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# The Long-term Outlook for Natural Gas

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Saudi Arabia – United States Energy Consultation  
February 2, 2011  
Washington, D.C.

Richard G. Newell, Administrator

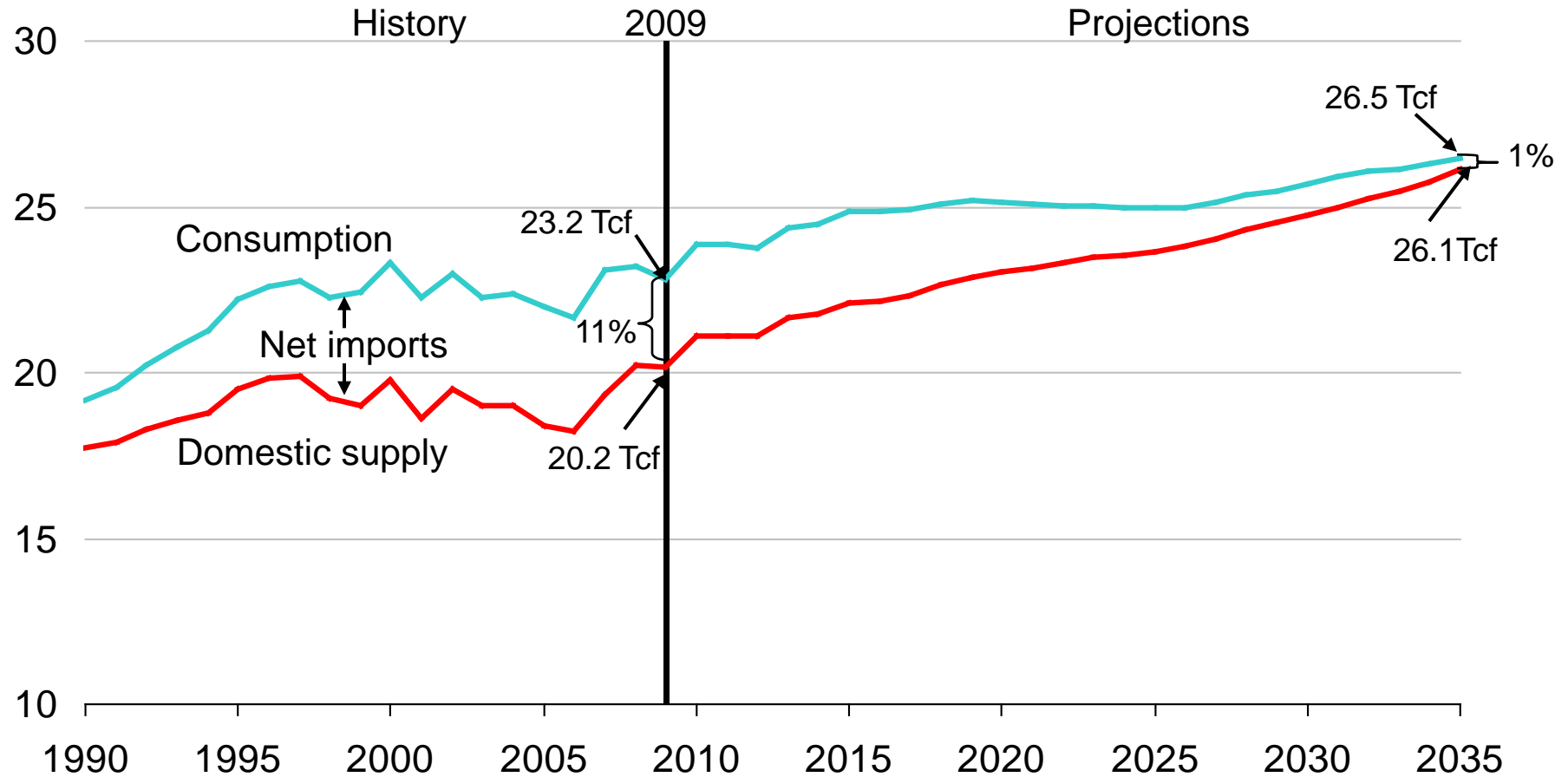


U.S. Energy Information Administration  
Independent Statistics and Analysis

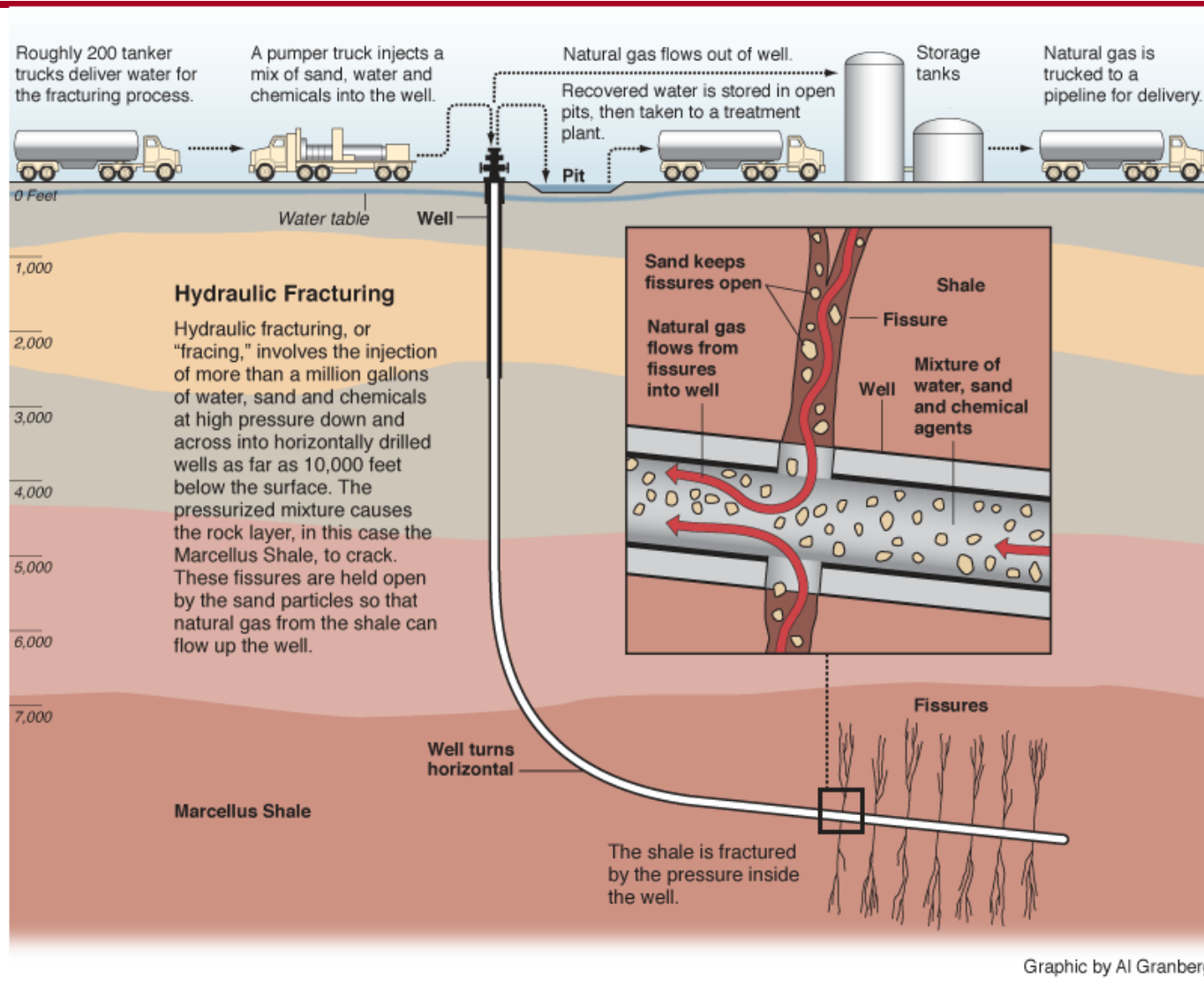
# 30% domestic gas production growth outpaces 16% consumption growth, leading to declining imports

