

Select Stories

North American E&P | Will Southwestern follow Chesapeake in deferring TILs?

North American E&P | EQT shutting in 1 Bcf/d through March, likely holding capex steady

North American E&P | Eagle Ford children standing on parents' shoulders

North American E&P | Suncor sees major savings ahead from jobs cuts, heavy trucks

North American E&P | Ovintiv's new Uinta wells put multi-zone promise on display

North American Deals & Finance | EQT to buy back 2018 spinoff Equitrans, but MVP may get cut

North American Deals & Finance | Talos closes QuarterNorth deal ahead of schedule

International | Exxon files for arbitration over Stabroek in Chevron-Hess deal

Section Index	PG.
North American E&P	3
Research Spotlight	10
North American Deals & Finance	18
International	20
Recurring Tables & Graphs	PG.
Eastern Regional Data	3
Gulf Coast Regional Data	7
Mid-Continent Regional Data	9
Permian Regional Data	11
Rockies Regional Data	14
U.S. Upstream Industry Overview	16
U.S. Deal Activity at a Glance	17
Upstream Stock Movers	20

Devon scores a 4 MMboe EUR, a pack of 3-milers in Delaware

The final quarter of 2023 saw Devon Energy achieving drilling and completion records and delivering excellent wells in the Delaware Basin. The company drilled 3,100 ft in a single day and drilled a 3-mile lateral in 19 days, with the final mile taking just over 24 hours. Operational activity was highlighted by multiple large pads in the basin's Cotton Draw and Stalene areas. At Cotton Draw, the company brought online 11 wells with 3-mile laterals targeting the Avalon, Bone Spring and Wolfcamp. These wells averaged oil-weighted initial 30-day volumes of 4,400 boe/d, with some EURs tracking as much as 4 MMboe. At Stalene, the eight-well Clawhammer pad co-developed multiple intervals in the Wolfcamp A with 2-mile laterals. Flow rates averaged 3,900 boe/d, and the wells delivered the highest productivity per lateral foot of any Devon project in Q4.

In 2024, Devon plans to keep production flat with the YE23 exit rate at 650,000 boe/d, including 312,000-318,000 bo/d. Capex will be 10% lower this year at \$3.3-3.6 billion, with more than 60% allocated to the Delaware. Spending will be weighted to H1 as the company adds a fourth completion crew in the basin. [Read more...](#)

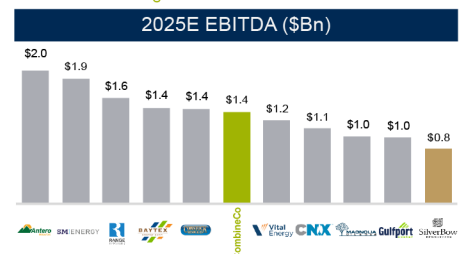
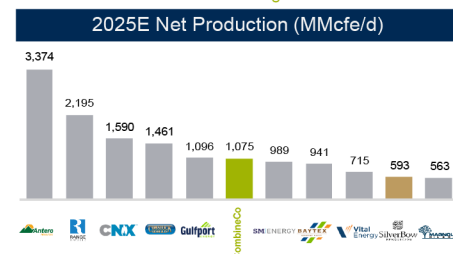
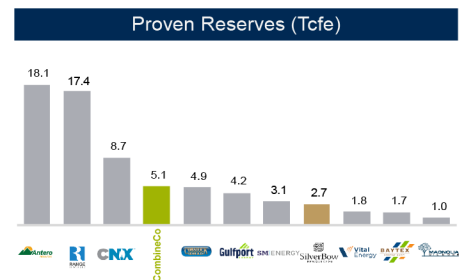
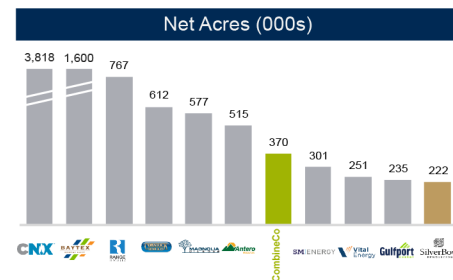
Kimmeridge wants SilverBow, pitches \$1.6B offer to shareholders

Asset manager Kimmeridge Energy Management Co. intends to merge its Kimmeridge Texas Gas business with SilverBow Resources, proposing to create the largest public Eagle Ford gas pure-play by production in exchange for \$1.6 billion in SilverBow shares. By going public with the offer March 13, Kimmeridge is hoping that shareholder pressure will persuade SilverBow, which has rejected previous merger proposals.

Under the terms of proposal, Kimmeridge would contribute KTG's assets in exchange for 32.4 million SilverBow common shares and would inject \$500 million into SilverBow for another 14.7 million common shares. Kimmeridge said its offer values the new shares as \$34 each, an 8.5% premium over SilverBow's March 11 closing price and 21% over its 30-day weighted average.

