

## **When They Are Buying, I Shouldn't Be Selling**

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The Potential Gas Committee has reported the natural gas resource base in the United States has grown to over 2000 TCF in their last report. Some estimate that number may grow to over 2600 TCF in their next report. The advent of an increasing role for unconventional natural gas is dominating the prospect generations, lease acquisition, drilling and the merger and acquisition activity worldwide. We are discovering that not all tight sands nor are all shales are the same. The economic development threshold for each reservoir is different. The risk dollars for prospect identification, lease acquisition and drilling are borne by the industry not through tax or production credits. We are an old economy pretty much on our own hook.

To be successful, both geologically and economically, we must understand our business from the concept to the point of consumption. We must understand the variables and constants that affect pricing for the seller and buyer, consumption, transportation and methods to stem volatility and risk. It is still fair, important and vital for our industry to make money.