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TEXAS



PETROFACTS

A Monthly Data Review from the Railroad Commission of Texas ■ January 2014

HIGHLIGHTS

Natural Gas Production

In October 2013 Texas natural gas production was 682.93 billion cubic feet (bcf), down from 684.31 bcf produced during the same month in 2012. *(Note: Recent oil and gas production data are considered preliminary, incomplete, and subject to revision. See pages 3 and 6 for the most recent production adjustment factors.)*

Crude Oil Production

In October 2013 Texas crude oil production averaged 2.062 million barrels per day (mmb/d), up from 1.748 mmb/d reported during the same month in 2012. *(See Note above.)*

Rotary Rigs Operating in Texas

In December 2013 the average Texas rotary rig count was 843, up from 838 rigs running during the same month last year. The December rig count was up from the November rig count of 829.

Source: Baker Hughes Co.

Permits to Drill

In December 2013 the Railroad Commission issued 1,619 original permits to drill, up from 1,457 permits issued during the same month last year and up from 1,559 permits issued in November.

Oil and Gas Well Completions

In December 2013 operators reported 1,348 oil completions, up from 815 oil completions during the same month last year. There were 156 gas completions in December, down from 198 gas completions reported during the same month last year. There were 1,504 wells drilled in Texas in December, up from 1,014 wells drilled during the same month last year.

TRENDS

EIA Short-Term Outlook for Crude Oil and Natural Gas:

The average price of imported crude for U.S. refiners (an indicator of world oil prices) is expected to decrease from the average 2013 level of \$99.63 per barrel to \$99.02 per barrel during the 1st quarter of 2014 and average \$97.37 for the year, according to the U.S. Energy Information Administration's (EIA) "Short-Term Energy Outlook" for January 2014.

The West Texas Intermediate spot average is expected to decrease from the 2013 average level of \$97.91 per barrel to \$95.00 per barrel during the 1st quarter of 2014 and average \$93.33 for the year.

U.S. petroleum demand is expected to increase 0.05 percent from 2013 to 2014 to 18.88 million barrels per day and increase 0.42 percent from 2014 to 2015 to 18.96 million barrels per day.

U.S. natural gas demand is expected to decrease 2.22 percent from 2013 to 2014 to 25.41 trillion cubic feet, and is expected to increase by 2.05 percent from 2014 to 2015 to 25.94 trillion cubic feet.

EIA projects that natural gas Henry Hub spot prices will average \$4.08 per mmbtu for the 1st quarter of 2014 and average \$3.89 per mmbtu for the year. This is a 4.29 percent increase from EIA's 2013 Henry Hub spot price of \$3.73 per mmbtu. *(Note: Beginning January 2013 EIA discontinued publishing wellhead prices and began publishing a natural gas spot price at the Henry Hub.)*

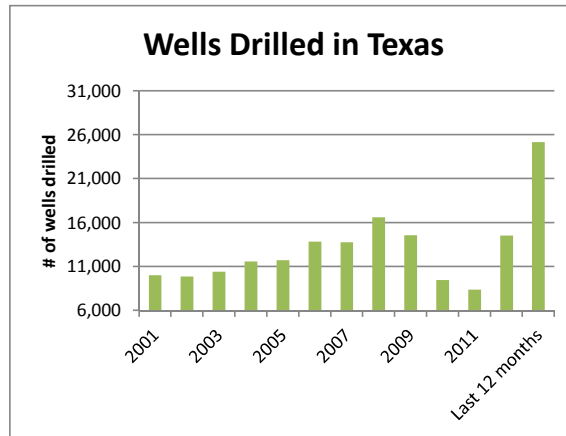
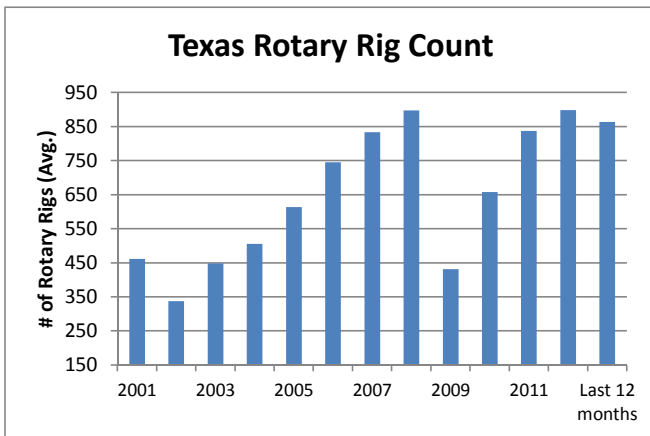
EIA projects a natural gas Henry Hub spot price of \$4.11 per mmbtu for 2015, a 5.66 percent increase from the \$3.89 projected average price for 2014. *(See note above.)*

