

Utica Shale Outlook Still Very Bright

Oil Window Is Still Open

When a well-known and respected oil and gas industry “numbers man” is optimistic about short-term activity in Ohio’s Utica Shale play, take notice.

Tim Knobloch, president of James Knobloch Petroleum Consultants, in Marietta, Ohio, has been crunching the numbers, looking back at the industry disaster known as 2020, and ahead to the current year, and into 2022.

“The outlook is very encouraging; we also see more activity in the Utica’s oil window,” Knobloch said.

Knobloch will be presenting his facts and figures concerning the Utica at the Ninth Annual Utica Shale Summit (produced by Shale Directories and the Canton Regional Chamber of Commerce). The one-day program is slated for May 20, in Belden Village, Ohio.

“Tim is a great part of our program. His long history of tracking natural gas and oil drilling activity in Ohio makes his presentation very relevant and meaningful,” commented Joe Barone, President and Founder, Shale Directories.

The consultant said well permitting in the Ohio Utica has been “pretty strong, consistent.”

Through the first three months of 2020, Ohio let 57 drilling permits, while that figure jumped 24.6% in the first quarter of 2021, to 71, according to the Ohio Department of Natural Resources data.

Certainly, prices are much better in 2021 compared to 2020. Knobloch said in April of last year, crude was selling at \$18 a barrel, and natural gas was going for \$1.60 per Mcf (thousand cubic feet).

“This April, crude is selling for \$64 a barrel, and gas is selling for \$2.70 per Mcf.” Knobloch added 10 rigs were operating April 2020, while 12 rigs were working last month.

Knobloch also is confident the oil portion of Ohio’s Utica, which includes counties in the western part of the play, will see increased activity.

Keep in mind when now deceased Chesapeake Energy co-founder Aubrey McClendon and other early Utica movers swept into the Utica in 2011, they mistakenly thought the play would be crude-dominated.

“The oil window is still open in Ohio, and the story of oil in the Utica is not finished,” according to Knobloch.

More than 20 counties (all or part) are considered potential oil-producing counties. In 2020, the Ohio Utica produced 20,200 barrels of crude, according to Knobloch.

The head of James Knobloch Petroleum Consultants, also believes there will be continued merger and acquisition activity in the Ohio Utica, as big producers pick off their smaller brethren.

And, while one-third of 2021 is in the books, and the remainder of the year looks strong in terms of activity, Knobloch looks forward to the new year.

“We should see more activity in 2022 than we will see in 2021,” he said.

