

Shale Oil Production in Bakken, Eagle Ford Little Changed in May: Platts' Bentek Energy

Production From These Two Prolific Shale Plays still up 18% Versus May 2014

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DENVER

DENVER, June 17, 2015 [/PRNewswire/](#) -- Oil production from key shale formations in North Dakota and Texas was little changed in May versus April, according to Bentek Energy, an analytics and forecasting unit of Platts, a leading global provider of energy, petrochemicals, metals and agriculture information.

Oil production from the Eagle Ford shale basin in Texas showed signs of decline in May, falling 6000 barrels per day (b/d), or less than 1%, vs April, the latest analysis showed. This marked the second consecutive month of production decline from the basin. However, the May decrease in production was less than that for April, when production dropped 8000 b/d. Meanwhile, crude oil production in the North Dakota section of the Bakken shale formation of the Williston Basin remained relatively flat, increasing only about 650 barrels b/d, or less than 1% in May vs April.

The average oil production from the South Texas, Eagle Ford basin last month was 1.6 million barrels per day. On a year-over-year basis, that is up 280,000 incremental barrels per day, or about 21% higher than May 2014, according to Sami Yahya, Bentek energy analyst. The average crude oil production from the North Dakota section of the Bakken in May was 1.2 million b/d, or up 155,000 b/d from year ago levels.

"The steep decline in rig count and the discouraging oil barrel pricing environment has taken its toll on oil production from the Eagle Ford shale," said Yahya. "While producers have been actively making gains in efficiency and high-grading their acreage, the efforts have not been sufficient to prevent oil production from dipping. Still, it is worth noting that production decline from the Eagle Ford in May is very small and is less than the decline noted in April, and production from the Bakken shale remains flat despite the severe cuts in rigs. The shortening of drill times in both of those key shales has helped sustain production levels."

Bentek analysis shows that from May 2014 to May 2015, total U.S. crude oil production has increased by about 870,000 b/d.

"Despite recent price weakness, prices of Eagle Ford have been on an upward path since June 12(th), mostly following the U.S. oil complex higher as West Texas Intermediate (WTI) futures gained against ICE Brent," said Luciano Battistini, Platts managing editor of Americas crude. "Bakken at the Williston basin, however, has been on an upward price path since June 2, receiving support from logistical issues at Clearbrook, MN."

[The Platts Eagle Ford Marker](#), a daily price assessment launched in October 2012 and reflecting the value of oil out of the Eagle Ford Shale formation in South Texas, has increased 34% between January and May, with an average price of \$57.11/b for the year. But it is down 38% from year-ago levels. The marker has ranged between \$46.22/b and \$66.23/b since the beginning of this year.

The price of oil out of the Bakken formation at Williston, North Dakota, was up 21% between January and May, with an average price of \$48.54/b for the year, according to the [Platts Bakken](#) assessment. Platts Bakken, however, is down 40% when compared to last year's corresponding month. The wellhead assessment has ranged between \$37.67/b and \$58.94/b since the beginning of January.

The Platts Bakken, introduced April 22, 2014, is a daily assessment of price for oil closest to the wellhead prior to determination of transportation by rail or pipe. The assessment reflects a sulfur content of 0.2% or less and an American Petroleum Institute (API)** gravity of 42 or less, similar to the nature of North Dakota Light Sweet crude. The Platts Eagle Ford Marker reflects the value of a median 47-API Eagle Ford crude barrel, based on the crude's product yields and Platts product price assessments, adjusted for U.S. Gulf Coast logistics.

Platts introduced the world's first independent daily price reference valuing crude oil produced from a shale formation in May 2010 when it began assessing Bakken Blend shale oil injected into pipelines at Clearbrook, Minnesota, and Guernsey, Wyoming.

For more information on Platts price assessments methodology visit these links: [Details of Platts Bakken](#) and [Platts Eagle Ford](#)

Marker. Bentek Energy's shale oil production figures are derived from proprietary data models using publicly available data. For more information on data models, reports or Bentek's methodology, please contact info@bentekenergy.com.

Platts will publish monthly updates via press release on Bakken and Eagle Ford shale oil production and price data.

Visit this link to see the Platts May 2014 special report: [Bakken: The King in the North](#).

* The [Bakken formation](#) spans North and South Dakota, Montana, Saskatchewan, Manitoba and Alberta.

** API gravity is a measure of how heavy or light a grade of crude oil is compared to water.

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Eagle Ford shale," said Yahya. "While producers have been actively making gains in efficiency and high-grading their acreage, the efforts have not been sufficient to prevent oil production from dipping. Still, it is worth noting that production decline from the Eagle Ford in May is very small and is less than the decline noted in April, and production from the Bakken shale remains flat despite the severe cuts in rigs. The shortening of drill times in both of those key shales has helped sustain production levels."

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