Marcellus Gas Production Rising Fast in Pa., W.Va.

KEVIN BEGOS, Associated Press

PITTSBURGH (AP) — Marcellus Shale natural gas production is rising even faster this year than energy experts had predicted, and that's having a national impact on energy.

Bentek, a Colorado company that analyzes energy trends, said 2013 production in Pennsylvania and West Virginia is up about 50 percent compared with last year. Figures for the pipelines that take gas out of the Marcellus show that in the first six months of the year, Pennsylvania produced about 1.5 trillion cubic feet of gas, with projections for a year-end total of about 3.2 trillion cubic feet.

That yearly number translates into the equivalent of about 550 million barrels of oil.

The official mid-2013 production figures for Pennsylvania and West Virginia haven't been released yet by those states, but Bentek's figures are considered very reliable by government and industry sources.

Marcellus production this year "has definitely outpaced our expectations," said Diana Oswald, a Bentek energy analyst, and it's changing long-established national energy trends.

Marcellus gas is "actually starting to displace" production from the Gulf of Mexico in places, Oswald said. For example, when serious shale drilling started in Pennsylvania in 2008, output barely registered on a national level, and most of the Northeast relied on natural gas that was being pumped from the Gulf of Mexico or from Canada through a network of pipelines.

Now, Marcellus gas is supplying the Pennsylvania and Northeast markets, and it's grown to be the nation's most productive gas field. Bentek expects a surplus will soon start flowing to the South and Midwest.

Tom Murphy, a director of the Penn State University Marcellus Center for Research & Outreach, said that while the number of drilling rigs operating in Pennsylvania has declined, companies have learned to drill more efficiently, "so fewer rigs are drilling more wells."

The Marcellus Shale is a gas-rich formation deep underground that extends across Pennsylvania, West Virginia, New York, Ohio and Maryland, but most of the production is in Pennsylvania and West Virginia.

Production from West Virginia is also on track to increase by about 50 percent this year, according to Bentek. Ohio shale gas production is in its beginning stages but

is expected to grow substantially in 2014 and 2015.

In 2011 and 2012, there was a highly publicized debate over the potential of the Marcellus Shale, with some contending the industry had exaggerated the numbers. But the actual production figures have mostly put that debate to rest.

Murphy believes there is still a backlog of about 2,000 wells that have already been drilled but aren't hooked up to pipelines for production yet. Others estimate the backlog at 1,000 wells, but in either case, it's adding to the production surge.

Kathryn Klaber, CEO of the Marcellus Shale Coalition, said in an email that the industry group expects "that activity will remain robust" since the necessary infrastructure is increasingly in place to process and move natural gas to market.

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