

# Marcellus Shale in the US, 2011 - Gas Shale Market Analysis and Forecasts to 2020

Reference Code: GDGE0042MAR

Publication Date: December 2011

“*Marcellus shale in the US, 2011 – Gas Shale Market Analysis and Forecasts to 2020*” is the latest report from GlobalData, the industry analysis specialist that provides insight into the Marcellus gas exploration, production, and development in the US. The report highlights the gas exploration potential in the Appalachian Basin of the Marcellus shale play, providing details of the key exploration areas, major companies exploring the Marcellus, and the drivers and challenges in shale gas exploration in the US. The report discusses the drilling and exploration activities in different counties of the Pennsylvania state in the US. It also highlights the parameters for gas exploration and production, such as the new permits issued in different counties, the companies involved, and drivers and challenges in development.

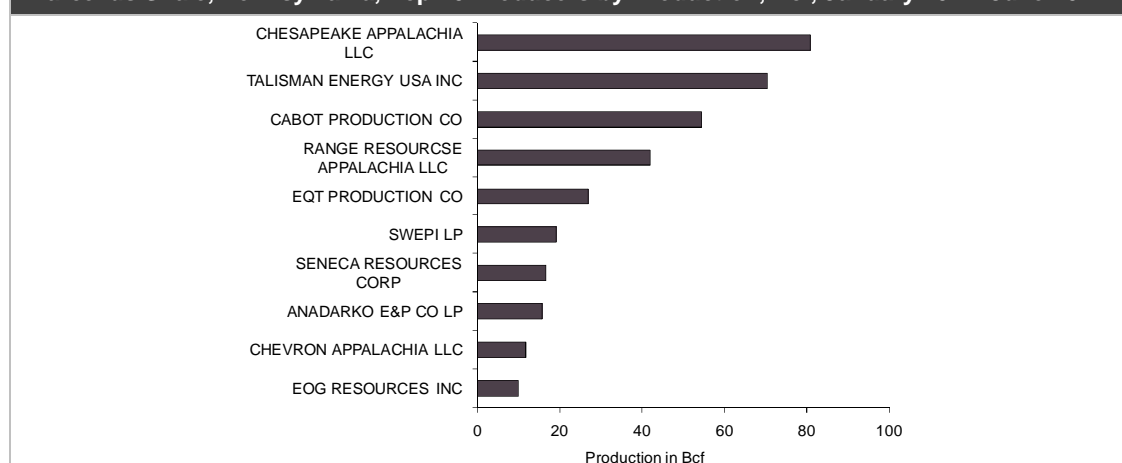
## ***Production from the Marcellus Shale has been Increasing Continuously; M&A and Drilling Activities in the Shale on Rise***

The Marcellus shale’s production has been steadily increasing, mainly due to the rise in drilling and Mergers and Acquisitions (M&A) activities in the play. The total number of new permits issued for gas wells as well as combo wells in the Marcellus shale in Pennsylvania stood at 3,347 as of November 2011. The total horizontal well permits in the shale reached around 3,047 during the eleven months of the same year.

In this year, Bradford, Butler, Green, and Lycoming counties issued the highest number of permits for drilling in Marcellus shale in Pennsylvania. Moreover, the number of wells drilled in the shale has also increased, from 768 in 2009 to 1,751 wells in the eleven months of 2011. With the increased drilling activities in the shale, it is expected that the total number of wells drilled in 2011 will outpace the previous record of 1,454 in 2010.

Since 2009, the total number of wells drilled has grown at a CAGR of 50.9%. These increased drilling activities have boosted the production from the Marcellus shale in the same period. The Marcellus shale produced 435.2 bcf of gas during January 2011–June 2011, showing an increase of around 163.4 bcf of Marcellus gas, from the previous level of 271.6 bcf during July 2010–December 2010.

**Marcellus Shale, Pennsylvania, Top 10 Producers by Production, Bcf, January 2011–June 2011**



Source: GlobalData; PA DEP Oil & Gas Reporting Website

The figure above details the top 10 natural gas producers in Marcellus Shale in Pennsylvania during January and June 2011. With a production of around 80.9 bcf, Chesapeake occupied the first position in terms of gas production in the Marcellus Shale in Pennsylvania, during January to June 2011. Talisman Energy and Cabot Oil and Gas occupy the second and third positions respectively.

In 2010–2011, many oil and gas companies acquired assets in the Marcellus shale in order to increase their existing production potential. In line with this, M&A activities in the Marcellus shale have continued to increase, and during January–November 2011, around 15 deals, worth a total of \$3,929m, took place. With the increase in drilling activities, coupled with the rise in M&A activities in the Marcellus shale, production from the shale has been increasing rapidly. The strong economic situation of the Marcellus shale, alongside many oil and gas companies' aggressive development plans are expected to raise the production level of this shale.

### ***Marcellus Shale Attracting Huge Investment to Unleash Unrecovered Resource Potential***

Marcellus Shale has emerged as one of the most rapidly growing unconventional shale plays in the last two years in the US. Companies such as Chesapeake and Range Resources have increased their level of drilling and developmental activities in Marcellus shale during 2011, and expect the shale to be one of the highest natural gas producing regions in the US during the next 10 years. Marcellus shale has become an attraction for many investments this year. Major oil and gas companies are increasing their rig count by this year's end.

Moreover, the hunt for more unconventional resources increased the development in Marcellus in 2011, which in turn resulted in increased investments in the play. Since Marcellus shale is located near the fast-consuming markets of natural gas, logistics and supply-chain costs are expected to be lower as compared to other shales.

### ***Need to Address the Environment Issues Causing Hurdles in Growing Marcellus Production***

According to the Pennsylvania Department of Environmental Protection, many of the new Marcellus well construction contracts are being reviewed and completed in 2011. Many new regulations are being implemented in order to limit the waste from the production outlets of the Marcellus wells, and control the contamination of drinking water of the landowners located in Pennsylvania. Moreover, many events are being organized by the Pennsylvania state in order to address other environmental concerns, such as natural gas migration and fresh water usage. Improved measures are also being developed for Marcellus shale formation in New York State, in order to address environmental issues on development activities in the Marcellus shale.

For further details, visit: [www.globaldata.com/reportstore](http://www.globaldata.com/reportstore)

Or please add this link to your browser:

[http://globaldata.com/reportstore/Report.aspx?ID=Marcellus-Shale-in-the-US-2011-Gas-Shale-Market-Analysis-and-Forecasts-to-2020&ReportType=Industry\\_Report&coreindustry=Industry\\_Report&Title=Energy\\_and\\_Utilities](http://globaldata.com/reportstore/Report.aspx?ID=Marcellus-Shale-in-the-US-2011-Gas-Shale-Market-Analysis-and-Forecasts-to-2020&ReportType=Industry_Report&coreindustry=Industry_Report&Title=Energy_and_Utilities)

### ***About GlobalData***

GlobalData is an industry analysis specialist company providing business information products and services.

Our highly qualified team of Analysts, Researchers, and Solution Consultants use proprietary data sources and various tools and techniques to gather, analyze and represent the latest and the most reliable information essential for businesses to sustain a competitive edge.

If you have any queries about this report or would like further information, please contact

- **North America** : +1 646 395 5460
- **Europe** : + 44 (0) 207 406 6653  
: +44 1204 543 523
- **Asia Pacific** : +91 40 6616 6700
- **Email** : [info@globaldata.com](mailto:info@globaldata.com)

### ***Disclaimer***

All Rights Reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, GlobalData.

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that GlobalData delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such GlobalData can accept no liability whatever for actions taken based on any information that may subsequently prove to be incorrect.