U.S. dry gas

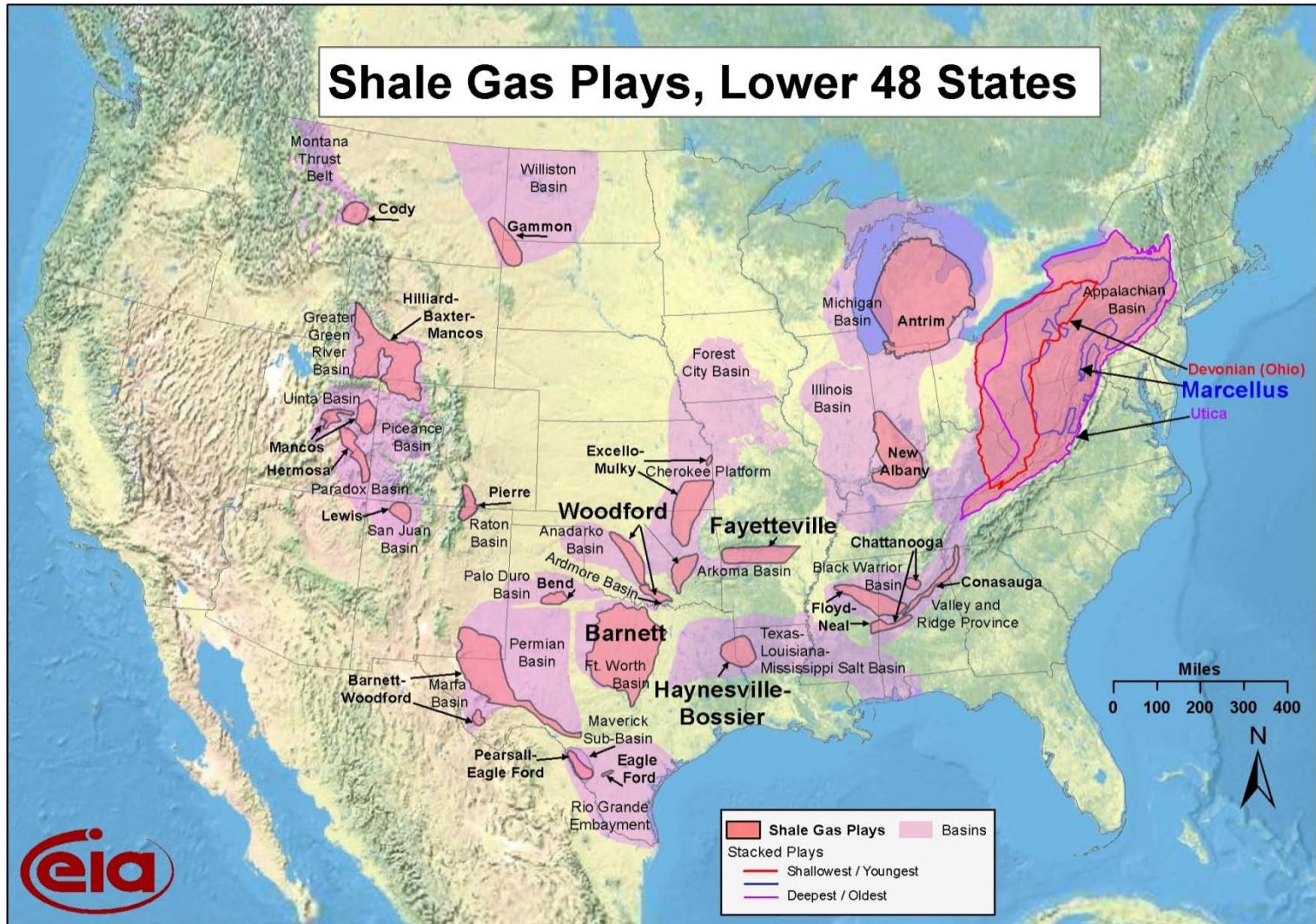
trillion cubic feet per year



# Horizontal drilling and hydraulic fracturing



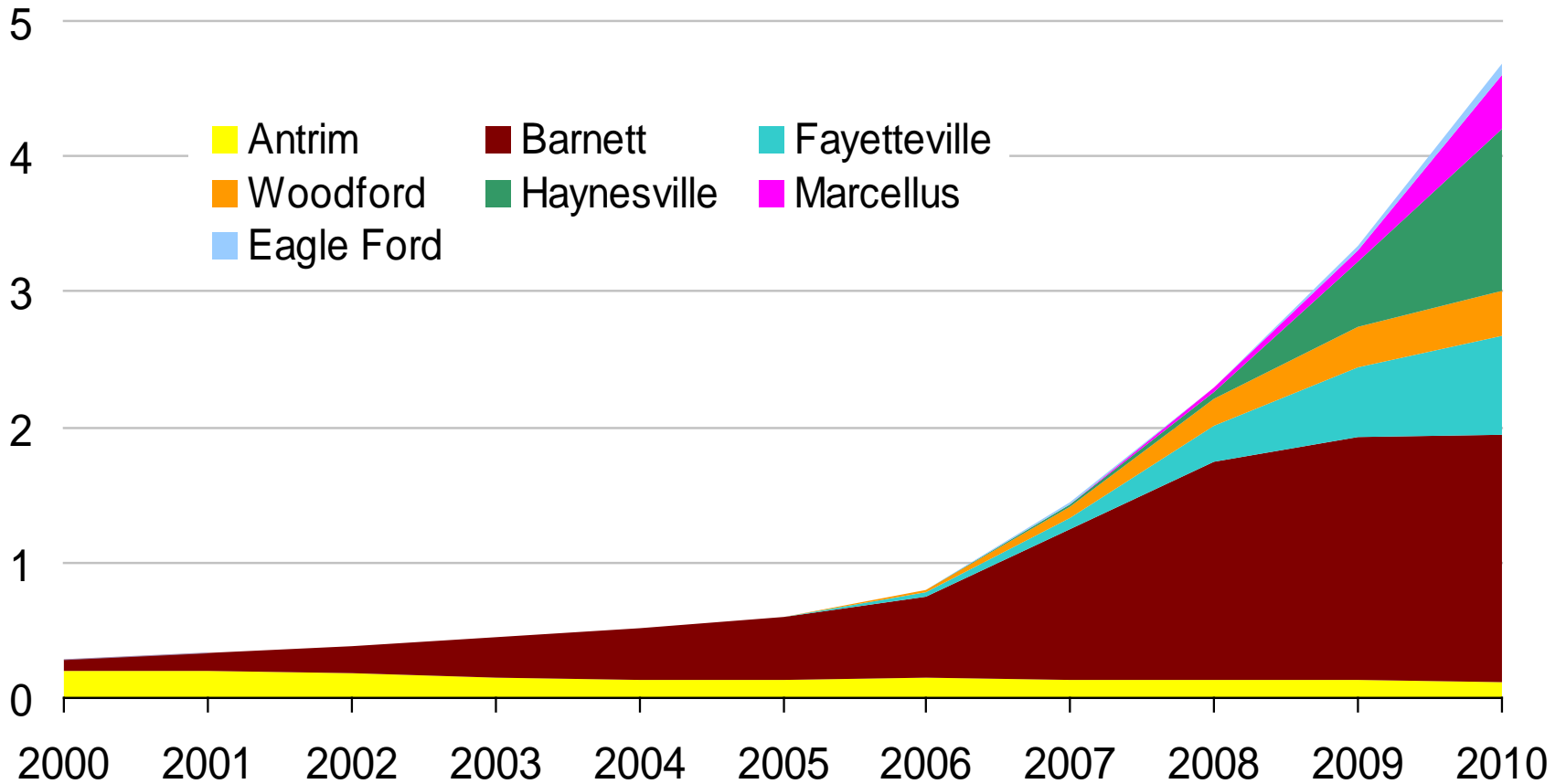
# Success in the Barnett prompted companies to look at other shale gas formations in the United States



Source: Energy Information Administration based on data from various published studies.  
Updated: March 10, 2010

