

## U.S. Named Top Petroleum, Natural Gas Producer, Again

Some people may find it hard to believe that the United States was the largest producer of petroleum and natural gas hydrocarbons last year. As a matter of fact, it was the fifth consecutive year that the U.S. beat Russia, Saudi Arabia, and all of the other OPEC producers. The U.S. beat everyone.

For some 40 years, oil and natural gas production declined in the U.S., and there was little hope of reversing the downward trend. Along came marvelous technological developments in a little area just north of Fort Worth called the Barnett Shale.

Wildcatters began drilling into shale vertically and then horizontally, and using multiple fractures in the formation. Originally, the process showed little promise in releasing natural gas from tight shale formations. But, they kept trying, and learning from each venture. By 2008, the U.S. was well on its way to being the top producers.

“The United States has been the world's top producer of natural gas since 2009, when U.S. natural gas production surpassed that of Russia, and it has been the world's top producer of petroleum hydrocarbons since 2013, when its production exceeded Saudi Arabia’s,” according to the Energy Information Administration.

For the United States and Russia, total petroleum and natural gas hydrocarbon production in energy content terms is almost evenly split between petroleum and natural gas, while Saudi Arabia's production heavily favors petroleum.

EIA said total petroleum production is made up of several different types of liquid fuels, including crude oil and lease condensate, tight oil, extra-heavy oil, and bitumen. In addition, various processes produce natural gas plant liquids (NGPL), biofuels, and refinery processing gain, among other liquid fuels.

“In the United States, crude oil and lease condensate accounted for roughly 60 percent of total petroleum hydrocarbon production in 2016. In Saudi Arabia and Russia, this share is much greater, as those countries produce lesser amounts of natural gas plant liquids, and they also have much smaller volumes of refinery gain and biofuels production.”

Even though low commodity prices caused U.S. petroleum production to fall by 300,000 barrels per day and natural gas production to decline 2.3 billion cubic feet per day in 2016, the U.S. still had more total petroleum production than any other country.

Russian hydrocarbon production has been rising as capital expenditure spending on exploration and production increased.

Saudi Arabia did not reduce its petroleum production between late 2014 and 2016 in an effort to defend its market share, even as prices remained low and world oil inventories continued to grow. In 2016, Saudi Arabia's total petroleum and natural gas hydrocarbon production rose by 3 percent.

Today, there is talk of the U.S. being less reliant on imported oil and becoming “energy independent.” Thanks to advances in hydraulic fracturing and the development of other technologies, the U.S. is experiencing to an energy renaissance.



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