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Commissioner

TEXAS PETROFACTS

A Monthly Data Review from the Railroad Commission of Texas ■ **September 2015**

HIGHLIGHTS

Natural Gas Production

In June 2015 Texas natural gas production was 688.67 billion cubic feet (bcf), down from 714.68 bcf produced during the same month in 2014. (***Note: Recent oil and gas production data are considered preliminary, incomplete, and subject to revision. See pages 3 and 6 for the most recent production adjustment factors.)***

Crude Oil Production

In June 2015 Texas crude oil production averaged 2.972 million barrels per day (mmb/d), up from 2.652 mmb/d reported during the same month in 2014. ***(See Note above.)***

Rotary Rigs Operating in Texas

In August 2015 the average Texas rotary rig count was 385, down from 900 rigs running during the same month last year. The August rig count was up from the July rig count of 369.
Source: Baker Hughes Inc.

Permits to Drill

In August 2015 the Railroad Commission issued 864 original permits to drill, down from 2,440 permits issued during the same month last year and down from 979 permits issued in July.

Oil and Gas Well Completions

In August 2015 operators reported 1,113 oil completions, down from 2,157 oil completions during the same month last year. There were 172 gas completions in August, down from 303 gas completions reported during the same month last year. There were 1,289 wells drilled in Texas in August, down from 2,460 wells drilled during the same month last year.

TRENDS

EIA Short-Term Outlook for Crude Oil and Natural Gas:

The average price of imported crude for U.S. refiners (an indicator of world oil prices) is expected to decrease from the average 2014 level of $89.63 per barrel to $42.07 per barrel during the 3rd quarter of 2015 and average $46.45 for the year, according to the U.S. Energy Information Administration's (EIA) "Short-Term Energy Outlook" for September 2015.

The West Texas Intermediate spot average is expected to decrease from the 2014 average level of $93.17 per barrel to $45.75 per barrel during the 3rd quarter of 2015 and average $49.23 for the year.

U.S. petroleum demand is expected to increase 1.73 percent from 2014 to 2015 to 19.44 million barrels per day and increase 0.67 percent from 2015 to 2016 to 19.57 million barrels per day.

U.S. natural gas demand is expected to increase 4.14 percent from 2014 to 2015 to 27.93 trillion cubic feet, and is expected to increase by 0.10 percent from 2015 to 2016 to 27.96 trillion cubic feet.

EIA projects that natural gas Henry Hub spot prices will average $2.78 per mmbtu for the 3rd quarter of 2015 and average $2.84 per mmbtu for the year. This is a 35.31 percent decrease from EIA's 2014 Henry Hub spot price of $4.39 per mmbtu. ***(Note: Beginning January 2013 EIA discontinued publishing wellhead prices and began publishing a natural gas spot price at the Henry Hub.)***

EIA projects a natural gas Henry Hub spot price of $3.11 per mmbtu for 2016, a 9.51 percent increase from the $2.84 projected average price for 2015. ***(See note above.)***

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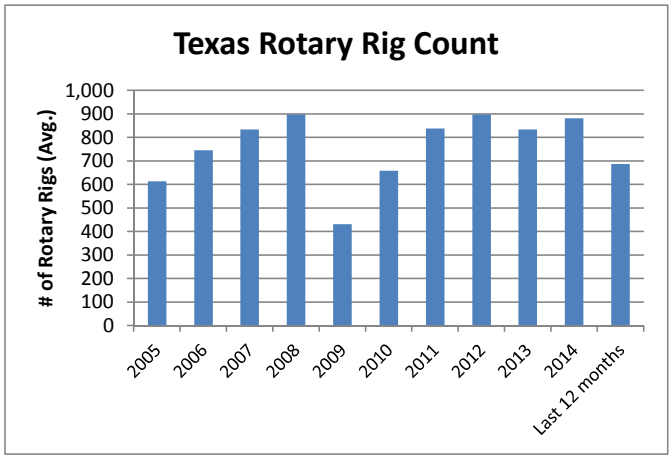
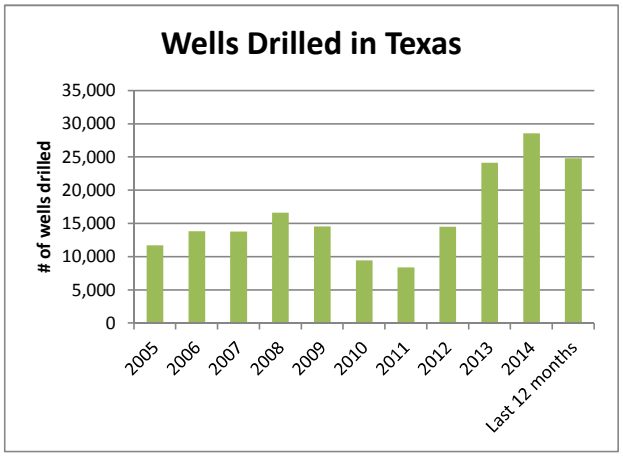
TABLE 1. TEXAS DRILLING AND COMPLETION SUMMARY