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TABLE 1. TEXAS DRILLING AND COMPLETION SUMMARY

Period	Active Rotary Rigs *		Permits #	Wells Completed		Wells Drilled **
	Texas	U.S.		Oil	Gas	
1992	252	721	12,089	5,031	2,537	9,498
1993	264	754	11,612	4,646	3,295	9,969
1994	274	775	11,248	3,962	3,553	9,299
1995	251	723	11,244	4,334	3,778	9,785
1996	283	779	12,669	4,061	4,060	9,747
1997	358	943	13,933	4,482	4,594	10,778
1998	303	827	9,385	4,509	4,907	11,057
1999	227	625	8,430	2,049	3,566	10,778
2000	343	918	12,021	3,111	4,580	8,854
2001	462	1,156	12,227	3,082	5,787	10,005
2002	338	830	9,716	3,268	5,474	9,877
2003	449	1,032	12,664	3,111	6,336	10,420
2004	506	1,192	14,700	3,446	7,118	11,587
2005	614	1,381	16,914	3,454	7,197	11,726
2006	746	1,649	18,952	4,761	8,534	13,854
2007	834	1,769	19,994	5,084	8,643	13,778
2008	898	1,880	24,073	6,208	10,361	16,615
2009	432	1,086	12,212	5,860	8,706	14,585
2010	658	1,541	18,029	5,392	4,071	9,477
2011	838	1,875	22,480	5,380	3,008	8,391
2012	899	1,919	22,479	10,936	3,580	14,535
Last 12 months	864	1,823	22,928	20,064	5,115	25,180
Dec-12	838	1,784	1,457	815	198	1,014
Jan-13	821	1,756	1,978	1,114	351	1,465
Feb-13	833	1,762	1,744	1,006	351	1,357
Mar-13	335	702	2,053	1,391	574	1,965
Apr-13	836	1,755	1,996	1,894	505	2,399
May-13	838	1,767	1,931	2,395	521	2,916
Jun-13	845	1,768	1,876	1,826	405	2,231
Jul-13	841	1,766	1,843	1,860	470	2,330
Aug-13	848	1,781	1,606	1,576	500	2,076
Sep-13	837	1,760	1,531	1,456	424	1,880
Oct-13	820	1,744	1,735	1,758	493	2,251
Nov-13	829	1,756	1,559	1,625	167	1,792
Dec-13	843	1,771	1,619	1,348	156	1,504



* Source: Baker Hughes Inc.

