

LOUISIANA ENERGY FACTS

Louisiana Department of Natural Resources
Technology Assessment Division

www.dnr.louisiana.gov/tad

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2020 State Oil and Gas: Production and Price Projections



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Highlights

MARCH 2020

US drilling activities are experiencing a lower rig count levels in most areas. Baker Hughes Inc. (BHI) rigs report shows the average US drilling rig count for February 2020 was 790 rigs, down 258 rigs over last year at this time or a 24.6% decrease from last year. Rigs targeting crude oil were down 173 rigs and rigs targeting gas were down 85 rigs. The drilling in Louisiana state jurisdiction areas also showed a decrease, and BHI reported a February 2020 average rig count of 30 rigs, down 15 rigs over last year at this time or a 33.3% decrease. Rigs targeting gas decreased by 15 rigs while the ones targeting oil rose by 2. Most of the Federal OCS drilling is in the Central Gulf of Mexico, which is next to the Louisiana Coastal boundary. BHI reported a February 2020 average rig count of 20 rigs for the Gulf of Mexico, up two over last year, all of them targeting oil. The slowdown in the gas rig count can be attributed to a lower gas price.

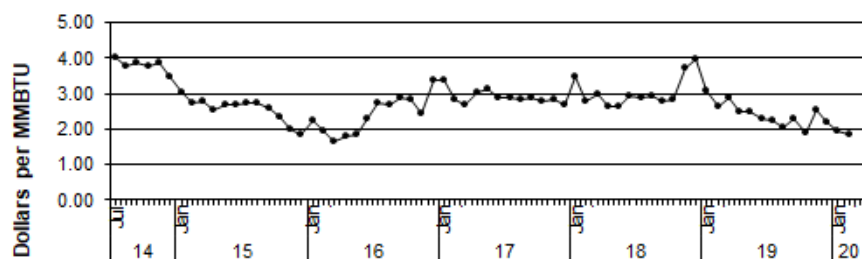
Louisiana Natural Gas & Casinghead Production*, Excluding Federal OCS

Dollars per MMBTU

Month							% Change	
	2015	2016	2017	2018	2019	2020	18/19	19/20
January	3.01	2.26	3.38	3.48	3.09	1.94	-11.14%	-37.11%
February	2.74	1.93	2.84	2.79	2.64	1.83	-5.42%	-30.45%
March	2.80	1.64	2.69	2.57	2.87		11.96%	
April	2.53	1.81	3.01	2.63	2.51		-4.70%	
May	2.69	1.83	3.15	2.66	2.47		-7.02%	
June	2.70	2.29	2.87	2.81	2.29		-18.47%	
July	2.76	2.74	2.87	2.75	2.24		-18.58%	
August	2.75	2.68	2.82	2.83	2.06		-27.26%	
September	2.58	2.86	2.86	2.81	2.31		-17.74%	
October	2.35	2.84	2.81	3.11	1.91		-38.50%	
November	2.01	2.42	2.83	3.75	2.55		-32.07%	
December	1.85	3.39	2.68	3.99	2.19		-45.06%	
Year Average	2.56	2.39	2.90	3.04	3.08	1.89 **		

** Partial Year

Louisiana DNR Technology Assessment Division



Current Oil & Gas Data

Louisiana DNR Technology Assessment Division

	SEP 19	AUG 19	JUL 19	SEP 18
PRODUCTION				
GOM CENTRAL FEDERAL OFFSHORE (OCS)				
Crude Oil & Condensate ^F (MMB)	55	61	45	51
Natural Gas & Casinghead ^F (BCF)	79	87	63	81
THE UNITED STATES TOTAL				
Crude Oil & Condensate ^C (MMB)	375	384	367	344
Natural Gas & Casinghead ^C (BCF)	3,395	3,445	3,384	3,142
IMPORTS				
U.S. Crude Oil ^C (MMB)	194	215	215	227
U.S. Natural Gas ^C (BCF)	208	220	230	216
BAKER HUGHES RIG COUNTS				
U.S. Gas ^A	152	166	172	187
U.S. Oil ^A	726	760	782	866
U.S. Offshore ^A	26	26	26	18
U.S. Total ^A	878	926	955	1,071
PRICES				
CRUDE OIL (\$/barrel)				
OPEC Average ^C (F.O.B.)	59.46	59.51	63.82	71.80
U.S. Imports Average ^C (F.O.B.)	52.47	51.98	54.41	61.56
U.S. Wellhead Average ^C	63.55	62.64	67.00	63.55
Gulf OCS Wellhead Average ^C	55.07	53.63	56.47	69.46
State Severance Wellhead Average ^E	62.17	62.73	61.27	77.07
NATURAL GAS (\$/MCF)				
U.S. City Gates Average ^C	4.13	4.20	4.16	4.71
U.S. Imports Average ^C (F.O.B.)	1.65	1.73	1.86	2.06
U.S. Spot Market Average ^D	2.15	1.94	1.85	2.63
State Royalty Wellhead Average	2.25	1.97	2.11	2.94
NYMEX Henry Hub End of the Month Settle Gas Price ^B (\$/MMBTU)	2.34	2.23	2.38	2.97

Key

Data Sources

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
FO.B.	Free on Board	MMBTU	Million British Thermal Units

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

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:

