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From the Desk of Gene Powell, Publisher/Editor

Tarrant County #1 Cleanest & Largest Gas Producing County In The World

Now the United States of America has overtaken Russia to again become the world's largest producer of natural gas. It is estimated (by industry and by the governments of the U.S.A. and Russia) that over the past 12 months U.S. production was about 22 trillion cubic feet (TCF), an increase of 3.7% over the previous 12 months.

Texas led the nation in natural gas production in October, 2009, with 542.560 BCF (billion cubic feet) of gas and Tarrant County led all counties in Texas with 48.781 BCF of gas followed by Johnson County with 46.392 BCF of gas. Thus Tarrant County, Texas, is the world's largest gas producing county.

The TCEQ air quality tests in Tarrant County released on Tuesday, January 12, 2010, confirmed the TCEQ air quality tests run this past summer in July, 2009, that no VOC, NOx or pollutants exceeded TCEQ values used to evaluate the monitoring of air pollution therefore making Tarrant County as the biggest producer of natural gas with the cleanest air quality in the world.

COUNTY	GW Gas (MCF)	Condensate (BBL)
TARRANT	48,780,749*	2,341*
JOHNSON	46,391,856*	4,051*
PANOLA	22,762,399	161,262
FREESTONE	22,697,076	10,642
ZAPATA	20,713,471	26,937
DENTON	19,362,698	30,123
ROBERTSON	18,816,731	780
WISE	17,992,904	70,000
PECOS	16,589,684	14,515
WEBB	16,002,222	75,213

*includes Pending Well Production

The U.S.A. is also the largest consumer of natural gas while Russia is the second largest. Shale certainly captured the imagination of the world, in industry and investors alike in 2009, and is the main reason for the recent growth in reserves and production. In the next 5 to 10 years, growth will be augmented by important contributions from other shale even bigger than the Barnett plays such as the Haynesville and Marcellus. This abundance of clean shale gas could not have come at a better time when our country is seeking to clean the quality of our air. Natural gas is the cleanest fossil fuel to serve as a 'bridge fuel' as other alternative sources of energy are developed and as the medium to replace all the coal burning electric plants in America. Those existing coal burning electric plants can be replaced with the new 'Clean Coal Technology' when it becomes commercial for investors. In the meanwhile, let's place these new gas fired electric plants where the carbon dioxide can be used in tertiary recovery of billions of barrels of oil from our old oil fields on their last legs.

We found an interesting quote in a *Seeking Alpha* article this week that was almost straight from Jack Z. Smith's article about Chesapeake's monster well last week in the Star Telegram.

"The Barnett, the senior and most acclaimed shale play in the world, continues to deliver superior results as producers advance and refine technology and techniques. The suite of technologies that is propelling the industry is: multiple wells from a single pad, multiple hydraulic fracture stages and longer horizontal laterals from a single vertical well. Chesapeake Energy just applied this suite to a well drilled in Arlington in south Tarrant County, Texas. The well had an astonishing IP of 13 mmcfd in October, 2009 which makes it the most prolific well ever drilled in the Barnett based on the average daily production for a month. There are nearly 14,000 wells producing in the Barnett. Of the almost 93,000 active gas wells in Texas, only 125 produce more than 5mmcfd. In the Barnett, wells that produce in the 4 to 5mmcfd range are considered exceptional. The estimated total recovery for this well is 10 billion cubic feet (Bcf) or about 4 times the figure for the typical Barnett well. Industry executives believe that the advanced technology suite, sophisticated operator processes and increasingly skilled crews may make the Arlington well the prototype for the next generation of shale gas wells, which represents a dramatic increase in productivity and consequently much improved cash flows and rates of return."