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Major energy producer focusing on NM's Permian for second year in a row

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Chevron Corporation's CEO said the New Mexico and Texas-based Permian Basin will again be the focus of its global annual portfolio at a shareholder's meeting Wednesday.

Chevron (NYSE: CVX) CEO John Watson said the company has 12 running wells in the Permian and plans to add three by the end of the year, according to the Carlsbad Current-Argus. He also said next year the company hopes to have 20 rigs operating in the Permian by the end of next year.

Watson told Reuters in April that within a decade, he expects Chevron's oil production to grow eightfold in the Permian.

In its first quarter report for this year, Chevron reported earnings of \$2.7 billion, in comparison to seeing a loss of \$725 million at the same time last year.

Last year, Chevron's CEO announced the company would be spending more in the Permian and that by the middle of the next decade investors could see up to 25 percent of its production in the short-cycle shale and tight activity.

According to the company's website, with 2 million net acres of resources, Chevron is the Permian Basin's largest net acreage holder.

For the past year, companies have been flocking to the region, making billion-dollar deals to have a stake in the Permian.

In May Oklahoma's Devon Energy Corp.(NYSE: DVN) stated it plans to sell off \$1 billion worth of assets to focus more on drilling in Oklahoma, west Texas and New Mexico. It's CEO called the Permian the company's "highest-returning growth inventory" in its portfolio.



AARON M. SPRECHER

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