



# Supply and Demand Forecast: Permian

Report Published: 8/8/2022

Questions?  
Contact Zack Van Everen  
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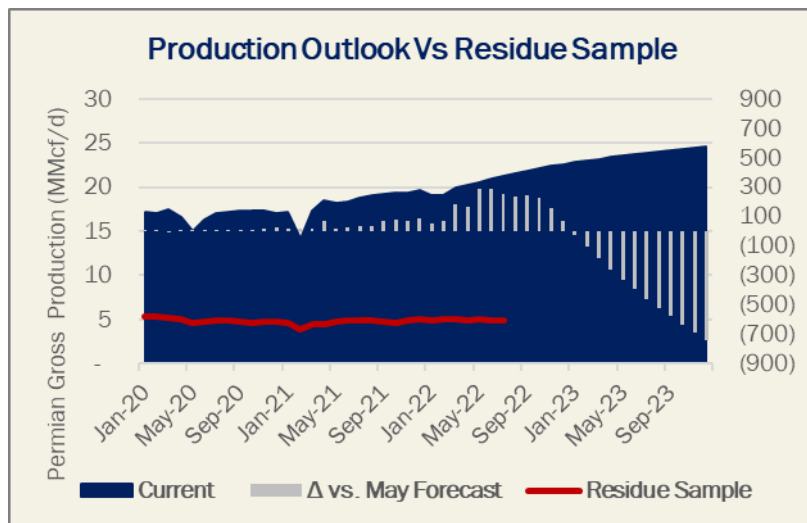
## PERMIAN PRODUCTION

### Gas Production (Bcf/d)

- East Daley's new Permian production forecast increased by an average of 187 MMcf/d in 2022 and declined by 410 MMcf/d on average in 2023. The decrease in 2023 can be attributed to new data that steepened our Delaware gas decline curves.
- With the revised forecast our constraint outlook is not as dire, shown on page 4. Our forecast indicates egress will still be tight, but the basin no longer needs a Gulf Coast Express expansion, which Kinder hinted might not happen.

Permian Summary (Bcf/d)	Apr-22	May-22	Jun-22	Jul-22	Y-o-Y Δ	Aug-22	Sep-22	Oct-22	2021	2022	Y-o-Y Δ
EIA Gross Gas Production	19.9	20.0	20.2	20.4	1.6	20.5					
EDC Gross Gas	20.2	20.6	20.9	21.2	2.4	21.5	21.9	22.2	18.3	21.0	2.6
EDC Dry Gas	14.0	14.3	14.5	14.7	1.7	14.9	15.1	15.3	12.6	14.5	1.8
Total Rigs	335	338	328	325	71.8	326	327	327	254	324	71

Rich Gas (Bcf/d)	Apr-22	May-22	Jun-22	Jul-22	Y-o-Y Δ	Aug-22	Sep-22	Oct-22	2021	2022	Y-o-Y Δ
TRGP - West Texas	2.5	2.5	2.5	2.5	0.3	2.5	2.6	2.6	2.2	2.5	0.4
EPD - Delaware	1.5	1.5	1.5	1.5	0.1	1.5	1.6	1.6	1.4	1.5	0.1
Private - Lucid S Carlsbad	1.3	1.3	1.3	1.4	0.3	1.4	1.4	1.4	1.1	1.3	0.3
ET - Delaware	1.2	1.2	1.3	1.3	0.2	1.3	1.4	1.4	1.1	1.3	0.2
WES - DBM	1.2	1.3	1.3	1.3	0.2	1.3	1.3	1.4	1.1	1.3	0.2
Private - Eagle Claw	0.9	0.9	0.9	0.9	0.2	0.9	1.0	1.0	0.7	0.9	0.2
EPD - Navitas	0.9	0.9	0.9	0.9	0.1	0.9	0.9	0.9	0.7	0.9	0.2
ET - Midland	0.8	0.9	0.9	0.9	0.1	0.9	0.9	0.9	0.8	0.9	0.1
TRGP - Delaware	0.7	0.7	0.7	0.7	0.1	0.8	0.8	0.8	0.6	0.7	0.1
MPLX - Delaware	0.7	0.7	0.7	0.7	0.1	0.7	0.7	0.7	0.5	0.7	0.2
ENLC - Midland	0.6	0.6	0.6	0.7	0.2	0.7	0.7	0.7	0.5	0.7	0.2
DCP - Delaware	0.7	0.7	0.7	0.7	0.1	0.7	0.8	0.8	0.6	0.7	0.1
Private - WTG North Midland	0.6	0.7	0.7	0.7	0.2	0.7	0.7	0.8	0.5	0.7	0.2
Private - Cogent Midland	0.4	0.4	0.4	0.4	(0.0)	0.4	0.4	0.4	0.4	0.4	(0.0)
TRGP - Midland	0.4	0.4	0.4	0.4	(0.0)	0.4	0.3	0.3	0.4	0.4	0.0
Other	5.8	6.0	6.1	6.3	0.4	6.4	6.5	6.6	5.7	6.1	0.3
<b>Total Gross Gas</b>	<b>20.2</b>	<b>20.6</b>	<b>20.9</b>	<b>21.2</b>	<b>2.9</b>	<b>21.5</b>	<b>21.9</b>	<b>22.2</b>	<b>18.3</b>	<b>21.0</b>	<b>2.6</b>



