

INTERVIEW: Brazos Midstream sees 'step change' in Permian gas from Barnett wells

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Natural gas

Wells have similar oil volumes, much higher gas

Sees need for additional long-haul pipelines

Plans to accelerate processing expansions

Brazos Midstream expects strong natural gas volume growth in the Permian Basin as producers are increasingly drilling in deeper, gassier areas, CEO Brad Iles said in an interview with Platts, part of S&P Global Energy.

Producers are beginning to drill more wells in the deeper Barnett and Woodford areas of the Permian and are seeing a “step change in gas production” compared with more conventional areas like the Wolfcamp or the Spraberry, Iles said.

“In the Delaware Basin, we've had some wells come online in the Woodford that had 14 million cubic feet/day IP [initial production] rates on some of the acreage we have dedicated,” Iles said. “We've heard of some positions where wells have been drilled in this Woodford zone that are producing 30 MMcf/d. That's materially outperforming anything that's been done previously in any other zone.”

Natural gas production from newly completed rigs in the Permian Basin averaged 3.3 MMcf/d in 2025, up from 2.9 MMcf/d in 2024 and 2.5 MMcf/d in 2023, according to EIA data.

Meanwhile, oil production rates at these wells are similar, leading to far higher gas-to-oil ratios. “The beauty of these wells is they make 2,000 barrels a day of oil in combination with the gas,” Iles said.

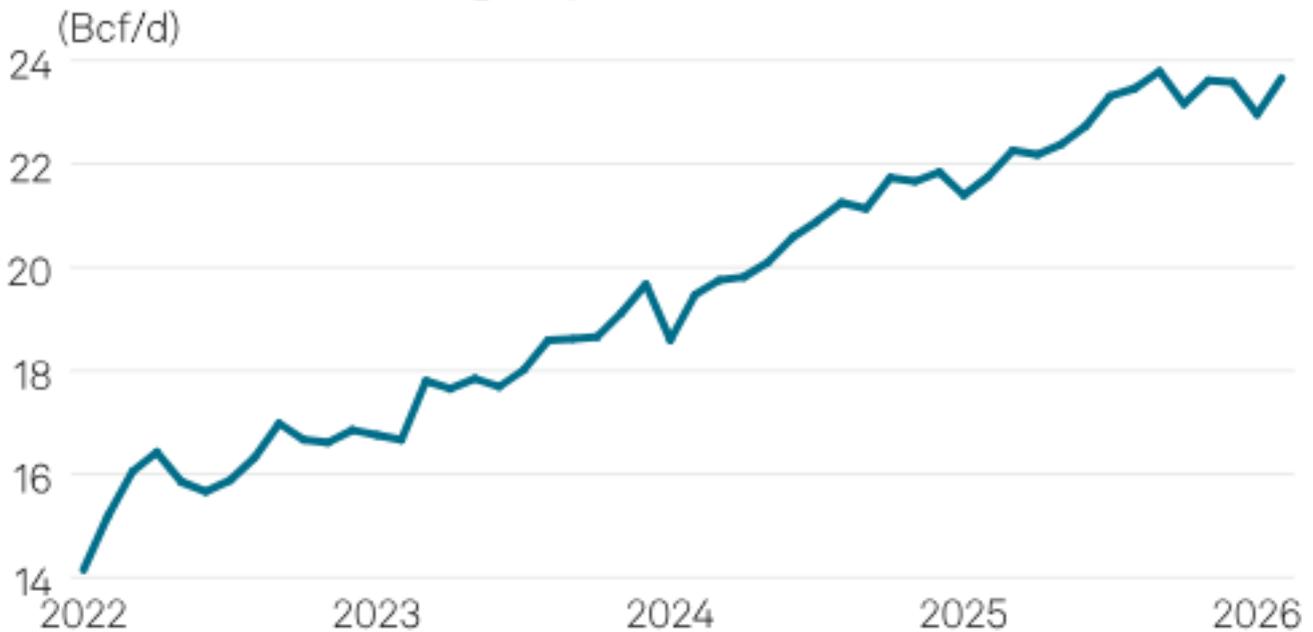
Crude oil production from newly completed wells in the Permian averaged 1,590 b/d in 2025, EIA data showed.

“It's really a unique situation, which actually causes me to be a bit bullish on additional takeaway pipes that need to be built,” Iles said. “It feels like the forecasters are forecasting some kind of status quo pace of development....I'm just not sure that these forecasts really take into account what happens to takeaway capacity when you start hitting some of these gassier zones.”

Around 5.3 billion cubic feet/day of Permian takeaway capacity is due to begin service in the coming 12 months. The egress should give considerable space for Permian gas production to grow – gas production averaged 23.7 Bcf/d during February 2026, according to S&P Global Energy CERA data. Spot gas prices in West Texas have been frequently negative this winter as production has tested the limits of existing egress capacity.

Midstream companies are already building out another wave of egress pipelines. The 3.7 Bcf/d Eiger Express, which is expected to enter service in mid-2028, is now fully contracted, Oneok said Feb. 24. Energy Transfer has also taken an FID on the 2.3 Bcf/d Desert Southwest project and is targeting a 2029 start.

CERA Permian Basin gas production



Source: S&P Global Energy

Processing plants

Brazos is "seeing the need to accelerate some of our processing expansions," as a result of the rising GORs, Iles said. The company expects to have news "in the very near future on additional expansions," including processing plants and pipeline compression.

Brazos commissioned the 300 MMcf/d Sundance 2 processing plant in the Midland Basin on Feb. 18, taking its total processing capacity in the Midland to 500 MMcf/d. It has also started construction on the 300 MMcf/d Cassidy 1 plant in the Midland Basin in Glasscock County, Texas. Cassidy will be in service by the end of 2026. Brazos has already secured sufficient power for a second processing plant at the Cassidy location, Iles said.

The Sundance 1 plant "is full and has been full for a number of months now," Iles said. The company expects Sundance 2 to be full by the end of 2026. "So, within 12 months of startup of these facilities, we're seeing them fill up. We would expect the same thing for Cassidy 1 as well."

Brazos is the largest privately held midstream company in the Permian Basin, with 1 Bcf/d of operating processing capacity and 1,435 miles of pipelines in operation or under construction in the Midland and Delaware Basins.

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