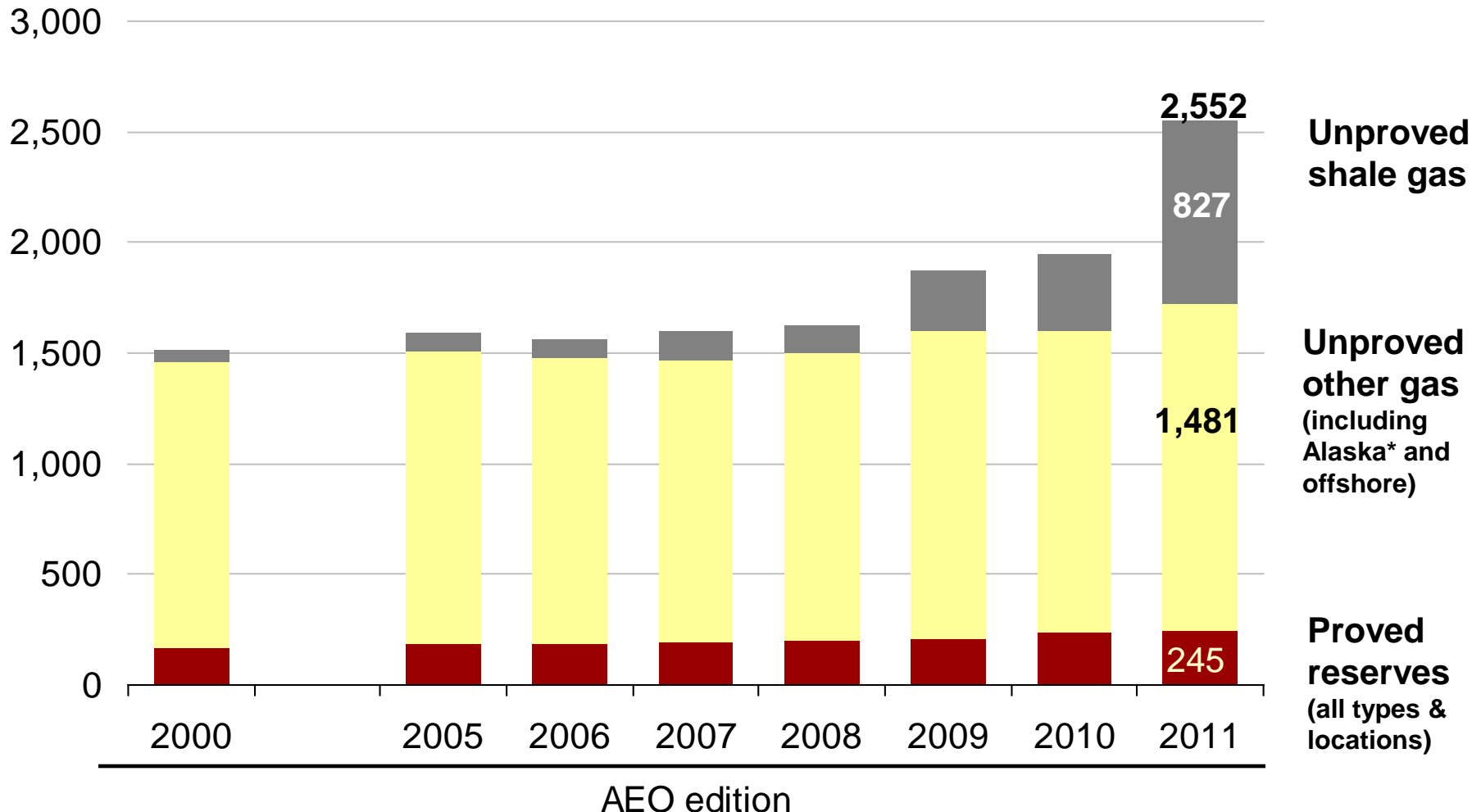
# Over the last decade, U.S. shale gas production has increased 14-fold and now comprises about 22 percent of total U.S. production