Period	Active Rotary Rigs *		Permits #	Wells Completed		Wells Drilled **
	Texas	U.S.		Oil	Gas	
1996	283	779	12,669	4,061	4,060	9,747
1997	358	943	13,933	4,482	4,594	10,778
1998	303	827	9,385	4,509	4,907	11,057
1999	227	625	8,430	2,049	3,566	10,778
2000	343	918	12,021	3,111	4,580	8,854
2001	462	1,156	12,227	3,082	5,787	10,005
2002	338	830	9,716	3,268	5,474	9,877
2003	449	1,032	12,664	3,111	6,336	10,420
2004	506	1,192	14,700	3,446	7,118	11,587
2005	614	1,381	16,914	3,454	7,197	11,726
2006	746	1,649	18,952	4,761	8,534	13,854
2007	834	1,769	19,994	5,084	8,643	13,778
2008	898	1,880	24,073	6,208	10,361	16,615
2009	432	1,086	12,212	5,860	8,706	14,585
2010	659	1,541	18,029	5,392	4,071	9,477
2011	838	1,875	22,480	5,380	3,008	8,391
2012	899	1,919	22,479	10,936	3,580	14,535
2013	835	1,761	21,471	19,249	4,917	24,166
2014	882	1,862	25,792	24,999	3,585	28,585
Last 12 months	688	1,515	18,920	21,092	3,724	24,825
Aug-14	900	1,904	2,440	2,157	303	2,460
Sep-14	902	1,930	3,013	2,048	328	2,377
Oct-14	899	1,925	3,046	2,035	354	2,389
Nov-14	904	1,925	1,508	1,570	380	1,950
Dec-14	872	1,882	1,506	1,559	353	1,912
Jan-15	773	1,683	1,102	1,450	344	1,794
Feb-15	599	1,348	924	1,521	210	1,731
Mar-15	492	1,108	923	1,547	305	1,852
Apr-15	422	976	848	1,867	314	2,181
May-15	375	889	916	1,299	201	1,500
Jun-15	363	861	851	1,416	225	1,641
Jul-15	369	866	979	1,510	235	1,749
Aug-15	385	883	864	1,113	172	1,289





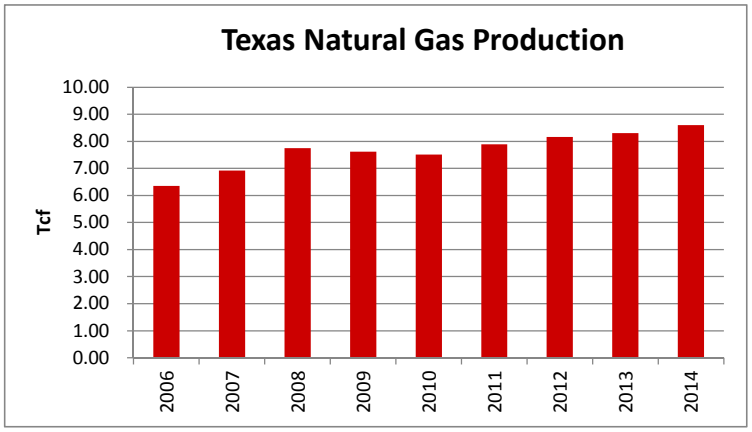
** Source: Baker Hughes Inc.*
 # Totals shown are number of drilling permits issued
*** Wells drilled are oil and gas well completions and dry holes drilled/plugged.*