Totals shown are number of drilling permits issued

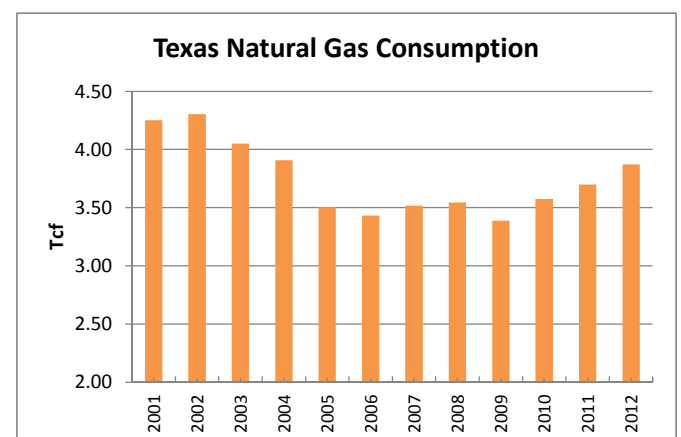
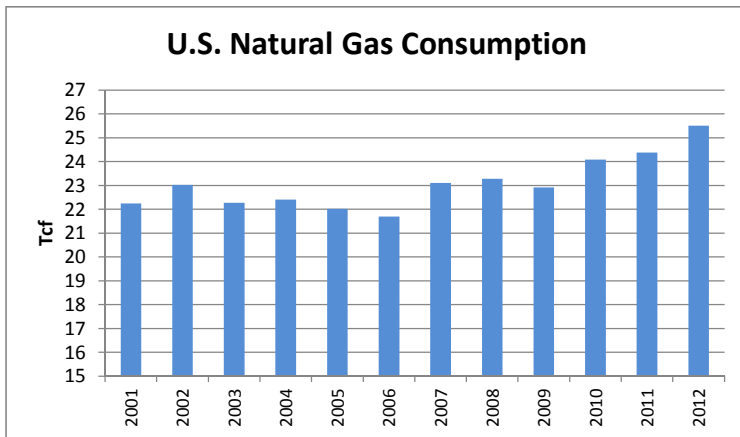
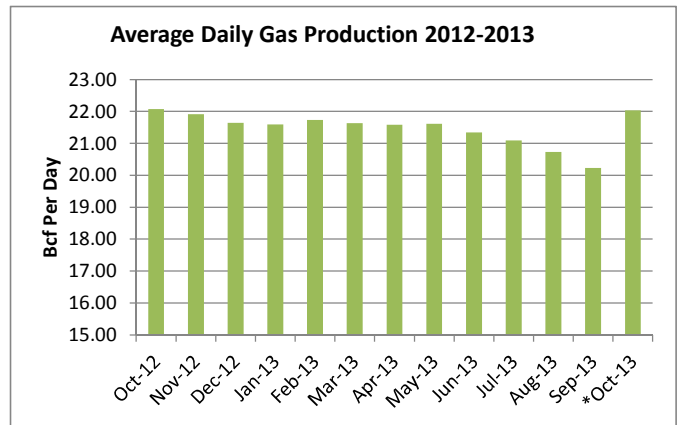
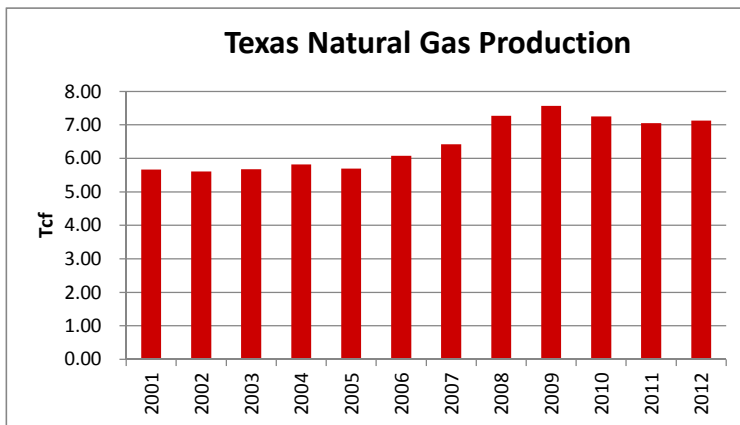
** Wells drilled are oil and gas well completions and dry holes drilled/plugged.

TABLE 2. TEXAS NATURAL GAS (Trillion CF)

Period	Total Production *	Proved Reserves #	Consumption #	Producing Wells *	Wellhead Price **
1993	5.61	37.8	3.74	50,794	\$2.04
1994	5.68	39.0	3.67	52,614	\$1.85
1995	5.67	39.7	3.80	53,612	\$1.55
1996	5.77	41.6	3.99	55,052	\$2.17
1997	5.81	41.1	4.12	56,736	\$2.32
1998	5.77	40.8	4.21	58,436	\$1.96
1999	5.54	43.4	4.01	59,088	\$2.19
2000	5.65	45.4	4.42	60,486	\$3.68
2001	5.67	46.5	4.25	63,598	\$4.00
2002	5.61	47.5	4.30	65,686	\$2.95
2003	5.68	48.7	4.05	68,488	\$4.88
2004	5.82	53.3	3.91	72,237	\$5.46
2005	5.70	60.2	3.50	76,510	\$7.33
2006	6.08	65.8	3.43	83,218	\$6.39
2007	6.42	76.4	3.52	88,311	\$6.25
2008	7.27	81.8	3.55	96,502	\$7.97
2009	7.57	85.0	3.39	101,097	\$3.67
2010	7.25	94.3	3.57	101,653	\$4.48
2011	7.05	104.5	3.70	101,831	\$3.95
2012	7.13	n/a	3.87	n/a	\$2.66

