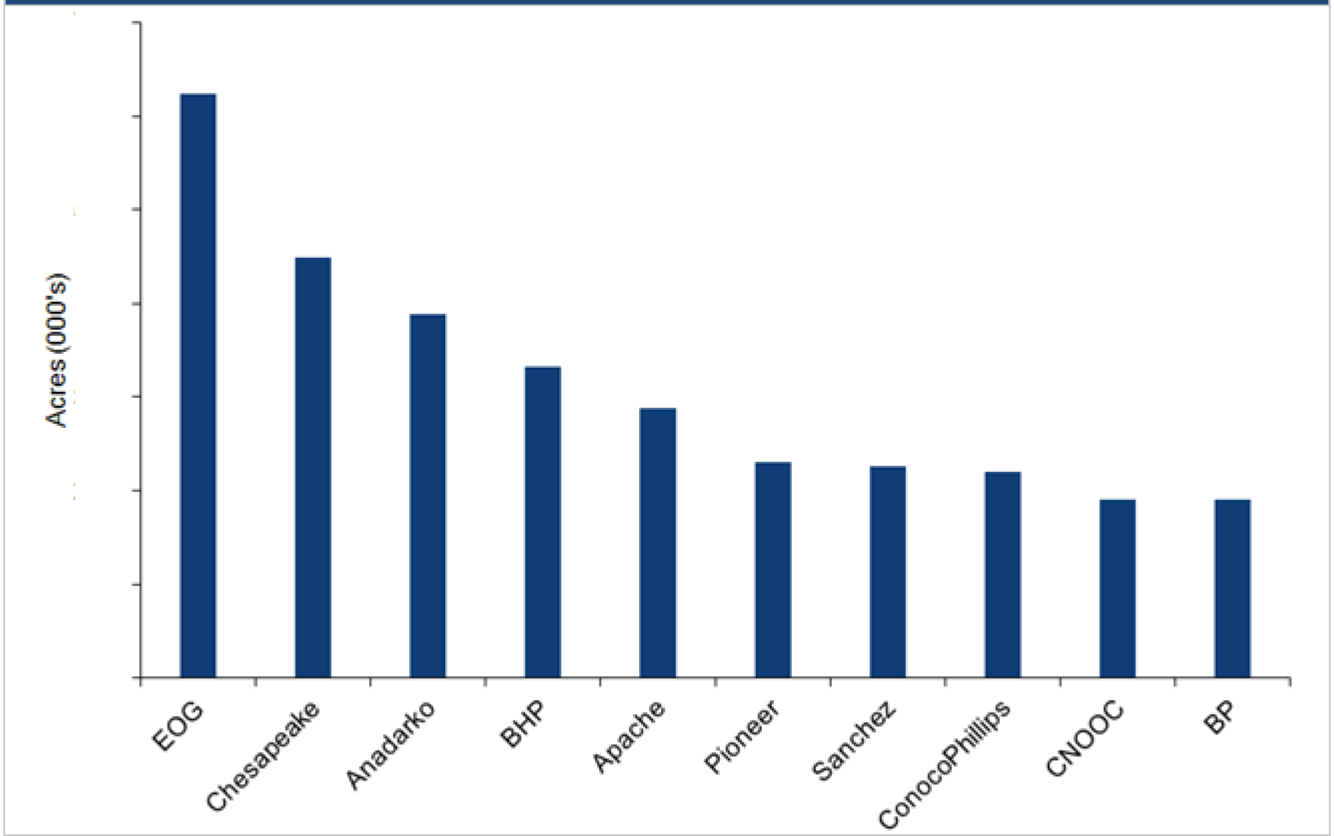
Table 1: Eagle Ford Geological Characteristics

	Net thickness (ft)	TOC (%)	Porosity (%)	Permeability (mD)	Pressure gradient (psi/ft)	Water saturation (%)

Source: GlobalData

5 Acreage

Figure 2: Top 10 Companies Eagle Ford Acreage



Source: GlobalData

6 Deals

Table 2: Recent Eagle Ford Deals

Completed Date	Brief	Value (US$ mil)

Source: GlobalData

24 Appendix

24.1 Abbreviations

ft– foot

mD– millidarcy

psi/ft – pounds per square inch/foot

mboe– thousand barrels of oil equivalent

bd– barrels of oil per day

mmcfd – million cubic feet per day

boed – barrels of oil equivalent per day day

24.2 Methodology

GlobalData's dedicated research and analysis teams consist of experienced professionals with advanced statistical expertise and marketing, market research and consulting backgrounds in the energy industry.

GlobalData adheres to the codes of practice of the Market Research Society (www.mrs.org.uk) and Strategic and Competitive Intelligence Professionals (www.scip.org).

All GlobalData databases are continuously updated and revised.

24.2.1 Coverage

The objective of updating GlobalData's coverage is to ensure that it represents the most up-to-date vision of the industry possible.

GlobalData aims to cover all major news events and deals in the energy industry, updated on a daily basis.

Appendix

24.2.2 Secondary Research

The research process begins with extensive secondary research on internal and external sources to gather qualitative and quantitative information relating to each market.

The secondary research sources that are typically referred to include, but are not limited to:

- Company websites, annual reports, financial reports, broker reports, investor presentations and SEC filings
- Industry trade journals and other technical literature
- Internal proprietary and external databases
- National government documents, statistical databases and market reports
- News articles, press releases and web-casts specific to the companies operating in the market

24.3 Disclaimer