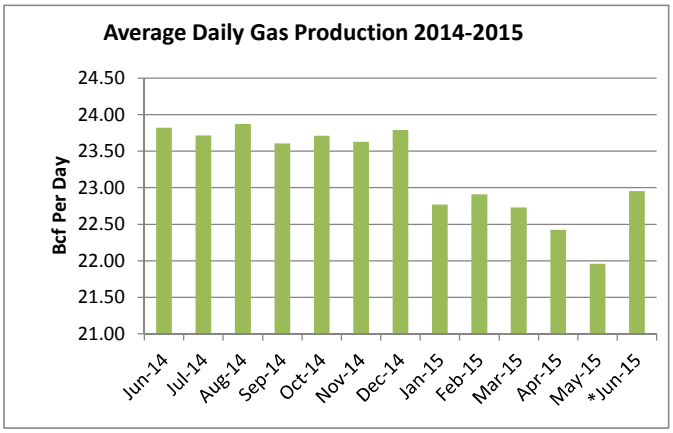
TABLE 2. TEXAS NATURAL GAS (Trillion CF)

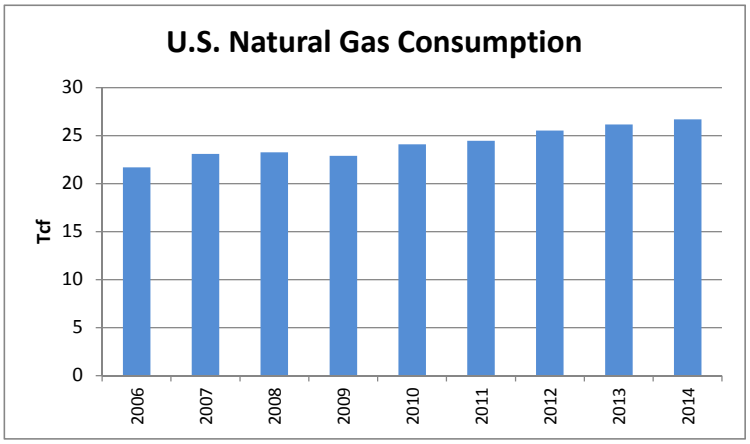
Period	Total Production *	Proved Reserves #	Consumption #	Producing Wells *	Wellhead Price **
1997	5.86	41.11	4.12	56,736	$2.32
1998	5.83	40.79	4.21	58,436	$1.96
1999	5.61	43.35	4.01	59,088	$2.19
2000	5.76	45.42	4.42	60,486	$3.68
2001	5.83	46.46	4.25	63,598	$4.00
2002	5.73	47.49	4.30	65,686	$2.95
2003	5.82	48.72	4.05	68,488	$4.88
2004	6.02	53.28	3.91	72,237	$5.46
2005	6.03	60.18	3.50	76,510	$7.33
2006	6.36	65.81	3.43	83,218	$6.39
2007	6.92	76.36	3.52	88,311	$6.25
2008	7.75	81.84	3.55	96,502	$7.97
2009	7.62	85.03	3.39	101,097	$3.67
2010	7.52	94.29	3.57	101,653	$4.48
2011	7.90	104.45	3.69	101,831	$3.95
2012	8.16	93.48	3.85	102,218	$2.66
2013	8.31	97.92	4.02	103,445	n/a
2014	8.61	105.96	n/a	104,074	n/a

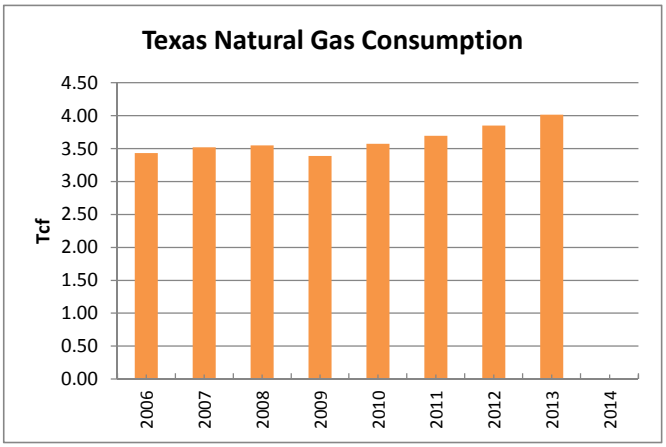
Total Gas Production (Bcf)				
Period	**Daily**	**Monthly**	**Gas Well**	**Casinghead**
Jun-14	23.82	714.68	539.90	174.77
Jul-14	23.72	735.22	551.50	183.71
Aug-14	23.87	740.05	549.88	190.17
Sep-14	23.61	708.18	527.12	181.07
Oct-14	23.71	735.02	546.64	188.39
Nov-14	23.63	708.81	528.50	180.32
Dec-14	23.79	737.48	547.40	190.08
Jan-15	22.77	705.89	528.07	177.82
Feb-15	22.91	641.44	472.09	169.35
Mar-15	22.73	704.71	515.43	189.28
Apr-15	22.42	672.68	491.51	181.17
May-15	21.96	680.72	493.50	187.22
***Jun-15**	22.96	688.67	514.51	174.16

