

San Antonio E&P Firm Finds Riches in Low Oil Prices

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field near Falfurrias. Johnny Day the president of San Antonio- based Texron Operating LLC said Six-year low crude oil prices have become an opportunity for at least one San Antonio-based company that is seeing healthy production numbers from a working interest partnership at a mature field near Falfurrias.

Texron Operating LLC successfully drilled the Texron Perez #1 oil and natural gas well in the historic “Home Run Field” in Brooks County.

The pre-existing vertical well originally went down approximately 10,000 feet below the surface but Texron targeted the Vicksburg Sands formation another 2,700 feet down. Texron Perez #1 went into production in early June and is currently yielding 212 barrels of condensate oil a day and 1.72 million cubic feet of natural gas per day from the high-pressure sands.

The company’s president Johnny Day told the San Antonio Business Journal that the deal was two years in the making but is now paying off. “The well is currently on an 11/64 chokehold,” Day said. “We have a goose that’s laying golden eggs right now and we want to be prudent and not pull the well too hard.” Day said his company did the geology work, secured the lease, obtained a Texas Railroad Commission drilling permit and put together the prospect.

With a multimillion-dollar price tag for drilling and completion, Texron teamed up with Gulf Coast Western as the majority partner in the project. Hew-Tex Oil and Gas, Global NRG and Team Texas Management were among the minority partners while San Antonio-based Company Energy First Engineering served as the engineering firm.

Drilling started in March and took 18 days to reach the target depth. The vertical well was perforated and fracked in three sections of the 200-foot thick Vicksburg Sands formation. Day said the well was drilled under budget noting that the downturn has created an opportunity for Texron through lower prices from rig and service companies.

“Lower oil prices, although we don’t like them, have created an opportunity for Texron by eliminating some of the price gouging through better competition while also freeing up some leases,” Day said. Texron is now looking to drill another Vicksburg Sands well on the Perez lease as well as starting new projects in South and East Texas.

