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EIA expects U.S. oil production to fall in 2021, then rise in 2022 while U.S natural gas production remains relatively flat

In its February *Short-Term Energy Outlook*, the U.S. Energy Information Administration (EIA) forecasts that U.S. production of crude oil will average 11 million barrels per day in 2021, down almost one-third of a million barrels per day from 2020. The decrease is the result of a decline in drilling activity related to low oil prices. EIA expects that U.S. crude oil production will then rise to 11.5 million barrels per day in 2022 because of increased drilling as West Texas Intermediate crude oil prices remain near \$50 per barrel.

The United States set annual natural gas production records in 2018 and 2019, largely because of increased drilling in shale and tight oil formations. The increase in production led to more natural gas in storage and lower natural gas prices. In 2020, U.S. natural gas production fell by 2% from 2019 levels as a result of the economic downturn triggered by the spread of COVID-19 and the resulting drop in oil and natural gas prices. EIA estimates that annual U.S. natural gas production will remain relatively flat over the next year, averaging just over 90 billion cubic feet per day from February 2021 through the first half of 2022.

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