** Note: The most recent 12 months of production data is preliminary and subject to revision. The most recent month of data is incomplete and may underestimate the final and complete total; a production adjustment factor of 1.1651 has been applied to reported June gas well production to obtain an estimate of final gas well production.*









** Source: Railroad Commission of Texas. The most recent 12 months of production data is subject to revision. Annual data is subject to revision as the Commission receives many corrected or delinquent production reports.*

 # Source: US Energy Information Administration (EIA):EIA's reserves for estimates for 1994 and after exclude federal offshore and are wet after lease separation.

*** Source: Texas Comptroller of Public Accounts. Wellhead price is average net taxable price ($/Mcf) and excludes federal offshore production.Source for 2001 and after is EIA and wellhead price is national average. The Wellhead Price has been discontinued as of January 2013.*

TABLE 3. TEXAS GAS STORAGE OPERATIONS

Operator	Field	County Location	Reported Max Withdrawal Rate (MMCF/DAY)	Working Gas* 8/31/2015 (MMCF)	Working Gas* 8/31/2014 (MMCF)	Change From One Year Ago (MMCF)	Preliminary Working Gas* 9/15/2015 (MMCF)
Productive or Depleted Reservoirs							
Oneok TX Gas Storage LP	Felmac (Yates)	Gaines	45	2,613	1,845	768	2,613
Oneok TX Gas Storage LP	Loop (Yates)	Gaines	75	800	800	-	800
City of Brady	Janellen (Caddo)	Brown	-	29	29	-	29
Enbridge Pipeline LLC	Pickton (Bacon Lime)	Hopkins	15	2,274	2,218	56	2,276
Houston Pipe Line Co.	Bammell	Harris	1,300	46,107	25,439	20,668	47,268
Cago, Inc.	Ambassador	Clay	40	80	80	-	80
Hill Lake Gas Storage LLC	Hill-Lake Sand	Eastland	450	6,833	6,728	105	7,176
ATMOS Pipeline - Texas	Lake Dallas	Denton	120	3,629	3,609	20	3,676
ATMOS Pipeline - Texas	La-Pan-Miss	Clay	120	2,843	2,818	25	2,843
Cummings Company, Inc.	Leeray Strawn	Stephens	20	-	-	-	-
ATMOS Pipeline - Texas	New York City	Clay	120	4,486	4,479	7	4,772
Fort Concho Gas Storage, Inc.	Pecan Station	Tom Green	28	844	880	(36)	844
ATMOS Pipeline - Texas	Tri-Cities Bacon	Henderson	275	17,730	15,882	1,848	18,188
ATMOS Pipeline - Texas	Tri-Cities Rodessa	Henderson	50	2,738	2,441	297	2,738
Lower Colorado River Authority	Hilbig	Bastrop	100	2,319	2,119	200	2,286
Natural Gas Pipeline Co.	North Lansing	Harrison	1,100	76,434	56,620	19,814	82,438
Devon Gas Services LP	Lone Camp	Palo Pinto	28	453	237	216	453
Kinder Morgan Tejas Pipeline LLC	Clear Lake	Harris	900	75,641	24,213	51,428	77,020
Energy Transfer Fuel LP	Bryson	Jack	100	5,480	5,194	286	5,331
Worsham-Steed Gas Storage, LLC	Worsham Steed	Jack	25	18,966	18,438	528	20,266
Katy Storage and Transportation LP	Pottsville	Hamilton	200	-	-	-	-
Enstor Katy Storage and Transportation LP	Katy Hub & Storage	Fort Bend	700	21,739	17,323	4,416	21,990
		Subtotals	**5,811**	**292,038**	**191,392**	**100,646**	**303,087**
Salt Caverns							
Oneok TX Gas Storage LP	Salado (Loop Yates)	Gaines	500	1,565	1,254	311	1,565
Kinder Morgan Tejas Pipeline LP	Stratton Ridge	Brazoria	250	984	449	535	984
Centana Intrastate Pipeline LLC	Spindletop	Jefferson	400	11,570	4,966	6,604	11,570
Dow Chemical Co.	Stratton Ridge #34	Brazoria	200	-	-	-	-
Dow Chemical Co.	Stratton Ridge #6	Brazoria	180	638	992	(354)	638
Kinder Morgan Texas Pipeline LP	North Dayton	Liberty	750	6,506	6,074	432	6,506
ATMOS Pipeline - Texas	Bethel	Anderson	600	5,303	5,434	(131)	5,303
Moss Bluff Hub Partners LP	Moss Bluff	Liberty	1,000	17,870	13,053	4,817	17,870
Chevron Phillips Chemical Co	Clemens	Brazoria	75	1,541	1,501	40	1,541
PB Energy Storage Services, Inc.	Spindletop	Jefferson	480	6,807	7,270	(463)	6,807
Underground Services Markham, LP	Markham	Matagorda	1,100	13,714	14,379	(665)	13,714
Energy Transfer Fuel LP	Bethel Salt Dome	Anderson	600	3,352	882	2,470	3,352
Envoy Resources Inc	Wilson	Wharton	800	10,914	5,081	5,833	10,914
Chevron Keystone Gas Storage	Keystone Gas Storage	Winkler	350	7,410	6,017	1,393	7,410
Underground Storage LLC	Pierce Junction	Harris	350	1,468	979	489	1,468
Tres Palacios Storage LLC	Markham	Matagorda	2,500	12,793	4,542	8,251	12,793
Golden Triangle Storage, Inc	Spindletop	Jefferson	300	5,427	5,052	375	5,427
Freeport LNG Development, LP	Stratton Ridge	Brazoria	300	696	4,309	(3,613)	696
		Subtotals	**10,735**	**108,558**	**82,234**	**26,324**	**110,551**
Source: RRC Form G-3		**TOTALS**	**16,546**	**400,596**	**273,626**	**126,970**	**413,638**

