July 2004

Louisiana Energy Facts

Department of Natural Resources

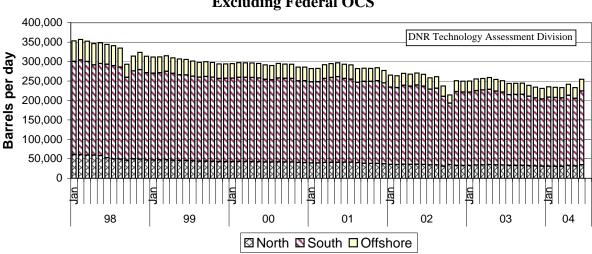
Technology Assessment Division

Natural gas prices are expected to stay above \$5.50 per MMBTU. This high gas price is caused by declining domestic reserves, import difficulties, and higher demand. The declining reserves issue is magnified by producers buying each other's prized reserves rather than expending their resources in finding new reservoirs. Baker-Hughes is reporting around 1,000 drilling rigs active looking for gas, but the newly drilled wells have lower reserves and greater decline rates than wells drilled in 2001 and earlier. Importing natural gas is difficult because there are only limited numbers of terminals in the US to handle LNG, and existing import pipelines are running at full capacity. The high demand is driven by the economic recovery and proliferation of natural gas-fired power plants.

Louisiana Crude Oil & Condensate Production*								
		Exclu	iding Federal	OCS			<u>% Cha</u>	ange
			(Barrels/Day)					
Month	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>01/02</u>	02/03
January	311,484	294,608	281,857	265,269	249,924	234,948		-5.99%
February	312,151	297,141	282,423	263,515	255,141	234,071		-8.26%
March	315,074	296,942	291,801	269,767	256,548	233,189		-9.11%
April	309,719	296,493	294,644	267,448	259,195	241,799		-6.71%
May	306,655	295,119	296,799	270,447	254,032	233,092		-8.24%
June	305,608	291,478	293,096	267,251	250,960	254,613		1.46%
July	301,290	289,906	291,332	258,276	243,984		-5.53%	
August	298,098	294,999	281,957	260,962	244,342		-6.37%	
September	299,652	293,657	282,698	237,254	244,626		3.11%	
October	297,731	293,083	282,452	214,032	239,000		11.67%	
November	293,845	285,639	284,237	250,761	234,521		-6.48%	
December	294,025	285,606	277,262	249,609	231,146		-7.40%	
Year Average	303,778	292,889	286,713	256,216	246,952	238,619 **		

* All data are revised, see July 2001 statistics changes explanation.

** Partial Year



Louisiana Crude Oil & Condensate Production Excluding Federal OCS

	JAN 04	DEC 03	NOV 03	JAN 03
PRODUCTION				
LOUISIANA FEDERAL OFFSHORE (OCS)				
Crude Oil & Condensate ^C (MMB)	44	44	43	47
Natural Gas & Casinghead ^C (BCF)	267	271	261	289 ²
THE UNITED STATES TOTAL				
Crude Oil & Condensate ^C (MMB)	175	174	169	181
Natural Gas & Casinghead ^C (BCF)	1,615	1,609 2	1,545	1,638 2
IMPORTS				
U.S. Crude Oil ^C (MMB)	289	300	284	264 ²
U.S. Natural Gas ^C (BCF)	340	362	313	359 ²
BAKER HUGHES RIG COUNTS				
U.S. Gas ^A	957	958	952	718
U.S. Oil ^A	146	152	158	132
U.S. Offshore ^A	101	105	106	111
U.S. Total ^A	1,112	1,112	1,111	854
PRICES				
CRUDE OIL (\$/barrel)				
OPEC Average ^C (F.O.B.)	27.88	27.02	26.09	29.08 ²
U.S. Imports Average ^C (F.O.B.)	28.16	26.75	26.03	29.16 ²
U.S. Wellhead Average ^C	30.35	28.54	27.21	28.35
Gulf OCS Wellhead Average ^C	31.44	29.46	28.97	28.32 ²
State Severance Wellhead Average ^E	32.50	29.45	27.86	30.24
NATURAL GAS (\$/MCF)				
U.S. City Gates Average ^C	6.40	5.91	5.53	5.31 ²
U.S. Imports Average ^C (F.O.B.)	5.40	5.06	4.12	4.91 2
U.S. Wellhead Average ^C	5.53	5.08	4.34	4.47
State Royalty Wellhead Average	6.38	5.74 ²	4.67 ²	5.10 2
NYMEX Henry Hub End of the Month Settle Gas Price ^B (\$/MMBTU)	6.15	4.46	4.54	4.99

	2			
¹ Estimated	² Revised			
BCF: Billion Cubic Feet	BTU: British thermal unit			
F.O.B.: Free on board	MCF: Thousand Cubic Feet			
MMB: Million Barrels	MMBTU: Million BTU			
OCS: Outer Continental Shelf	N/A: Not Available			
DATA SOURCES				
A: Oil and Gas Journal	B: Wall Street Journal			
C: U.S. Department of Energy	D: Natural Gas Week			
E: Louisiana Department of Revenue and Taxation				
Note: Unless otherwise specified, data is from the Louisiana Department				
of Natural Resources and excludes Federal OCS.				

