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**North American E&P | Exxon takes California hit, delivers record refinery throughput**

**North American E&P | Imperial begins solvent-assisted SAGD as output hits record**

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**North American Deals & Finance | Post Oak backs newly formed Midway Energy in Permian**

**North American Deals & Finance | U.S. M&A rumors swirl again, as Devon said to approach Enerplus**

**International | Equinor sees its NCS output at or above 1.2 MMboe/d to 2035**

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## Who really means it when they permit a well in the Permian?

Permitting information for oil and gas wells is one of the most readily available and least lagged pieces of data on industry activity, but it is often seen as a poor indicator of future drilling activity. There is no requirement that a company actually act on the permit, and some companies keep large inventories of permits to provide optionality or possibly obscure their plans. In contrast, some E&P companies will permit only the wells they intend to drill.

Permit usage efficiency scores derived from Enverus Core data give a good indication of where a company falls on that spectrum. Permit usage efficiency is the percentage of all approved permits that have moved into any status beyond approval in the well life cycle—i.e., a pad was cleared, or a well was drilled, completed and/or put on production. A high permit usage efficiency implies that permitting data on that company provides a relatively accurate forecast of future activity.

Enverus has ranked a collection of the most prominent operators in the Permian based on their average permit usage efficiency in the basin over the last five years. [Read more...](#)

## Diamondback Endeavors to build Midland powerhouse in \$26B buy

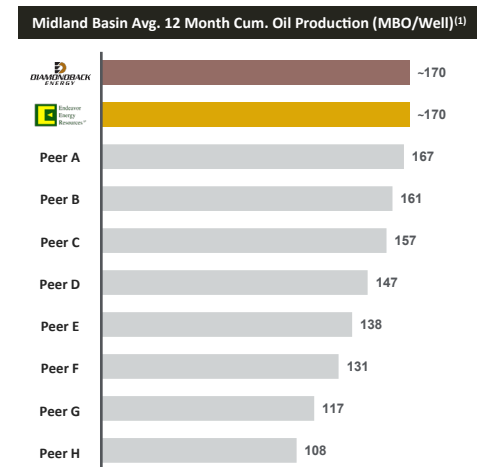
Multi-billion-dollar Permian consolidation deals are back on the menu, as Diamondback Energy agreed to acquire privately held Endeavor Energy Resources LP in a deal valued at \$26 billion, including net debt. Endeavor, formed by general partner Autry Stephens in 2000 from a sole proprietorship that he started in 1979, began exploring a potential sale last December, according to a Reuters report at the time.

"The combined company's inventory will have industry-leading depth and quality that will be converted into cash flow with the industry's lowest cost structure, creating a differentiated value proposition for our stockholders," Diamondback chairman and CEO Travis Stice said. "This combination meets all the required criteria for a successful combination: sound industrial logic with tangible synergies, improved combined capital allocation and significant near- and long-term financial accretion."

Endeavor's assets lie primarily in the core of the Midland Basin, where it holds 344,000 net acres (96% HBP). The company produced 353,000 boe/d (55% oil) in 4Q23 and, according to Diamondback, has about 2,300 gross drilling locations with sub-\$40 breakevens and 1.5 Bboe of proved reserves. [Read more...](#)

**Deal will increase Diamondback's sub-\$40/bbl breakeven inventory by 60%.**

## Similar Development Philosophy Enhances Integration



- Multi-Zone Co-Development strategy generates strong and consistent well performance
- Combined size and scale creates ability for longer laterals and larger pads, mitigating parent / child degradation, maximizing resource recovery, and improving capital efficiency
- Diamondback and Endeavor employ similar development strategies as evidenced by well spacing, zones developed, development size, zone targeting, and completion size
- Diamondback and Endeavor results have been Permian best in class '21-'23

Aligned Midland Development Philosophy		
Proppant Load (lbs/ft)	1,830	1,820
Fluid Intensity (bbl/ft)	47	47
Average Wells / Section	25	21

Note: Peer group includes CIVI, COP, OVV, OXY, PR, PXD, VTLE and XOM.  
(1) All Midland Basin wells POP since January 2022.

Source | Diamondback Energy 02/12/24 presentation via Enverus docFinder

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Company	Headline	Location	PG.
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CNOOC	CNOOC delivers first oil from its third project this year	China	18
CNX Resources	CNX to issue \$400MM in 2032 notes to fund cash tender offer	Appalachian	13
Comstock Resources	Comstock scales back D&C pace as low prices bite	Haynesville	4
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Northern Oil & Gas	NOG closes deals for more Delaware, first Utica assets	Multi-Region	15
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Saturn Oil & Gas	Saturn unveils C\$146MM capex budget, largest in its history	Western Canada	8
Seneca Resources	Seneca's eastward shift drives results above expectations	Marcellus	9
Tellurian Inc.	Tellurian aims to shed its integrated model with upstream sale	Haynesville	14
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TotalEnergies	LNG shines as a bright spot in Shell's 2023 results	Multi-Region	17
U.S. Energy Development	U.S. Energy racks up ~\$600MM in 2023 buys, mostly Permian	Multi-Region	15
Vår Energi	Vår pushes back Balder X to Q4, FPSO upgrades 90% complete	Norway	17
Vital Energy	Vital's 2nd Henry tag-along buy adds 1,850 boe/d for \$78MM	Permian	13

