

New methods making Appalachian oil more lucrative

Ralph B. Davis davis@civitasmedia.com

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PRESTONSBURG — While not expected to spark an oil rush, recent advances in horizontal drilling and hydraulic fracturing have some energy producers seeing gold in them hill — black gold.

Oil was all the talk during a meeting Wednesday night of the Kentucky Oil and Gas Association, at Jenny Wiley State Resort Park. May Lodge was packed with over 150 people, mostly natural gas producers, who learned about the prospect for oil drilling in northeastern Kentucky.

Appalachia was the site of early oil drilling at the dawn of the Industrial Revolution, but difficulty in tapping the reserves, as well as more plentiful supply out west, left the hunt for petroleum an also-ran to coal and natural gas.

Now, however, with oil prices much higher and new techniques allowing drillers to tap oil over a much larger area from a single well, companies are beginning to pump oil out of the mountains once again, specifically targeting the Berea Sandstone Formation which lies under Eastern Kentucky and West Virginia.

“This oil play is developing rapidly and is being aided by enhanced understanding of the geology of the Berea and technical advances in drilling and completion methods,” said Brent McDaniel, of Blackridge Resources and a member of the KOGA Board of Directors, who moderated Wednesday night’s program. “The program should be valuable to operators who own held-by-production acreage in the play area, as well as those seeking to enter the play.”

David Harris, of the Kentucky Geological Survey, said 22 new oil wells have been permitted in Greenup County, with another 15 in Lawrence County. Those wells have been productive, he said, although there are concerns about water production in the Greenup wells. Wells in Lawrence County, however, produce little to no water.

Harris said the geology of the Berea Sandstone Formation does not make oil production as likely in the Big Sandy region. He said producers would be better served targeting different zones of production, with gas drilling to the south and oil drilling to the north.

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