SELECTED LOUISIANA ENERGY STATISTICS

Among the 50 states, Louisiana's rankings (in 2017, unless otherwise indicated) were:

PRIMARY ENERGY PRODUCTION
(Including GOM Central OCS region)

2nd in crude oil
1st in OCS crude oil
1st in OCS natural gas
1st in OCS revenue generated for federal government
1st in mineral revenues from any source to the federal government
1st in LNG terminal capacity
4th in natural gas
3rd in crude oil proved reserves
4th in natural gas proved reserves
9th in total energy from all sources

REFINING AND PETROCHEMICALS

2nd in primary petrochemical production
2nd in natural gas processing capacity
2nd in petroleum refining capacity

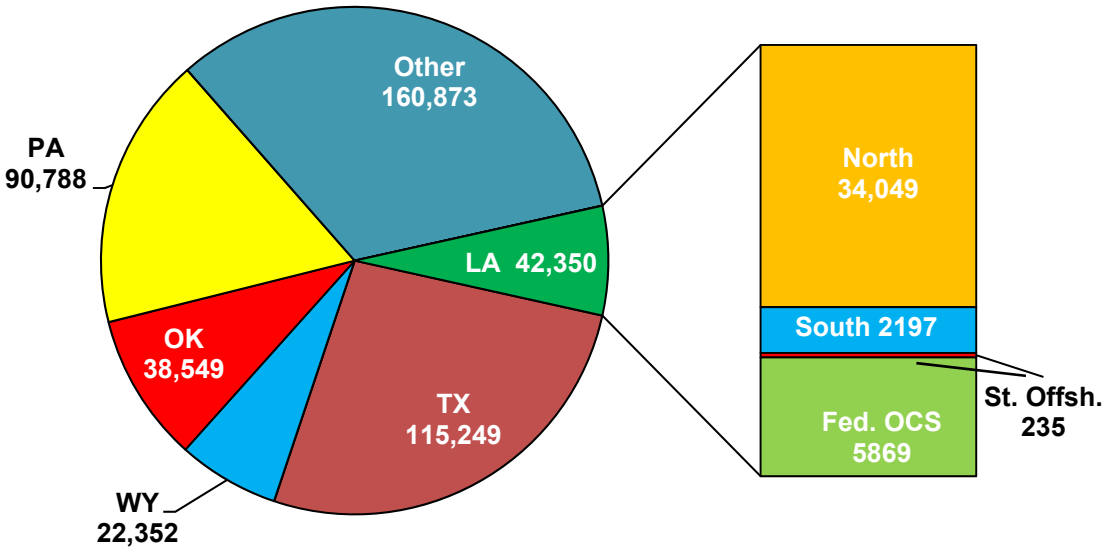
PRIMARY ENERGY PRODUCTION
(Excluding GOM Central OCS region)

9th in crude oil
4th in natural gas
7th in natural gas proved reserves
9th in crude oil proved reserves
18th in coal
18th in nuclear electricity

ENERGY CONSUMPTION

3rd in industrial energy
1st in per capita energy
3rd in natural gas
3rd in petroleum
3rd in total energy
24th in residential energy

Figure 1
2017 U.S. Natural Gas Reserves
(Billion Cubic Feet)

