



Energy Financial Services



## The end of single-basin dominance is reshaping U.S. energy

For over a decade, the Permian Basin has dictated where capital flows and operators drill in the U.S. shale industry.

But as the basin matures, the industry is entering a more complex phase. With acreage consolidating and costs rising across the Permian, companies have begun looking beyond it for the next opportunities.

Several regions are reemerging as possible options. They include: Appalachia, with its vast natural gas resources; Oklahoma and its resilient Anadarko Basin; and the Rockies, where consistency is king.

At the same time, while hedging around it, operators aren't ready to abandon the Permian. It remains its stalwart self.

Opportunities still exist, even if they are not as obvious as in the past.

As the industry looks ahead, one thing, though, is clear: The era of single-basin dominance is giving way to portfolio thinking. And as that evolution goes forward, it's more important than ever to discern where the opportunities and challenges lie.

To provide insight into this shifting landscape, we spoke with energy specialists across Energy Financial Services group, and zeroed in on four key regions: Oklahoma, Appalachia, the Southern basins and the Rockies.



## THE SOUTHERN BASINS

Anchored by the Permian, Eagle Ford and Haynesville, the Southern basins remain the beating heart of U.S. energy production. But with the regional dynamics shifting, so too has the focus. Rather than expansion, operators are now prioritizing scale, efficiency and returns, said Mari Salazar, director of energy banking for BOK Financial in Houston.

“Most of the big players there are looking to consolidate, to become more concentrated and get higher returns and have scale in the area,” she said.

That consolidation is transforming the competitive landscape. Larger companies, with deeper capital and the ability to creatively structure deals, are even harder to compete with for prime assets. At the same time, for new or smaller operators, it’s making entry into the basin more challenging and expensive.

Yet those same dynamics are creating opportunity in less obvious ways. As companies streamline their portfolios, assets do come to market, and often at a premium. More notably, some operators are finding value not in building large operated positions, but in assembling acreage and non-operated interests that can be monetized through trades or sales.

Even smaller, non-operated positions can carry strategic value, said Scott Miller, manager of energy banking for BOK Financial in Dallas. “Any acreage that’s within the core of a basin or close to it feels like it adds value. You can make something of it through trades and swaps and selective sales.”

The Eagle Ford, by contrast, reflects a different stage of the lifecycle. Though still productive, it’s past its peak growth phase and is now defined more by capital discipline than

scale. Rather than competing for dominance, operators there are honing in on efficiency and doing more with fewer dollars.

Across the region, technological advances continue to extend the life of mature basins, Miller said. Faster drilling times and improved completion techniques are lowering costs and making previously marginal acreage economic, even in a more constrained price environment.

Still, the challenges are real. Infrastructure remains a limiting factor, especially in the Permian, where production capacity can exceed the ability to move product to market. And the increasing influence of capital markets is reshaping strategy across the board, with investors demanding stronger returns, disciplined spending and more resilient balance sheets.

Together, these forces point to a region that remains foundational to U.S. energy, but which is no longer defined by explosive growth. Instead, the Southern basins are evolving into a more competitive, efficiency-driven environment, where success depends less on expansion and more on strategic positioning, operational discipline and the ability to create value in a tighter, more consolidated market.

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**Scott Miller**

**Manager, Energy Financial Services  
BOK Financial, Dallas**

## APPALACHIA

Supported by efficient operators and decades of remaining resource potential, the Marcellus and Utica formations—which stretch across Pennsylvania, Ohio and West Virginia—are currently producing in the mid-30 BCF/day range.

And yet, for all its scale, the nation's largest natural gas-producing region faces a recurring constraint: moving product.

Pipeline development in Appalachia, particularly across state lines, has faced years of regulatory hurdles and public pushback, limiting the basin's ability to fully connect with downstream markets.

Matt Chase, energy banking relationship manager for BOK Financial, said: "Building pipelines across state lines in Appalachia is very difficult. There's a lot more resistance against it versus what you see out West."

As a result, although the region holds vast, low-cost gas resources, it cannot always deliver them efficiently to where demand is strongest.

But even with that constraint, new opportunities are emerging, Chase added. Rather than relying on outbound capacity, demand is moving more and more into the basin itself, where a wave of data center and industrial development is expected to spur new consumption, potentially adding more than 2-4 BCF/day of demand over the next several years.

This shift represents a subtle but important change: instead of pursuing markets, Appalachia may increasingly host them.

Pipeline expansion remains the basin's most significant upside lever. Even incremental projects could increase takeaway capacity and support higher production levels.

However, large-scale interstate projects remain difficult to execute. As a result, operators are often forced to think in smaller, more localized increments, expanding within existing corridors or targeting demand centers closer to production.

Meanwhile, technological advances are opening new parts of the basin, Chase said. Areas once deemed secondary are becoming more viable as infrastructure expands and drilling efficiency improves.

"There's room to grow," Chase said. "What was Tier 2 acreage is going to become Tier 1."

In particular, the deeper Utica formation in Pennsylvania is drawing increased attention, with early results suggesting strong production potential despite higher well costs.

In Ohio, the Utica's oil window is also gaining momentum, adding a liquids component to what has historically been a gas-dominated region.

Capital is beginning to follow these trends, with both public and private investors showing renewed interest. Consolidation among operators is expected to continue, while private equity is reentering the basin in search of new opportunities.

This renewed capital flow reflects a broader shift in sentiment: Appalachia is no longer viewed as a secondary play, but rather as a strategic component of the U.S. energy landscape.

Over the next few years, the basin's trajectory will likely hinge on a few key variables, Chase said: the pace of infrastructure development, the growth of in-basin demand, continued improvements in drilling efficiency and access to capital.

If these elements align, Appalachia could see production rise materially, moving from the mid-30s BCF/day toward the low-40s, he added.



