

The Boom of 2017

Spears & Associates

8908 South Yale, Suite 440

Tulsa, Oklahoma 74137 USA

1.918.496.3434

www.spearsresearch.com

Richard Spears, Principal Researcher

rspears@spearsresearch.com

Last Year's First Slide



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This Year's First Slide



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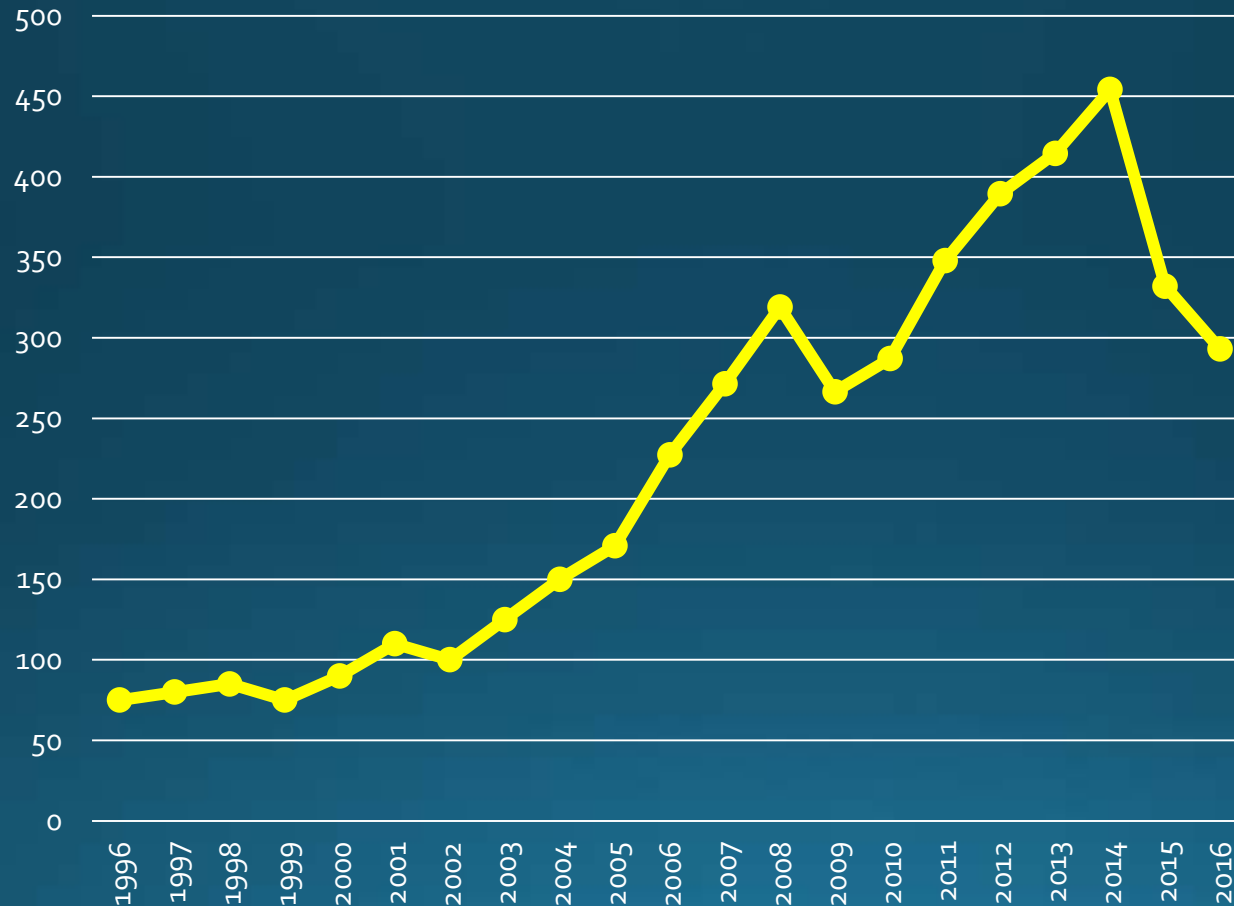
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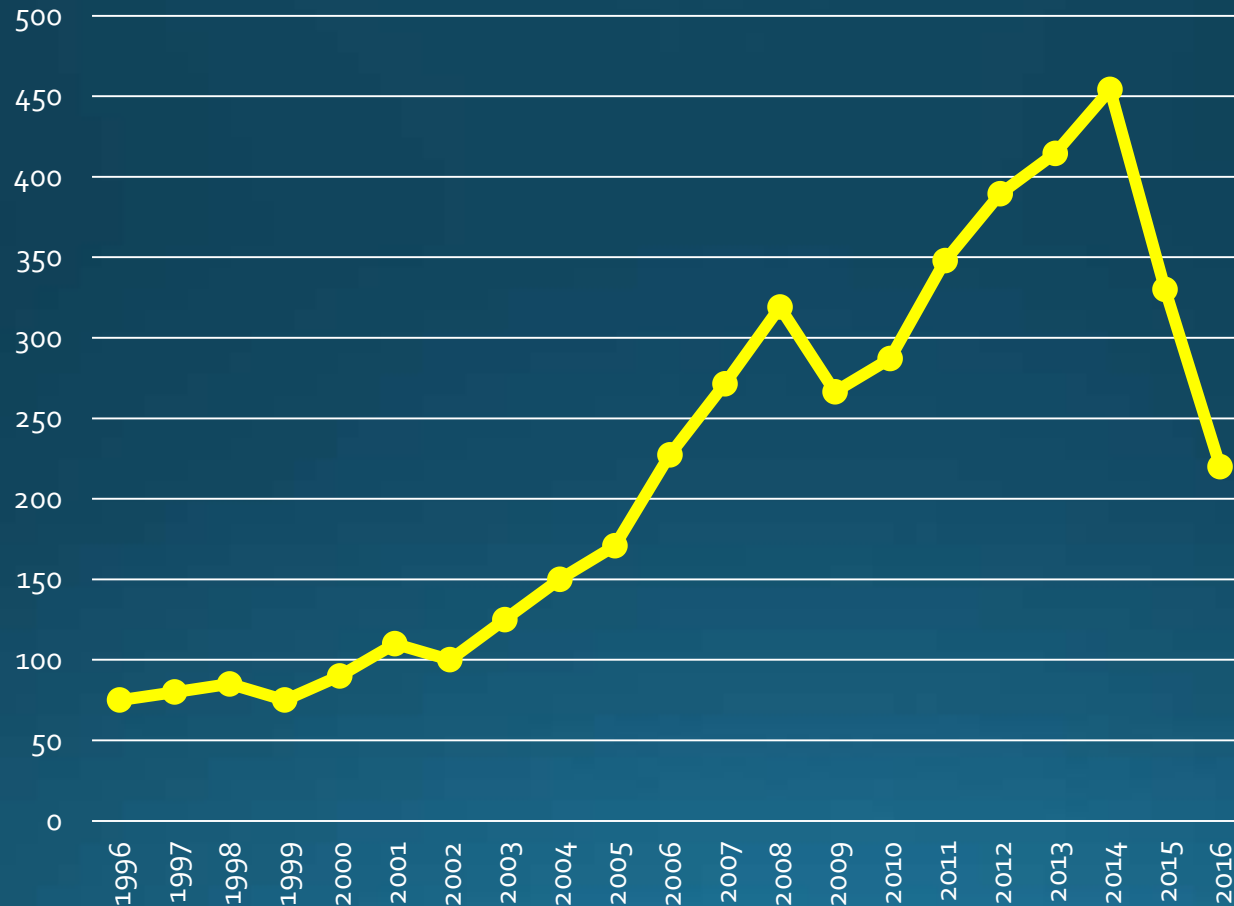
I said this in January 2016

Global Oilfield Market (\$Billions)

