Outlook for U.S. oil and gas

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Independent Statistics & Analysis www.eia.gov

The U.S. has experienced a rapid increase in natural gas and oil production from shale and other tight resources



Sources: EIA derived from state administrative data collected by DrillingInfo Inc. Data are through March 2014 and represent EIA's official tight oil & shale gas estimates, but are not survey data. State abbreviations indicate primary state(s).



U.S. natural gas production is nearly double current level in High Oil and Gas Resource case

U.S. dry natural gas production

trillion cubic feet



Gas Resource case



U.S. natural gas consumption growth is driven by electric power, industrial, and transportation use

U.S. dry gas consumption

trillion cubic feet



Source: EIA, Annual Energy Outlook 2014 Reference case

**Includes pipeline fuel



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U.S. manufacturing output and natural gas use grows with low natural gas prices, particularly in the near term

manufacturing natural gas consumption quadrillion Btu

billion cubic feet per day



Source: EIA, Annual Energy Outlook 2014 Reference case



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U.S. becomes a net exporter of natural gas in the near future



Source: EIA, Annual Energy Outlook 2014 Reference case



U.S. crude oil production exceeds 13 million bbl/d in High Oil and Gas Resource case

U.S. crude oil production in three cases million barrels per day



Source: EIA, Annual Energy Outlook 2014 Reference case, High Oil and Gas Resource case, and Low Oil and Gas Resource case



U.S. transportation sector motor gasoline demand declines, while diesel fuel accounts for a growing portion of the market

transportation energy consumption by fuel quadrillion Btu



Source: EIA, Annual Energy Outlook 2014 Reference case

*Includes aviation gasoline, propane, residual fuel oil, lubricants, electricity, and liquid hydrogen



Although oil use is slightly increased in the High Resource case due to lower prices, net import dependence declines rapidly

U.S. liquid fuel supply million barrels per day



Source: EIA, Annual Energy Outlook 2014 Reference case and High Resource / Improved Technology case

The rise in U.S. crude oil and natural gas production has strategic implications for the United States

- Refinery operations/investment
- Logistics infrastructure investment
- Exports of petroleum products
- Exports of crude oil and natural gas (LNG)
- Operation of the Strategic Petroleum Reserve



The value of crude and petroleum products imports into the U.S. declined 11% from 2012 to 2013

Monthly import values by major product category billion dollars



Note: Imports are expressed as negative values Source: U.S. Census Bureau- Foreign Trade Division



The value of U.S. crude and petroleum products exports has seen a dramatic rise since 2009

Monthly export values by major product category billion dollars



Source: U.S. Census Bureau- Foreign Trade Division



For more information

U.S. Energy Information Administration home page | www.eia.gov

Annual Energy Outlook | www.eia.gov/aeo

Short-Term Energy Outlook | www.eia.gov/steo

International Energy Outlook | www.eia.gov/ieo

Monthly Energy Review | <u>www.eia.gov/mer</u>

Today in Energy | <u>www.eia.gov/todayinenergy</u>

State Energy Portal | <u>www.eia.gov/state</u>

Drilling Productivity Report | <u>www.eia.gov/petroleum/drilling/</u>