Kimmeridge is SilverBow's leading shareholder with 12.9% of its common shares, but the E&P company has a "poison pill" that would allow it to issue discounted shares if anyone owns more than 15%. If it accepts the latest offer, SilverBow's total outstanding common shares will nearly triple and Kimmeridge will own 69% of them. Kimmeridge wants to reach a definitive agreement by April 26 and close a deal during Q3. [Read more...](#)

Deal Creates Preeminent Eagle Ford Pure-Play



Source: Peer metrics from public disclosures and FactSet as of 3/1/24.
Note: CombineCo EBITDA shown at consensus pricing. Reserve metrics as of YE 2023 for peers and CombineCo.

Source | Kimmeridge Energy Management 03/24/24 presentation via Enverus docFinder

Activity Index

Company	Headline	Location	PG.
Aethon Energy	Alone in Angelina Haynesville, Aethon steps up its game	Haynesville	7
Ascent Resources	Ascent aims for production maintenance in 2024	Utica	6
Baytex Energy	Baytex integration delivers top-quartile Eagle Ford wells	Eagle Ford	8
Bonterra Energy	Bonterra triples down on Charlie Lake, eyes 6,000 boe/d by 2026	Canada	18
Canadian Natural Resources Ltd.	New pipeline egress to pump up CNRL output after record 2023	Canada	8
Challenger Energy	Chevron returns to Uruguay in hunt for Namibia-like discoveries	Uruguay	20
Chesapeake Energy	Will Southwestern follow Chesapeake in deferring TILs?	Appalachia	3
Chevron	Chevron returns to Uruguay in hunt for Namibia-like discoveries	Uruguay	20
Chevron	Exxon files for arbitration over Stabroek in Chevron-Hess deal	Guyana	21
CNX Resources	CNX defers 11 Marcellus completions on near-term price weakness	Marcellus	5
Coterra Energy	Coterra slashes Marcellus spend 55% YOY, ramps up Anadarko	Multi-Region	9
Coterra Energy	Coterra to redeem 2024 notes with \$500MM issuance of 2034s	Multi-Region	19
Devon Energy	Devon scores a 4 MMboe EUR, a pack of 3-milers in Delaware	Delaware Basin	1
Energean	Energean brings onstream Karish North gas field off Israel	Israel	21
Eni	Eni closes \$300MM sale of non-core Congo assets to Perenco	Congo	21
Eni	Eni continues success in Côte d'Ivoire with 1.0-1.5 Bboe find	Côte d'Ivoire	21
EQT Corp.	EQT shuts in 1 Bcf/d through March, likely holding capex firm	Appalachia	5
EQT Corp.	EQT to buy back 2018 spinoff Equitrans, but MVP may get cut	Appalachia	18
Equitrans Midstream	EQT to buy back 2018 spinoff Equitrans, but MVP may get cut	Appalachia	18
ExxonMobil	Exxon files for arbitration over Stabroek in Chevron-Hess deal	Guyana	21
Gulfport Energy	Gulfport's Belmont Marcellus serves 50% oil, 2 years of drilling	Marcellus	5
Hess Corp.	Exxon files for arbitration over Stabroek in Chevron-Hess deal	Guyana	21
HighPeak Energy	HighPeak exploring strategic alternatives, slashing capex YOY	Midland Basin	12
Journey Energy	Journey offers C\$38MM in convertible debentures to fund 2024	Canada	19
Kimmeridge Energy Management	Kimmeridge wants SilverBow, pitches \$1.6B offer to shareholders	Eagle Ford	1
Marathon Oil	Fewer wells but same oil output YOY in Marathon's 2024 plan	Multi-Region	14
Occidental Petroleum	Oxy takes 6-month production Top Spot in New Mexico	Delaware Basin	11
Ovintiv	Ovintiv's new Uinta wells put multi-zone promise on display	Uinta Basin	15
Paramount Resources	Paramount scales back 2024 plan by 9 Mboe/d at midpoint	Canada	15
Perenco	Eni closes \$300MM sale of non-core Congo assets to Perenco	Congo	21
Prairie Provident Resources	Prairie Provident pays down debt with non-core sale proceeds	Canada	19
QuarterNorth Energy	Talos closes QuarterNorth deal ahead of schedule	Gulf of Mexico	19
Range Resources	Speed & accuracy define Range's D&C, in maintenance mode for 2024	Appalachia	6
Riley Permian	Riley targets 10% oil growth for 10% less capital	Permian	12
Ring Energy	Ring opts for phased D&C over continuous 2024 program	Permian	12
SilverBow Resources	Kimmeridge wants SilverBow, pitches \$1.6B offer to shareholders	Eagle Ford	1
SilverBow Resources	SilverBow trims \$75MM from dry gas spending for 2024	Eagle Ford	8
Southwestern Energy	Will Southwestern follow Chesapeake in deferring TILs?	Appalachia	3
Suncor	Suncor sees major savings ahead from jobs cuts, heavy trucks	Canada	10
Talos Energy	Talos closes QuarterNorth deal ahead of schedule	Gulf of Mexico	19
Vital Energy	Vital trims over 12% from Delaware costs as wells outperform	Delaware Basin	13
Whitecap Resources	Whitecap's CO2-EOR biz gets a boost from successful pilot	Canada	13