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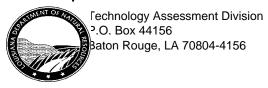
2003 LOUISIANA STATE CRUDE OIL WELLS By Production Rate, OCS Wells Excluded

			Total		
Production Bracket	Number of Wells		Annual Production		
		% of Total		% of Total	
Barrels/day	Wells	Wells	Barrels/year	Production	
Less than or equal 10	13,680	57.5%	5,503,283	6.1%	
Between 10 - 15	2,020	8.5%	2,789,934	3.1%	
Between 15 - 20	1,036	4.4%	2,477,513	2.7%	
Between 20 - 30	1,434	6.0%	4,440,881	4.9%	
Between 30 - 40	745	3.1%	3,639,237	4.0%	
Between 40 - 50	808	3.4%	3,153,992	3.5%	
Between 50 - 75	1,193	5.0%	5,801,369	6.4%	
Between 75 - 100	560	2.4%	4,471,293	4.9%	
Between 100 - 150	617	2.6%	7,246,173	8.0%	
Between 150 - 200	344	1.4%	5,763,545	6.4%	
Between 200 - 300	404	1.7%	7,596,992	8.4%	
Between 300 - 500	367	1.5%	10,382,568	11.5%	
Between 500 - 1,000	406	1.7%	12,184,671	13.5%	
Between 1,000 - 2,000	82	0.3%	4,095,622	4.5%	
Between 2,000 - 5,000	69	0.3%	4,971,887	5.5%	
Over 5000	6	0.0%	5,943,219	6.6%	

2003 LOUISIANA STATE NATURAL GAS WELLS By Production Rate, OCS Wells Excluded

			Tota	ıl	
Production Bracket	Number of Wells		Annual Production		
		% of Total		% of Total	
MCF/day	Wells	Wells	MCF/year	Production	
Less than or equal 50	9,353	44.8%	21,300,558	1.6%	
Between 50 - 60	529	2.5%	4,586,879	0.3%	
Between 60 - 70	627	3.0%	5,272,721	0.4%	
Between 70 - 80	424	2.0%	5,395,710	0.4%	
Between 80 - 90	431	2.1%	4,914,254	0.4%	
Between 90 - 100	286	1.4%	4,821,840	0.4%	
Between 100 - 250	2,700	12.9%	61,606,694	4.6%	
Between 250 - 400	946	4.5%	56,910,267	4.2%	
Between 400 - 800	1,435	6.9%	108,793,113	8.1%	
Between 800 - 1,600	1,197	5.7%	174,070,094	12.9%	
Between 1,600 - 3,200	747	3.6%	205,906,025	15.3%	
Between 3,200 - 6,400	492	2.4%	215,503,967	16.0%	
Between 6,400 - 12,800	1,502	7.2%	206,782,335	15.4%	
Between 12,800 - 25,600	138	0.7%	139,707,426	10.4%	
Over 25,600	56	0.3%	130,149,238	9.7%	

Louisiana Department of Natural Resources



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SPOT MARKET PRICES	<u>Jun 04</u>	<u>May 04</u>	<u>Jun 03</u>
Louisiana Natural Gas ^D (\$/MMBTU)	6.33	6.10	5.73
NYMEX Henry Hub Last Settle Gas Price ^B (\$/MMBTU)	6.68	5.94	5.95
Louisiana Sweet Crude - St. James ^B (\$/Barrel)	37.81	40.03	30.26
BAKER HUGHES RIG COUNTS	<u>May 04</u>	<u>Apr 04</u>	<u>May 03</u>
North Louisiana ^A	36	40 ²	26
South Louisiana Inland Waters ^A	20	18	12
South Louisiana Inland ^A	28	31	31
Louisiana Offshore ^A (State + OCS)	82	80	88
Total Louisiana ^A (OCS included)	166	169	157
PRODUCTION (State Jurisdiction Only)	<u>May 04</u>	<u>Apr 04</u>	<u>May 03</u>
Louisiana Crude Oil & Condensate (MMB)	7.3	7.3	7.9 ²
Louisiana Natural Gas & Casinghead (BCF)	103.7	103.7	116.2 2
DRILLING PERMITS (State Jurisdiction Only)	<u>May 04</u>	<u>Apr 04</u>	<u>May 03</u>
Total Louisiana Oil and Gas	131	145	104
Louisiana Wildcats	8	14	10
Louisiana Offshore (Wildcats included)	2	4	7