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# Louisiana Energy Topic

Department of Natural Resources

Technology Assessment Division

A Supplement to LOUISIANA ENERGY FACTS on Subjects of Special Interest

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## SELECTED LOUISIANA ENERGY STATISTICS

Among the 50 states, Louisiana's rankings (in 2003 unless otherwise indicated) were:

### PRIMARY ENERGY PRODUCTION

(Including Louisiana OCS)

1<sup>st</sup> in crude oil  
2<sup>nd</sup> in natural gas  
2<sup>nd</sup> in total energy

### REFINING AND PETROCHEMICALS

2<sup>nd</sup> in refining capacity  
2<sup>nd</sup> in primary petrochemical production

### PRIMARY ENERGY PRODUCTION

(Excluding Louisiana OCS)

5<sup>th</sup> in natural gas  
4<sup>th</sup> in crude oil  
8<sup>th</sup> in total energy

### ENERGY CONSUMPTION (2002)

3<sup>rd</sup> in industrial energy  
2<sup>nd</sup> in per capita energy  
3<sup>rd</sup> in natural gas  
5<sup>th</sup> in petroleum  
7<sup>th</sup> in total energy  
22<sup>nd</sup> in residential energy

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## PRODUCTION

State controlled (i.e., excluding OCS) natural gas production peaked at 5.6 TCF per year in 1970, declined to 1.5 TCF in 1995, and rebounded 4.5% to 1.6 TCF in 1996. The 2001 gas production was, approximately, 1.50 TCF, the 2002 production was around 1.36 TCF, and the 2003 gas production was 1.32 TCF.

State controlled gas production is on a long term decline rate of 4.2% per year, though the current short term (2004-2008) forecast decline is around 5.7% per year.

State controlled crude oil and condensate production peaked at 566 million barrels per year in 1970, declined to 127 million barrels in 1994, recovered to 129 million barrels in 1996, and declined to 90.1 million barrels in 2003.

State controlled crude oil production is on a long term decline rate of 4.3% per year, though the current short term (2004-2008) forecast decline is around 4.4% per year. If oil stays around \$27.00 per barrel, the decline will remain as predicted. If the price holds consistently above \$27.00 per barrel, the decline rate may be lower.

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Louisiana OCS\* (federal) territory is the most extensively developed and matured OCS territory in the US.

Louisiana OCS territory has produced 90.1% of the 14.0 billion barrels of crude oil and condensate and 82.5% of the 147 TCF of natural gas extracted from all federal OCS territories from the beginning of time through the end of 2002.

Louisiana OCS gas production peaked at 4.16 TCF per year in 1979, declined to 3.0 TCF in 1989, and increased to 3.85 TCF in 2002.

Louisiana OCS crude oil and condensate production first peaked at 388 million barrels per year in 1972 and declined to 246 million barrels in 1989. In this decade, the production has steadily risen from 264 million barrels in 1990 to 528 million barrels in 2002 due to the development of deep water drilling.

## **REVENUE**

At the peak of Fiscal Year (FY) 1981/82, oil and gas revenues from severance, royalties, and bonuses amounted to \$1.6 billion, or 41% of total state taxes, licenses and fees. For FY 2003/04, these revenues are estimated to be in the vicinity of \$930 million, or about 11.2% of total estimated taxes, licenses, and fees.

At constant production, the State Treasury gains or loses about \$15 million of direct revenue from oil severance taxes and royalty payments for every \$1 per barrel change in oil prices. This figure rises to \$20 to \$25 million per dollar change when indirect revenue impacts are included (e.g., income tax, sales tax, etc.).

## **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. In 2002 drilling permits fell to 1,025 permits issued, and in 2003 drilling permits rebounded to 1,264.

The average active rotary rig count for Louisiana, excluding OCS, reached a high of 386 rigs in 1981 and reached a low of 64 rigs in 1993. In 2000 the average was 69 active rigs, in 2001 it recovered to 108 active rigs, and in 2003 the average stayed at 2002 levels of 76 active rotary rigs.

The 2003 average active rotary rig count for Louisiana OCS was 81 active rigs, 6 rigs, or 7.4% lower than 2002 average, and the highest active rotary rig count was 107 rigs recorded in 2000. In 1999, the average active rig count was 76 or 16.6% lower than the 1998 average active rotary rigs.

\* Note: Louisiana OCS or Outer Continental Shelf is federal offshore territory adjacent to Louisiana's coast beyond the three mile limit of the state's offshore boundary.