Marcellus Shale Gas Production Growing Faster Than Expected

Kevin Begos, AP

Natural gas production from the Marcellus Shale region is growing faster than expected, according to a new federal report. Marcellus production has now reached 12 billion cubic feet a day, the Energy Information Administration report found. That's the energy equivalent of about two million barrels of oil a day, and more than six times the 2009 production rate. For perspective, if the Marcellus Shale region were a country, its natural gas production would rank eighth in the world. The Marcellus now produces more natural gas than Saudi Arabia, which has led to wholesale prices here that are about one-quarter of those in Japan.

The vast majority of the Marcellus gas is coming from Pennsylvania and West Virginia. The shale also lies under other states, but most of the wells in Ohio produce oil, and New York has placed a moratorium on shale gas drilling. Federal energy experts are surprised by the rapid Marcellus growth, since the number of drilling rigs has fallen over the past two years. "A year ago, we were not expecting the Marcellus to be at 12 billion cubic feet," said Sam Gorgen of the EIA, which is a part of the Department of Energy.

The current Marcellus production is even higher than the predictions of Terry Engelder, a Penn State University geologist who has drawn praise and criticism for his estimates of how much gas the region holds. Engelder had predicted that the Marcellus wouldn't reach the 12 billion cubic foot rate until 2015, and some critics said that was overly optimistic. "This is spectacular, relative to what we thought a few years ago," Engelder said of the roughly 4,000 wells in Pennsylvania that are producing.

The EIA also looked at the decline rate of the Marcellus wells, since most of the gas is produced during their first two years. "It's interesting that it's not falling as steeply as other shale fields such as the Bakken in North Dakota or Eagle Ford in Texas," Gorgen said. Travis Windle, a spokesman for the Marcellus Shale Coalition, an industry group, said "shale production continues to soar in the region, and the number of active drilling rigs is slowly increasing, too."

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