

Oil and Gas Program Agenda: Two Data Collection Reviews in 2009

ASA Committee on Energy Statistics

April 2, 2009

Washington, DC

Steve Harvey, Director of the Office of Oil and Gas

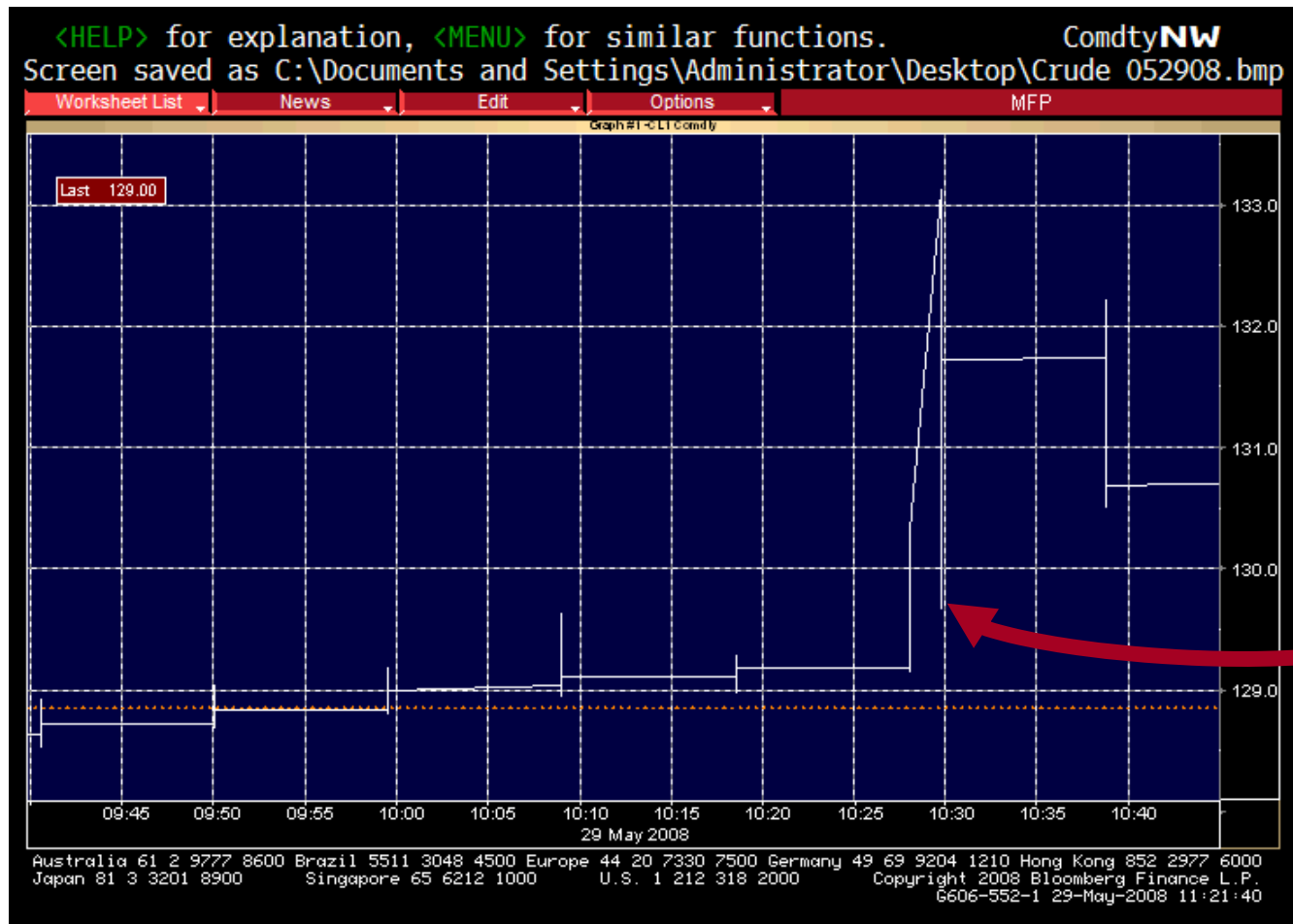
This is a working document prepared by the Energy Information Administration (EIA) in order to solicit advice and comment on statistical matters from the American Statistical Association Committee on Energy Statistics.

