

# LOUISIANA ENERGY FACTS

Louisiana Department of Natural Resources  
Technology Assessment Division

[www.dnr.louisiana.gov/tad](http://www.dnr.louisiana.gov/tad)

MAY 2012

## Highlights

Louisiana's natural gas prices have fallen below \$2 per MMBTU. The April 2012 average price was \$1.96 per MMBTU. Most analysts believe that natural gas prices will continue to languish for the next several quarters due to a fear that the market might run out of storage capacity, forcing shut-ins to balance the market. However, we expect the fear of forced shut-ins and a collapse in prices to instantly vanish as soon as the market enters the heating season in November 2012. Gas-directed drilling continues to decline sharply, but the decline in gas supply is negligible due to an increase in drilling for liquids with a large amount of associated dry gas. Even a modest gas supply decline will improve gas prices.

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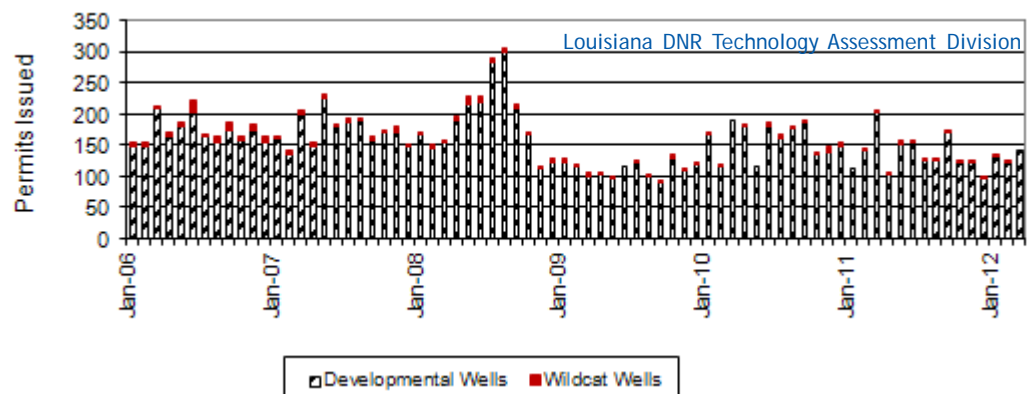
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## Oil and Gas Drilling Permits Issued by the State of Louisiana

Month	Permits Issued						% Change	
	2007	2008	2009	2010	2011	2012	10/11	11/12
January	165	172	129	172	113	134		18.58%
February	144	153	118	120	143	123		-13.99%
March	208	158	106	192	208	141		-32.21%
April	157	198	108	183	107		-41.53%	
May	232	228	97	118	159		34.75%	
June	184	230	118	186	159		-14.52%	
July	195	292	123	169	128		-24.26%	
August	195	308	105	182	131		-28.02%	
September	164	216	93	191	176		-7.85%	
October	174	172	135	139	125		-10.07%	
November	180	117	113	148	128		-13.51%	
December	152	130	120	156	99		-36.54%	
<b>Year Average</b>	<b>179</b>	<b>198</b>	<b>114</b>	<b>163</b>	<b>140</b>	<b>133</b> *		