Rich Gas (Bcf/d)	YE 22' Utilization
TRGP - West Texas	95%
EPD - Delaware	101%
Private - Lucid S Carlsbad	105%
ET - Delaware	75%
WES - DBM	102%
Private - Eagle Claw	79%
EPD - Navitas	95%
ET - Midland	100%
TRGP - Delaware	77%
MPLX - Delaware	76%
ENLC - Midland	78%

Source: East Daley, EIA, PointLogic, Enverus



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## PERMIAN RIGS

### Rigs by system

Rigs	Apr-22	May-22	Jun-22	Jul-22	Y-o-Y Δ	Aug-22	Sep-22	Oct-22	2021	2022	Y-o-Y Δ
TRGP - West Texas	38	36	44	44	17	44	45	45	28	43	15
EPD - Delaware	14	14	16	16	7	17	17	17	12	16	4
Private - Lucid S Carlsbad	18	20	24	24	10	25	25	25	19	24	5
ET - Delaware	22	19	18	18	4	18	18	18	11	18	7
WES - DBM	14	15	15	15	(0)	15	15	15	12	14	2
Private - Eagle Claw	15	16	15	15	6	15	15	15	9	14	5
EPD - Navitas	17	18	20	20	8	20	21	21	12	19	7
ET - Midland	10	9	11	11	1	12	12	13	13	12	(1)
TRGP - Delaware	16	18	18	18	6	19	19	19	12	17	5
MPLX - Delaware	6	5	6	6	0	6	6	6	5	6	1
ENLC - Midland	11	15	12	12	(3)	13	13	13	12	12	0
DCP - Delaware	12	18	13	12	4	11	11	11	7	12	5
Private - WTG North Midland	39	35	32	32	3	33	33	33	27	34	7
Private - Cogent Midland	5	4	4	4	1	4	4	4	2	4	2
TRGP - Midland	4	3	4	4	(2)	4	4	4	5	4	(1)
Other	92	93	75	72	11	71	70	71	67	76	9
<b>Total Rigs</b>	<b>335</b>	<b>338</b>	<b>328</b>	<b>325</b>	<b>72</b>	<b>326</b>	<b>327</b>	<b>327</b>	<b>254</b>	<b>324</b>	<b>71</b>

- **WTG North Midland:** We forecast system rigs to average 32 in July. There are currently 37 rigs allocated to this system. Top producers East Daley allocates to this system include Pioneer, Diamondback, Exxon, and SM Energy.
- **ET - Delaware:** We forecast system rigs to average 18 in 2022. We currently allocate 19 rigs to the ET - Delaware system. ET has additional processing capacity even with Midland volumes coming across its Permian Bridge pipeline (see page 3)