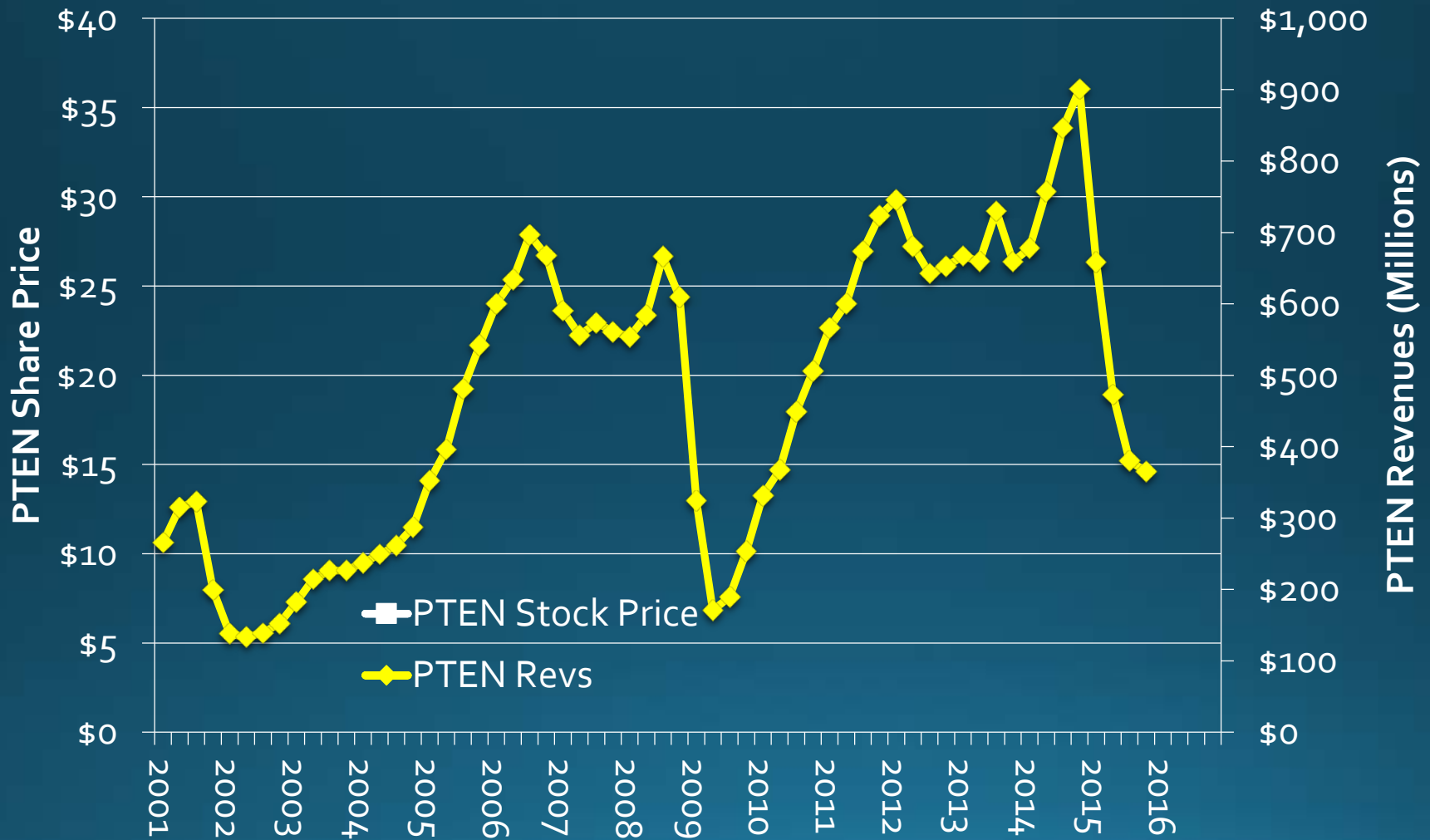


This is what actually happened

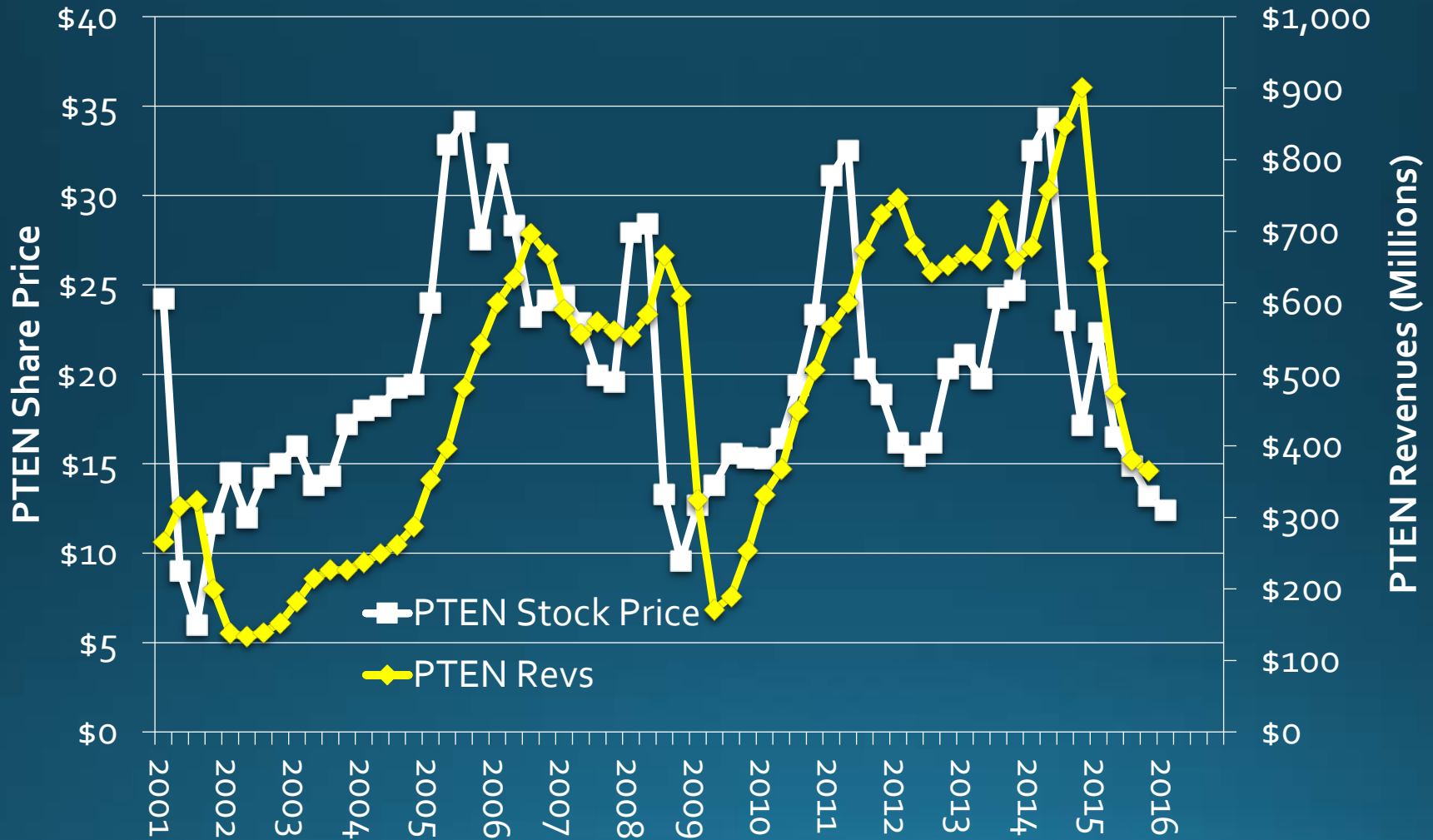
Global Oilfield Market (\$Billions)



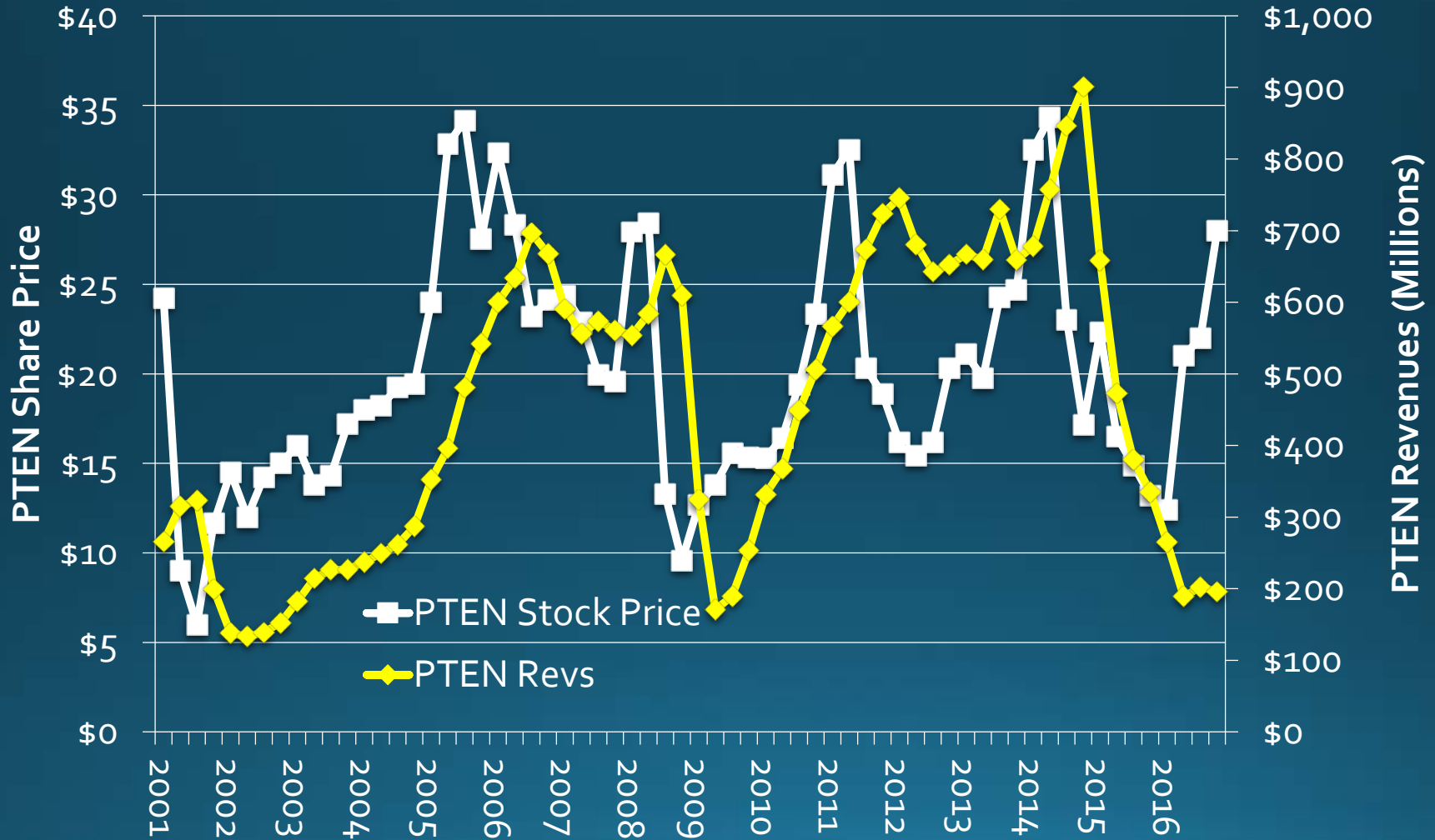
I also asked if you should invest...



