

LOUISIANA ENERGY FACTS

Louisiana Department of Natural Resources
Technology Assessment Division

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[The Price of Oil - Part 2: Market Moving Geopolitical Events](#)



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Highlights

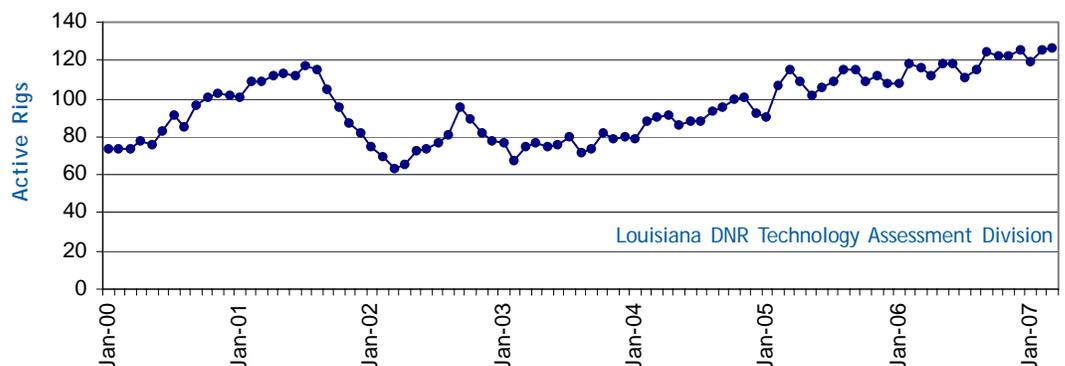
JUNE 2007

Hurricane Season is here. This year, the oil and gas industry is better prepared than in past years to face storms that cross the Gulf of Mexico. It has a younger, much stronger offshore fleet, and many of the not-so-young platforms were retrofitted to the new standards recommended by the Mineral Management Service (MMS). MMS's new standards include: platform decks that must exceed the average height of hurricane-driven swells; better tie-down techniques for equipment left on deck; new clamps that can withstand up to 2 million pounds per square inch of pressure; new mooring techniques using super-strong nylon ropes; and larger, heavier anchor chains. According to MMS, the average age of the 4,000 platforms and rigs in the Gulf of Mexico is now about 20-to-25 years old. *Natural Gas Week* quoted Mr. Andy Radford from the American Petroleum Institute as stating that rigs and platforms built within the last 15-to-20 years survived monster hurricanes such as Ivan, Katrina and Rita.

Louisiana Average Active Rigs in Areas Under State Jurisdiction

Month	(Monthly Average)						% Change	
	2002	2003	2004	2005	2006	2007	05/06	06/07
January	75	77	79	90	108	119		10.19%
February	70	67	88	107 ²	118	126		6.36%
March	63	75	90	115 ²	90 ²	126		40.44%
April	65	77	91	109 ²	112	125		11.61%
May	72	75	86	102	118		15.97%	
June	74	76	88	106	118		11.32%	
July	77	80	88	109	111		2.02%	
August	81	72	93	115	115		0.00%	
September	96	74	95	115	124		7.99%	
October	90	82	100	109	122		12.03%	
November	82	79	101	112	123		9.62%	
December	78	80	92	108	126		16.70%	
Year Average	77	76	91	108	115	124 *		

* Partial Year



Current Oil & Gas Data

Louisiana DNR Technology Assessment Division

PRODUCTION	DEC 06	NOV 06	OCT 06	DEC 05
LOUISIANA FEDERAL OFFSHORE (OCS)				
Crude Oil & Condensate ^C (MMB)	32 ¹	35 ¹	36 ¹	30 ¹
Natural Gas & Casinghead ^C (BCF)	147 ¹	157 ¹	162 ¹	153 ¹
THE UNITED STATES TOTAL				
Crude Oil & Condensate ^C (MMB)	164	154 ²	161	155 ²
Natural Gas & Casinghead ^C (BCF)	1,572	1,530	1,610	1,523 ²
IMPORTS				
U.S. Crude Oil ^C (MMB)	297	295 ²	314	310
U.S. Natural Gas ^C (BCF)	383	339	334	409 ²
BAKER HUGHES RIG COUNTS				
U.S. Gas ^A	1,431	1,414	1,441	1,220
U.S. Oil ^A	281	288	288	247
U.S. Offshore ^A	84	87	90	77
U.S. Total ^A	1,718	1,706	1,734	1,470
PRICES				
CRUDE OIL (\$/barrel)				
OPEC Average ^C (F.O.B.)	54.30	53.08 ²	52.71 ²	52.26 ²
U.S. Imports Average ^C (F.O.B.)	52.84	51.52	50.63	50.06 ²
U.S. Wellhead Average ^C	55.03	52.42	53.26	53.24 ²
Gulf OCS Wellhead Average ^C	56.19	53.71	55.45	53.91 ²
State Severance Wellhead Average ^E	57.35	63.37	67.20	62.57
NATURAL GAS (\$/MCF)				
U.S. City Gates Average ^C	8.66	8.39	6.38	10.77 ²
U.S. Imports Average ^C (F.O.B.)	7.60	7.24	4.88	10.91 ²
U.S. Wellhead Average ^C	6.65	6.43	5.03	9.08 ²
State Royalty Wellhead Average	7.93	7.64	5.12	12.27 ²
NYMEX Henry Hub End of the Month Settle Gas Price ^B (\$/MMBTU)	8.32	7.15	4.20	11.18

Key

1	Estimated	MCF	Thousand Cubic Feet
2	Revised	MMB	Million Barrels
BCF	Billion Cubic Feet	NA	Not Available
BTU	British Thermal Unit	OCS	Outer Continental Shelf
F.O.B.	Free on Board	MMBTU	Million British Thermal Units

Data Sources

A	Oil & Gas Journal	D	Natural Gas Week
B	Wall Street Journal	E	LA Dept of Revenue
C	U. S. Dept. of Energy		

Note: Unless otherwise specified, data is from the Louisiana Department of Natural Resources and excludes Federal OCS.