### Rigs Allocated by System

As of 7/17/22

Shading indicates if current rigs are trending above East Daley's forecast

<b>Private - WTG North Midland</b>	<b>Rigs</b>	<b>TRGP - West Texas</b>	<b>Rigs</b>
HIGHPEAK ENERGY	3	PIONEER NATURAL RESOURCES	18
SURGE OPERATING	3	HIBERNIA RESOURCES III	3
LAREDO PETROLEUM, INC.	3	TRP OPERATING LLC	2
<b>Total</b>	<b>37</b>	<b>Total</b>	<b>33</b>
<b>Private - Lucid S Carlsbad</b>	<b>Rigs</b>	<b>ET - Delaware</b>	<b>Rigs</b>
EOG RESOURCES, INC.	8	PRI OPERATING	4
BTA OIL PRODUCERS, LLC	3	TALL CITY OPERATIONS	2
FRANKLIN MOUNTAIN ENERGY LLC	3	FORGE ENERGY	2
<b>Total</b>	<b>25</b>	<b>Total</b>	<b>19</b>
<b>TRGP - Delaware</b>	<b>Rigs</b>	<b>EPD - Navitas</b>	<b>Rigs</b>
PERCUSSION PETROLEUM II LLC	3	ENDEAVOR ENERGY	7
CONTINENTAL RESOURCES	3	CROWNQUEST OPERATING	3
CONOCOPHILLIPS COMPANY	2	VENCER ENERGY, LLC	2
<b>Total</b>	<b>19</b>	<b>Total</b>	<b>18</b>