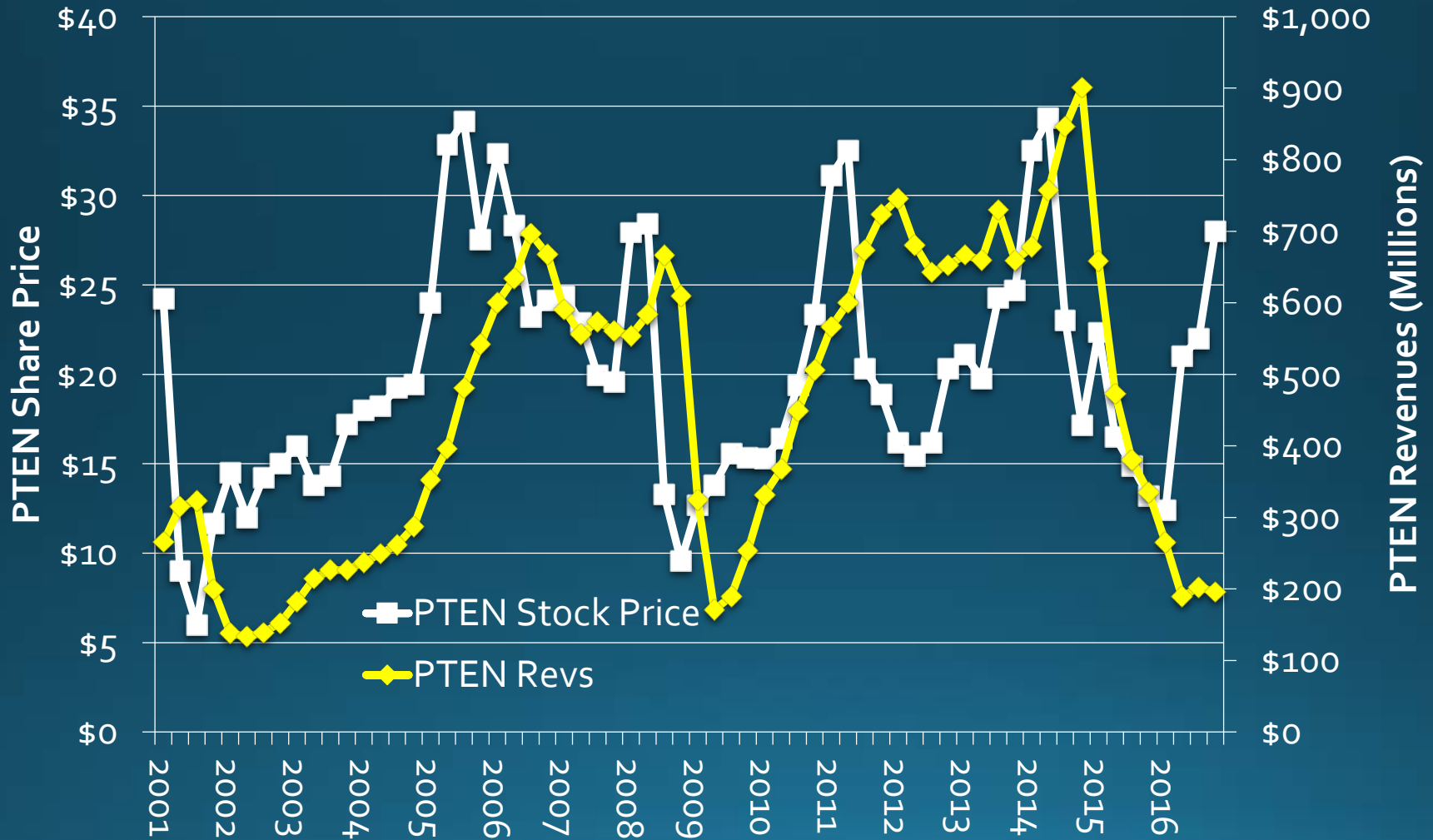
...because price precedes sales...



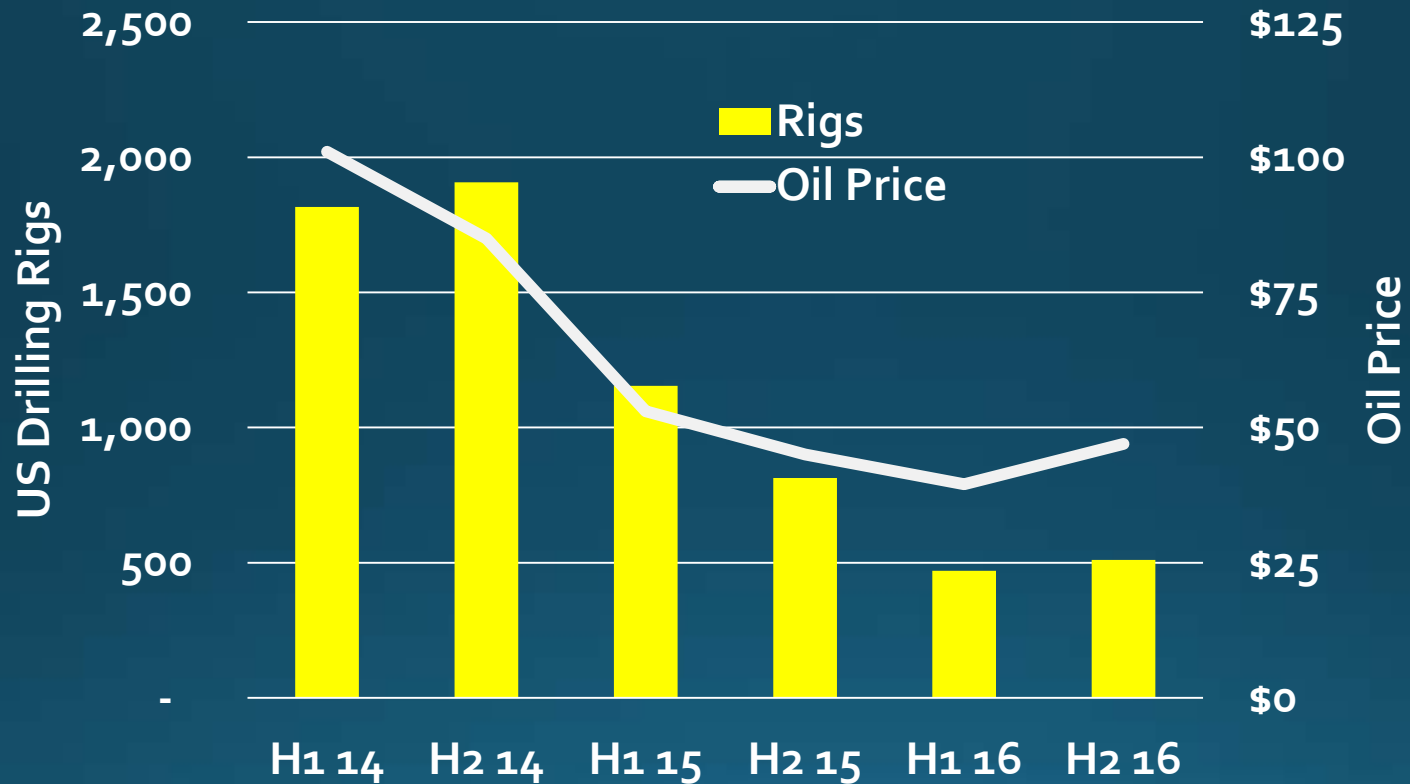
...and here is what happened:



So what do you do now?



Rigs vs Oil Price



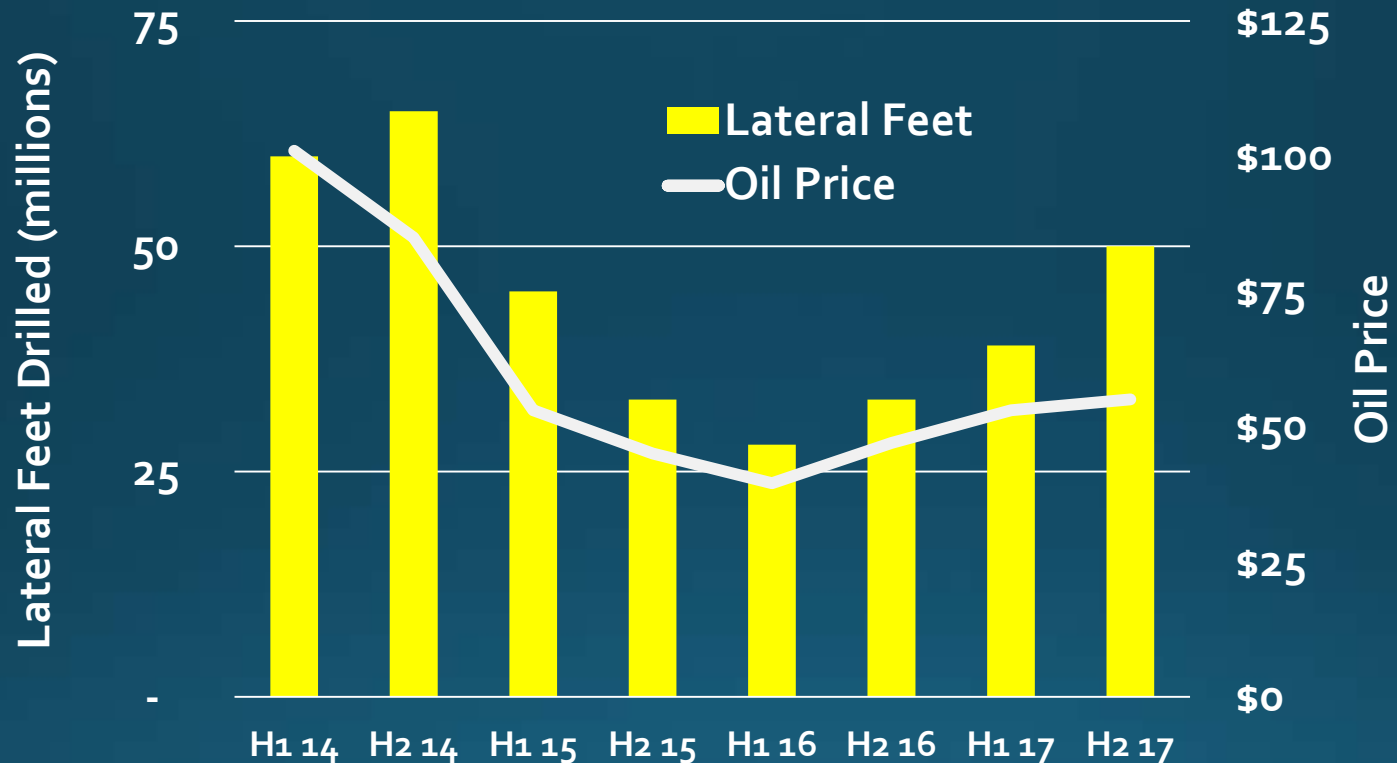
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Reservoir-Feet of Hole



