

Synergy Resources Bolsters Liquidity through Acreage Transaction; Issues Operations Update

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- Announces 2016 Fourth Quarter Earnings Release and Conference Call Date - Highlights Upcoming Investor Conferences

DENVER, January 12, 2017 - [Synergy Resources Corp.](#) (NYSE MKT: SYRG) ("Synergy" or the "Company"), an oil and gas exploration and production company focused in the Denver-Julesburg Basin, today announces the sale of certain non-core acreage, issues an operations update, announces 2016 fourth quarter and year-end earnings release and conference call date as well as upcoming investor conferences.

Purchase and Sale Agreement

Synergy recently executed a purchase and sale agreement with a private party resulting in the divestiture of acreage outside of the Company's core development area. The transaction resulted in the Company divesting approximately 10,000 net undeveloped acres and approximately 700 boe/d of associated production for \$71 million. The transaction is expected to close in the first quarter of 2017.

Operations Update

Drilling

Synergy continues to operate two drilling rigs and expects to utilize the rigs throughout 2017. In late 2016 the Company entered into a 1-year term contract for one of the rigs and will maintain the second rig on a pad-to-pad basis. The decision to term out one rig was based on the quality of the rig and management's goal to de-risk continuity of operations.

Completion

Stimulation operations on the first tranche of six long-reach lateral ("LRL") wells on the Evans East Pad have been completed and frac plugs are currently being drilled out with flowback to follow. Stimulation operations for the next tranche of six wells has commenced on the Evans West Pad. All six are extended-reach lateral ("XRL") wells. Completion operations on the remaining ten wells will follow in two tranches of five wells each.

The Company has resolved litigation regarding four standard reach laterals ("SRL") and four LRL wells drilled during 2014 on the Wiedeman Pad. Consequently, the Company has scheduled a second completion crew in late January to commence completion operations on the pad.

Midstream

Synergy, in collaboration with several of its peers, worked closely with DCP Midstream (DCP) and is pleased by DCP's recently announced plans to expand gathering and processing capacity in the DJ Basin. The plan includes a new 200 MMcf/d processing plant (Mewbourn 3) as well as the expansion of the Grand Parkway gathering system, both expected to be completed by the end of 2018. Additional compression and plant bypass infrastructure will add 40 MMcf/d during the summer of 2017 to address shorter term needs. In addition, the producers and DCP have agreed to the framework for an additional 200 MMcf/d processing plant expected to be in service by mid-2019. This additional gathering and processing capacity should significantly reduce the potential natural gas midstream constraints that may arise with increased operator activity in the basin.

Pad Summary:

Fagerberg

- 14 gross mid-reach lateral ("MRL") wells - ~96% WI | 2 Nio A, 4 Nio B, 4 Nio C, 4 Codell
- All 14 wells are producing at pressure-managed rates consistent with management expectations

Evans

- 22 gross - 13 LRL & 9 XRL wells - ~96% WI | 4 Nio A, 6 Nio B, 6 Nio C, 6 Codell
- Stimulation operations completed on the first tranche of 6 wells
- Coiled tubing unit drilling out frac plugs
- Stimulation operations commenced on the second tranche of 6 wells

Wiedeman

- 4 SRL ~65% WI & 4 LRL ~76% WI wells | 3 Nio B, 2 Nio C, 3 Codell
- Completion operations are scheduled to commence in Q1, 2017

Kawata

- 10 gross MRL wells - ~66% WI | 1 Nio A, 3 Nio B, 3 Nio C, 3 Codell
- Drilling operations completed on 8 of 10 wells
- Completion operations are expected to commence in Q2, 2017

Williams

- 9 gross MRL wells - ~100% WI | 3 Nio A, 4 Nio C, 2 Codell
- Drilling operations completed on all 9 wells
- Completion operations are expected to commence in Q1, 2017

Orr

- 12 gross MRL wells - ~95 % WI | 1 Nio A, 4 Nio B, 2 Nio C, 5 Codell
- Mobilizing drilling equipment to site

Orr State

- 12 gross MRL wells - ~93% WI | 1 Nio A, 3 Nio B, 3 Nio C, 5 Codell
- Drilling operations to commence following Kawata Pad rig release

Management Comment

Lynn A. Peterson, Chairman and CEO of Synergy commented, "The opportunity to strengthen Synergy's liquidity through monetization of non-contiguous acreage outside our area of planned development, further fortifies the Company's balance sheet and helps consolidate our footprint. We will continue to pursue accretive opportunities that complement our high quality acreage position as well as divest of properties that are not in our drilling plans over the next several years."