Source: East Daley, Enverus



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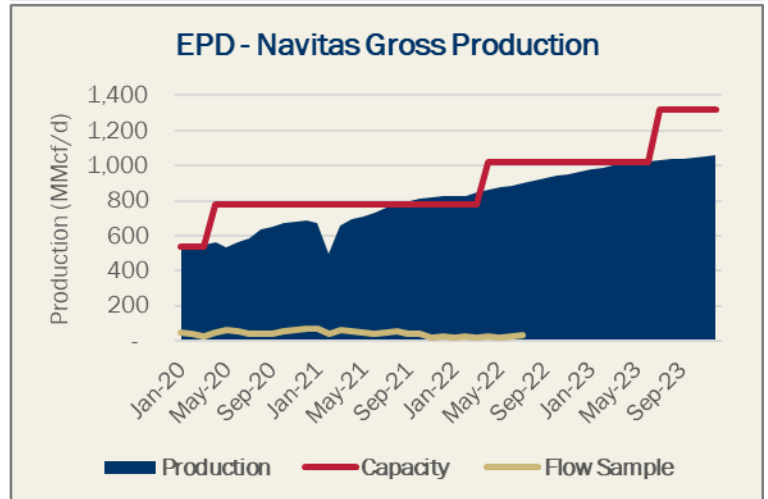
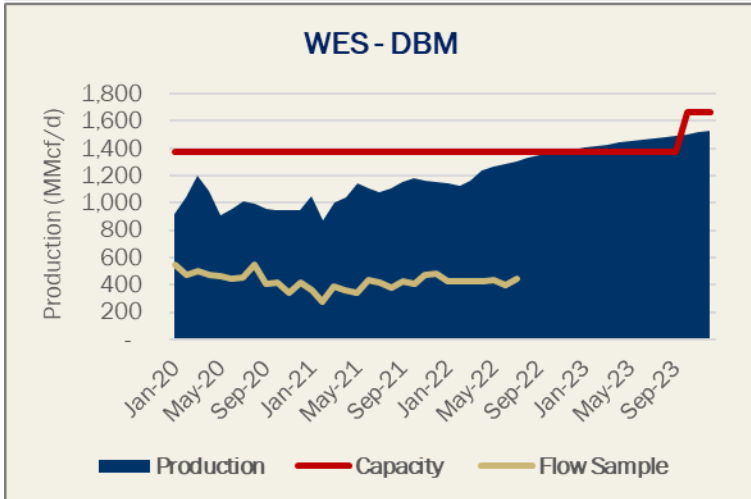
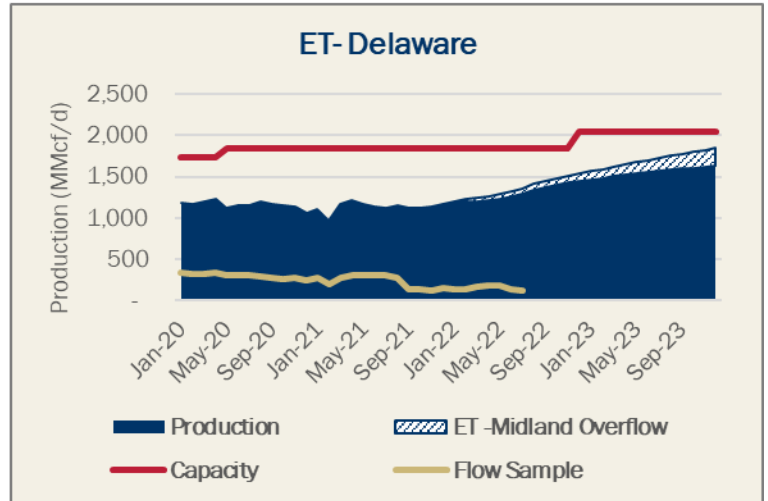
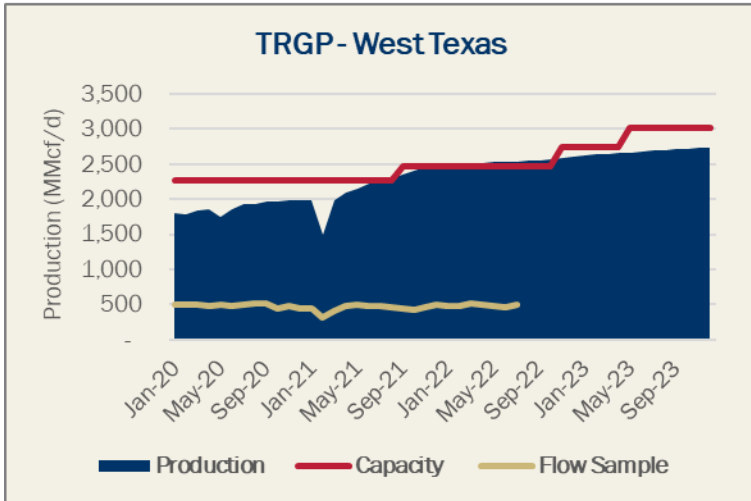
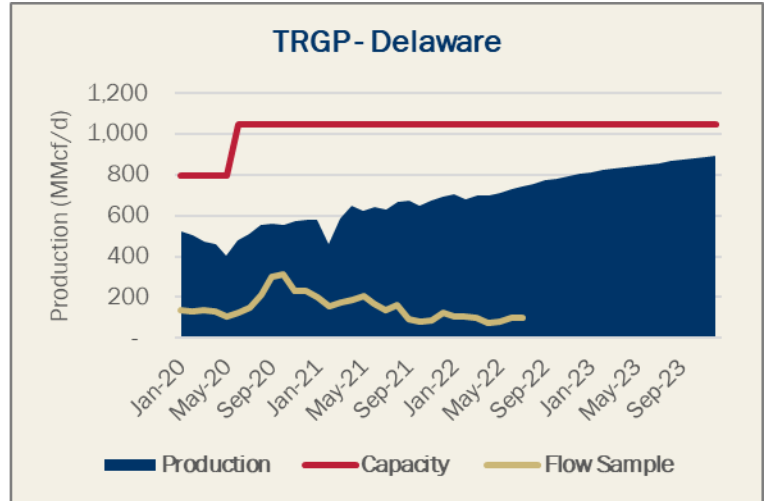
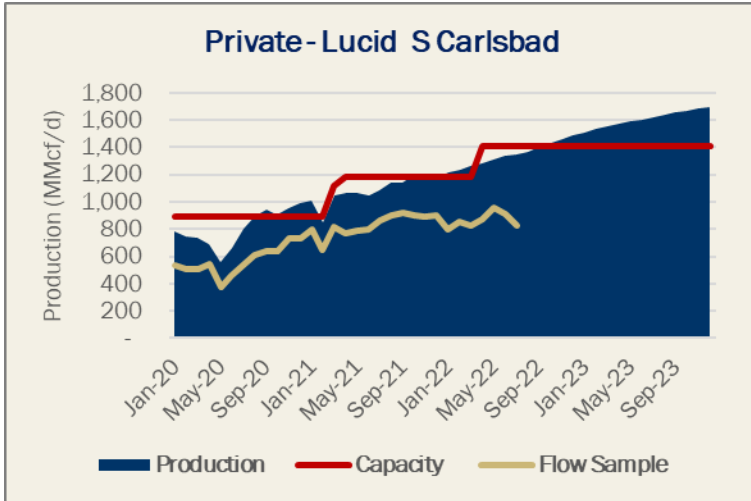
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## SHORT-TERM PRODUCTION; NEW RUNWAYS

### Modeled Raw Gas Production (MMcf/d)

- Targa (TRGP) announced an additional Midland plant (275 MMcf/d) planned online in 4Q23. Given its acquisition of Lucid, we assume Targa ends up offloading to its TRGP - Delaware system (shown below).
- Enterprise (EPD) announced two new plants totaling 600 MMcf/d, one each in the Delaware and Midland. The , both online 2Q24.