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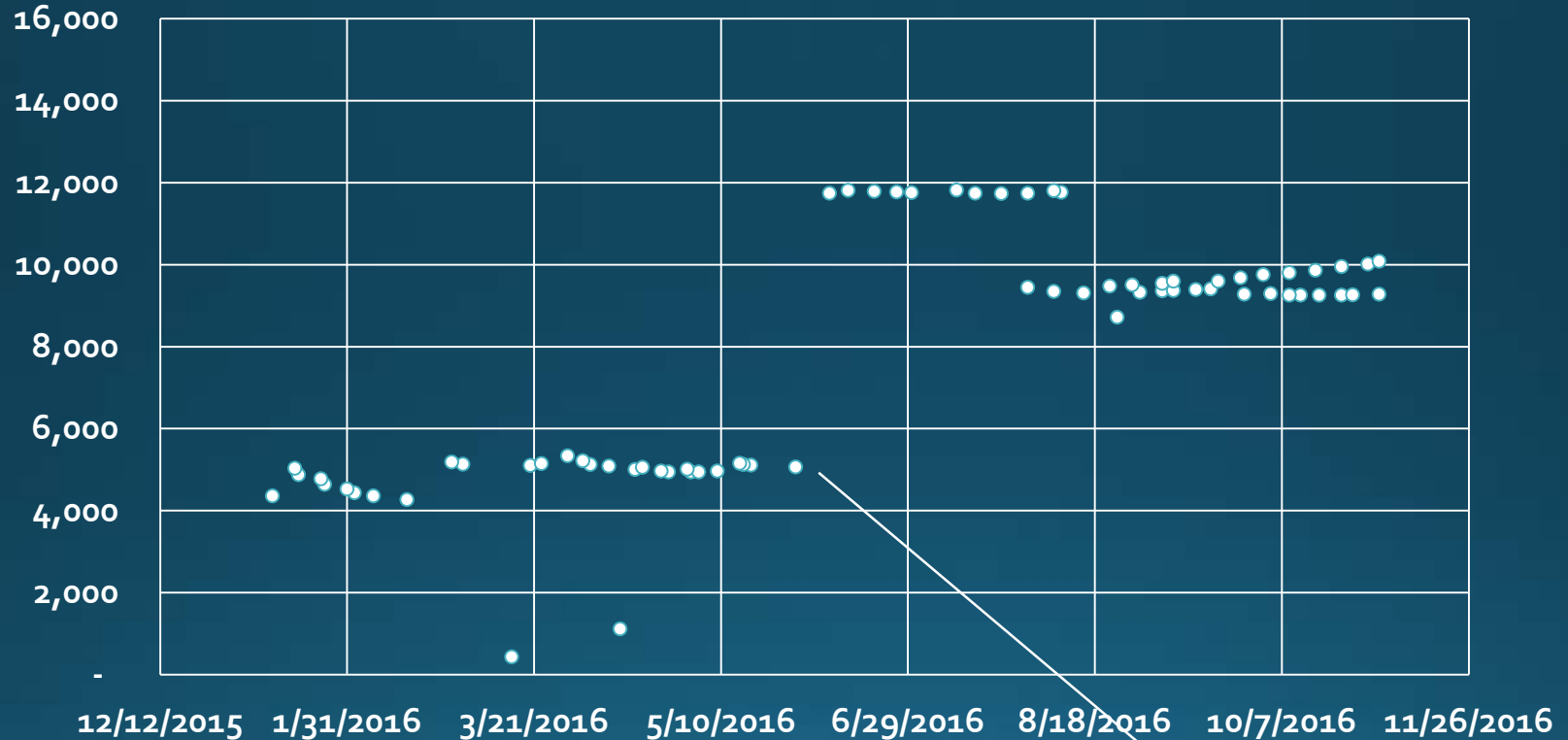
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2016 Niobrara Laterals

TD Date vs Lateral Length
(Extraction Oil & Gas)



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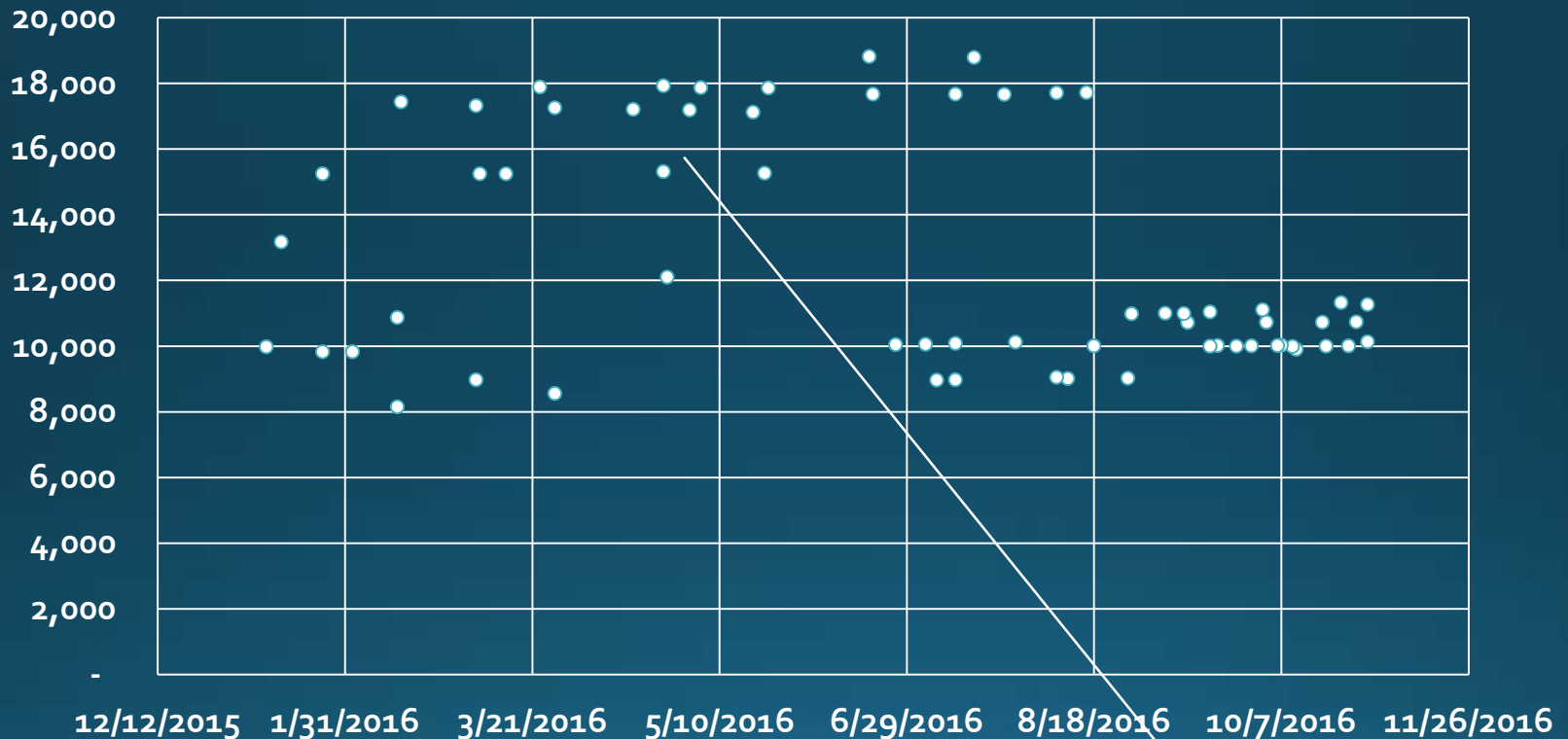
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Here we see drilling on multi well pads. Laterals tend to be uniform on each pad.