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**Matt Chase**

**Relationship Manager, Energy Financial Services  
BOK Financial**



## OKLAHOMA

Mature infrastructure, experienced operators and established geology continue to support steady development across western and central Oklahoma.

One of the basin's greatest advantages is its relatively low cost of entry. Acreage often comes at a fraction of Permian prices, enabling privately backed companies to build positions and test drilling programs without committing the same capital necessary in other basins.

"Oklahoma offers operators the ability to establish a foothold without breaking the bank," said John Krenger, director of energy banking for BOK Financial in Oklahoma City.

Another advantage, he said, is the region's existing midstream infrastructure. Unlike some emerging basins where pipeline capacity can hamper production, Oklahoma operators generally have access to the gathering systems and takeaway capacity needed to bring oil and gas to market.

Additionally, wells in the region often yield a combination of oil, natural gas and natural gas liquids, giving operators multiple revenue streams.

However, the basin is not without its challenges. Oklahoma's geology can be complex, meaning wells drilled close to one another can deliver very different results. Success often depends on careful geological analysis and precise well placement.

Capital markets are another factor. Much of the activity today in Oklahoma is driven by privately held operators, with fewer large public companies committing major capital to the region.

Still, as development costs rise in more established basins, Oklahoma could see renewed interest. As Krenger said, "With acreage costs and barriers to entry significantly lower than the Permian, Oklahoma may increasingly serve as an alternative growth area for operators seeking new opportunities."

Oklahoma offers operators the ability to establish a foothold without breaking the bank.

**John Krenger**  
Director, Energy Financial Services  
BOK Financial, Oklahoma



## ROCKIES

For much of the shale era, the Rocky Mountain region, which spans the DJ, Powder River and Williston basins, sat outside the industry's primary target zone.

However, as the focus shifts from growth to capital discipline, operators are reassessing where future inventory and returns will come from. Concerns about Tier 1 inventory depletion in the Permian have accelerated that, bringing the Rockies back into the conversation.

The region might not offer peak well performance; however, what it does offer—consistency—is becoming increasingly valuable. Across multiple basins, the Rockies provide repeatable production and the scale to support long-term development strategies.

That profile aligns with where the industry is heading. In a more mature phase of shale, value is being driven less by rapid expansion and more by capital efficiency, operational discipline and inventory depth.

At the same time, the Rockies present a clear pathway for value creation. Large areas remain underdeveloped or capable of redevelopment, allowing operators to unlock additional reserves through optimization, recompletions and more targeted drilling programs.

“What we’re seeing isn’t opportunistic interest—it’s strategic repositioning.”

**Guy Evangelista**  
Manager, Energy Financial Services  
BOK Financial, Colorado

This shift is already being reflected in capital flows. Increased M&A activity and financing interest in the region point to a broader repositioning, said Guy Evangelista, manager of Energy Financial Services for BOK Financial in Colorado.

“What we’re seeing isn’t opportunistic interest—it’s strategic repositioning,” Evangelista said. “Capital is following assets that can deliver steady returns over time, and the Rockies are screening well under that framework.”

The constraints are well understood. Regulatory complexity at the state level, combined with infrastructure limitations and distance from key markets, can impact both timelines and economics. But those challenges are increasingly being weighed against a different set of realities: rising costs in core basins, tighter inventory and growing pressure from capital markets to deliver sustainable returns.

The result is a reframing of the Rockies—not as a secondary option, but as a strategic complement to the Permian and other core plays.

Over the next few years, the region’s role will likely expand as operators prioritize durability over peak output. Success will depend on a disciplined approach: understanding local regulatory environments, deploying capital selectively and executing against long-term development plans.

In that sense, the Rockies are less a short-term trade and more a portfolio decision—one that reflects where the industry is headed rather than where it has been.



## CROSS-BASIN TRENDS

Taken together, these regions point to a broader transition underway in the U.S. energy landscape. For much of the shale era, growth was the primary objective. Capital flowed to the most productive basins (chiefly the Permian) where operators could scale quickly and drive output higher. Today, that model is evolving.

Across nearly every basin, a common set of themes is emerging: capital discipline, inventory depth, infrastructure constraints and a renewed focus on returns.

In the Southern basins, that shift is most visible in consolidation and scale. Operators are competing less on acreage capture and more on efficiency, hoping to maximize value from positions they already hold.

In Appalachia, the story is less about geology than logistics. Despite world-class resources, the basin's growth is shaped by its ability to move product, or increasingly, by the arrival of demand within its own footprint.

Oklahoma reflects a different kind of opportunity: a lower-cost, infrastructure-ready basin that allows operators to re-enter the growth conversation without the same capital intensity required elsewhere.

And in the Rockies, the focus has turned to consistency and long-term inventory—attributes that align with an industry placing greater value on durability than peak production.

What ties these regions together is not a single trend. It's a shared recalibration. Operators aren't asking where they can grow the fastest. They're asking where they can generate the most reliable returns over time, often by balancing positions across multiple basins rather than concentrating in one.

That shift is influencing everything from capital allocation to deal-making. M&A activity, private equity reentry and portfolio rebalancing all point to a more diversified approach to basin exposure.

It also suggests a more nuanced future for U.S. energy development. No single basin is likely to dominate in the way the Permian has over the past decade. Instead, the next phase may well be defined by a network of complementary regions, each playing a distinct role depending on cost structure, infrastructure access and resource profile.

In that environment, success will depend less on being in the "best" basin and more on understanding how different basins fit together.



### Takeaway

The next phase of U.S. energy won't be about chasing the hottest basin. It will be about making disciplined decisions across multiple basins, understanding where to scale, where to optimize and where to place the next dollar of capital.

That shift is already underway. Operators who recognize it early will be better positioned for what comes next.