\* Partial Year



## Current Oil & Gas Data

Louisiana DNR Technology Assessment Division

PRODUCTION	NOV 11	OCT 11	SEP 11	NOV 10
LOUISIANA FEDERAL OFFSHORE (OCS)				
Crude Oil & Condensate <sup>C</sup> (MMB)	34 <sup>1</sup>	36 <sup>1</sup>	29 <sup>1</sup>	41 <sup>1</sup>
Natural Gas & Casinghead <sup>C</sup> (BCF)	100 <sup>1</sup>	104 <sup>1</sup>	89 <sup>1</sup>	123 <sup>1</sup>
THE UNITED STATES TOTAL				
Crude Oil & Condensate <sup>C</sup> (MMB)	179	181 <sup>2</sup>	168 <sup>2</sup>	167 <sup>2</sup>
Natural Gas & Casinghead <sup>C</sup> (BCF)	1,971	2,008 <sup>2</sup>	1,910 <sup>2</sup>	1,792 <sup>2</sup>
<b>IMPORTS</b>				
U.S. Crude Oil <sup>C</sup> (MMB)	265	280	270	261 <sup>2</sup>
U.S. Natural Gas <sup>C</sup> (BCF)	248	278 <sup>2</sup>	253	273 <sup>2</sup>
<b>BAKER HUGHES RIG COUNTS</b>				
U.S. Gas <sup>A</sup>	880	993	907	950
U.S. Oil <sup>A</sup>	1,125	1,077	1,063	723
U.S. Offshore <sup>A</sup>	37	35	32	22
U.S. Total <sup>A</sup>	2,011	2,017	1,978	1,683
<b>PRICES</b>				
CRUDE OIL (\$/barrel)				
OPEC Average <sup>C</sup> (F.O.B.)	108.16	105.20	105.82	80.95
U.S. Imports Average <sup>C</sup> (F.O.B.)	105.79	101.92	100.84	79.56
U.S. Wellhead Average <sup>C</sup>	100.18	92.28	90.22	79.20
Gulf OCS Wellhead Average <sup>C</sup>	111.53	109.98	105.40	81.02
State Severance Wellhead Average <sup>E</sup>	104.41	104.54	106.84	78.08
NATURAL GAS (\$/MCF)				
U.S. City Gates Average <sup>C</sup>	5.25	5.43 <sup>2</sup>	5.92 <sup>2</sup>	5.48 <sup>2</sup>
U.S. Imports Average <sup>C</sup> (F.O.B.)	3.59	4.06 <sup>2</sup>	3.92	3.96 <sup>2</sup>
U.S. Wellhead Average <sup>C</sup>	3.35	3.62	3.82 <sup>2</sup>	4.12 <sup>2</sup>
State Royalty Wellhead Average	3.41	3.75 <sup>2</sup>	4.12 <sup>2</sup>	3.17 <sup>2</sup>
NYMEX Henry Hub End of the Month Settle Gas Price <sup>B</sup> (\$/MMBTU)	3.52	3.76 <sup>2</sup>	3.86	3.29

### Key

### Data Sources

<b>1</b>	Estimated	<b>MCF</b>	Thousand Cubic Feet	<b>A</b>	Oil & Gas Journal	<b>D</b>	Natural Gas Week
<b>2</b>	Revised	<b>MMB</b>	Million Barrels	<b>B</b>	Wall Street Journal	<b>E</b>	LA Dept of Revenue
<b>BCF</b>	Billion Cubic Feet	<b>NA</b>	Not Available	<b>C</b>	U. S. Dept. of Energy		
<b>BTU</b>	British Thermal Unit	<b>OCS</b>	Outer Continental Shelf	<b>Note:</b> Unless otherwise specified, data is from the Louisiana Department of Natural Resources and excludes Federal OCS.			
<b>FO.B.</b>	Free on Board	<b>MMBTU</b>	Million British Thermal Units				

### Note from the Editors

*Louisiana Energy Facts* is published monthly by the Louisiana Department of Natural Resources, Technology Assessment Division as a public service to individuals interested in Louisiana energy activities. Content includes recent oil, gas and other energy statistics and a brief analysis of current trends.

*Louisiana Energy Facts* articles provide insight and information on subjects of special interest to our readers, and may announce relevant, forthcoming publications.

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## 2011 Louisiana State Producing Oil Wells, By Production Rate OCS Wells Excluded

