

THE AMERICAN OIL & GAS REPORTER[®]

JANUARY 2026

The "Better Business" Publication Serving the Exploration | Drilling | Completions | Production Industry



Outlook 2026
Eagle Ford Activity
Industry Tech Trends

Contents

JANUARY 2026

Volume 69 No. 1



THE ISSUE

As the new year kicks off, all eyes are on oil and gas commodity prices, as usual. But what will emerge as the main storylines of 2026, even if they are not necessarily readily evident at the start of the year? This month's cover story assesses five distinct trends that will influence upstream oil and gas activity. A companion piece to Richard Spears' insights looks at a few key technologies that will also shape industry economics, courtesy of AOGR's Jeremy Viscomi. But the Outlook section is just the beginning. The Eagle Ford Activity

special reports showcase operators' innovative development strategies to achieve new levels of productivity in one of the original shale plays. The Industry Tech Trends section then examines two technological and operational areas where the "cutting edge" continues to be honed by the project: U-shaped horizontal well architectures and physics-based artificial intelligence solutions for optimizing electrical submersible pumping at scale. Association news includes a convention preview for the Louisiana Oil & Gas Association and an update from the Gas & Oil Association of West Virginia. Issue photography courtesy of Devon Energy Corp., Latshaw Drilling Co., Prairie Operating Co., and ROAM-AI. Cover image in loving memory of Joyce Cookson.

NEWS

- 16 | **Federal Lands:** BLM pushes bond increase back; New sage-grouse plans allow more development; BLM opens acreage in National Petroleum Reserve-Alaska to activity
- 16 | **Federal Matters:** EIA raises gas price forecast; NETL validates method for enhancing CO₂ floods in shale plays; National Petroleum Council urges reforms to planning and permitting processes
- 20 | **Drawing Talent:** NAPE to host job fair on expo's main floor; AAPG launches programs targeting declining geoscience enrollment
- 20 | **Trade Groups:** U.S. Association of Energy Economists sets council
- 22 | **Appalachia:** Antero buys Marcellus assets while divesting Utica properties
- 22 | **The Permian:** Energy Transfer to make Desert Southwest pipeline bigger; Texas RRC names director for its oversight and safety division
- 23 | **The Haynesville:** USGS quantifies undiscovered reserves
- 25 | **The Gulf:** INEOS Energy and Shell make deepwater discovery; Harbour Energy buys LLOG
- 90 | **2026 Strategies:** Companies must balance short- and long-term goals
- 91 | **Electricity:** Red-leaning states have lower costs

OFFICIAL ASSOCIATION NEWS

- 29 | **Louisiana Oil & Gas Association:** Association celebrates successful push to reform severance taxes, legacy lawsuits
- 33 | **Gas & Oil Association of West Virginia:** Data centers set to bolster in-state natural gas demand

**PROP
STACK**

Last Mile Sand Pile REIMAGINED



PROPSTACK BENEFITS

-  **Increased Storage Capacity**
-  **Lower Transportation Costs**
-  **High Throughput Rates**
-  **Efficient Material Handling**

**PROP
STACK**

For more info, contact us at
sales@propstack.com

U-Shaped Architectures Deliver More Reservoir Exposure, Access To Multiple Benches

By Danny Boyd

The state of the science in horizontal well architectures in shale plays has evolved to an archetypical monobore design with a cased and cemented lateral section extending 10,000-15,000 feet from the horizontal kickoff point. In recent years, the focus has largely been on optimizing lateral lengths, with a number of operators experimenting with ultralong laterals beyond three miles. The Marcellus and Utica shale plays, in particular, have seen one record-setting lateral length after another—culminating last summer in Expand Energy Corp.'s national record of 27,657 feet (5.2 miles) on a Marcellus well in West Virginia.

The industry has become incredibly technically proficient at extended-reach horizontal drilling and getting wells to total depth as efficiently and quickly as possible. But depending on the target reservoir and lease boundaries, drilling longer may not necessarily be better. Instead of extending the lateral farther in one direction, is the next big innovation in well architecture drilling

and completing not one, but two “right-sized” laterals going in mirror opposite directions? Twinning laterals from a single vertical is not some engineer’s pipe dream. Multiple projects have already drilled and completed U-shaped or horseshoe laterals in multiple basins.

