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Krugliak, Wilkins, Griffiths & Dougherty Co., L.P.A. presents
Utica Journal Discoveries - An Electronic Oil and Gas Newsletter
With offices located in the heart of the Utica Shale play in
Canton, Akron, Alliance, New Philadelphia & Sugarcreek, Ohio
Editors [Gregory W. Watts, Esq.](#) and [Ryan W. Reaves, Esq.](#)

[Amendments to Dormant Mineral Act and Lease Forfeiture Statute as a result of HB 72](#)

KWGD.com

On October 31, 2013 Governor John Kasich signed House Bill 72 into law, with a majority of the changes effective January 30, 2014. The bill primarily focused on the modernization of County recorder's offices, specifically, their record keeping and maintenance procedures. However, the new legislation will soon require an additional procedural step to abandon a mineral interest under the Dormant Mineral Act (R.C. 5301.56) and to terminate a lease under the Lease Forfeiture Statute (R.C. 5301.332). These two changes are important to landowners with property located in the Utica play as well as producers interested in leasing or buying oil and gas rights.

[Marathon Petroleum to build liquids pipeline from Utica shale to its Canton refinery](#)

Akron Beacon Journal

Marathon Petroleum Corp. is proceeding with a new 49-mile pipeline from the Utica Shale in eastern Ohio to its Stark County refinery. The company discussed the \$140 million pipeline to transport shale liquids in a conference call with financial analysts.

[PDC Energy Announces 2014 Capital Budget of \\$647 Million and 2014 Production Guidance of 9.5 million BOE to 10 million BOE or Approximately 34% Year-Over-Year Growth](#)

PDC Energy

PDC's capital budget for 2014 is approximately \$647 million, including \$576 million of development capital and \$71 million for leasehold acquisitions, exploration and other expenditures. Approximately \$162 million is expected to be invested in the Utica Shale in southeast Ohio to spud 18 horizontal wells, including 8 wells in the Company's northern acreage and 10 wells in its southern acreage. A second drilling rig is expected to be deployed in the second half of 2014. The Utica capital budget includes approximately \$30 million to acquire additional contiguous leaseholds.

McClendon, Partnership File to Raise Up to \$2 Billion

The Wall Street Journal

A partnership linked to Aubrey McClendon, the former chief executive of Chesapeake Energy Corp., filed for a public offering to raise up to \$2 billion to buy and drill oil and gas prospects in the U.S. American Energy Capital Partners LP is proposing to sell 100 million units for \$20 each, according to a registration statement filed with the Securities and Exchange Commission.

Utica and Marcellus Shale: Ohio severance tax proposal introduced

Farm and Dairy

A new version of a severance tax on gas and oil has been introduced in the Ohio House of Representatives that has the support of the Ohio Oil and Gas Association (see [here](#) for more).

Dominion to move West Virginia natural gas to Ohio, Midwest

Akron Beacon Journal (blog)

Dominion (NYSE: D), one of the nation's largest energy companies, has contracted to deliver 500,000 dekatherms per day of natural gas produced in West Virginia to various interconnections with pipelines in Ohio, as producers look westward to seek new markets for Marcellus production.

Gulfport Energy Corporation Announces Management Additions

Gulfport Energy

Gulfport Energy Corporation announced an expansion to its management team. James Palm, Gulfport's Chief Executive Officer, commented, "The Utica Shale provides a huge opportunity for our company and these new team members will augment our ability to capitalize and execute our plans. These individuals will make significant contributions to the growth and success of the company."

Bluegrass Pipeline Announces Extension Of Open Season Until January 17, 2014

PR Newswire

Bluegrass Pipeline LLC, a joint venture between Williams and Boardwalk Pipeline Partners, LP, announced that it is extending its binding Open Season until Jan. 17, 2014 at 5 p.m. CST. The extension is in response to requests of interested shippers who would like additional time to evaluate the pipeline project and the project's market outlet options.