*Notes: 1) Native Gas volumes are included in Working Gas volumes with the exception of Houston Pipe Line's Bammel facility and Natural Gas Pipeline Co. of America's North Lansing facility, in which the native gas is part of the non-working resident gas. 2) Due to an expansion of the North Lansing facility, 9700 MMCF of Resident Gas Inventory was conversted to Working Gas volume as of June, 2007. 3) Tres Palacios Storage LLC Salt Cavern facility was added to the report as of October, 2008. 4) City of Brady facility was added back to the report as of August 2015's issue.

TABLE 4. TEXAS GAS STORAGE OPERATIONS, 2014-2015

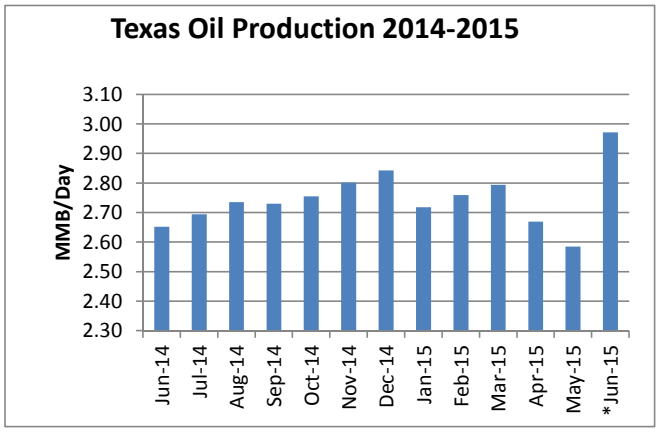
	Depleted Reservoirs			Salt Caverns			Total		
	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)
August-14	180,568	**10,785**	191,353	83,739	**(1,505)**	82,234	264,307	**9,280**	273587
September-14	191,353	**29,085**	220,438	82,234	**19,404**	101,638	273,587	**48,489**	322,076
October-14	220,438	**36,768**	257,206	101,638	**21,978**	123,616	322,076	**58,746**	380,822
November-14	257,206	**15,296**	272,502	123,616	**2,552**	126,168	380,822	**17,848**	398,670
December-14	272,502	**(4,745)**	267,757	126,168	**(5,185)**	120,983	398,670	**(9,930)**	388,740
January-15	267,757	**(43,828)**	223,929	120,983	**(16,782)**	104,201	388,740	**(60,610)**	328,130
February-15	223,929	**(44,503)**	179,426	104,201	**(36,529)**	67,672	328,130	**(81,032)**	247,098
March-15	179,426	**(6,704)**	172,722	67,672	**(4,525)**	63,147	247,098	**(11,229)**	235,869
April-15	172,722	**43,323**	216,045	63,147	**27,516**	90,663	235,869	**70,839**	306,708
May-15	216,045	**42,045**	258,090	90,663	**22,599**	113,262	306,708	**64,644**	371,352
June-15	258,090	**18,975**	277,065	113,262	**4,031**	117,293	371,352	**23,006**	394,358
July-15	277,065	**4,532**	281,597	117,293	**(3,973)**	113,320	394,358	**559**	394,917
August-15	281,597	**10,441**	292,038	113,320	**(4,762)**	108,558	394,917	**5,679**	400,596