Source: East Daley, PointLogic, Enverus



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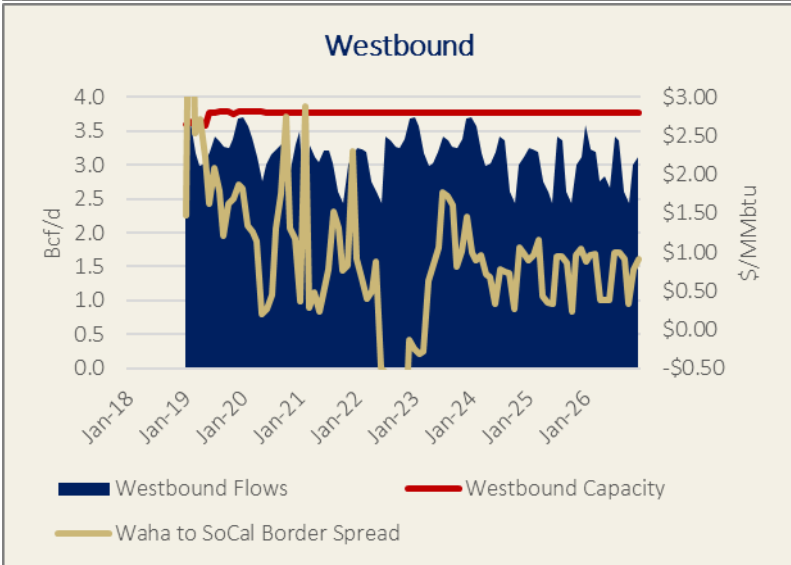
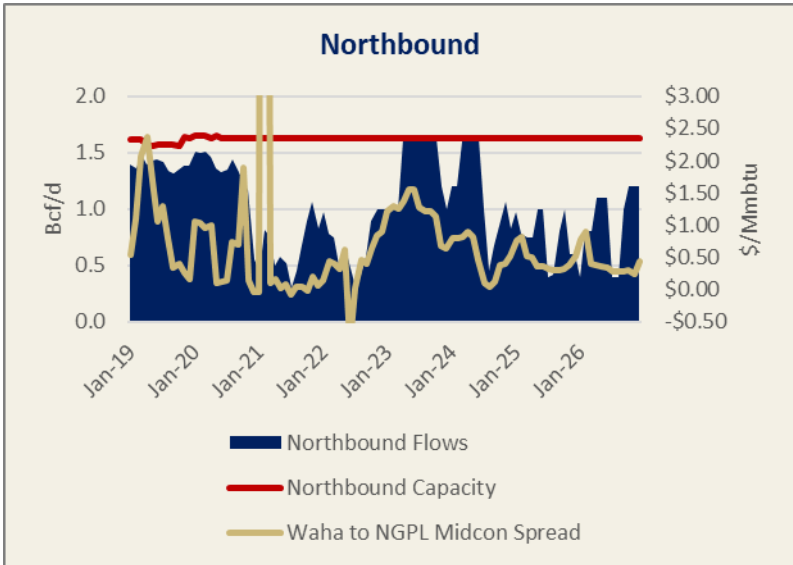
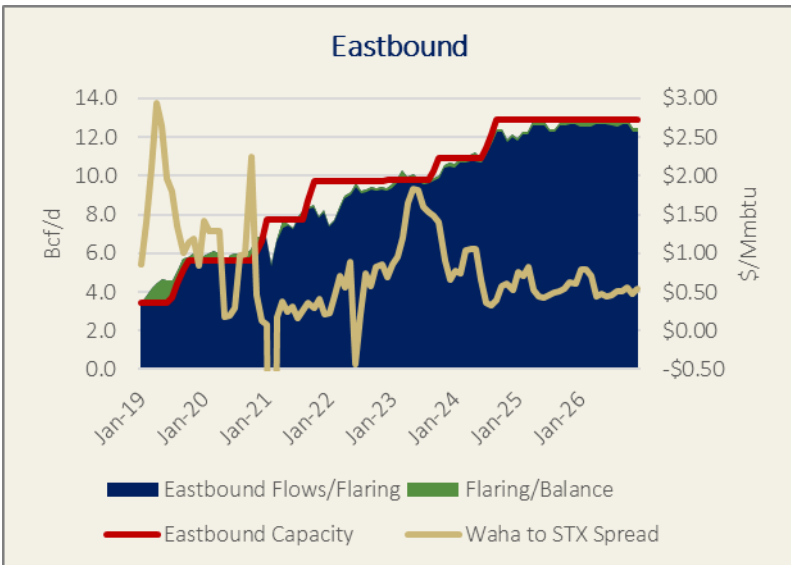
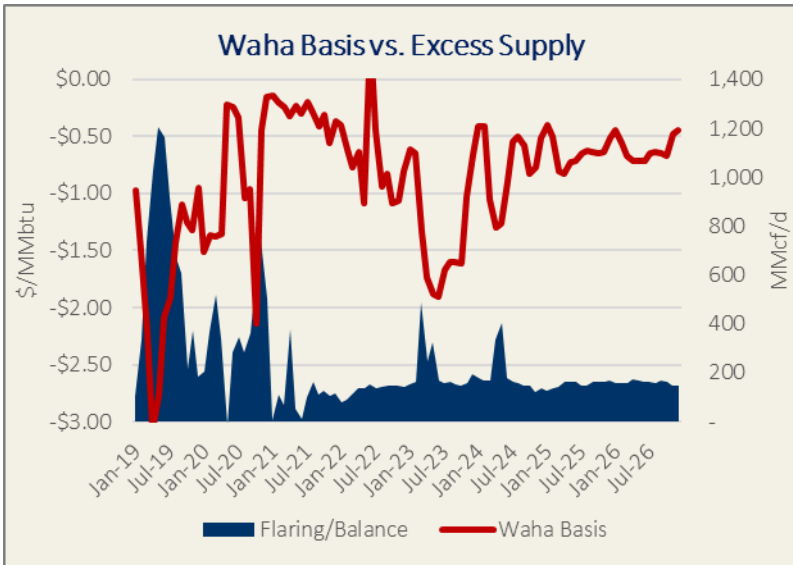
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## RESIDUE AND CONSTRAINTS