annual shale gas production  
trillion cubic feet



# Shale gas has been the primary source of recent growth in U.S. technically recoverable natural gas resources

U.S. dry gas resources  
trillion cubic feet

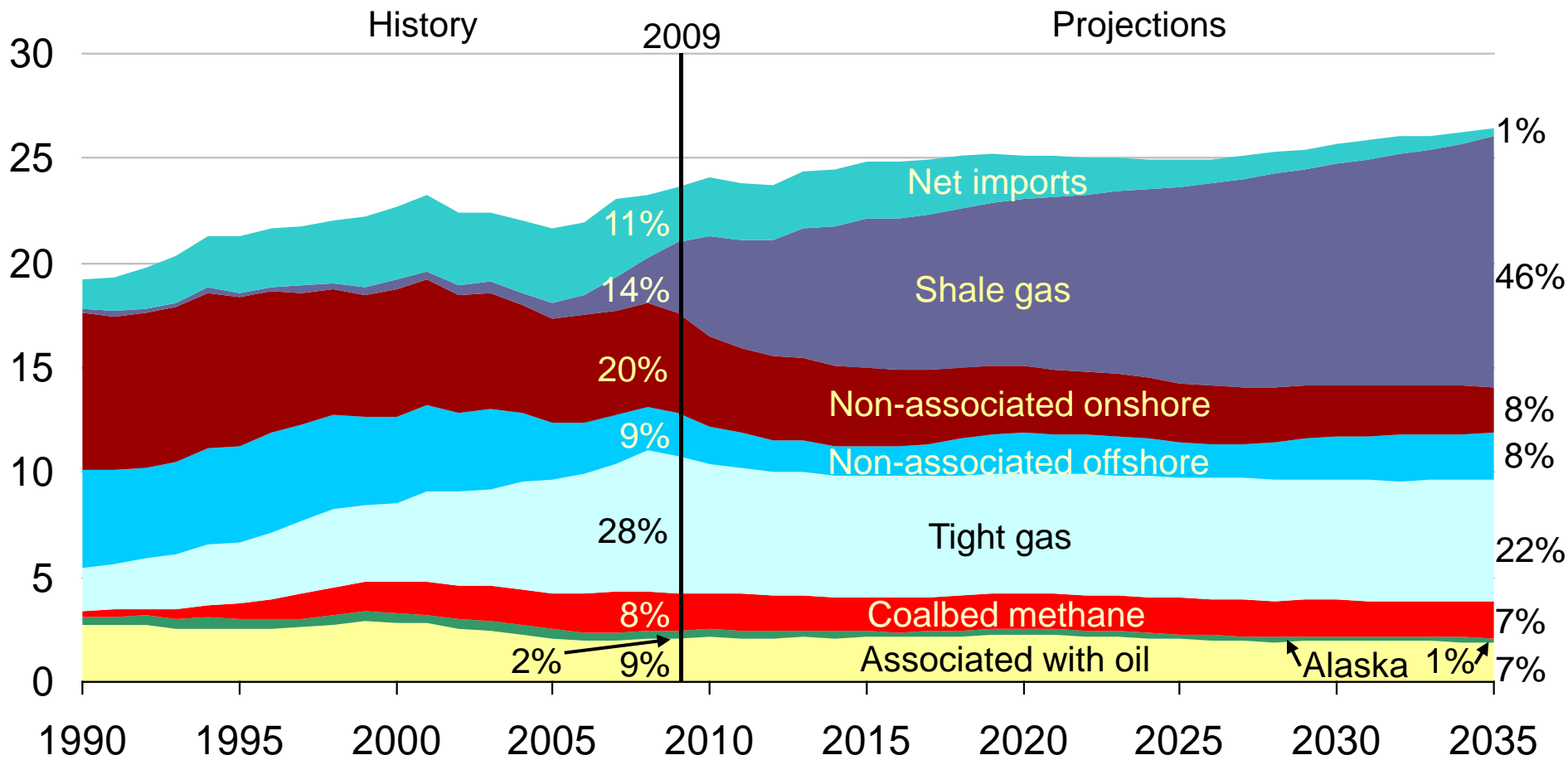


\* Alaska resource estimates prior to AEO2009 reflect resources from the North Slope that were not included in previously published documentation.