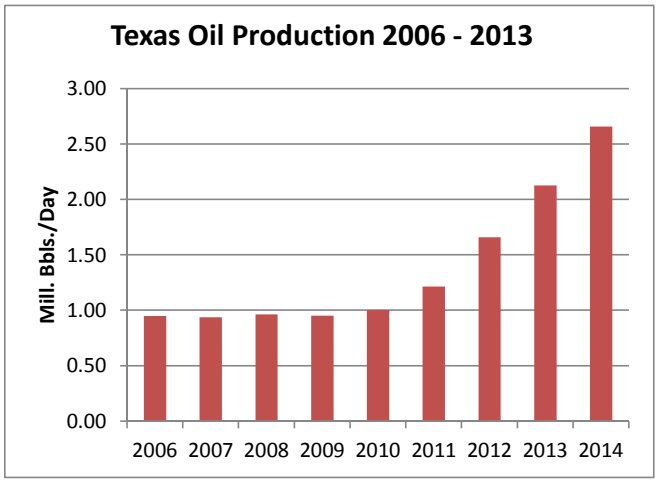
TABLE 5. TEXAS CRUDE OIL (million barrels)

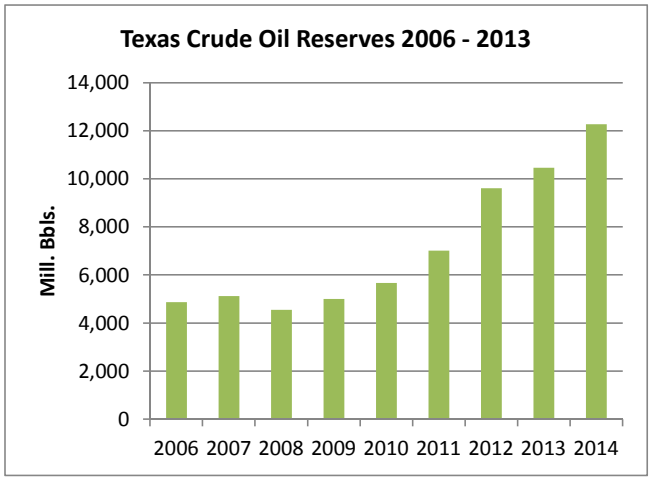
Period	Texas Total Production *	Texas Daily Average*	% of U.S. Production	Proved Reserves #	% of U.S. Reserves	# of Producing Wells *	WTI Spot Price **
1996	499	1.37	21%	5,736	26.05%	175,277	$22.13
1997	491	1.35	21%	5,687	25.22%	175,475	$20.59
1998	459	1.26	20%	4,927	23.42%	170,288	$14.42
1999	409	1.12	19%	5,339	24.53%	162,620	$19.40
2000	401	1.10	19%	5,273	23.92%	161,097	$30.36
2001	381	1.04	18%	4,944	22.03%	159,357	$25.93
2002	365	1.00	17%	5,015	22.11%	155,865	$26.19
2003	359	0.98	17%	4,583	20.94%	153,461	$31.08
2004	351	0.96	18%	4,613	21.59%	151,205	$41.50
2005	348	0.95	18%	4,919	22.61%	151,286	$56.65
2006	347	0.95	19%	4,871	23.23%	151,832	$66.06
2007	342	0.94	18%	5,122	24.03%	153,223	$72.34
2008	352	0.96	19%	4,555	23.82%	156,588	$99.67
2009	348	0.95	18%	5,006	24.20%	157,807	$61.96
2010	367	1.01	18%	5,674	24.39%	158,451	$79.50
2011	443	1.21	22%	7,014	26.42%	161,402	$94.90
2012	606	1.66	26%	9,614	31.49%	167,864	$94.08
2013	776	2.13	29%	10,468	31.37%	179,797	$97.98
2014	970	2.66	31%	12,272	33.73%	190,331	$93.17

