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Eagle Ford Shale, A Hot New Oil and Gas Play In South Texas

The map of the Eagle Ford shale above shows where new wells have been drilled as of January 2010. There have subsequently been more drilled in other counties including Karnes county and Gonzales county.

What Is The Eagle Ford Shale?

The layer of rock that has oil and gas investors excited was named after then tiny community of Eagle Ford, where the formation outcrops, or reaches the surface, near Dallas. As the shale rops off underground it reaches a depth of over 15,000 feet in South Texas.

Shale gas and crude oil derived from shale beds using [horizontal drilling](#) represents our newest and most important energy ace in the hole. While wind and solar derived energy are the best long term goal it takes billions of BTU's worth of fossil fuel energy to get there and to run our economy in the meantime. We now import over 65% of the oil we use. It is natural gas, of which we have over 100 years supply, that is gaining attention in the national spotlight.

How Shales Like The Eagle Ford Were Formed

Oil and gas that are trapped in shale rock were formed by trillions upon trillions of microscopic organisms that once lived in ancient seas and which died and were then deposited in layers of ocean sediment. That ocean muck, rich in organic matter, later became rock over millions of years. The Eagle Ford shale was formed in the Cretaceous period approximately 143 to 65 million years ago. During the Cretaceous the world was warmer and warm seas teeming with all sorts of life covered much of the planet including North America.

Where Is The Eagle Ford Shale?

The Eagle Ford shale play, as oil and gas investors call an area of activity, is a broad crescent shaped zone that spans from near Mexico to southeast Texas. Approximately 30 to 50 miles in width, it is proving to contain incredible amounts of oil and natural gas. Companies such as Petrohawk Energy, who first got the Eagle Ford shale ball rolling in McMullen and LaSalle

counties, are regularly making wells that produce over 8 million cubic feet equivalent of natural gas per day.

Petrohawk has also discovered a very productive oil area in the Eagle Ford in Zavala county and continues to explore the Hawkville field, in McMullen and LaSalle counties with 3D seismic surveys to locate the best places to drill.. They stated the following in their latest report to shareholders: *"In the Eagle Ford Shale, Petrohawk is continuing its delineation of the Hawkville Field and is transitioning into the development of the field. There are currently four rigs running in the field. In order to acquire 3D seismic data over the entire Hawkville field, the Company is currently shooting approximately 350 square miles of 3D seismic, adding to the 100 square mile data set completed in 2009."*

Petrohawk has sold most of their older properties in the Permian Basin, near Midland Texas, to concentrate on the Eagle Ford and Haynesville shale. A host of other companies are leasing up thousands of acres of South Texas, including Conoco-Phillips, EOG, Pioneer Resources, Antatres and others.

Eagle Ford Shale Lease Amounts Rising

When the Eagle Ford shale was first being explored by Petrohawk in McMullen and LaSalle counties, lease rates were as low as \$250 an acre. Leasing for Eagle Ford drilling is becoming so competitive that reports of over \$2000 per acre, just for the right to explore for three years, are becoming common in some areas.

As shale plays go the Eagle Ford shale is not as large as the Marcellus shale, which lies under Pennsylvania and other northern states, but is exciting to oil and gas investors because it contains oil as well as natural gas. With some wells in the "oily" section, or northern part of the shale, producing well over 300 barrels a day, the revenue prospects are very good.

Economic Impact Of The Eagle Ford Shale

South Texas is no stranger to oil and gas drilling. That industry has been an important part of the economy for decades. Oil booms and busts have come and gone, leaving some people richer and some poorer than when they began. What promises to make this boom different is the widespread nature of shale beds such as the Eagle Ford. Unlike stratigraphic and structural traps, which trap oil and gas in "pockets" of a porous material like sand or limestone, a shale bed may uniformly cover a wide area. Because of the widespread nature of shale beds, and the fact that it may take decades to "drill out" the play, the economic benefits in terms of jobs and income may be much more long lasting than other oil and gas plays such as the Austin Chalk boom was a few years ago.

Fields like the Hawkville field span more than fifty miles in length and twenty five miles wide. The chance of any well in that area being productive are very high. The geology of the Eagle Ford shale changes from county to county and the full extent of productive acreage is still being determined. There is now Eagle Ford shale drilling in LaVaca, DeWitt, Karnes, McMullen, LaSalle, Live Oak, Dimmitt, Zavala, Maverick, Atascosa, Wilson and an handful of other counties of Texas.

If you are considering leasing your property for oil and gas drilling I highly recommend the book "Money In The Ground" which can be found on Amazon below. You can learn how to avoid things like the "Mother Hubbard clause" and protect your interests.