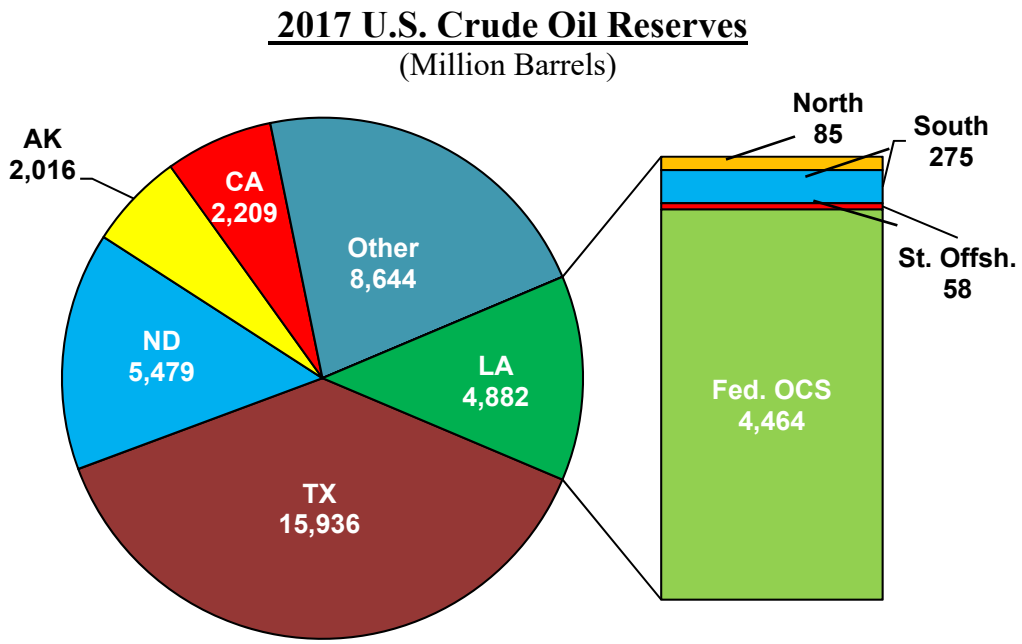


PRODUCTION

State controlled natural gas and casinghead gas production peaked at 5.6 trillion cubic feet (TCF) per year in 1970 and declined to 1.28 TCF in 2005. The trend started to reverse in 2006 when production increased to 1.35 TCF. The rising trend continued until 2011 when it peaked at 2.98 TCF. This production surge was due to production in the Haynesville shale play. Prior to the Haynesville discovery, the long-term decline rate was around 3.2% per year. With the start of production in Haynesville in 2007, the state production has shown an increase of 0.3% in 2008 over the previous year, 12.4% in 2009, 42.3% in 2010, and 37.1% in 2011. In 2012, production fell to 2.96 TCF; in 2013, it fell to 2.31 TCF; in 2014, it fell to 1.94 TCF; in 2015, it fell to 1.78 TCF; and in 2016, it fell to 1.72 TCF or a 3.2% drop from the previous year. In 2017, natural gas production began to see a resurgence, with 2.05 TCF produced, an increase of 19.2%. In 2018, the upturn continued, with 2.78 TCF produced, 1 TCF greater than just two years prior.

State controlled crude oil and condensate production peaked at 566 million barrels (mmbls) per year in 1970, declined to 211 mmbls in 1980, declined to 148 mmbls in 1990, declined to 107 mmbls in 2000, and declined to 68 mmbls in 2010. Then in 2011, oil production reversed its trend; 2011 production was 69 mmbls, in 2012 it increased to 71 mmbls, in 2013 it increased to 72 mmbls, in 2014 it decreased to 69 mmbls, in 2015 it decreased to 63 mmbls, and in 2016 it decreased to 57 mmbls. In 2017, production decreased another 10.0%, to 51 mmbls. The production decrease is caused by low drilling activities. 2018 saw the decline continue, with 45 mmbls produced in Louisiana.

Figure 2



Gulf of Mexico (GOM) Central OCS region is the most extensively developed and mature OCS territory in the U.S. It has produced approximately 94% of the 22 billion barrels of crude oil and condensate and 82% of the 201 TCF of natural gas extracted from all federal OCS territories, from the beginning of offshore production through the end of 2018.

In 2018, GOM Central OCS region produced 15.2% and the state territory produced 1.1% of the U.S. oil domestic production. The GOM Central OCS region produced 2.6% and the state territory produced 8.6% of the natural gas produced in the U.S.