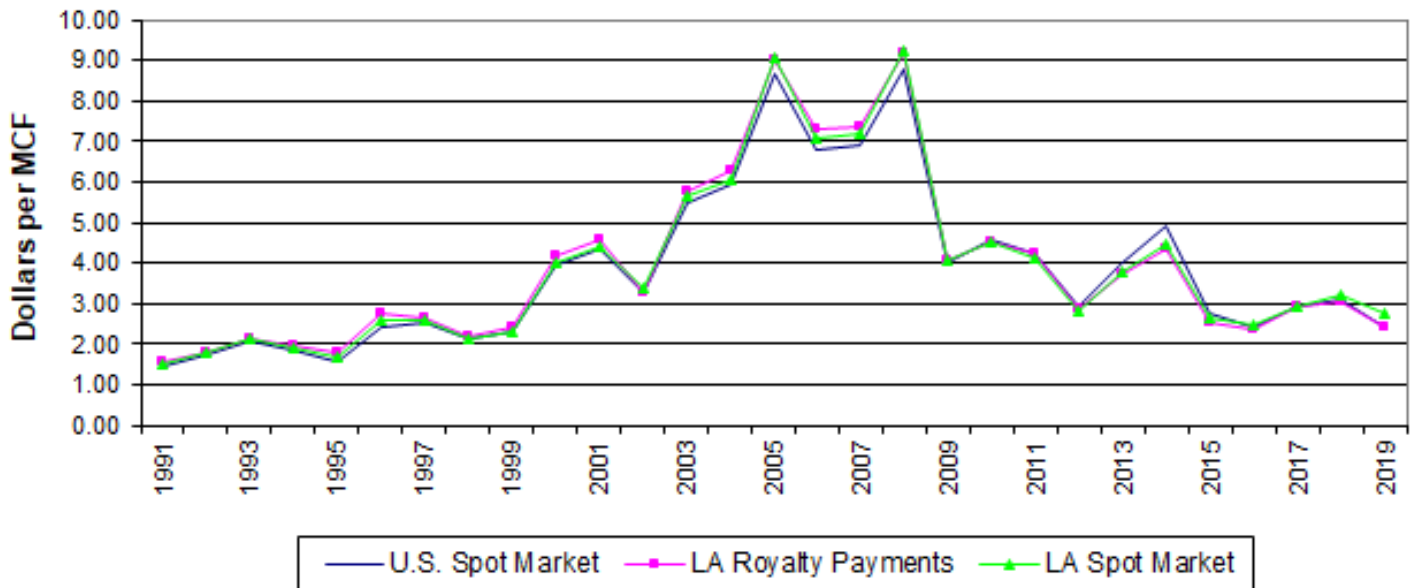
<http://www.dnr.louisiana.gov/tad>. From the menu, select **Newsletters**. Our current online holdings include issues dating from 1998 through the present. If the issue you are seeking is unavailable, please contact us.

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Natural Gas Average Prices (Dollars per MCF)

Louisiana DNR Technology Assessment Division

	UNITED STATES			LOUISIANA	
	<u>Spot Market^D</u>	<u>Foreign Imports^C</u>	<u>City Gate^C</u>	<u>Royalty Payments</u>	<u>Spot Market^D</u>
1997	2.54	2.17	3.66	2.62	2.60
1998	2.11	1.97	3.07	2.22	2.14
1999	2.28	2.24	3.10	2.42	2.31
2000	3.94	3.95	4.62	4.16	3.98
2001	4.34	4.43	5.72	4.55	4.38
2002	3.26	3.15	4.12	3.29	3.37
2003	5.48	5.17	5.85	5.74	5.66
2004	5.94	5.81	6.65	6.29	6.08
2005	8.67	8.12	8.67	9.03	9.05
2006	6.81	6.88	8.61	7.30	7.08
2007	6.89	6.87	8.16	7.34	7.17
2008	8.80	8.70	9.18	9.16	9.21
2009	4.00	4.19	6.48	4.05	4.07
2010	4.58	4.52	6.18	4.54	4.55
2011	4.26	4.24	5.63	4.24	4.11
2012	2.93	2.88	4.73	2.88	2.82
2013	3.98	3.83	4.88	3.71	3.80
2014	4.89	5.30	5.71	4.35	4.44
2015	2.76	2.99	4.26	2.55	2.67
2016	2.39	2.24 ^r	3.86 ^r	2.37	2.49
2017	2.93	2.69 ^r	4.29 ^r	2.91	2.94
2018	3.11 ^r	2.81	4.30	3.06 ^r	3.21 ^r
2019	2.44	2.50	3.92	2.42	2.73





LOUISIANA DEPARTMENT OF NATURAL RESOURCES

Technology Assessment Division

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Quick Facts

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Louisiana DNR Technology Assessment Division

SPOT MARKET PRICES

	Feb 20	Jan 20	Feb 19
Louisiana Natural Gas ^D (\$/MMBTU)	1.83	1.94	3.16
NYMEX Henry Hub Last Settle Gas Price ^B (\$/MMBTU)	1.88	2.00	2.69
Louisiana Sweet Crude - St. James ^B (\$/Barrel)	53.96	61.38	63.18

BAKER HUGHES RIG COUNTS

	Jan 20	Dec 19	Jan 19
North Louisiana ^A	31	33	35
South Louisiana Inland Waters ^A	1	1	2
South Louisiana Inland ^A	3	2	6
Louisiana State Offshore	0	0	0
Louisiana Federal OCS Offshore	20	22	20
Total Louisiana ^A (OCS included)	55	57	63

PRODUCTION (State Jurisdiction Only)

	Jan 20	Dec 19	Jan 19
Louisiana Crude Oil & Condensate (MMB)	3.8 ¹	3.8 ¹	3.9 ²
Louisiana Natural Gas & Casinghead (BCF)	281.2 ¹	280.0 ¹	254.0 ²

DRILLING PERMITS (State Jurisdiction Only)

	Jan 20	Dec 19	Jan 19
Total Louisiana Oil and Gas	38	45	44
Louisiana Wildcats	0	0	1
Louisiana Offshore (Wildcats included)	0	0	0