

Gaines Remains 2nd in State Oil Production

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AUSTIN -- Gaines County wells produced over 2.1 million barrels of oil during the month of October 2011, according to a recent report from the Texas Railroad Commission.

Up from 2.03 million barrels produced in September, Gaines County wells remained behind the pace of wells in neighboring Andrews County, which reported 2.33 million produced barrels of oil, according to TRC records.

In its monthly report, TRC officials stated Texas wells had a preliminary production total of 30,894,077 barrels during the month of October, which was up from 28,161,530 barrels reported during October 2010 and 30,330,018 barrels produced in September 2011.

On average, Texas wells produced roughly 996,583 barrels daily, which was up from the 908,436 barrels daily average of October 2010.

Following Andrews and Gaines counties as the state's top oil producing counties were Yoakum in third (1.78 million barrels), Ector (1.50 million barrels) and Midland (1.46 million) in fourth and fifth respectively.

Rounding out the top ten counties were Upton, Martin, Hockly, Scurry and Ward counties respectively.

The Texas average rig count as of Dec. 16 was 916, representing about 47 percent of all active land rigs in the United States. In the last 12 months, total Texas reported production was 381 million barrels of oil and 7.1 trillion cubic feet of natural gas.

The Commission's estimated final production for October 2011 is 33,773,405 barrels of crude oil and 509,884,053 Mcf (thousand cubic feet) of gas well gas.

The Commission derives final production numbers by multiplying the preliminary October 2011 production totals of 30,894,077 barrels of crude oil and 457,911,139 Mcf of gas well gas by a production adjustment factor of 1.0932 for crude oil and 1.1135 for gas well gas. (These production totals do not include casinghead gas or condensate.)

Texas natural gas storage reported to the Commission for November 2011 was 443,491,626 Mcf compared to 474,188,896 Mcf in November 2010. The December 2011 gas storage estimate is 422,268,502 Mcf.

The Texas Railroad Commission's Oil and Gas Division set initial January 2012 natural gas production allowables for prorated fields in the state to meet market demand of 10,543,082 Mcf (thousand cubic feet). In setting the initial January

2012 allowables, the Commission used historical production figures from previous months, producers' demand forecasts for the coming month, and adjusted the figures based on well capability. These initial allowables will be adjusted after actual production for January 2012 is reported.

In November 2011, operators reported 674 oil, 305 gas, 45 injection and one other completion compared to 333 oil, 242 gas, 25 injection and one other completion November 2010.

Total well completions for 2011 year to date are 7,924 down from 9,324 recorded during the same period in 2010.

Operators reported 189 holes plugged and zero dry holes in November 2011 compared to 557 holes plugged and one dry hole in November 2010.

Texas oil and gas wells produced 530,931,972 Mcf (thousand cubic feet) of gas based upon preliminary production figures for October 2011 down from the October 2010 preliminary gas production total of 559,945,639 Mcf.

Texas production in October 2011 came from 134,379 oil wells and 88,110 gas wells.

The Commission issued a total of 1,878 original drilling permits in November 2011 compared to 1,454 in November 2010. The November total included 1,711 permits to drill new oil and gas wells, 34 to re-enter existing well bores, and 133 for re-completions. Permits issued in November 2011 included 590 oil, 231 gas, 1,003 oil and gas, 44 injection, one service and nine other permits.

TRC's Texas Top 10 Oil

Producing Counties for October 2011

County Barrels of Oil

1. Andrews 2,330,037
2. Gaines 2,132,524
3. Yoakum 1,789,147
4. Ector 1,509,924

5. Midland 1,467,282

6. Upton 1,448,646

7. Martin 1,316,114

8. Hockley 1,272,364

9. Scurry 1,233,354

10. Ward 858,871

** Source -- Texas Railroad Commission

Author: Sentinel Staff