### Residue Sample by G&P System (MMcf/d)

Residue Sample (MMcf/d)	Mar-22	Apr-22	May-22	Jun-22	Jul-22	M-o-M Δ	R^2	Interstate Pipeline	% on Intrastate
TRGP - West Texas	513	493	471	462	493	23	61%	Norther Natural, El Paso	80%
EPD - Delaware	190	197	199	194	202	3	6%	El Paso, NNG, Transwestern	87%
Private - Lucid S Carlsbad	829	868	955	914	823	(132)	10%	El Paso, NNG, Transwestern	29%
ET - Delaware	163	180	179	142	125	(55)	90%	El Paso, Northern Natural	85%
WES - DBM	421	426	438	397	443	5	56%	El Paso	63%
Private - Eagle Claw	351	264	258	285	268	9			
EPD - Navitas	17	26	18	29	31	14	21%	El Paso, NNG	97%
ET - Midland							14%	El Paso	100%
TRGP - Delaware	102	76	78	98	97	19	15%	El Paso, NGPL, NNG, Transwestern	89%
MPLX - Delaware	85	48	104	91	92	(12)	15%	El Paso	93%
ENLC - Midland	387	386	352	393	385	32	47%	El Paso, Transwestern	39%
DCP - Delaware	316	333	301	314	319	17	89%	El Paso, NNG	46%
Private - WTG North Midland	104	108	107	94	106	(1)	57%	El Paso, NNG	82%
Other	1,575	1,513	1,590	1,540	1,591	1			
<b>Grand Total</b>	<b>5,054</b>	<b>4,918</b>	<b>5,051</b>	<b>4,954</b>	<b>4,974</b>	<b>(76)</b>			



Source: East Daley, PointLogic, Bloomberg



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