Two Data Collection Reviews in 2009

- WPSR: Weekly Petroleum Supply Report
 - Estimated balance of petroleum products
 - Flagship product: 6.1% of EIA web hits (2008)
 - Regular effects on futures trading on release
- EIA 914: Monthly Natural Gas Production Report
 - Estimation of gas production in 7 states
 - Gas production important current issue



WPSR Release Moves Markets



May 29, 2008
WPSR release
at 10:30 am



Recent U.S. Gas Production is Getting Significant Attention

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Natural Gas Suddenly Abundant, Is Cheaper

By CLIFFORD KRAUSS
Published: March 20, 2009

HOUSTON — The decline in crude oil prices gets all the headlines, but the first globalized natural gas glut in history is driving an even more drastic collapse in the cost of gas that cooks food, heats homes and runs factories in the United States and many other countries.

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General Background

- Difficult environment with observed quality deterioration
 - Historically tight budgets
 - Expanding requirements (e.g., ethanol)
- Need for systematic survey reviews
 - Weekly Natural Gas Storage Report (2008)
- FY 2009 funding creates opportunity



WPSR Review Scope

- **Statistical methods and documentation**
Review methods and documentation
- **Business processes**
Check consistency with documentation and identify potential improvements
- **Information technology applications**
Point out opportunities to improve, make faster
- **Dissemination**
Review format and release



WPSR Review Process

- Designated a Project
 - Executive Sponsor John Cook, Petroleum Division Director
 - Project Manager: David Rice (PMP) with SAIC
 - Other key technical staffing from SAIC
- To present recommendations for feedback at October ASA Meeting
- Expect improvement projects starting in FY 2010