## North American E&P

### Eastern Regional Data (01/14/24-02/10/24)

Overview by State/Region	Permits	Δ	Spuds	Δ	Rigs	Δ	Operators	Δ
Illinois	-	-	-	-	1	-	-	-
Indiana	-	▼ (3)	-	-	-	-	-	▼ (1)
Kentucky	1	▼ (1)	-	-	-	-	1	▼ (1)
Michigan	1	▲ 1	1	-	-	▼ (1)	1	▲ 1
New York	5	▼ (2)	-	▼ (2)	-	-	1	-
Ohio	15	▲ 3	10	▲ 8	13	▲ 3	5	▲ 1
Pennsylvania	55	-	51	▲ 16	25	▲ 4	15	▲ 1
Tennessee	2	▼ (1)	-	-	-	-	1	-
West Virginia	5	▼ (15)	6	▼ (13)	8	▼ (2)	2	▼ (3)

New Permits by Formation	Last 4 Wk	Prev 4 Wk	Yr Ago	2 Yr Ago	Rigs
Marcellus	45	42	73	117	22
Point Pleasant & Utica	14	10	39	12	-
Bradford	6	16	1	8	12
Elk	4	-	-	-	-
Point Pleasant	2	1	7	20	-
Others	13	33	46	37	13
<b>Total</b>	<b>84</b>	<b>102</b>	<b>166</b>	<b>194</b>	<b>47</b>

Top Counties by New Permits	Last 4 Wk	Prev 4 Wk	Yr Ago	2 Yr Ago	Rigs
Westmoreland, PA	18	2	12	4	1
Harrison, OH	8	-	2	-	3
Bradford, PA	7	6	26	3	2
Washington, PA	5	9	7	10	5
Cattaraugus, NY	5	7	5	3	-
Lycoming, PA	5	7	-	18	1
Tioga, PA	4	1	6	4	3
Belmont, OH	4	-	9	2	3
Warren, PA	4	13	8	2	-
McKean, PA	4	1	-	11	-

Top Operators by New Permits	Last 4 Wk	Prev 4 Wk	Yr Ago	2 Yr Ago	Rigs
Apex Energy	7	1	-	2	-
Olympus Energy	7	-	9	2	1
Chesapeake Energy	7	6	14	1	4
EQT Corp.	5	8	12	12	6
National Fuel Gas	5	-	7	22	2
Vertical Energy	5	7	-	-	-
Ascent Resources	4	1	10	8	4
Encino Energy	4	-	8	2	3
Howard Drilling	4	-	-	-	-
CNX Resources	4	1	3	1	3

Top Completions by IP24	Operator	County	Reservoir	Lateral (ft)	boe/d	Oil (%)
Deremer #21HC	Chesapeake	Bradford, PA	U Marcellus	12,109	8,070	0%
Claudia #104HC	Chesapeake	Bradford, PA	Marcellus	17,853	6,751	0%
Stalford #4HC	Chesapeake	Bradford, PA	Marcellus	11,701	6,204	0%
Roeber #106HC	Chesapeake	Bradford, PA	Marcellus	14,112	5,908	0%
Claudia #24HC	Chesapeake	Bradford, PA	Marcellus	12,253	5,892	0%

### EQT saves more than expected drilling on Tug Hill acreage

Appalachian gas producer EQT Corp.'s 4Q23 volumes of 6.13 Bcfe/d were up 8% from Q3 and at the high end of guidance thanks to continued operational efficiencies and strong well performance, the company said. Q4 was the first full quarter of contributions from the Tug Hill acquisition, which closed Aug. 22. EQT said the acquired assets were integrated at a record pace and recent drilling performance suggests additional synergy upside potential.

EQT-operated Marcellus wells drilled on the Tug Hill acreage are being drilled at 54% lower cost, or savings of more than \$200/ft, compared to Tug Hill's costs. EQT had estimated savings of just \$150/ft.

In 2023 overall, EQT produced 5.52 Bcfe/d, up 4% YOY. The company spent \$1.9 billion on capex and generated \$879 million in free cash flow.

For 2024, EQT has set capex at \$2.15-2.35 billion, including \$1.95-2.05 billion for maintenance and \$200-300 million for strategic growth. Strategic growth spending includes \$50-70 million for midstream infrastructure, \$70-90 million for water infrastructure to support reserve development and \$80-140 million for in-fill leasing and mineral purchasing.

EQT set 2024 production guidance at 6.03-6.30 Bcfe/d, which would represent 12% YOY growth at midpoint. If natural gas prices remain weak, the company has some flexibility to curtail volumes, CEO Toby Rice said on a Feb. 14 earnings call. EQT plans to run two to three rigs and three to four frac crews. The outlook calls for drilling 95-120 net wells and turning 110-140 to sales. The company forecasts free cash flow of \$400-950 million.

The company also entered a \$205 million agreement to acquire a minority partner's 34% stake in two operated gathering systems in Lycoming County, Pennsylvania, increasing its stake to 84%. The systems service EQT's core operated northeast Pennsylvania footprint.



[Click for More!](#)

EQT increases gathering stakes, plans midstream expansions

Note | Operators in the top table and Rigs in all tables are based on active rigs as of the last date in the period covered. Source | Enverus Foundations, state data for Top Completions

## North America

BP to be awarded with Tug and integration after 60 days

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# Thank you!

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