Jun-14	79.56	2.652
Jul-14	83.52	2.694
Aug-14	84.82	2.736
Sep-14	81.93	2.731
Oct-14	85.40	2.755
Nov-14	84.04	2.801
Dec-14	88.14	2.843
Jan-15	84.28	2.719
Feb-15	77.26	2.759
Mar-15	86.64	2.795
Apr-15	80.08	2.669
May-15	80.14	2.585
***Jun-15**	89.15	2.972

** Note: The most recent 12 months of production data is preliminary and subject to revision. The most recent month of data is incomplete and may underestimate the final and complete total; a production adjustment factor of 1.2209 has been applied to reported June crude oil production to obtain an estimate of final crude oil production.*







** Source: Railroad Commission of Texas. Production data is subject to revision.*

 # Source: U.S. Energy Information Administration (EIA). Reserve estimates for 1985 and after exclude federal offshore.

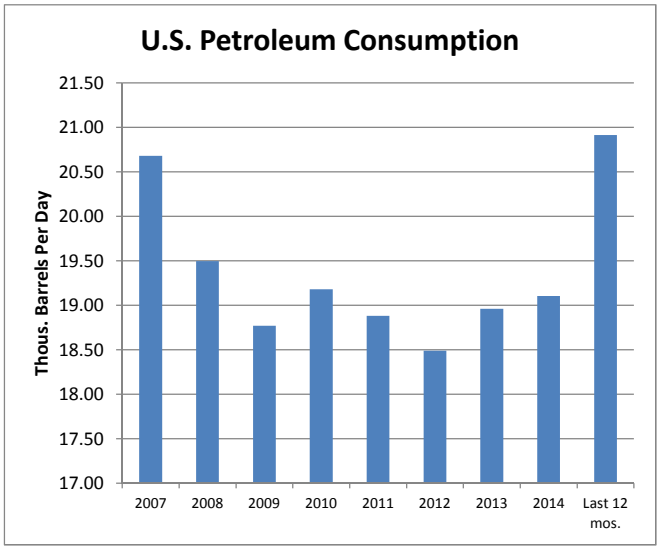
*** Source: Texas Comptroller of Public Accounts. Wellhead price is average net taxable price ($/bbl.) & excludes federal offshore production.*

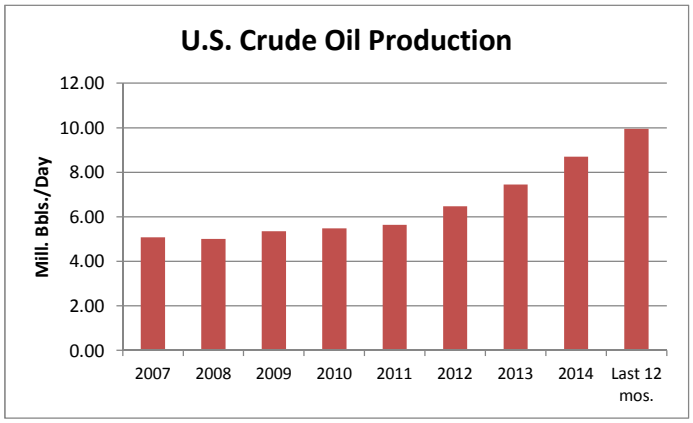
Source for 2001 and after is EIA. Wellhead price is West Texas Intermediate spot average.

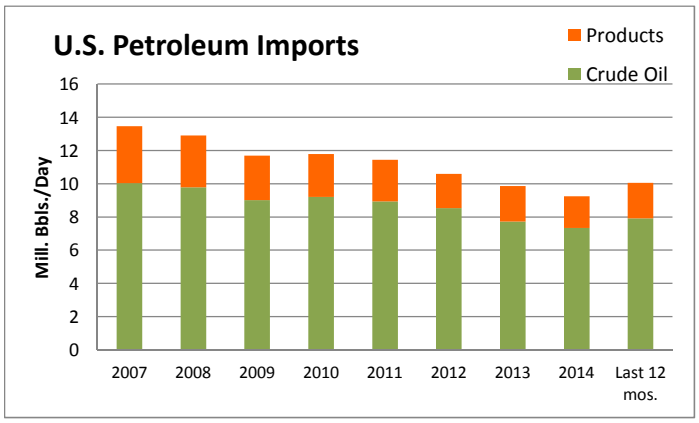
TABLE 6. US PETROLEUM OVERVIEW (MILLION BARRELS PER DAY)