GOM Central OCS region gas production first peaked at 4.10 TCF per year in 1981, then declined to 3.00 TCF in 1986, started to recover as prices increased, reaching a second peak at 4.11 TCF in 2010. Production then slowly started to decline, caused first by the moratorium on deep water drilling and later by the decline in price and increased gas shale production. In 2014, it produced 1.14 TCF; in 2015, it produced 1.07 TCF; and in 2016, it produced 1.09 TCF. In 2017, it produced 0.99 TCF, a decline of 0.1 TCF, or 9.1%. In 2018, the Central OCS region produced .97 TCF, down .02 TCF.

GOM Central OCS region crude oil and condensate production first peaked at 374 mmbls per year in 1972 and then declined to 249 mmbls in 1981. The production rose from 248 mmbls in 1990 to 524 mmbls in 2001, due to the development of deep water drilling. In 2008, production dropped to 396 mmbls due to weather; in 2009, production reached its second peak at 544 mmbls; in 2011, production began to slow down after the Macondo oil spill and subsequent moratorium, but by 2014, production was on the upswing with discovery of deep oil reservoirs. The Central OCS produced 470 mmbls in 2014, 514 mmbls in 2015, and 534 mmbls in 2016. In 2017, the Central OCS produced 582 mmbls, an increase of 48 mmbls. 2018 saw the Central OCS produce 611 mmbls.

REVENUE

In Fiscal Year (FY) 2007/08, oil and gas revenue (severance tax, royalties, and bonuses) reached an all time high of $1.94 billion, or 16% of state income (total state taxes, licenses, and fees); the previous peak occurred in FY 1981/82 at $1.62 billion, but it was 41% of state income. In FY 2012/13, it was $1.37 billion or 13% of the state income; in FY 2013/14, it was $1.32 billion or 13% of state income; in FY 2014/15, it was $1.01 billion or 10% of state income; and, in FY 2015/16, it was $707 million. In FY 16/17 it was $550 million. In FY 17/18 it was In FY 18/19, it is expected to be around $690 million.

DRILLING ACTIVITY

Drilling permits issued on state controlled territory peaked at 7,631 permits in 1984 and declined to a low of 1,017 permits in 1999. Since 2000, the annual number of drilling permits issued has been on a roller coaster ride. In 2008, they increased to 2,374 permits; in 2009, permits decreased to 1365; in 2010, they increased to 1,956 permits; in 2013, they decreased to 1,578 permits; in 2014, they decreased to 1,408 permits; in 2015, they decreased to 643; and, in 2016, they decreased to 475. In 2017, permits numbered 761, an increase of 60.2%. In 2018, they permits showed an uptick to 791 issued.

The average active rotary rig count for Louisiana, excluding OCS, reached a high of 386 active rigs in 1981 and fell to 76 active rigs in 2002. In 2008, there was an average of 117 active rigs. The count fell to 113 rigs in 2009. It increased to 166 active rigs in 2010 because of Haynesville run up; in 2014, it decreased to 60 active rigs due to competitions from shale productions; in 2015, the count decreased to 44 rigs; and, in 2016, it decreased to 26 rigs due to low oil and gas prices. In 2017, there was a bit of a rebound, averaging 42 rigs weekly, increasing by 61.5%. 2018 continued the modest improvement, increasing by 2 rigs on average to 44 rigs weekly over the year.

The annual average active rotary rig count for GOM Central OCS region reached a high of 109 rigs in 2001 and it is in a downward trend; it was 70 rigs in 2006, 50 rigs in 2008, and 26 rigs in 2010. After the moratorium, the trend reversed; in 2013, it increased to 47 rigs; in 2014, it increased to 51 rigs; but, in 2015, it reversed to 33 rigs; and, in 2016, it decreased to 21 rigs. 2017, the annual average active rotary rig count decreased to 19, down by 2 from 2016. 2018 continued the downward trend in the OCS to 17 weekly rigs on average.