Louisiana DNR Technology Assessment Division

PRODUCTION BRACKET	NUMBER OF WELLS		TOTAL ANNUAL PRODUCTION	
<u>BARRELS/DAY</u>	<u>WELLS</u>	<u>% TOTAL WELLS</u>	<u>BARRELS/YEAR</u>	<u>% TOTAL PRODUCTION</u>
Less than or equal 10	15,751	81.80%	8,634,922	12.49%
Between 10 - 15	771	4.00%	3,175,040	4.59%
Between 15 - 20	502	2.61%	2,821,907	4.08%
Between 20 - 30	603	3.13%	4,834,894	6.99%
Between 30 - 40	394	2.05%	4,410,599	6.38%
Between 40 - 50	296	1.54%	4,299,600	6.22%
Between 50 - 75	400	2.08%	9,378,964	13.56%
Between 75 - 100	199	1.03%	5,392,761	7.80%
Between 100 - 150	169	0.88%	6,759,903	9.78%
Between 150 - 200	64	0.33%	3,573,150	5.17%
Between 200 - 300	65	0.34%	5,532,610	8.00%
Between 300 - 500	29	0.15%	3,757,098	5.43%
Between 500 - 1,000	8	0.04%	1,978,882	2.86%
Between 1,000 - 2,000	3	0.02%	1,201,222	1.74%
Between 2,000 - 5,000	1	0.01%	3,392,950	4.91%
Over 5000	0	0.00%	0	0.00%

## 2011 Louisiana State Producing Gas Wells, By Production Rate OCS Wells Excluded

Louisiana DNR Technology Assessment Division

PRODUCTION BRACKET	NUMBER OF WELLS		TOTAL ANNUAL PRODUCTION	
<u>MCF/DAY</u>	<u>WELLS</u>	<u>% TOTAL WELLS</u>	<u>MCF/YEAR</u>	<u>% TOTAL PRODUCTION</u>
Less than or equal 50	9,553	49.61%	42,458,778	1.43%
Between 50 - 60	708	3.68%	13,084,268	0.44%
Between 60 - 70	498	2.59%	10,765,419	0.36%
Between 70 - 80	434	2.25%	10,853,111	0.36%
Between 80 - 90	313	1.63%	9,033,686	0.30%
Between 90 - 100	411	2.13%	12,848,357	0.43%
Between 100 - 250	3,638	18.89%	193,385,301	6.49%
Between 250 - 400	840	4.36%	90,268,615	3.03%
Between 400 - 800	571	2.97%	115,791,681	3.89%
Between 800 - 1,600	619	3.21%	249,797,911	8.38%
Between 1,600 - 3,200	663	3.44%	520,052,036	17.46%
Between 3,200 - 6,400	885	4.60%	1,299,495,634	43.62%
Between 6,400 - 12,800	109	0.57%	306,259,155	10.28%
Between 12,800 - 25,600	12	0.06%	75,716,392	2.54%
Over 25,600	1	0.01%	29,497,840	0.99%

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## Quick Facts

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### SPOT MARKET PRICES

	Apr 12	Mar 12	Apr 11
Louisiana Natural Gas <sup>D</sup> (\$/MMBTU)	1.96	2.20	4.16
NYMEX Henry Hub Last Settle Gas Price <sup>B</sup> (\$/MMBTU)	2.19	2.45	4.24 <sup>2</sup>
Light Louisiana Sweet Crude - St. James <sup>B</sup> (\$/Barrel)	122.51	127.39	126.03

### BAKER HUGHES RIG COUNTS

	Mar 12	Feb 12	Mar 11
North Louisiana <sup>A</sup>	51	59	114
South Louisiana Inland Waters <sup>A</sup>	19	14	17
South Louisiana Inland <sup>A</sup>	27	28	18
Louisiana State Offshore	2	1	2
Louisiana Federal OCS Offshore	37	35	23
Total Louisiana <sup>A</sup> (OCS included)	136	137	174

### PRODUCTION (State Jurisdiction Only)

	Mar 12	Feb 12	Mar 11
Louisiana Crude Oil & Condensate (MMB)	6.0	5.4	6.1 <sup>2</sup>
Louisiana Natural Gas & Casinghead (BCF)	249.0	235.8	249.0 <sup>2</sup>

### DRILLING PERMITS (State Jurisdiction Only)

	Mar 12	Feb 12	Mar 11
Total Louisiana Oil and Gas	141	123	208
Louisiana Wildcats	0	1	4
Louisiana Offshore (Wildcats included)	6	4	6