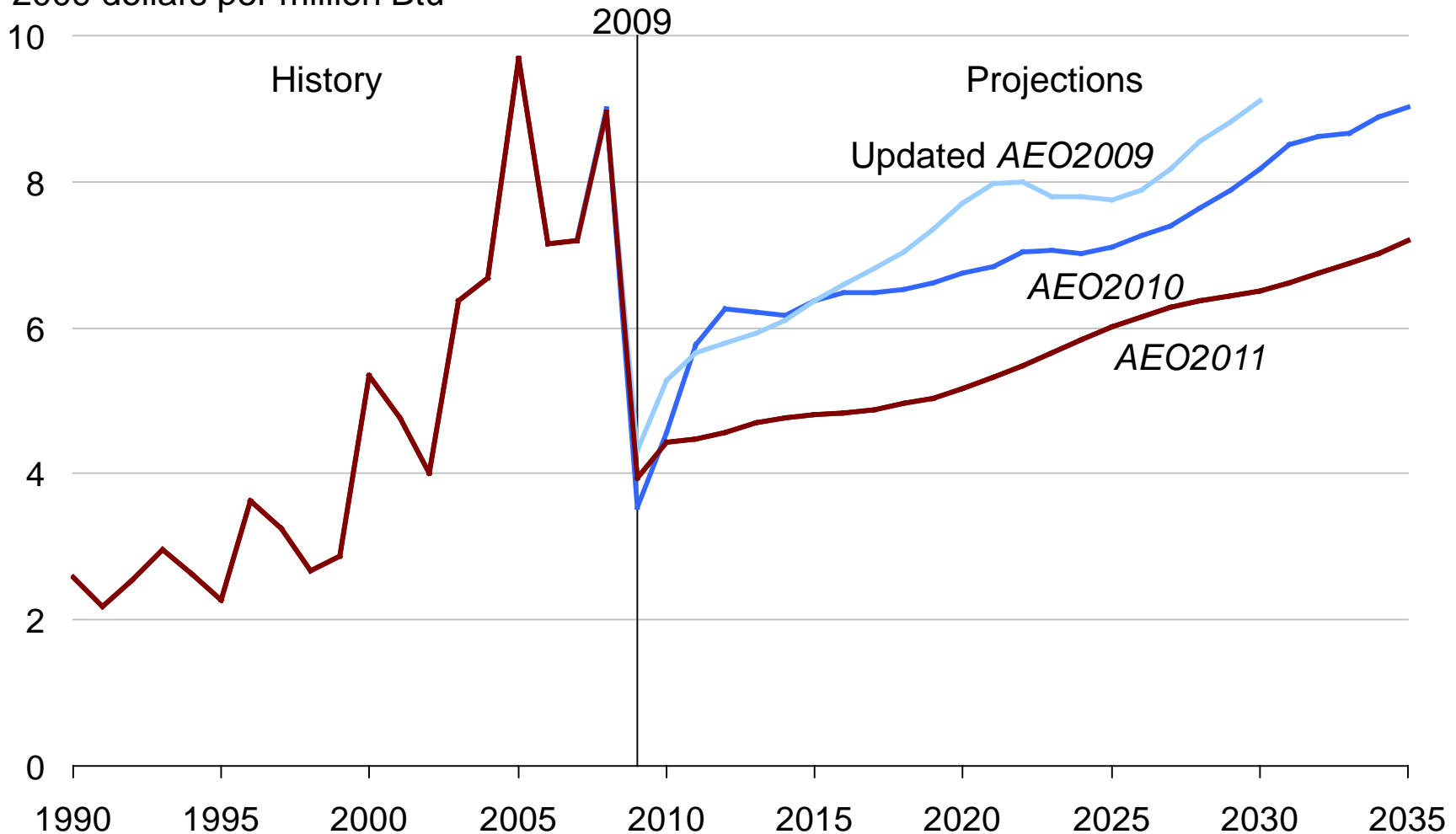
# Four-fold increase in shale gas production offsets declines in other U.S. supply, meeting consumption growth and lowering import needs

