

ExxonMobil Expands Natural Gas Processing Capacity in Piceance Basin

Facilities in place to steadily increase supplies to U.S. markets Drilling technology, best practices produce more gas more efficiently

HOUSTON--(BUSINESS WIRE)-- ExxonMobil Production Company announced today the completion of new field processing capacity at its [Piceance Project](#) on the western slope of the Rocky Mountains in Rio Blanco County, Colorado.

The new facilities have the capacity to handle up to 200 million cubic feet per day of natural gas. They include gas and liquid gathering systems, treating facilities, a produced-water pipeline and subsurface disposal system, and a condensate sales and truck-loading site.

ExxonMobil has been producing natural gas in the Piceance Basin for nearly 50 years and is currently producing about 100 million cubic feet per day. The company currently is operating seven drilling rigs to increase its Piceance production.

"A project such as Piceance represents a long-term view of and commitment to energy development," says Rich Kruger, ExxonMobil Production Company president. "The key to unlocking the potential of this large, technically challenging resource is increasing production and recovery rates from each well at lower cost. ExxonMobil scientists and engineers are working hard to improve the enabling technologies and processes to do just that."

Natural gas is expected to be the fastest-growing major fuel source, driven largely by its increased use to generate electricity. ExxonMobil's leases in the Piceance Basin hold a potential recoverable resource of 45 trillion cubic feet of gas. "ExxonMobil is committed to developing this resource efficiently and with environmental care and sensitivity," says Kruger.

Success through ExxonMobil proprietary technology

Natural gas in the Piceance Basin is trapped within rock as dense as concrete and in discontinuous zones separated by thin layers of shale. To recover the "tight gas," ExxonMobil is applying proprietary technology and best practices.

"Piceance wells completed with our proprietary fracturing technology produce significantly more than conventionally fractured wells and at less cost," says ExxonMobil's Piceance Project Executive Jim Branch. "We use ExxonMobil's proprietary Fast Drill process and Multi-zone Stimulation Technology with Just-in-Time Perforation to access up to 50 gas-bearing zones in one well, which was unheard of just a few years ago. We can drill up to 9 to 10 wells from a single pad, with less surface disturbance. Each well can recover gas located across 20 acres below ground. The cost effective process produces substantially more gas from the many zones it can tap from each well."

Water conservation is a priority at the project. ExxonMobil developed a system that reuses the water recovered from production for other processes. This reduces fresh water use by about 80 percent.

ExxonMobil conducts extensive plant, wildlife and archaeological surveys to help manage the environmental performance of the Piceance Basin operations. The company also participates in studies with local educational institutions and government agencies to maximize protection of native wildlife habitats and plant species in the project development area.

Enterprise Products Partners L.P. constructed new plant and pipeline facilities at the Piceance project to provide compression, treating and conditioning services for the produced natural gas, which is delivered to various pipeline transmission systems that serve the region.

CAUTIONARY STATEMENT: Estimates, expectations, and business plans in this release are forward-looking statements. Actual future results, including demand growth, resource recoveries, production rates, project plans and schedules, and the impact of new technology could differ materially due to changes in market conditions affecting the oil and gas industry or long-term oil and gas price levels; political or regulatory developments; reservoir performance; timely completion of development projects; technical or operating factors; and other factors discussed under the heading "Factors Affecting Future Results" in the Investor Information section of our website (www.exxonmobil.com) and in Item 1A of our most recent Form 10-K. References to "recoverable resources" and similar terms include quantities of oil and gas that are not yet classified as proved reserves but that we believe will be produced in the future.

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Source: Exxon Mobil Corporation