2016 Bakken Laterals

TD Date vs Lateral Length
(Continental Resources)



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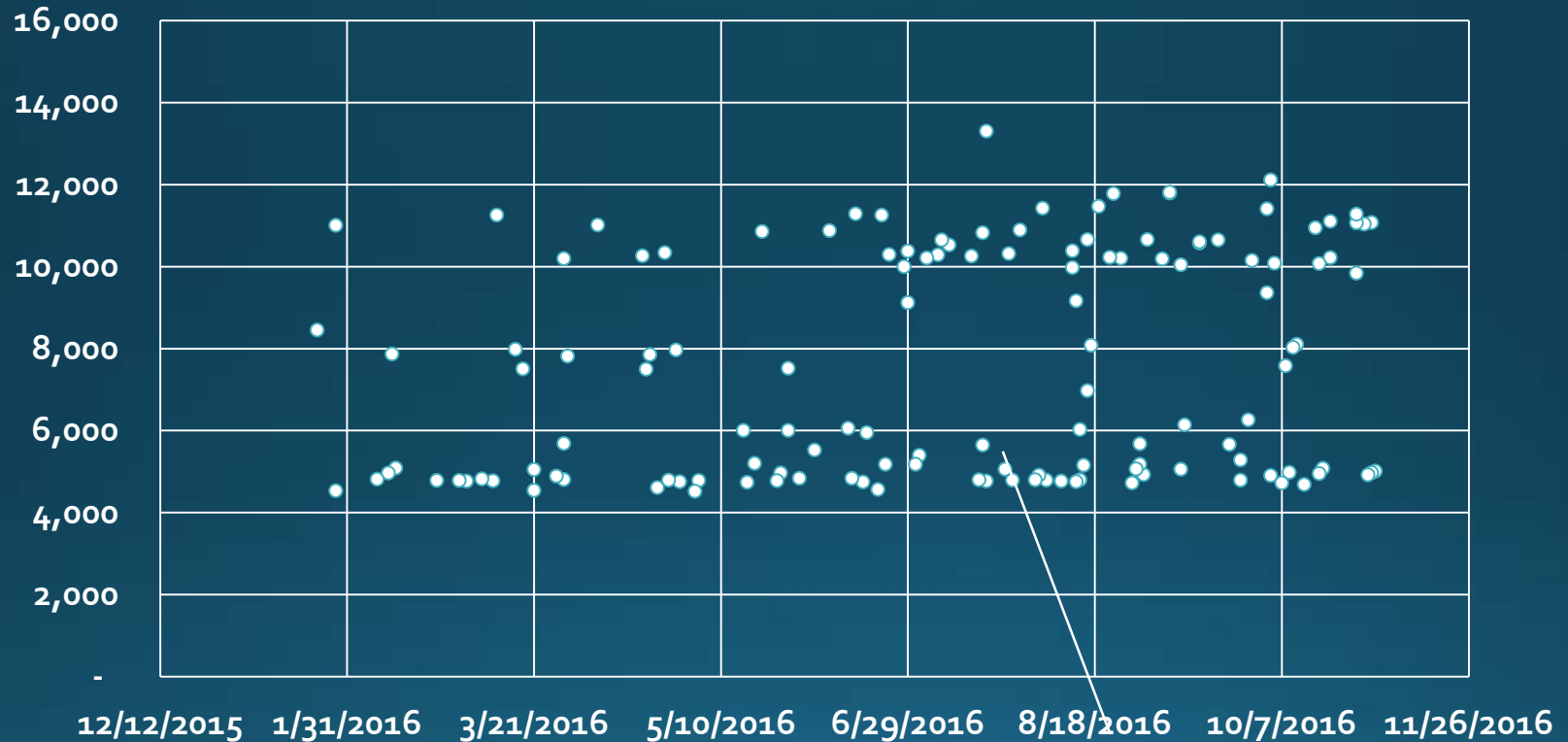
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rspears@spearsresearch.com

Here we see
Continental drill
extremely long
laterals due to
geography

2016 Permian Laterals

TD Date vs Lateral Length
(Concho)



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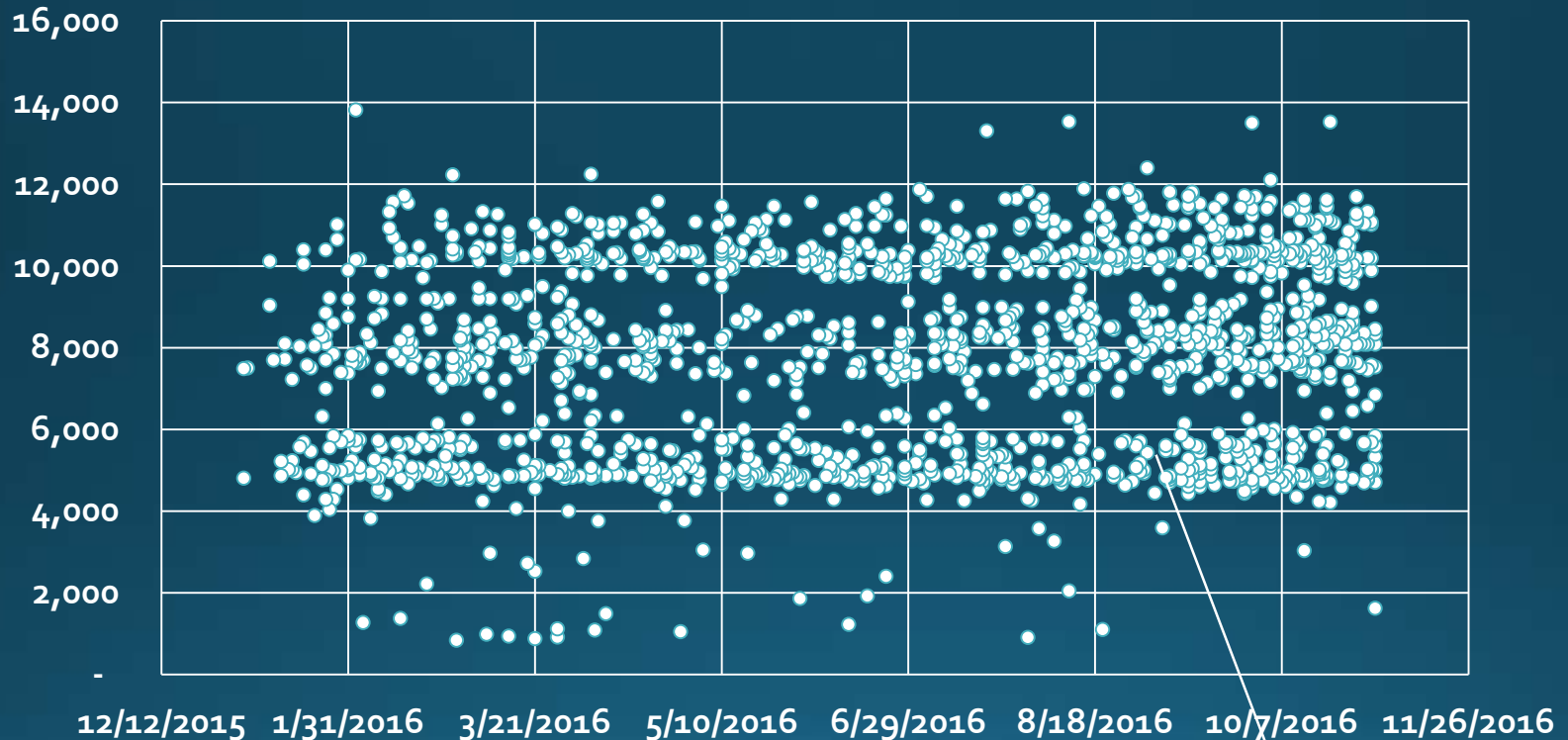
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Here we see
Concho increasing
its use of 11,000'
laterals while not
abandoning 5,000'.

2016 Permian Laterals

TD Date vs Lateral Length



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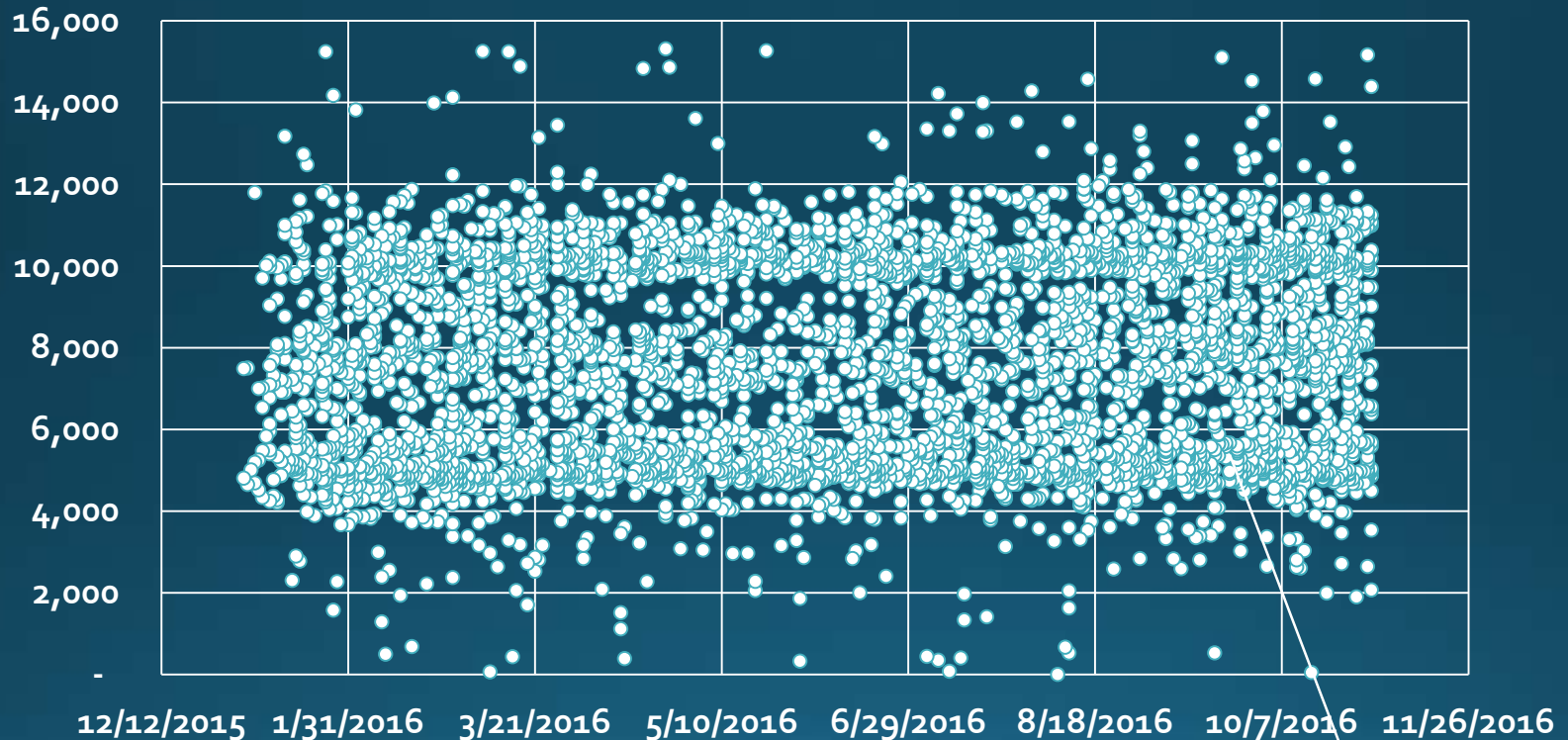
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rspears@spearsresearch.com

This is a graph of all Permian horizontal wells. 3 clusters emerge: 5k', 8k' and 11k' drilling.

