Louisiana Department of Natural Resources Ο U I S I A N A 2 (

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Technology Assessment Division

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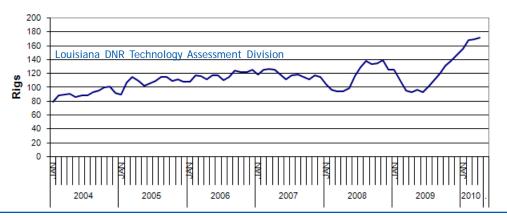
JUNE 2010

Natural gas prices have been fluctuating around \$4 per MMBTU. On Friday, May 28, 2010, the Henry Hub natural gas price was \$4.31 per MMBTU, which was 41 cents more than the price on May 7, 2010. High demand in the electric power sector due to heat waves in the South, Northeast, and Midwest is pushing the gas prices upward. Strong production from unconventional gas fields such as the Marcellus in the Northeast region and Haynesville in Louisiana continue putting downward pressure on prices, despite the decrease of natural gas imports due to low prices. EIA's latest report said that energy production in the Gulf of Mexico has not been significantly affected by the oil spill. However, in areas where spilled oil is the most concentrated, production, drilling, and shipping could be suspended as a result of air quality or fire hazard.

Louisiana Average Active Rigs in Areas Under State Jurisdiction (Monthly Average)

(Monthly Average)									
							% Change		
Month	2005	2006	2007	2008	2009	2010	08/09	09/10	
January	90	108	119	105	126	156		23.61%	
February	107	118	126	97 ²	110	169		53.99%	
March	115	116	126	94 ²	90 ²	170		88.33%	
April	109	112	125	94 ²	93	172		85.66%	
May	102	118	118	99	96		-3.03%		
June	106	118	112	117	94		-19.74%		
July	109	111	118	129	101		-21.86%		
August	115	115	119	138	111		-20.04%		
September	115	124	115	133	120		-10.32%		
October	109	122	112	134	131		-2.53%		
November	112	123	117	140	138		-1.22%		
December	108	126	115	126	147		16.83%		
Year Average	108	118	118	117 ²	113	167 [°]	7		

* Partial Year



Current Oil & Gas Data

Louisiana DNR Technology Assessment Division

PRODUCTION	DEC 09	NOV 09	OCT 09	DEC 08
LOUISIANA FEDERAL OFFSHORE (OCS)				
Crude Oil & Condensate ^C (MMB)	47 ¹	42 ¹	49 ¹	34 ¹
Natural Gas & Casinghead ^C (BCF)	138 ¹	133 ¹	148 ¹	121 ¹
THE UNITED STATES TOTAL				
Crude Oil & Condensate ^C (MMB)	169	164 ²	168	157 ²
Natural Gas & Casinghead ^C (BCF)	1,785	1,744	1,794	1,759 ²
IMPORTS				
U.S. Crude Oil ^C (MMB)	252	261	266	292
U.S. Natural Gas ^C (BCF)	348	292	262 ²	365 ²
BAKER HUGHES RIG COUNTS				
U.S. Gas ^A	758	734	722	1,380
U.S. Oil ^A	404	362	312	391
U.S. Offshore ^A	37	36	33	66
U.S. Total ^A	1,172	1,107	1,044	1,782
PRICES				
CRUDE OIL (\$/barrel)				
OPEC Average ^C (F.O.B.)	72.49	73.60	70.48	35.79
U.S. Imports Average ^C (F.O.B.)	71.33	73.16	70.42	34.23
U.S. Wellhead Average ^C	70.53	71.98	69.82	36.80
Gulf OCS Wellhead Average ^C	74.77	71.74	68.84	48.19
State Severance Wellhead Average ^E	64.36	63.33	65.52	80.01
NATURAL GAS (\$/MCF)				
U.S. City Gates Average ^C	6.24	6.33	5.65	8.16
U.S. Imports Average ^C (F.O.B.)	5.23	4.41	3.93	6.73
U.S. Wellhead Average ^C	4.44	3.64	3.60	5.52 ²
State Royalty Wellhead Average	5.03	4.27	4.05 ²	6.53 ²
NYMEX Henry Hub End of the Month Settle Gas Price ^B (\$/MMBTU)	4.49	4.29	3.73	6.89

Кеу

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

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: <u>http://www.dnr.louisiana.gov/tad</u>. 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.

To request a subscription *or* update your mailing address, contact us with your information. Please specify print or electronic subscription. 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
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
2006	6,715	3,335	424	11,824 *	22,298 *	211,085
2007	6,344	3,323	378	11,090 *	21,135 *	237,726
2008	7,876	2,799	898	10,450 *	22,023 *	244,656
* Includes Fed	leral Offshore A	labama				

Louisiana Estimated Natural Gas Liquids Proved Reserves^c, Excluding Lease Condensate As of December 31st of Each Year

(Million Barrels)

		SOUTH	SOUTH	FEDERAL	TOTAL	TOTAL	
YEAR	NORTH	ONSHORE	OFFSHORE	OCS	LOUISIANA	US	
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	346	532	6,648	
2003	48	100	35	235	418	6,244	
2004	53	87	27	410	577	6,707	
2005	61	96	32	375	563	6,947	
2006	60	94	22	390	484	7,133	
2007	69	99	24	348	540	7,728	
2008	68	78	55	313	514	7,842	

This issue of *Louisiana Energy Facts* is funded 100% (\$848) with Petroleum Violation Escrow funds as part of the State Energy Program as approved by the U.S. Department of Energy and Department of Natural Resources. This public document was published at a total cost of \$848.00. 1,000 copies of this public document were published in this first printing at a total cost of \$848.00. The total cost of all printing of this document, including reprints, is \$848.00. This document was published by the Department of Natural Resources, P.O. Box 94396, Baton Rouge, LA 70804-9396 to promulgate the State Energy Program developed under authority of P.L. 94-163. This material was printed in accordance with the standards for printing by State agencies established pursuant to R.S. 43.31.



LOUISIANA DEPARTMENT OF NATURAL RESOURCES Technology Assessment Division P. O. Box 94396 Baton Rouge, LA 70804-9396 PRST STD U.S. POSTAGE **PAID** BATON ROUGE, LA PERMIT NO. 936

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Quick Facts

Louisiana DNR Technology Assessment Division SPOT MARKET PRICES May 10 Apr 10 May 09 Louisiana Natural Gas^D (\$/MMBTU) 4.09 3.89 3.65 NYMEX Henry Hub Last Settle Gas Price^B (\$/MMBTU) 4.27 3.84 3.33 Louisiana Sweet Crude - St. James^B (\$/Barrel) 79.73 87.90 59.51 BAKER HUGHES RIG COUNTS Apr 10 Mar 10 Apr 09 North Louisiana^A 140 137 74 South Louisiana Inland Waters^A 14 14 5 South Louisiana Inland^A 15 16 14 Louisiana State Offshore 3 3 0 Louisiana Federal OCS Offshore 42 39 41 Total Louisiana^A (OCS included) 214 209 134 Mar 10 **PRODUCTION** (State Jurisdiction Only) Apr 10 Apr 09 5.8² 5.8¹ 5.8² Louisiana Crude Oil & Condensate (MMB) Louisiana Natural Gas & Casinghead (BCF) 129.1¹ 131.6² 118.6² DRILLING PERMITS (State Jurisdiction Only) Apr 10 Mar 10 Apr 09 Total Louisiana Oil and Gas 183 192 108 Louisiana Wildcats 1 0 3 2 2 Louisiana Offshore (Wildcats included) 1

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JUNE 2010