Fueling the Lives of Texans

As one of the largest oil and gas producers in the state, Chesapeake is fueling the lives of Texans every day. In early 2019, Chesapeake acquired WildHorse Resource Development (WRD) and its 420,000 net acres in the Eagle Ford Shale for approximately $4 billion, where 80% to 85% of that acreage is undeveloped. Chesapeake’s Texas acreage in the Eagle Ford now spans from the Rio Grande to the Brazos River Valley, with field offices in Carrizo Springs, Cotulla and Caldwell. Through technical expertise, operational synergies, transportation efficiencies, and the use of Improved Oil Recovery (IOR) technology, Chesapeake plans to aggressively unlock the potential of its new and existing oil-rich assets.

The Eagle Ford is the second-most productive oil play in the nation, producing more than 915,000 barrels a day. The oil and gas industry is paramount to the Texas economy, leading the country in oil and gas industry employment in 2018 with a total of 352,371 jobs. In 2018, the Texas oil and natural gas industry paid more than $14 billion in state taxes and royalty payments, up 27% from 2017.

OUR TEXAS INVESTMENT

» 279 employees
» 655,000 acres
» 8 rigs

FUELING THE TEXAS ECONOMY

» CHK produced an average of 147,000 boe/d in 2018. (2)
  » Equivalent to 2.9 million gallons of gasoline per day
  or powering 9.4 million American homes per day.

FUELING OUR COMMUNITY

» In 2018, Texas oil and natural gas industry paid the equivalent of $38 million per day to schools, roads, universities and first responders. (3)

(1) As of March 2019
(2) Combined with WildHorse Resource Development
(3) Source: TXOGA
Enhancing Production through Improved Oil Recovery (IOR)

Chesapeake’s acquisition of WildHorse Resource Development, now Chesapeake’s Brazos Valley asset, signaled an aggressive strategy to increase oil production within the portfolio. Technology like IOR will play a significant role in that strategy, as it provides synergies that will greatly impact the value of all of our Texas assets in the very near term.

What is IOR?

IOR is a proven, secondary recovery process that has been implemented in the Eagle Ford Shale to increase and accelerate oil recovery from the reservoir. In Chesapeake’s case, we will inject miscible gas into a well to begin the Huff n’ Puff (HnP) process. The gas is absorbed into the oil causing it to swell, reducing the viscosity and increasing the mobility of the oil. Increased oil mobility and reservoir pressure allows the oil to move through the rock and gives the reservoir the energy needed to push the oil to the surface.

IOR adds energy to the reservoir, which increases the amount of oil that will ultimately be recovered from a well and accelerates the production that would have occurred later in the well’s life.

Why IOR in the Eagle Ford?

The Eagle Ford formation has produced more than 6 billion barrels of oil through 2018 using primary recovery depletion. Primary recovery alone recovers only 5 – 10% of the Original Oil in Place (OOIP). IOR increases that recovery to 7 – 17% of OOIP. IOR increases the Estimated Ultimate Recovery (EUR) of a well by 30 – 70% compared to primary recovery alone.

The benefits of IOR are typically achieved without drilling or completing additional wells and without requiring local resources such as sand and water. There is also very minimal impact to the existing infrastructure as we leverage existing wells, facilities and right of ways.

IOR by the Numbers

Five operators have Huff n’ Puff operations on approximately 200 wells within the Eagle Ford.