2016 US Laterals

TD Date vs Lateral Length



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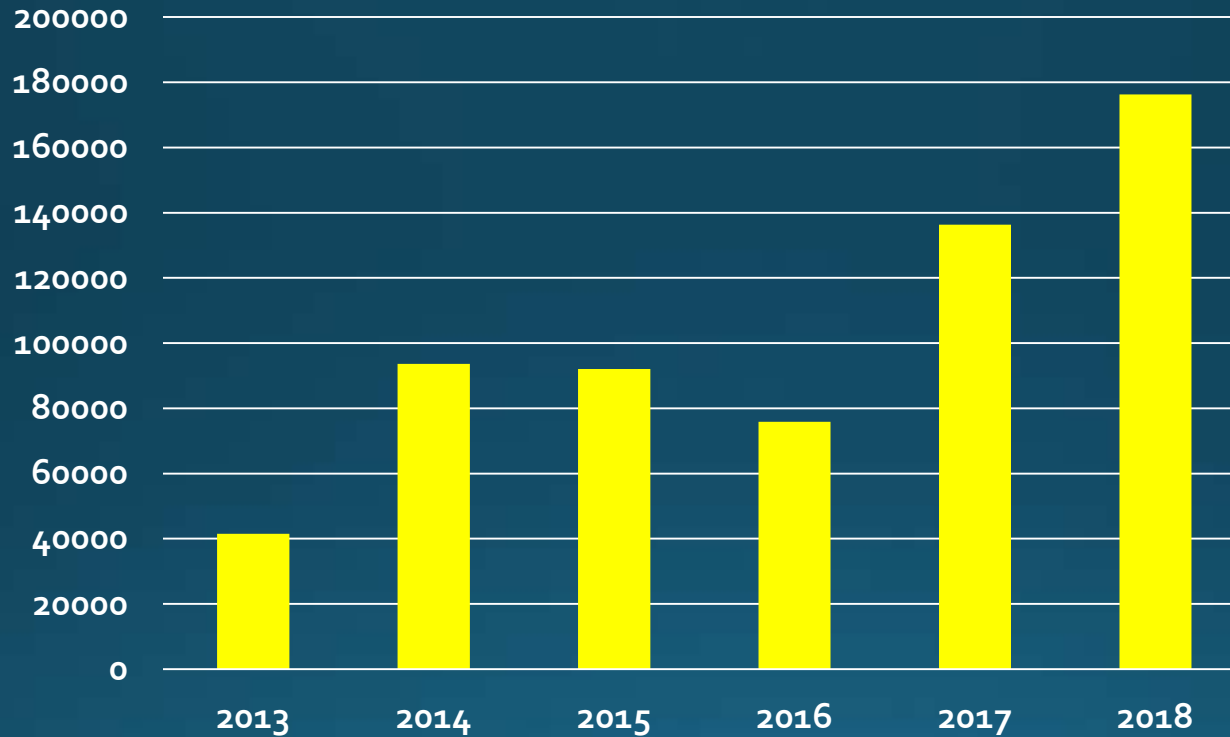
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This is a graph of all US horizontal wells. 3 clusters emerge: 5k', 8k' and 11k' drilling.

Frac Stages Pumped

Permian



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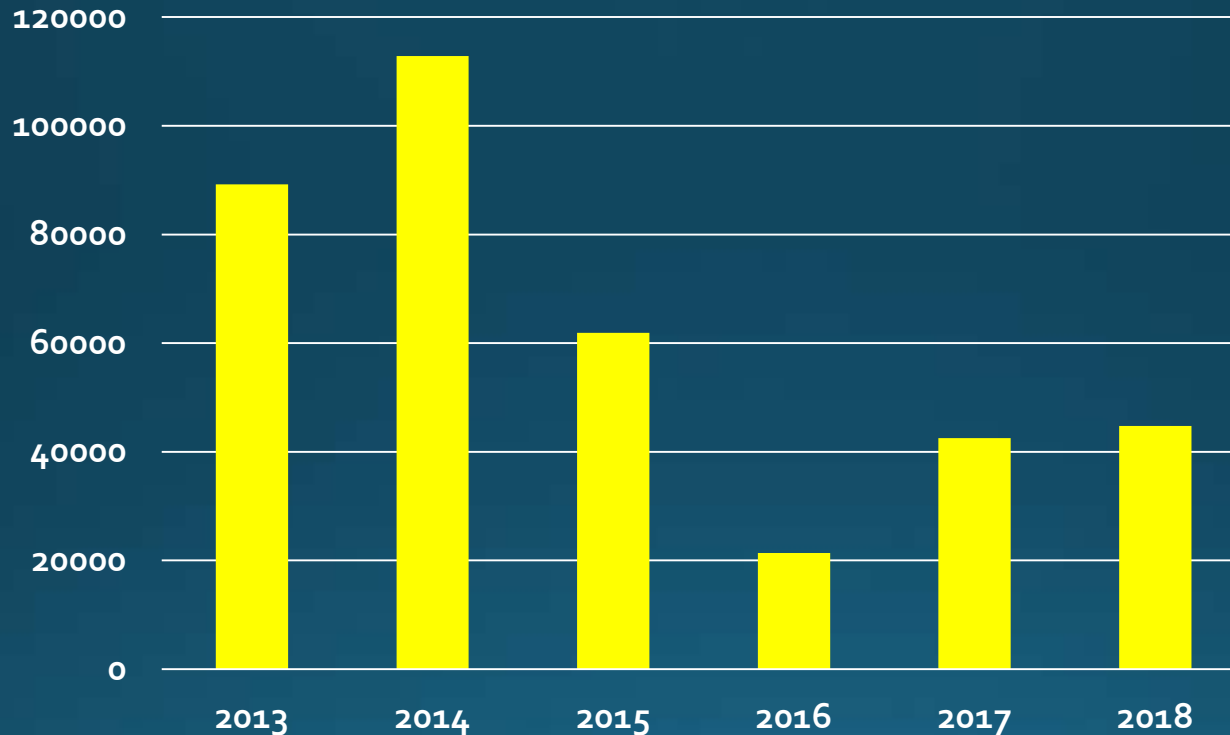
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Frac Stages Pumped

Bakken



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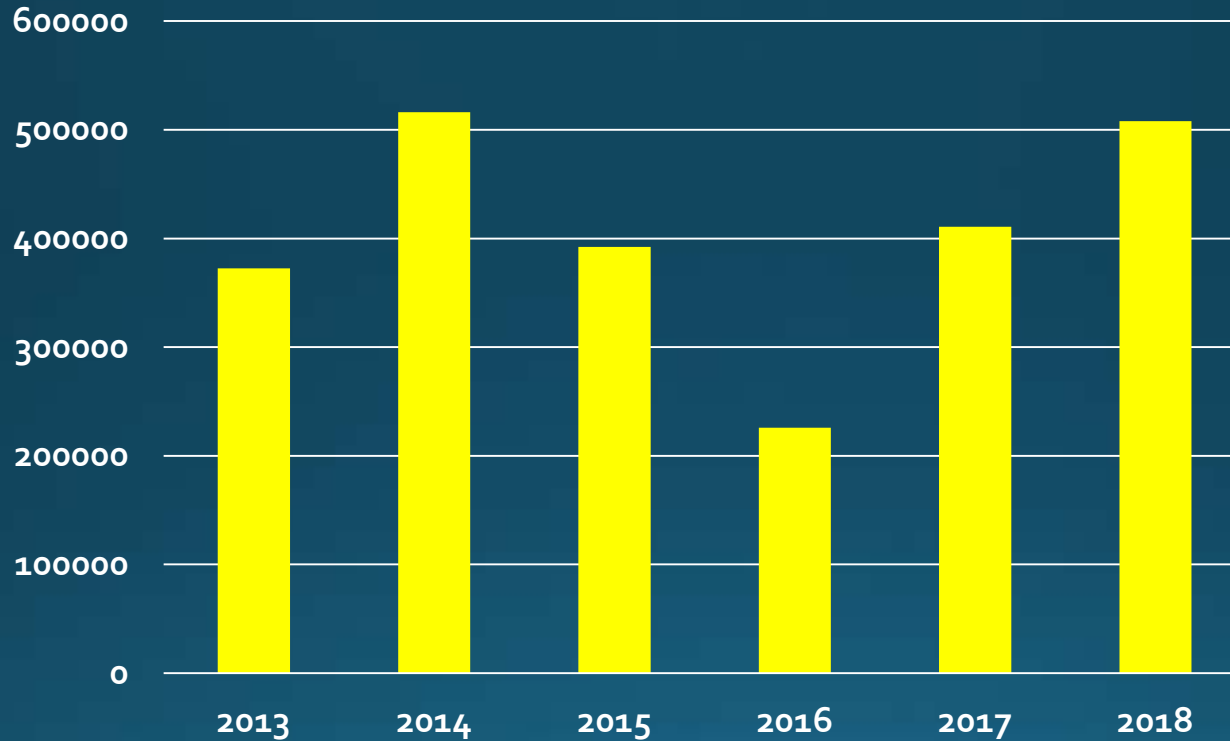
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Tulsa, Oklahoma 74137 USA
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Frac Stages Pumped

