



Independents Find Gulf Coast Success

By Al Pickett
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Buda Limestone

Dallas-based Gulf Coast Western LLC has joined Everest Resource Co., Vistar Oil Texas, BlackBrush Oil and Gas LP, and others as companies that have started horizontal drilling programs in the Buda Limestone, which lies just below the prolific Eagle Ford Shale in South Texas.

Matthew H. Fleeger, chief executive officer of Gulf Coast Western, says his company has acquired 3,500 acres in Wilson County, Tx., which is 20 miles southeast of San Antonio. This is an area that has seen activity not only in the Eagle Ford Shale, but also historical vertical drilling in the Buda Limestone and horizontal drilling in the shallower Austin Chalk formation.

"This area has been heavily drilled vertically in the Buda for years, and is not far from where a couple hundred Austin Chalk wells were drilled (in the early 1990s)," observes Rod Einspanier, the generating geologist with EINX Energy Inc., which put together the Wilson County deal for Gulf Coast Western.

He calls the revitalization of the Buda Limestone "a technology-driven play" that was overlooked by those drilling in the Austin Chalk.

"We are going back into a proven vertical area," Einspanier explains. "But we now have advanced capability with a gamma ray tool behind the drill bit that keeps the drill path in the sweet spot."

Like the Austin Chalk formation, Einspanier says the Buda Limestone is naturally fractured, which means it will be less expensive to drill.

Fleeger says he believes the cost to drill Buda Limestone wells will be 60-70 percent less than Eagle Ford wells because the Buda wells won't have to be hydraulically fractured.

Says Einspanier, "A lot of shale wells are so tight, it is like throwing a baseball against a pane of glass to smash it. In the Buda, the fractures are there already. We had only a 10-foot window in the Austin Chalk and didn't have the ability to keep the wellbore in a specific range. In our acreage in Wilson County, we have a zone that is 60-90 feet thick, and we have

the ability to know exactly where we are."

He adds that there is a lot of Eagle Ford activity south of Gulf Coast Western's acreage in Wilson County, but says there is a regional fault and the Eagle Ford thins to the north of the fault, making the Buda Limestone an attractive target.

"The horizontal wells producing in this area are experiencing impressive rates up to 500-1,000 bbl/d oil, which has spurred significant interest in drilling," Fleeger offers.

He says Gulf Coast Western will be a nonoperating partner after putting the deal together and will use San Antonio-based Kaler Energy Corporation—an experienced South Texas driller—as the operator. Drilling was scheduled to begin in March, and Fleeger says the partners plan to drill six-eight wells this year.

"We are very confident in what we have seen," he concludes. "We think we will get good results."

Bonanza And Orange Dome

Gulf Coast Western has been expanding aggressively in recent months. It has secured more than 40,000 acres in South Louisiana and began a 3-D seismic survey of the area it calls its Bonanza project. Fleeger says the seismic will provide detailed data on acreage in Evangeline and St. Landry parishes that includes the Upper Wilcox, Lower Wilcox, Cockfield, Sparta and Frio formations.

"It will be primarily directional drilling because this area has extensive faulting," he comments. "We expect to start drilling in the fourth quarter. This area has a large number of formations—all potential pays."

Fleeger says Gulf Coast Western started putting its acreage together in the Bonanza project in 2012, but decided it couldn't pass up the Buda Limestone opportunity when Einspanier brought the deal to the company. "We knew we needed to act quickly on that," he explains.

Now, the company is moving forward aggressively with both its projects. The 3-D seismic acquisition on its Bonanza project is under way and processing is

expected to be completed in the second quarter.

"There has been significant development in this area in the past 10 years resulting from 3-D surveys," he relates.

"Ours is one of the last large acreage positions in the area that has not been surveyed and, consequently, does not have 3-D data available for evaluation."

Gulf Coast Western and its operating partner, Alpine Exploration Companies Inc., also announced last fall that they had completed and placed three wells in production in the Orange Dome Field in Southeast Texas, neighboring the famed Spindletop Field, site of the first oil well in Texas.

Fleeger says Gulf Coast Western expects to continue developing acreage it has under lease in the area.

"For years, many thought this was a depleted field," he muses, "but we became convinced there was still excellent development potential after seeing the 3-D data. We were able to leverage the expertise of our development geologists and geophysicists in conjunction with those at Alpine to achieve success where others have not. We continue to have high expectations for our Orange Dome Field operations."