U.S. dry gas  
trillion cubic feet per year



# Natural gas price projections are significantly lower than past years due to an expanded shale gas resource base

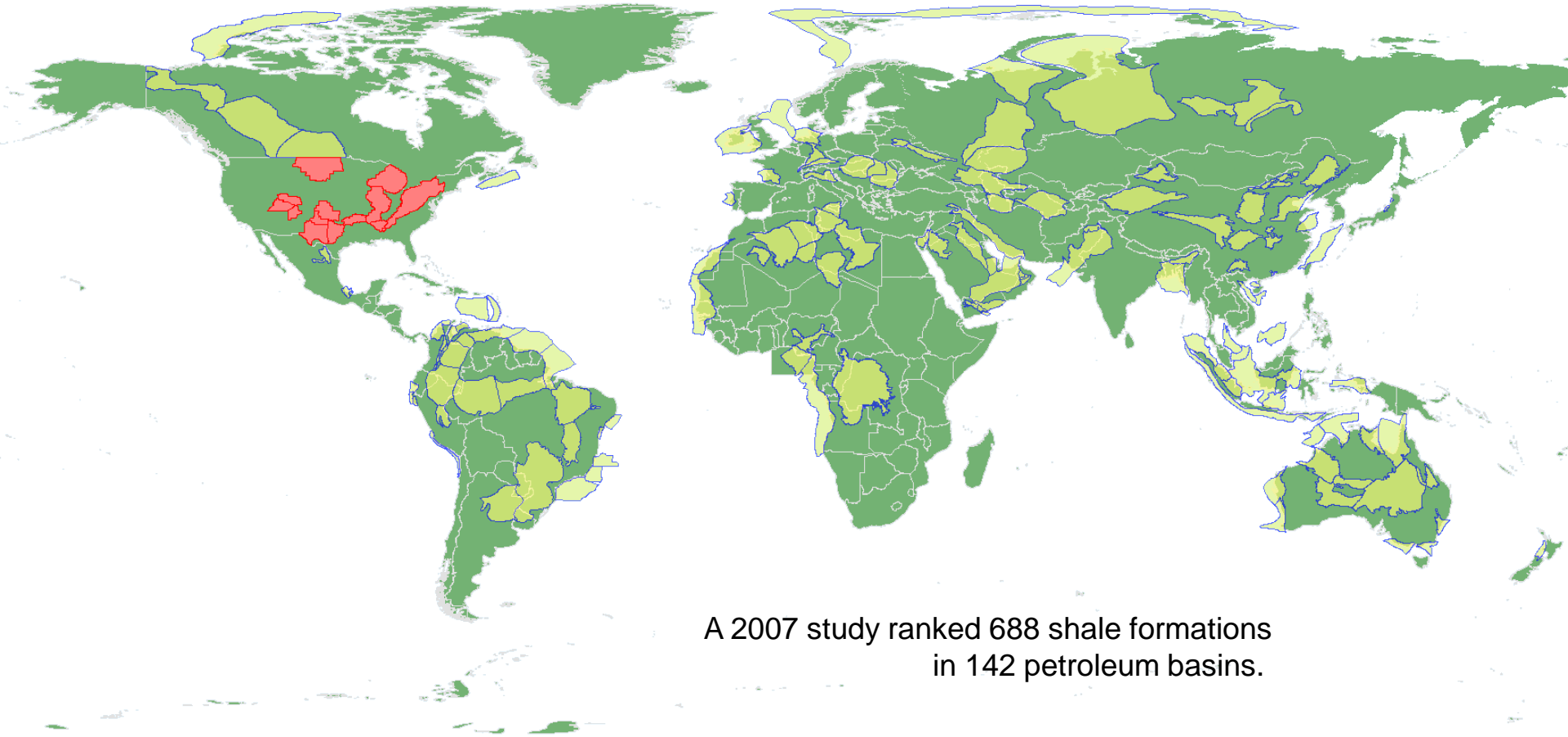
natural gas spot price (Henry Hub)  
2009 dollars per million Btu





# Schlumberger's recent partial assessment of global shale gas resources

Worldwide shale potential



A 2007 study ranked 688 shale formations  
in 142 petroleum basins.

# EIA is currently compiling geological studies and analyzing basin reservoir properties in 33 countries to estimate the technically recoverable shale gas resources

Outline for Each Gas Shale Region/Country	
1. Region/Country	
2. Outline map of key gas shale basins	
3. Geologic characterization of each basin	
	• Stratigraphic columns or exploration log
	• Overview of reservoir characteristics (as available)
	- Depth
	- Thickness
	- Organic content
	- Thermal Maturity
	• Discussion of mineralogy and structural setting
4. Current exploration and development activity	
	• Leases and licenses
	• Exploration and test wells
	• Reported production (if any)
5. Active companies and their plans	
6. Overview of the gas shale basin's potential size, quality and productivity	

## For more information

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U.S. Energy Information Administration home page [www.eia.gov](http://www.eia.gov)

Short-Term Energy Outlook [www.eia.gov/emeu/steo/pub/contents.html](http://www.eia.gov/emeu/steo/pub/contents.html)

Annual Energy Outlook [www.eia.gov/oiaf/aeo/index.html](http://www.eia.gov/oiaf/aeo/index.html)

International Energy Outlook [www.eia.gov/oiaf/ieo/index.html](http://www.eia.gov/oiaf/ieo/index.html)

Monthly Energy Review [www.eia.gov/emeu/mer/contents.html](http://www.eia.gov/emeu/mer/contents.html)

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