Louisiana Department of Natural Resources UISIANA

Technology Assessment Division

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Energy Legislation -2008 Regular Legislative Session

Energy Star in Louisiana



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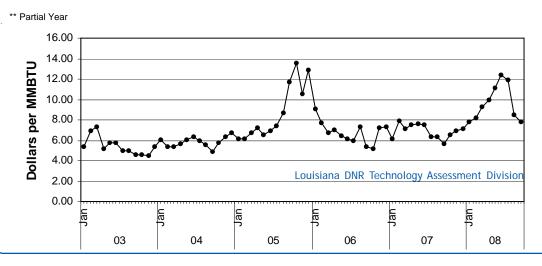
Highlights_

OCTOBER 2008

Gas prices are no longer dominated by Gulf of Mexico (GOM or Gulf) production. Gas prices fell even though two named hurricanes (Gustav and Ike) hit the Gulf. The Louisiana spot market price at the Henry Hub was \$8.20 per MMBTU the Friday before Hurricane Gustav hit Louisiana. After the storm, the price was \$7.24 per MMBTU despite the fact that 74.1% of the natural gas production in the Gulf was shut-in. Two weeks later, Hurricane Ike crossed the Gulf before making landfall in Galveston, Texas, and shut down 98.5% of gas production, but the gas price did not rise above \$8.20 per MMBTU. Gas production from the Gulf of Mexico is estimated at 7.0 billion cubic feet per day. Energy analysts are saying that Gulf production isn't as important as before. Inland production has risen 11%, or more than 6 billion cubic feet per day, from unconventional gas plays. Additionally, Federal GOM only accounts for 15% of domestic natural gas production, and the summer cooling demand was lower than expected.

Louisiana Natural Gas Average Spot Prices

(Dollars per MMBTU)								
							% Change	
Month	2003	2004	2005	2006	2007	2008	07/08	06/07
January	5.33	6.07	6.18	9.11	6.12	7.78		27.00%
February	6.89	5.38	6.10	7.72	7.88	8.24 ²		4.51%
March	7.35	5.32	6.76	6.77	7.15	9.23		29.04%
April	5.19	5.67	7.18	7.05	7.50	9.94		32.47%
May	5.74	6.10	6.55	6.46	7.59	11.14		46.84%
June	5.73	6.33	6.89	6.19	7.51	12.35		64.53%
July	5.02	5.94	7.39	6.00	6.36	11.87		86.57%
August	4.95	5.55	8.65	7.27	6.33	8.52		34.72%
September	4.60	4.91	11.70	5.41	5.70	7.77		36.23%
October	4.62	5.80	13.61	5.17	6.53		26.19%	
November	4.44	6.33	10.55	7.23	6.96		-3.82%	
December	5.41	6.76	12.86	7.33	7.11		-3.03%	
Year Average	5.44	5.85	8.70	6.81	6.89	9.65 **		



Current Oil & Gas Data

Louisiana DNR Technology Assessment Division

PRODUCTION	APR 08	MAR 08	FEB 08	APR 07
LOUISIANA FEDERAL OFFSHORE (OCS)				
Crude Oil & Condensate ^C (MMB)	34 ¹	35 ¹	34 ¹	36 ¹
Natural Gas & Casinghead ^C (BCF)	145 ¹	153 ¹	152 ¹	171 ¹
THE UNITED STATES TOTAL				
Crude Oil & Condensate ^C (MMB)	155	159	148	157
Natural Gas & Casinghead ^C (BCF)	1,678	1,750	1,621	1,565 ²
IMPORTS				
U.S. Crude Oil ^C (MMB)	298	298	279	305
U.S. Natural Gas ^C (BCF)	318	361	343	388 ²
BAKER HUGHES RIG COUNTS				
U.S. Gas ^A	1,461	1,444	1,426	1,461
U.S. Oil ^A	358	343	331	285
U.S. Offshore ^A	64	60	56	75
U.S. Total ^A	1,829	1,797	1,756	1,750
PRICES				
CRUDE OIL (\$/barrel)				
OPEC Average ^C (F.O.B.)	108.47	100.22	91.81	62.26
U.S. Imports Average ^C (F.O.B.)	104.20	96.42 ²	87.81	59.47
U.S. Wellhead Average ^C	106.64	98.44	89.41	58.20
Gulf OCS Wellhead Average ^C	104.68	96.68	91.10	59.49
State Severance Wellhead Average ^E	92.09	92.34	90.94	56.98
NATURAL GAS (\$/MCF)				2
U.S. City Gates Average ^C	9.84	9.45	8.93	8.19 ²
U.S. Imports Average ^C (F.O.B.)	9.90	9.03	8.35	6.84 ²
U.S. Wellhead Average ^C	8.94	8.29	7.55	7.23 ²
State Royalty Wellhead Average	11.78	9.94 ²	8.95	8.02
NYMEX Henry Hub End of the Month Settle Gas Price ^B (\$/MMBTU)	9.58	8.93 ²	8.00	7.56