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.

These documents are available on the Louisiana Department of Natural Resources, Technology Assessment Division home page: <http://www.dnr.louisiana.gov/tad>. From the menu, select **Energy Data & Reports**; choose **Louisiana Energy Facts Newsletter**. Our current online holdings include issues dating from 1998 through the present. If the issue you are seeking is unavailable, please contact us.

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We value your feedback. Please send your comments and suggestions for improving and enhancing the newsletter to: techasmt@la.gov.

Louisiana Estimated Dry Natural Gas Proved Reserves^c

As of December 31st of Each Year
(Billion Cubic Feet, at 14.73 PSIA and 60 Degrees Fahrenheit)

Louisiana DNR Technology Assessment Division

YEAR	NORTH	SOUTH ONSHORE	SOUTH OFFSHORE	FEDERAL OCS	TOTAL LOUISIANA	TOTAL US
1988	2,398	8,654	1,172	23,471 *	35,695 *	168,024
1989	2,652	8,645	1,219	24,187 *	36,703 *	167,116
1990	2,588	8,171	969	22,679 *	34,407 *	169,346
1991	2,384	7,504	1,024	21,611 *	32,523 *	167,062
1992	2,311	6,693	776	19,653 *	29,433 *	165,015
1993	2,325	5,932	917	19,383 *	28,557 *	162,415
1994	2,537	6,251	960	20,835 *	30,583 *	163,837
1995	2,788	5,648	838	21,392 *	30,666 *	165,146
1996	3,105	5,704	734	21,856 *	31,399 *	166,474
1997	3,093	5,855	725	21,934 *	31,607 *	167,223
1998	2,898	5,698	551	20,774 *	29,921 *	164,041
1999	3,079	5,535	628	19,598 *	28,840 *	167,406
2000	3,298	5,245	696	19,788 *	29,027 *	177,427
2001	3,881	5,185	745	19,721 *	29,532 *	183,460
2002	4,245	4,224	491	18,500 *	27,460 *	186,946
2003	5,074	3,746	506	16,728 *	26,054 *	189,044
2004	5,770	3,436	382	14,685 *	24,273 *	192,513
2005	6,695	3,334	418	13,665 *	24,112 *	204,385

Includes Federal Offshore Alabama

Louisiana Estimated Natural Gas Liquids Proved Reserves^c, Excluding Lease Condensate

As of December 31st of Each Year
(Million Barrels)

Louisiana DNR Technology Assessment Division

YEAR	NORTH	SOUTH ONSHORE	SOUTH OFFSHORE	FEDERAL OCS	TOTAL LOUISIANA	TOTAL US
1988	39	228	27	289	583	5,460
1989	40	215	39	297	591	4,991
1990	38	249	37	261	585	4,982
1991	38	242	41	292	613	4,978
1992	41	229	47	246	563	4,999
1993	38	201	21	255	515	4,838
1994	48	214	19	267	548	4,876
1995	55	359	16	191	621	5,005
1996	61	284	36	199	580	5,209
1997	50	199	12	352	613	5,291
1998	34	187	13	341	575	4,852
1999	36	230	19	398	681	5,316
2000	39	207	21	315	582	7,012
2001	35	128	41	273	477	6,595
2002	30	119	37	483 ²	669 ²	6,648
2003	48	100	35	235	418	6,244
2004	53 ²	87 ²	27 ²	410 ²	577 ²	6,707 ²
2005	61 ¹	94 ¹	33 ¹	375 ¹	563 ¹	6,947 ¹

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SPOT MARKET PRICES

	May 07	Apr 07	May 06
Louisiana Natural Gas ^D (\$/MMBTU)	7.65	7.50	6.46
NYMEX Henry Hub Last Settle Gas Price ^B (\$/MMBT)	7.51	7.56	7.20
Louisiana Sweet Crude - St. James ^B (\$/Barrel)	69.92	69.19	72.52

BAKER HUGHES RIG COUNTS

	Apr 07	Mar 07	Apr 06
North Louisiana ^A	60	57	56
South Louisiana Inland Waters ^A	28	26	19
South Louisiana Inland ^A	36	41	35
Louisiana State Offshore	2	2	2
Louisiana Federal OCS Offshore	63	69	75
Total Louisiana ^A (OCS included)	188	195	187

PRODUCTION (State Jurisdiction Only)

	Apr 07	Mar 07	Apr 06
Louisiana Crude Oil & Condensate (MMB)	6.1 ¹	6.2	6.0 ²
Louisiana Natural Gas & Casinghead (BCF)	111.6 ¹	112.5 ²	110.9 ²

DRILLING PERMITS (State Jurisdiction Only)

	Apr 07	Mar 07	Apr 06
Total Louisiana Oil and Gas	157	208	171
Louisiana Wildcats	7	8	5
Louisiana Offshore (Wildcats included)	2	6	11