Total US



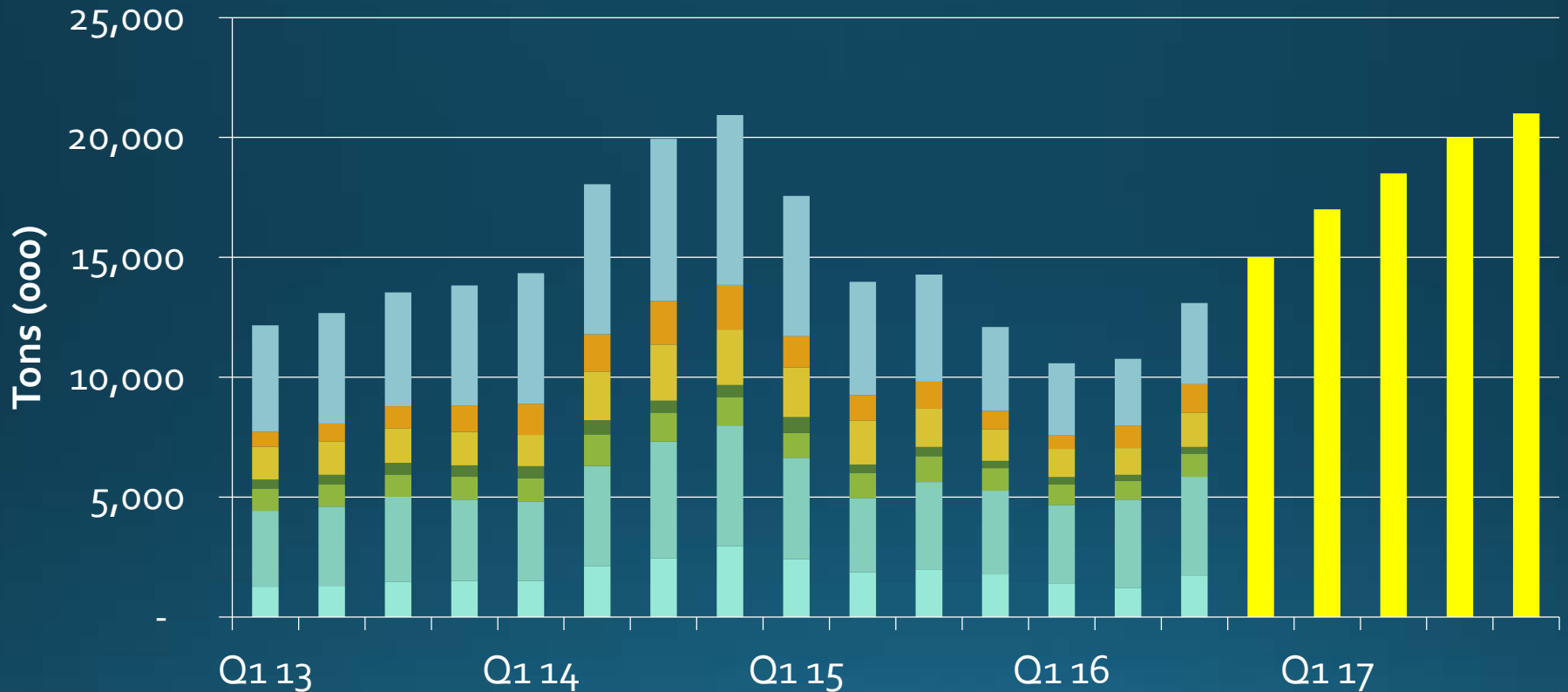
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Proppant/Sand by Rail



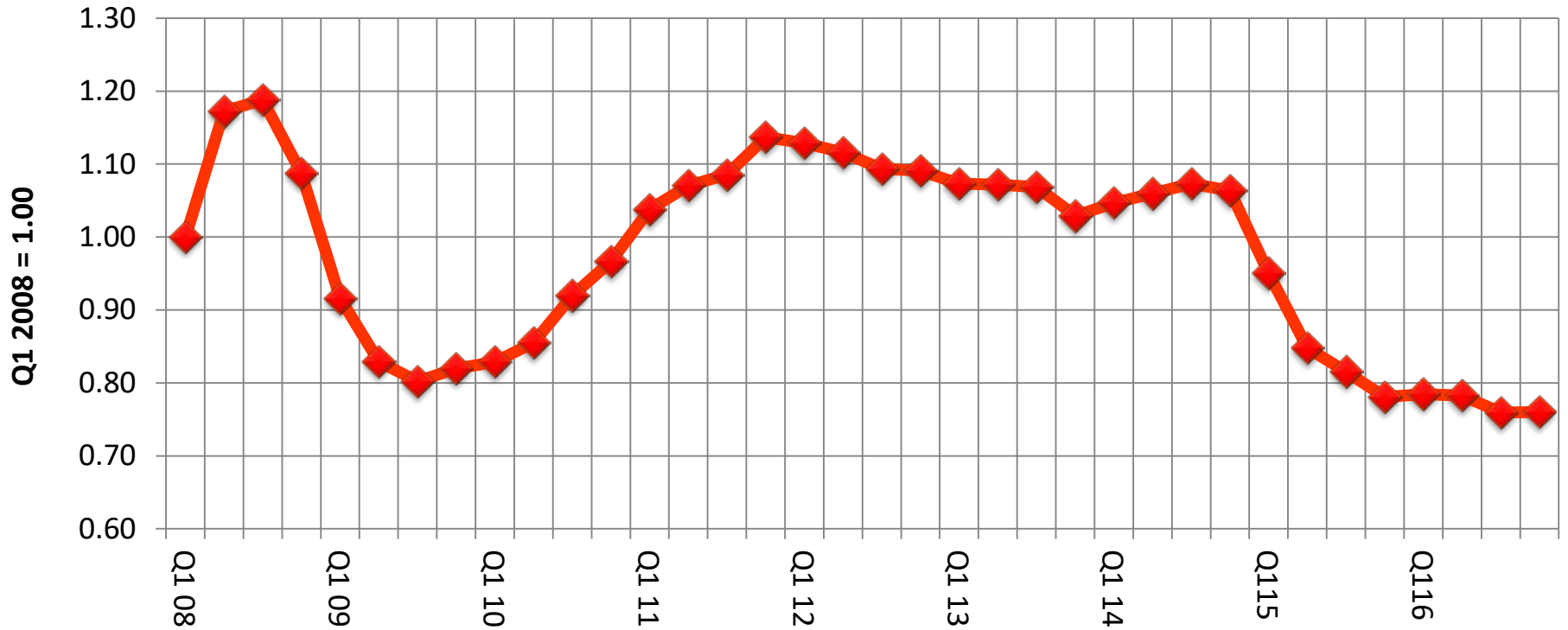
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US Land Drilling Costs



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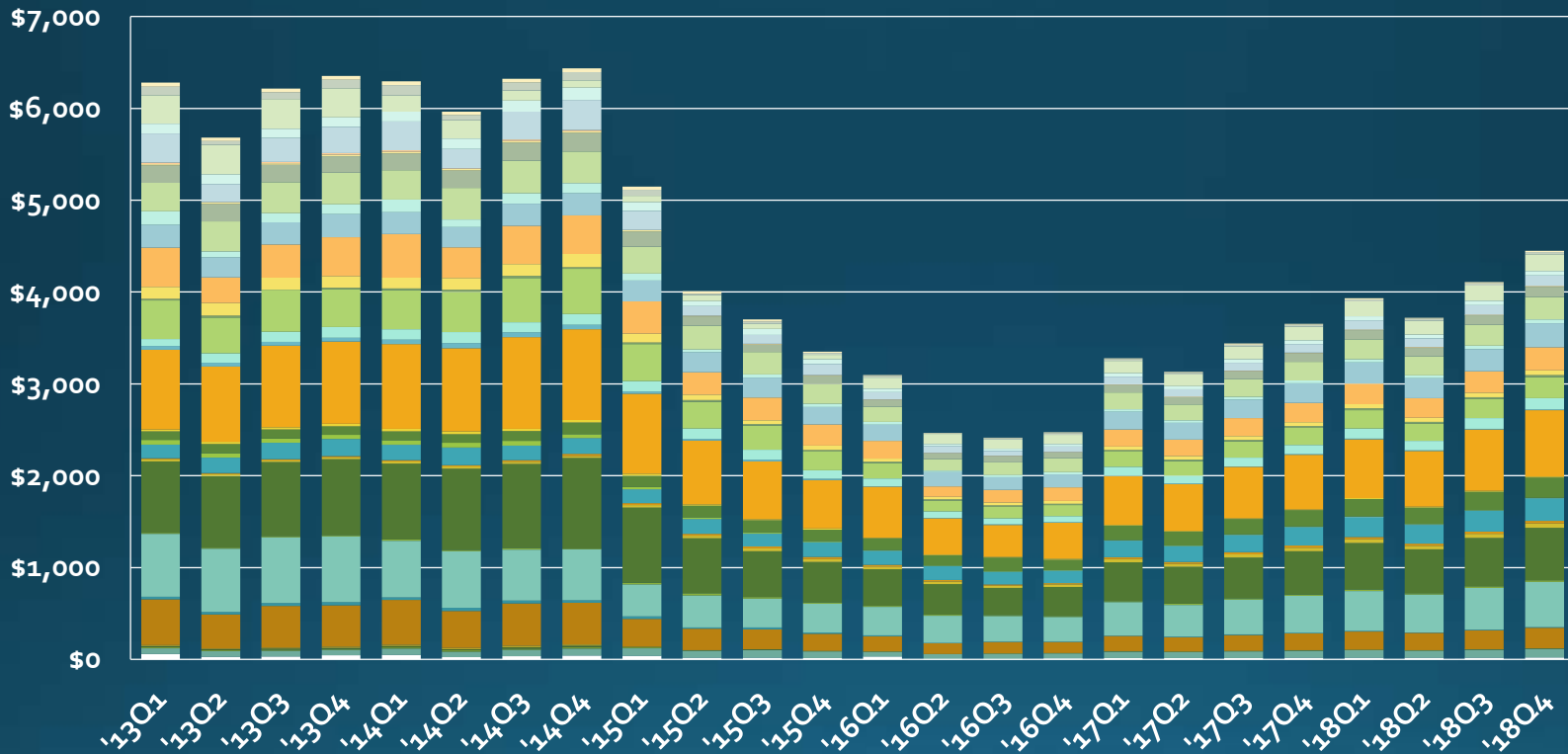
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Land Contract Drilling