Period	Production*	Imports **			Products Supplied #	Proved Reserves **	Wells Drilled **	Wellhead Price **
		Total	Crude Oil	Products				
1996	6.47	9.48	7.51	1.97	18.31	22,017	23,886	18.46
1997	6.45	10.16	8.23	1.94	18.62	22,546	27,586	17.23
1998	6.25	10.71	8.71	2.00	18.92	21,034	22,911	10.87
1999	5.88	10.85	8.73	2.12	19.52	21,765	18,939	15.56
2000	5.82	11.46	9.07	2.39	19.70	22,045	29,287	26.72
2001	5.80	11.87	9.33	2.54	19.65	22,446	35,558	21.84
2002	5.74	11.53	9.14	2.39	19.76	22,677	27,871	22.51
2003	5.65	12.26	9.67	2.60	20.03	21,891	32,833	27.56
2004	5.44	13.15	10.09	3.06	20.73	21,371	37,057	36.77
2005	5.18	13.71	10.13	3.59	20.80	21,757	44,022	50.28
2006	5.09	13.71	10.12	3.59	20.69	20,972	51,429	59.69
2007	5.08	13.47	10.03	3.44	20.68	21,317	51,071	66.52
2008	5.00	12.92	9.78	3.13	19.50	19,121	54,302	94.04
2009	5.35	11.69	9.01	2.68	18.77	20,682	32,803	56.35
2010	5.48	11.79	9.21	2.58	19.18	23,267	36,611	74.71
2011	5.64	11.44	8.94	2.50	18.88	26,544	n/a	95.73
2012	6.48	10.60	8.53	2.07	18.49	30,529	n/a	94.52
2013	7.45	9.86	7.73	2.13	18.96	33,371	n/a	95.99
2014	8.70	9.24	7.34	1.90	19.11	33,371	n/a	95.99
Last 12 mos.	9.95	10.06	7.91	2.15	20.91	36,385	n/a	87.39
Jun-2014	8.68	8.84	7.07	1.77	18.89			
Jul-2014	8.75	9.50	7.63	1.87	19.28			
Aug-2014	8.83	9.32	7.47	1.85	19.40			
Sep-2014	8.96	9.18	7.50	1.69	19.25			
Oct-2014	9.12	8.92	7.15	1.78	19.69			
Nov-2014	9.20	9.01	7.30	1.71	19.37			
Dec-2014	9.43	9.40	7.23	2.18	19.46			
Jan-2015	9.26	9.39	7.15	2.24	19.25			
Feb-2015	9.34	9.24	7.11	2.13	19.40			
Mar-2015	9.56	9.55	7.57	1.98	19.24			
Apr-2015	9.60	9.31	7.21	2.10	19.04			
May-2015	9.38	9.47	7.25	2.23	19.12			
Jun-2015	9.26	9.55	7.30	2.25	19.59			

(Monthly data is subject to revision.)







** Sources: U.S. Energy Information Administration (EIA). Recent production data is subject to revision.*

*** Source: EIA. Wells drilled includes crude oil, natural gas, and dry wells drilled. U.S. average wellhead (first purchase) price is dollars per barrel. (Per most recent data from EIA)*

 # Source: EIA. Petroleum products supplied is a measure of domestic consumption.

Railroad Commission of Texas
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Texas PetroFacts is available in PDF format for download from the Railroad Commission web site at **http://www.rrc.texas.gov**.

Created in 1891 by the Texas Legislature, the Railroad Commission today is known principally as a leader in the regulation and conservation of oil and natural gas in Texas. For more than 100 years, the Commission has been charged with preventing waste and pollution while safeguarding property rights.

We believe the people of Texas continue to have a vital stake in the orderly production and conservation of the state's natural resources. Across the state, crude oil and natural gas are produced in 237* of 254 counties. About 278,100* persons are employed in oil and gas exploration, production, refining, and related industries. In all, businesses involved with the Texas oil and gas industry contribute about $206 billion annually to the state's more than one trillion-dollar economy.

As an oil and gas producer, the state of Texas ranks among the nations of the world. Texas leads the United States in the production of crude oil and natural gas, and its marketed production of natural gas represents one-third of total U. S. supply. Texas produces an average of nearly two million barrels of oil a day; natural gas production in the state exceeds 8 trillion cubic feet a year.

David Porter
Chairman

Christi Craddick
Commissioner

Ryan Sitton
Commissioner

* The number of producing counties and employment data are subject to revision.