The next major step change in unconventional technologies and methodologies may have already arrived. Call it Shale 5.0 or some other descriptor for this new paradigm in wellbore architecture, but the name of the game is to maximize the efficiency of infill development, extract maximum value from every asset, and push the cost of each unit of production as low as possible.

Shell drilled the first successful U-lateral in the Delaware Basin in 2019, largely because of lease space constraints. However, a growing number of operators across basins are now embracing this concept to improve development economics and reduce surface footprints.

U-laterals are drilled out from the rig, turned fully in a 180-degree curve, and then drilled back toward the rig again to expose twice as much horizontal reservoir interval in each well. The idea is to maintain hard-won drilling and completion efficiencies and longer lateral lengths while getting essentially a “two-for-one” proposition, with each leg of the horseshoe potentially tapping multiple benches.

Lateral length has historically been limited by three factors: lease boundaries, a point of diminishing return that can vary widely based on well specifics, and the simple fact that the longer the lateral becomes the greater the complexities tend to be when it comes to completing and producing it. While future advancements will no doubt target artificial lift and other solutions for maximizing production and recovery rates over time in both legs of horseshoe wells, the industry’s experience to date leaves no doubt that these wells can be efficiently drilled and completed.





Niobrara Targets

For Prairie Operating Co., drilling U-laterals tapping the Niobrara Shale in the Denver-Julesburg Basin in eastern Colorado allowed the company to target multiple benches with each lateral while reducing the number of wellheads on location, says Todd Wolff, vice president of drilling.

On a company project conducted with the directional drilling expertise of Altitude Energy Partners, Prairie drilled four U-lateral wells on one D-J pad, with each lateral two miles long, extending one mile out and then turning and coming one mile back toward the rig.

The U-laterals enabled the company to eliminate the top-hole sections on half of the new wells being drilled, which saved rig time, Wolff explains. Fewer wells also reduced the number of surface separators and other wellhead equipment and reduced pad space, allowing more of the pad to be reclaimed, an important factor in environmentally conscious Colorado. Each lateral targeted distinct zones, enabling multibench development with a

minimal number of wells on the pad.

"On all four of our U-wells, we switched between Niobrara Chalk benches," he explains. "Two of the wells went from the Niobrara B to A and the other two wells went from Niobrara C to B. The benches are each separated by approximately 100 feet of true vertical depth."

The reduction in the number of wells lowered AFEs and improved rates of return, Wolff goes on. Based on actual drilling costs, each two-mile U-well costs only about \$160,000 more to drill than a standard two-mile lateral, he says. The company was able to use the same completion designs as standard horizontals in the basin for stage spacing, proppant concentrations, and fluid loads.

"The exception is that we used dissolvable plugs through the U-turn and on the second lateral," Wolff reveals. "Also, where the wells crossed in the actual U-turn, we had a section where we did not pump a frac if the wells were within 150 feet center to center, and we did reduce fracs for a few stages."

Prairie has kept initial productivities close to the vest, but Wolff indicates that well performance has been on par with expectations, even with a bench change between the two laterals, a positive development from a well productivity standpoint. Success has paved the way for future projects, he adds.

"Prairie plans to continue to drill U-wells on many future pads, and we expect to increase the length of the U-wells so we are drilling U-wells with completed lateral intervals of three and possibly even four miles," Wolff comments.

Learning Curve

Wolff's previous work on two U-lateral wells for Bison Operating served as a learning curve to improve cycle times on the job, he says. The four wells were drilled with a bottom-hole assembly consisting of a rotary steerable system driven by a mud motor.

In collaboration with Altitude Energy Partners, Prairie deployed SLB's NeoSteer™ rotary steerable system. The system enabled



Prairie Operating Co. is drilling U-laterals in the Niobrara Shale in the Denver-Julesburg Basin to develop multiple benches with a minimal number of wellheads on each pad. On a project conducted with directional driller Altitude Energy Partners, Prairie drilled four U-lateral wells from one pad, with each two-mile lateral extending one mile out to target distinct zones and then turning and coming one mile back toward the rig.