

Shale Play Economics 101

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The economics of shale plays has been a big topic of discussion since the early development of the Barnett Shale. This talk will detail development and production history as it pertains to the economics of the Barnett Shale in the Fort Worth Basin, the Fayetteville Shale in the Arkansas portion of the Arkoma Basin, and the Woodford Shale in the Oklahoma portion of the Arkoma Basin. Shale plays, labeled unconventional, would lead one to assume that their economics would be, or could be, unconventional. This is not the case. Shale production and corresponding economics only need to be understood in the context of these plays. Not all shale plays are created equal. Therefore, one must look carefully at the development history and the corresponding decline curves before attempting to run economics.