Kev	Data Sources
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1	Estimated	MCF	Thousand Cubic Feet	Α	Oil & Gas Journal	D	Natural Gas Week
2	Revised	MMB	Million Barrels	В	Wall Street Journal	Ε	LA Dept of Revenue
BCF	Billion Cubic Feet	N/A	Not Available	С	U. S. Dept. of Energy		
BTU	British Thermal Unit	ocs	Outer Continental Shelf				
F.O.B.	Free on Board	MMBTU	Million British Thermal Units	Note	: Unless otherwise specifie	ed, da	ata is from the Louisiana

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.

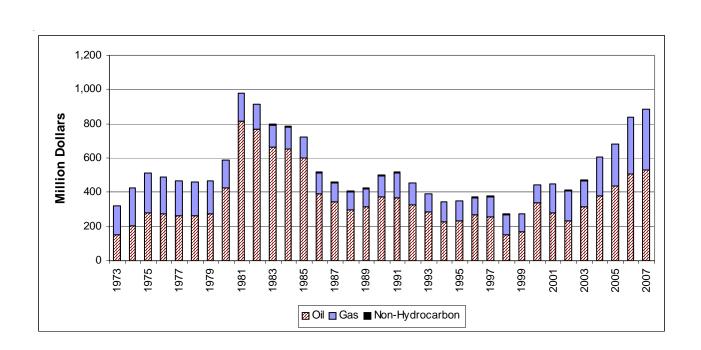
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Department of Natural Resources and excludes Federal OCS.

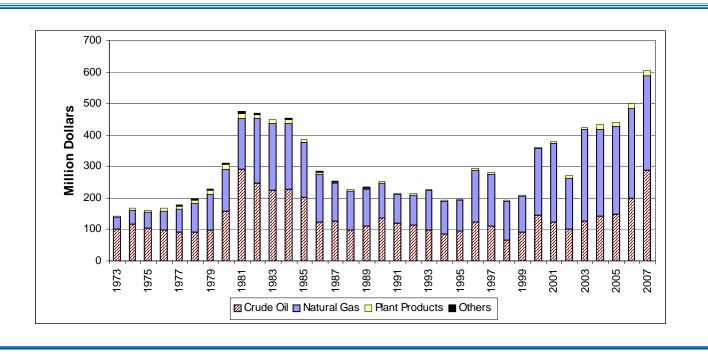
Louisiana Mineral Severance Tax Revenue by Source, Excluding Federal OCS

Louisiana DNR Technology Assessment Division



Louisiana Mineral Royalty Revenue by Source, Excluding Federal OCS

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Quick Facts	ОСТ	OBER	2008	
	Louisiana DNR Technology Assessment Division			
SPOT MARKET PRICES	Sep 08	Aug 08	Sep 07	
Louisiana Natural Gas ^D (\$/MMBTU)	7.77	8.52	5.70	
NYMEX Henry Hub Last Settle Gas Price ^B (\$/MMBTU)	8.39	9.22	5.43	
Louisiana Sweet Crude - St. James ^B (\$/Barrel)	107.07	119.41	79.86	
BAKER HUGHES RIG COUNTS	Aug 08	Jul 08	Aug 07	
North Louisiana ^A	80	72	60	
South Louisiana Inland Waters ^A	26	23	24	
South Louisiana Inland ^A	28	29	31	
Louisiana State Offshore	4	6	4	
Louisiana Federal OCS Offshore	50	50	59	
Total Louisiana ^A (OCS included)	188	180	178	
PRODUCTION (State Jurisdiction Only)	Aug 08	Jul 08	Aug 07	
Louisiana Crude Oil & Condensate (MMB)	6.3	6.4 ²	6.4 ²	
Louisiana Natural Gas & Casinghead (BCF)	112.6	112.8 ²	114.0 ²	
DRILLING PERMITS (State Jurisdiction Only)	Aug 08	Jul 08	Aug 07	
Total Louisiana Oil and Gas	308	292	195	
Louisiana Wildcats	8	9	5	
Louisiana Offshore (Wildcats included)	4	1	3	