North American E&P

Eastern Regional Data (02/11/24-03/09/24)

Overview by State/Region	Permits	Δ	Spuds	Δ	Rigs	Δ	Operators	Δ
Illinois	-	-	-	-	1	-	-	-
Indiana	-	-	-	-	-	-	-	-
Kentucky	-	▼ (1)	-	-	-	-	-	▼ (1)
Michigan	-	▼ (2)	-	▼ (1)	-	-	-	▼ (1)
New York	-	▼ (5)	4	▲ 4	-	-	-	▼ (1)
Ohio	12	▼ (3)	6	▼ (7)	8	▼ (4)	2	▼ (3)
Pennsylvania	37	▼ (26)	41	▼ (14)	24	▼ (1)	13	▼ (2)
Tennessee	-	▼ (2)	-	-	-	-	-	▼ (1)
West Virginia	8	▲ 1	22	▲ 14	11	▲ 3	4	▲ 2

New Permits by Formation	Last 4 Wk	Prev 4 Wk	Yr Ago	2 Yr Ago	Rigs
Marcellus	21	52	74	26	22
Utica & Point Pleasant	12	14	13	9	-
Bradford	7	1	-	-	-
Pittsburgh Coal	1	-	-	-	-
Others	16	28	53	66	22
Total	57	95	140	101	44

Top Counties by New Permits	Last 4 Wk	Prev 4 Wk	Yr Ago	2 Yr Ago	Rigs
Bradford, PA	11	7	14	-	4
Carroll, OH	9	-	12	6	-
Warren, PA	8	4	-	10	-
Forest, PA	6	-	-	-	-
Susquehanna, PA	4	2	16	15	3
Washington, PA	4	5	8	-	5
Harrison, OH	3	8	2	-	1
Ritchie, WV	3	-	1	-	-
Greene, PA	2	2	15	1	2
Taylor, WV	2	-	-	2	-

Top Operators by New Permits	Last 4 Wk	Prev 4 Wk	Yr Ago	2 Yr Ago	Rigs
Encino Energy	9	4	4	4	2
Chesapeake	8	7	5	2	4
Cameron Energy	6	-	-	-	-
Repsol	5	-	6	15	1
Mead Oil	3	-	-	-	-
Gulfport Energy	3	4	-	-	1
Pierce & Petersen	3	2	-	-	-
Range Resources	3	8	3	1	4
Antero Resources	3	3	6	7	2
Arsenal Resources	2	-	-	2	-

Top Completions by IP24	Operator	County	Reservoir	Lateral (ft)	boe/d	Oil (%)
Deremer #21HC	Chesapeake	Bradford, PA	Marcellus	12,109	8,070	0%
Roeber #106HC	Chesapeake	Bradford, PA	Marcellus	14,112	5,908	0%
Diaz Family LP #20	Coterra Energy	Susquehanna, PA	Marcellus	9,600	5,483	0%
Diaz Family LP #24	Coterra Energy	Susquehanna, PA	Marcellus	9,583	5,050	0%
Roeber #4HC	Chesapeake	Bradford, PA	Marcellus	11,807	4,712	0%

Will Southwestern follow Chesapeake in deferring TILs?

The merger of Chesapeake Energy and Southwestern Energy is expected to close in Q2. While Chesapeake has announced a significant scaling back in the number of wells it aims to turn in line this year, Southwestern didn't provide 2024 guidance in its 4Q23 earnings release and hasn't held a conference call or released a presentation since the deal was announced in mid-January.

Chesapeake plans only 30-40 TILs in 2024 vs. 166 in 2023.

During 2023, Southwestern turned 132 wells to sales: 67 in Appalachia, including 50 in liquids-rich areas, and 65 in the Haynesville. It exited the year with 17 drilled uncompleted wells in Appalachia and 13 in the Haynesville.

The company has actually increased drilling activity in both plays so far this quarter, compared to 4Q23. It has run an average of eight rigs in the Haynesville and three in Appalachia YTD, according to Enverus Foundations data, compared with five in the Haynesville and two in Appalachia the previous quarter. The average this quarter is down from nine Haynesville rigs and four Appalachian rigs in 1Q23, but Southwestern added a fourth Appalachian rig in mid-February so activity there could be flat YOY by quarter's end.

Chesapeake, for its part, is spending 20% less YOY in 2024 on a standalone basis, at \$1.25-1.35 billion, and is deferring bringing new wells online and dropping rigs and completion crews. Only 30-40 TILs are planned compared to 166 wells turned to sales in 2023. It has five rigs in the Haynesville and four in the Marcellus but plans to scale back to a total of seven rigs by dropping one in each play by mid-year.



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Chesapeake drastically trims activity pending higher demand

Note | Operators in the top table and Rigs in all tables are based on active rigs as of the last date in the period covered. Source | Enverus Foundations, state data for Top Completions

North America

BP to sell assets and buy back shares after oil price

BP has announced that it will sell its assets in the US and Canada and buy back shares after the oil price has fallen. The company is also looking to reduce its debt and improve its financial performance.

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Thank you!

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