Mr. Peterson also noted that, "Our team continues to execute the operations' plan as we laid out in 2016. Work on the two Evans Pads continues on schedule and we are pleased to have resolved the litigation related to the Wiedeman wells, allowing us to commence completion operations. These developments will help us grow our production and deliver on our 2017 goals. The Company exited 2016 with approximately 50% of 2017 guided production volumes hedged for both oil and gas and we will continue to be opportunistic in managing risk. Our industry has started the year with a much better commodity price outlook than in 2016 which, when combined with Synergy's balance sheet, top tier assets and production growth profile, significantly sets us apart from many of our peers."

Fourth Quarter and Year-End 2016 Earnings Release and Call

Synergy plans to issue its fourth quarter and year-end earnings release on Thursday, February 23, 2017 after the close of trading on the New York Stock Exchange.

Synergy will host a conference call on Friday, February 24, 2017 at 11:00 a.m. Eastern time (9:00 a.m. Mountain time) to discuss the results. The call will be conducted by Chairman and CEO Lynn A. Peterson, CFO James Henderson, co-COOs Nick Spence and Mike Eberhard and Manager of Investor Relations John Richardson. A Q&A session will immediately follow the discussion of the results for the quarter.

To participate in this call please dial:
Domestic Dial-in Number: (877) 407-9122
International Dial-in Number: (201) 493-6747

Upcoming Investor Conferences

Presentations provided in conjunction with these events will be available on Synergy's website at www.syrinfo.com the morning of the respective presentation. Members of Synergy senior management will participate in the following hosted investor events, please refer back to the Company's website for specific presentation dates and attendees:

2017 Credit Suisse Energy Summit

February 14-16, 2017 at the Vail Marriott Mountain Resort in Vail, CO

PiperJaffray 17th Annual Energy Conference

March 1-3, 2017 at the Mandarin Oriental in Las Vegas, NV

Raymond James 2017 Institutional Investors Conference

March 5-8, 2017 at the J.W. Marriott Grande Lakes, Orlando, FL

Scotia Howard Weil 2017 Energy Conference

March 26-29, 2017 at The Roosevelt New Orleans Hotel in New Orleans, LA

IPAA Oil & Gas Investment Symposia

April 3-4, 2017 at the Sheraton NY Times Square Hotel, New York, NY

About Synergy Resources Corporation

[Synergy Resources Corp.](http://www.syrinfo.com) is a domestic oil and natural gas exploration and production company. Synergy's core area of operations is in the Wattenberg Field of the Denver-Julesburg Basin. The Denver-Julesburg Basin encompasses parts of Colorado, Wyoming, Kansas, and Nebraska. The Company's corporate offices are located in Denver, Colorado. More company news and information about Synergy is available at www.syrinfo.com.

Important Cautions Regarding Forward Looking Statements

This press release contains forward-looking statements, within the meaning of the Private Securities

Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. The use of words such as "believes", "expects", "anticipates", "intends", "plans", "estimates", "should", "likely" or similar expressions, indicates a forward-looking statement. Forward-looking statements herein include statements regarding the closing of the non-core divestiture, expected drilling and related activities, future midstream projects and capacity and future production. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of management, and information currently available to management. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information. The identification in this press release of factors that may affect the Company's future performance and the accuracy of forward-looking statements is meant to be illustrative and by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. Factors that could cause the Company's actual results to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: the success of the Company's exploration and development efforts; the price of oil and gas; worldwide economic situation; change in interest rates or inflation; willingness and ability of third parties to honor their contractual commitments; the Company's ability to raise additional capital, as it may be affected by current conditions in the stock market and competition in the oil and gas industry for risk capital; the Company's capital costs, which may be affected by delays or cost overruns; costs of production; environmental and other regulations, as the same presently exist or may later be amended; the Company's ability to identify, finance and integrate any future acquisitions; the volatility of the Company's stock price; and the other factors described in the "Risk Factors" sections of the Company's filings with the Securities and Exchange Commission, all of which are incorporated by reference in this release.

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