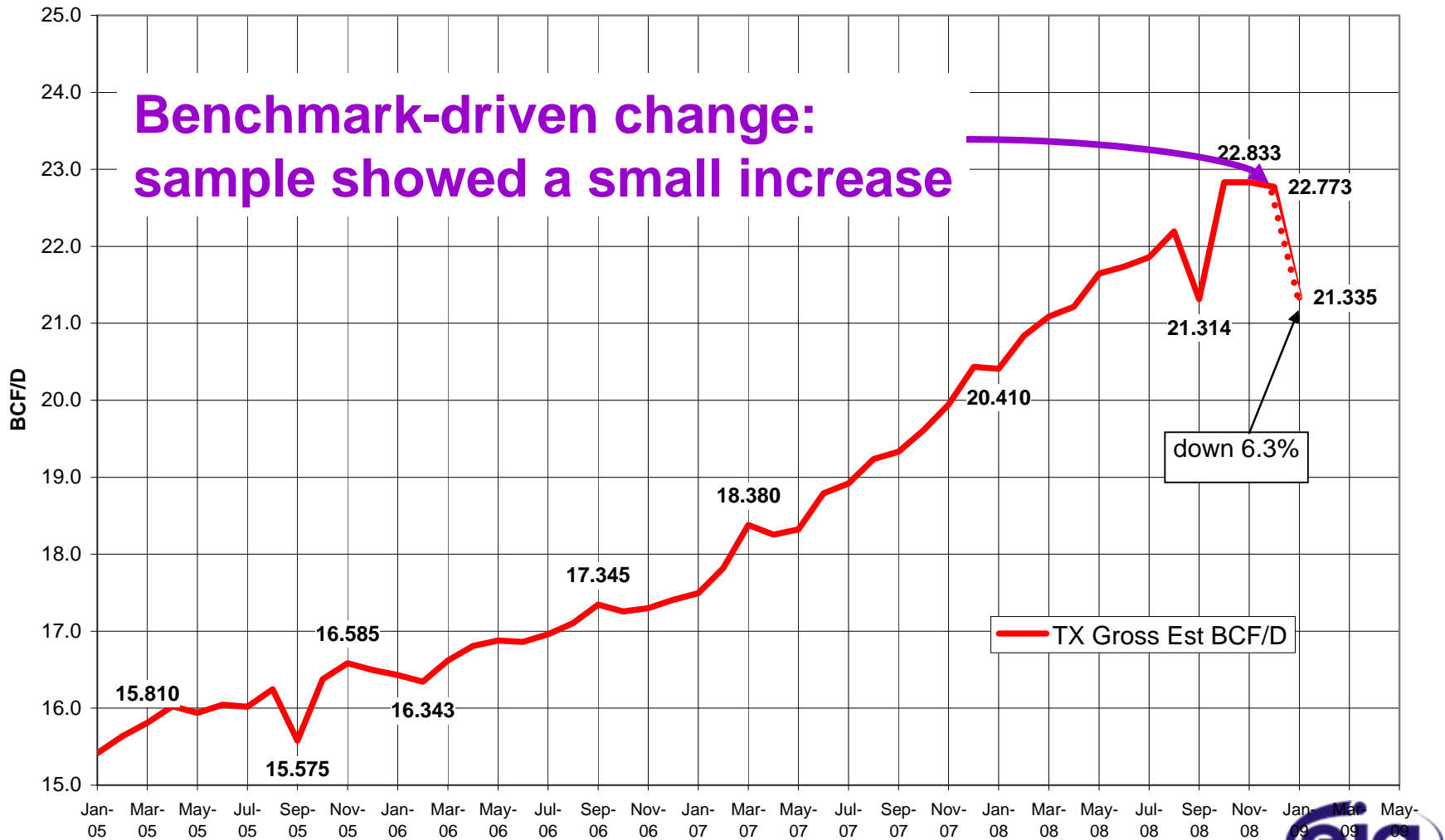


EIA 914 Issues

- Recent importance of natural gas production information
- Discontinuity in EIA 914 production estimates from Dec. 2008 to Jan. 2009 due to recalibration
- Identified potential problems:
 - Possible 2008 benchmarking error
 - Assumption about change in sample market share over time may not be correct
 - No frame for the 914 available on a timely basis
- Need to rebuild confidence



Estimated 914 Production: Discontinuity from 12-08 to 1-09



March 31 Public Disclosure Text

January 2009 gross natural gas production estimates reported here are based on data from the regularly updated annual sample of natural gas well operators selected to report on Form EIA-914. Along with the introduction of the updated sample, the calibration year used for estimation has also been updated in accordance with the published methodology (see www.eia.doe.gov/oil_gas/natural_gas/data_publications/eia914/eia914meth.pdf). Due to the combined effects of the changes in sample and calibration period, the production estimates for December 2008 and January 2009 are not comparable for some States. Apparent changes in estimated production may, in some cases, be due entirely to the sample and calibration changes. To prevent future breaks in the series, EIA is undertaking a comprehensive review of all aspects of the Form EIA-914 methodology. Revisions to the estimates provided here, along with documentation of the methodological changes, will be published as appropriate in light of that review.



EIA 914 Review Scope

- **Review current processes**
 - Examine and document past calculations
- **Assess methodology and market coverage**
 - Review them and identify improvements
- **Examine broader production program**
 - Identify interrelationships with other data collections, state taxation and 3rd party commercial data
- **Options**
 - Identify and recommend direction from here



EIA 914 Review Process

- Designated a Project
 - Project Manager: TBD
 - Executive Sponsor Charlie Whitmore, Senior Advisor to the Office Director
 - Key technical staffing TBD
- To report progress at October 2009 ASA Meeting
- Hope for changes in FY 2009



How Can ASA Help?

- Advice
- Consultation
- Review (October meeting)

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**Spring 2009 Meeting of the
ASA Committee on Energy Statistics
April 2, 2009
Washington, DC**

Steve Harvey, Director of the Office of Oil and Gas