SELECTED LOUISIANA ENERGY STATISTICS

Among the 50 states, Louisiana’s rankings (in 2008, unless otherwise indicated) were:

**PRIMARY ENERGY PRODUCTION**
(Including Louisiana OCS*)
- **1st** 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
- **1st** in foreign oil import volume
- **2nd** in natural gas
- **3rd** in crude oil proved reserves
- **3rd** in dry natural gas proved reserves
- **3rd** in total energy from all sources

**PRIMARY ENERGY PRODUCTION**
(Excluding Louisiana OCS)
- **5th** in crude oil (2009)
- **4th** in natural gas (2009)
- **6th** in dry natural gas proved reserves
- **7th** in crude oil proved reserves
- **12th** in total energy (2007)
- **17th** in nuclear electricity (2007)

**ENERGY CONSUMPTION (2007)**
- **2nd** in industrial energy
- **3rd** in per capita energy
- **3rd** in natural gas
- **4th** in petroleum
- **8th** in total energy
- **25th** in residential energy

**REFINING AND PETROCHEMICALS**
- **1st** in natural gas processing capacity
- **2nd** in petroleum refining capacity
- **2nd** in primary petrochemical production

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Figure 1

**2009 U.S. Natural Gas Reserve**
(Billion Cubic Feet)
PRODUCTION

State controlled (i.e., excluding OCS) natural gas production peaked at 5.6 trillion cubic feet (TCF) per year in 1970, declined to 1.5 TCF in 1995, and rebounded 4.5% to 1.6 TCF in 1996. Gas production was 1.28 TCF in 2005, 1.35 TCF in 2006 and 2007, 1.36 TCF in 2008, and 1.51 TCF in 2009.

State controlled gas production is on a long-term decline rate of 3.2% per year if the Haynesville Shale Play is put on hold, otherwise the decline trend would be reversed for the next decade. The current short term (2010-2015) forecast an average increase of 2.2% per year.

State controlled crude oil and condensate production peaked at 566 million barrels per year in 1970, declined to 129 million barrels in 1996, declined to 77.4 million barrels in 2007, declined to 72.5 million barrels in 2008, and in 2009 declined to 69.0 million barrels.

State controlled crude oil production is on a long-term decline rate of 2.7% per year, though the current short term (2010-2015) forecast an average decline of 1.0% per year. If oil stays above $80 per barrel, the decline trend should be negligible for the next three years.

Figure 2

2009 U.S. Crude Oil Reserves
(Million Barrels)

Louisiana OCS (federal) territory is the most extensively developed and mature OCS territory in the U.S.

Louisiana OCS territory has produced approximately 88.1% of the 17.9 billion barrels of crude oil and condensate, and 80.3% of the 170 TCF of natural gas extracted from all federal OCS territories from the beginning of time through the end of 2009. Currently, Louisiana OCS territory produces 27.0% of the oil and 8.1% of the natural gas produced in the entire U.S., and 93.3% of the oil and 70.7% of the natural gas produced in the Gulf of Mexico OCS.
Louisiana OCS gas production peaked at 4.07 TCF per year in 1979, declined to 2.95 TCF in 1989, then recovered to 3.84 TCF in 1999, fell to 2.05 TCF in 2006, 2.02 TCF in 2007, 1.62 TCF in 2008, and rose to 1.70 TCF in 2009.

Louisiana OCS crude oil and condensate production first peaked at 388 million barrels per year in 1972 and then declined to 246 million barrels in 1989. The production has steadily risen from 264 million barrels in 1990 to 508 million barrels in 2002 due to the development of deep water drilling. Then production dropped to 419 million barrels in 2006, recovered to 427 million barrels in 2007, dropped to 375 million barrels in 2008, and increased to 524 million barrels in 2009. The roller coaster ride in oil production was weather related incidents.

REVENUE

In Fiscal Year (FY) 2007/08, oil and gas revenue (severance tax, royalties, and bonuses) reached to an all time high at $1.94 billion and it was 16% of state income (total state taxes, licenses, and fees); the previous peak occurred in FY 1981/82, it was $1.62 billion but it was 41% of state income. In FY 2008/09, oil and gas revenue was $1.54 billion, or 14% of state income. In FY2009/2010, it is expected to reach $1.23 billion, or 13% of state income.

At constant production, the state treasury gains or loses about $10.1 million of direct revenue from oil severance taxes and royalty payments for every $1 per barrel change in oil prices.

For every $1 per MCF change in gas price, at constant production, the state treasury gains or loses $42.7 million in royalty payments, and increases or decreases gas full rate severance tax by 3.9 cents per MCF or about $39.4 million dollars for the following fiscal year (there is a 7 cents floor on gas severance tax).

There are no studies available on indirect revenue to the state from changes in gas and oil prices.

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 2006 increased to 2,137 permits, in 2007 increased to 2,150 permits, in 2008 increased to 2,374 permits, and in 2009 decreased to 1,365 permits.

The average active rotary rig count for Louisiana, excluding OCS, reached a high of 386 rigs in 1981 and fell to 76 active rigs in 2002. In 2006, the active rigs average was 118 rigs, it increased to 119 active rigs in 2007, fell to 117 active rigs in 2008, and decreased to 113 active rigs in 2009. The lowest year average between 1981 and 2009 was 64 active rigs in 1993.


• 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.
Figure 3

Louisiana Gas Plants and Total Capacity by Parish

As of January 1, 2009

State total: 69 plants, 18,180,3 MMcfg

Data source: Oil & Gas Journal (6/22/2009)