Revenues of All Public Land Contract Drillers (Millions)



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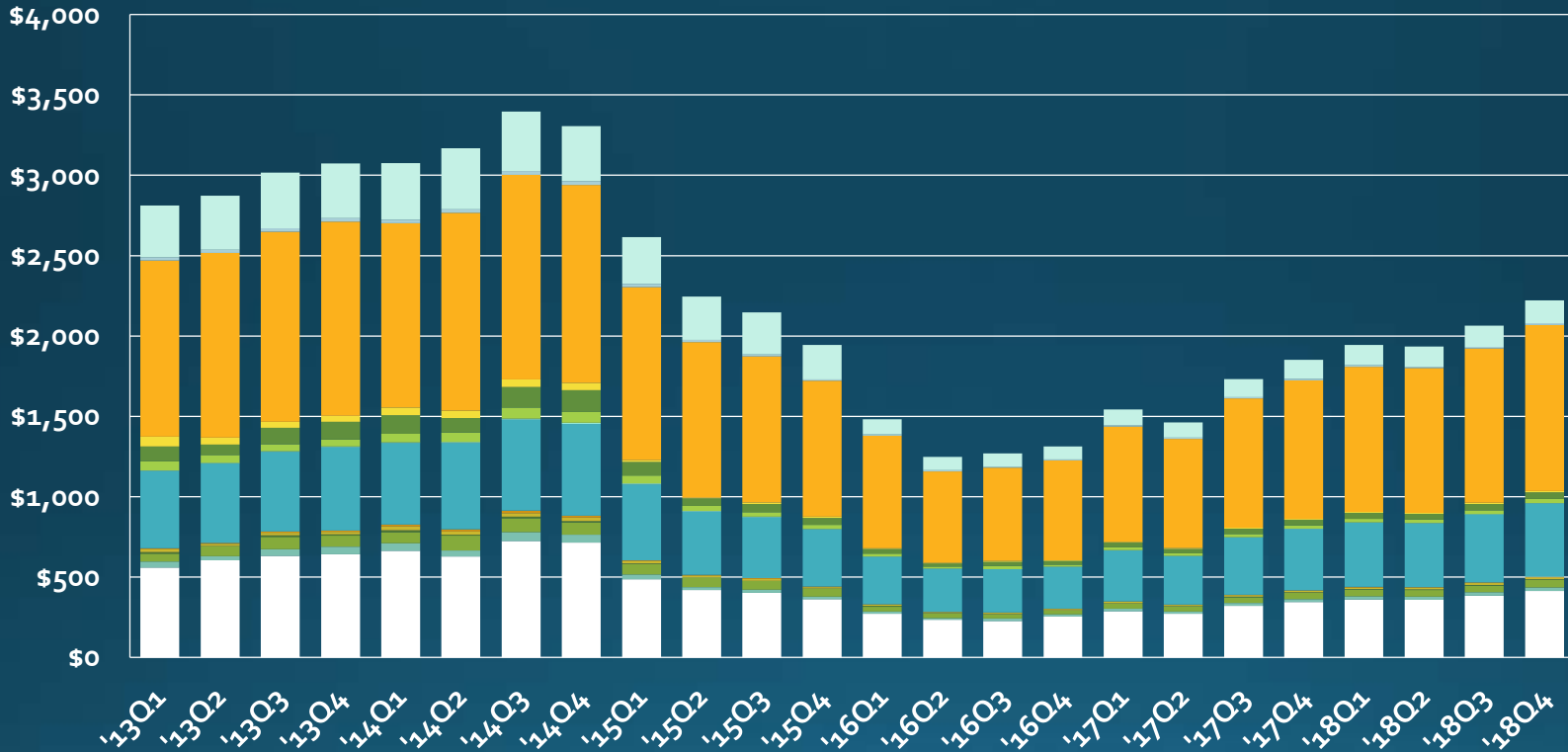
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Directional Drilling

Revenues of All Public Directional Drillers (Millions)



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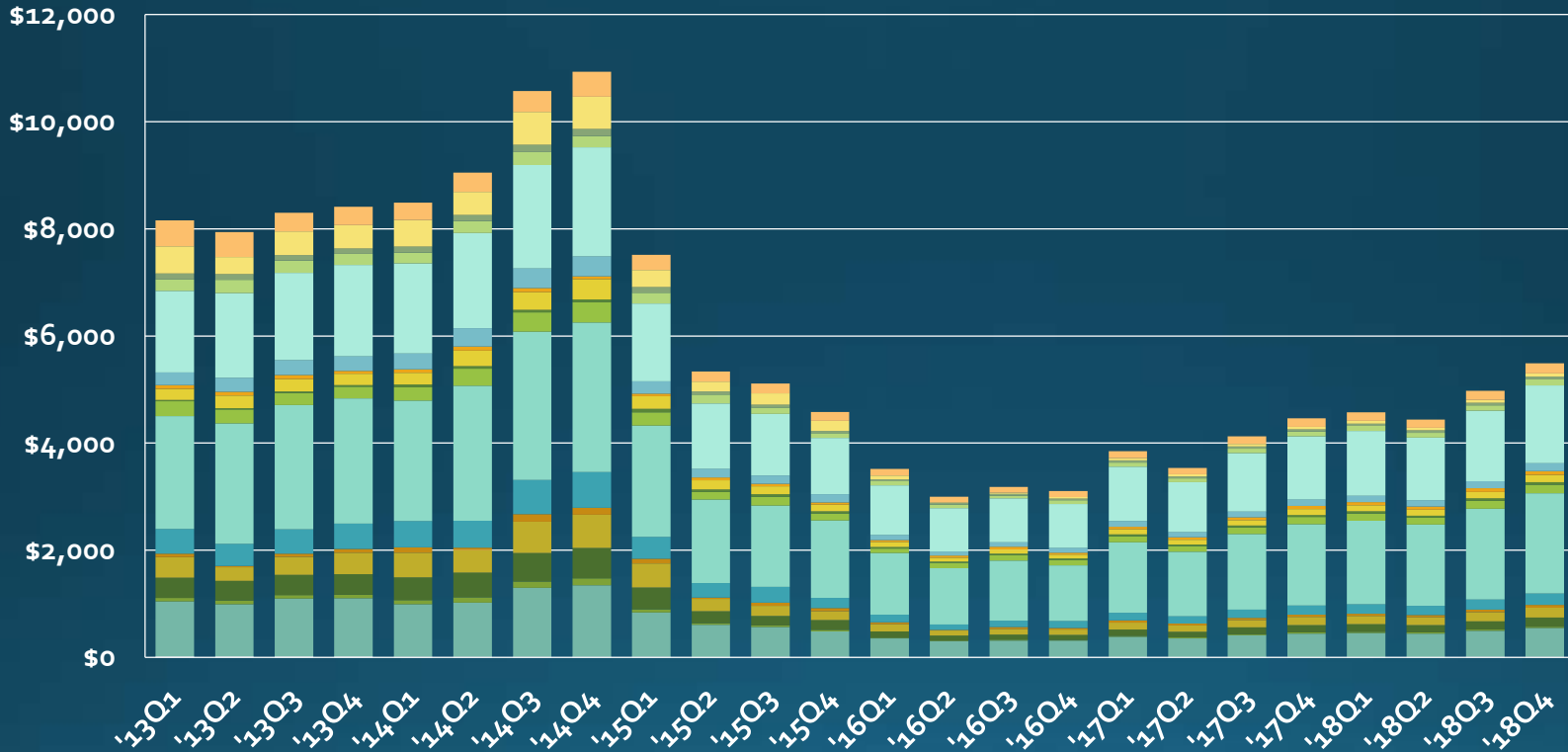
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rspears@spearsresearch.com

Hydraulic Fracturing

Revenues of All Public Frac Companies (Millions)



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2017: Growth year

Drilling Services: Plentiful

Completion Services: Shortages

Production Services: Plentiful

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2017: Growth year

Drilling Services: Modest pricing growth

Completion Services: Sharp pricing growth

Production Services: Modest pricing growth

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