County Planning For Its Payment: Belmont leaders mull how to spend \$3M from drilling leases

Wheeling Intelligencer

Earlier this year, Rice Energy paid about \$100 million for Utica Shale natural gas leases to Belmont County property owners over a period of just a few days. Now, Belmont County commissioners are expecting a payment of more than \$3 million from Rice, thanks to the \$7,500 per acre lease they signed in September for 406 acres of land. "Like most counties that are fortunate enough to host the oil and gas industry we are incurring increasing costs," Commission President Ginny Favede said.

Utica condensate routes to Canada

Oil & Gas Financial Journal

Output of naphtha range material such as plant condensates and natural gasoline in the Ohio section of the Utica shale is increasing rapidly as new processing and fractionation capacity in the region comes online. Output of field condensate from the wellhead is also expected to take off in 2014. As the NGL processing and fractionation facility build out continues in the Utica, natural gasoline and plant condensate output needs to find a home. Takeaway capacity to Canada via links to the Southern Lights and Cochin diluent pipelines are an important route for these plant outputs as well as for stabilized field condensate produced at the wellhead.

Enterprise Products Partners L.P.: Enterprise Products Begins Line

4-traders

Enterprise Products Partners L.P. announced that the process of injecting ethane into the Appalachia-to-Texas Express ("ATEX") pipeline began in late November and will continue throughout December 2013. "The ATEX project provides producers in the rapidly growing Marcellus/Utica region with the critical ethane takeaway capacity that is needed now to allow them to continue developing their reserves, as well as gain access to the largest NGL market in the U.S.," said A.J. "Jim" Teague, chief operating officer of Enterprise's general partner.

Oil, Gas May Save VFD

Wheeling Intelligencer

A Utica Shale oil and natural gas lease worth about \$7,000 per acre and 20 percent of production royalties may help the Neffs Fire Department emerge from bankruptcy. The agreement with Houston-based Paloma Resources could help the department continue to provide emergency and fire service to Bellaire, Neffs and surrounding areas as it tries to reorganize amid unpaid tax bills

and some money-losing operations. "The lease proceeds are a much-needed shot in the arm to our general fund, and they will be used for day-to-day operations," said school district Treasurer Lance Erlwein.

Rex Energy Provides Operational Update

Rex Energy

The five-well J. Anderson pad, located in Guernsey County, Ohio, was placed into sales from its resting period at an average five-day sales rate per well (excluding downtime) of 1,886 Boe/d (40% NGLs, 40% gas, 20% condensate) assuming full ethane recovery and an average natural gas shrink of 12%. Tom Stabley, Rex Energy's Chief Executive Officer commented, "The strong pressure profiles and early production results of our five-well J. Anderson pad are very encouraging, especially given the limited choke size we are utilizing to produce the wells. We are also pleased that these wells, along with our first three Warrior South Prospect wells, are currently producing into sales without any midstream constraints. We feel the production results of the five J. Anderson wells further demonstrate the value of our acreage position in the Warrior South Prospect."

Chesapeake Will Continue Its Rise

Seeking Alpha

Chesapeake's stock price has gone up by about 3% in the last month. The prices of natural gas has been increasing lately and has now crossed \$4. Although the company has diversified its production towards liquids and oil, and natural gas production has been declining, it is still a large portion of the total revenues of the company. As a result, increasing natural gas prices are likely to have a positive impact for the company in the near-future

Gulfport Well Pumps 30M Cubic Feet Daily - Shale Play

Shale Play

Energy analysts referred to the well Gulfport Energy drilled in the Egypt Valley area of Belmont County last year as a "monster" upon learning it generated 28.5 million cubic feet of natural gas per day. Now Gulfport has an even more productive Belmont County well, as the Irons 1-4 H well along Ohio 148 near Armstrong Mills is yielding about 30 million cubic feet of dry methane natural gas daily. "We are very pleased with the initial results from our Irons 1-4 H well, our first well in the dry gas corridor in the Utica. With approximately 44 percent of our acreage located within the dry gas phase of the play, this well stands to unlock meaningful value across a large portion of our acreage," said Gulfport CEO Jim Palm.



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