Total Gas Production (Bcf)				
Period	Daily	Monthly	Gas Well	Casinghead
Oct-12	22.07	684.31	571.30	113.00
Nov-12	21.91	657.40	545.77	111.63
Dec-12	21.64	670.94	556.47	114.47
Jan-13	21.59	669.23	555.33	113.90
Feb-13	21.74	608.58	502.51	106.07
Mar-13	21.63	670.60	552.81	117.79
Apr-13	21.58	647.40	530.93	116.47
May-13	21.62	670.16	545.69	124.47
Jun-13	21.34	640.25	519.40	120.85
Jul-13	21.09	653.89	528.98	124.92
Aug-13	20.73	642.56	517.40	125.16
Sep-13	20.22	606.75	484.64	122.11
*Oct-13	22.03	682.93	569.44	113.50

* Note: The most recent 12 months of production data is preliminary and subject to revision. The most recent month of data is incomplete and may underestimate the final and complete total; a production adjustment factor of 1.2301 has been applied to reported October gas well production to obtain an estimate of final gas well production.



* Source: Railroad Commission of Texas. The most recent 12 months of production data is subject to revision.

Source: US Energy Information Administration (EIA):EIA's reserves for estimates for 1992 and after exclude federal offshore and are wet after lease separation.

** Source: Texas Comptroller of Public Accounts. Wellhead price is average net taxable price (\$/Mcf) and excludes federal offshore production.

Source for 2001 and after is EIA and wellhead price is national average. Beginning 01/13 EIA will discontinue publishing wellhead prices and begin publishing a natural gas spot price at the Henry Hub.

TABLE 3. TEXAS GAS STORAGE OPERATIONS

Productive or Depleted Reservoirs			Reported Max Withdrawal Rate (MMCF/DAY)	Working Gas* Inventory 12/31/13 (MMCF)	Working Gas* 12/31/2012 (MMCF)	Change From One Year Ago (MMCF)	Preliminary Working Gas* 1/15/2014 (MMCF)
Operator	Field	County Location					
Oneok TX Gas Storage LP	Felmac (Yates)	Gaines	45	1,828	2,272	(444)	1,518
Oneok TX Gas Storage LP	Loop (Yates)	Gaines	75	800	800	-	800
Enbridge Pipeline LLC	Pickton (Bacon Lime)	Hopkins	15	2,170	2,108	62	2,172
Houston Pipe Line Co.	Bammell	Harris	1,300	53,592	58,582	(4,990)	45,844
Cago, Inc.	Ambassador	Clay	40	80	80	-	80
Hill Lake Gas Storage LLC	Hill-Lake Sand	Eastland	450	7,185	8,275	(1,090)	6,134
ATMOS Pipeline - Texas	Lake Dallas	Denton	120	3,305	3,314	(9)	3,251
ATMOS Pipeline - Texas	La-Pan-Miss	Clay	120	2,399	2,765	(366)	2,330
Cummings Company, Inc.	Leeray Strawn	Stephens	20	-	-	-	-
ATMOS Pipeline - Texas	New York City	Clay	120	3,919	4,780	(861)	3,805
Fort Concho Gas Storage, Inc.	Pecan Station	Tom Green	28	1,027	873	154	1,012
ATMOS Pipeline - Texas	Tri-Cities Bacon	Henderson	275	15,616	19,015	(3,399)	15,637
ATMOS Pipeline - Texas	Tri-Cities Rodessa	Henderson	50	2,471	2,394	77	2,471
Lower Colorado River Authority	Hilbig	Bastrop	100	2,534	2,313	221	2,548
Natural Gas Pipeline Co.	North Lansing	Harrison	1,100	87,870	95,396	(7,526)	82,396
Devon Gas Services LP	Lone Camp	Palo Pinto	28	203	381	(178)	203
Kinder Morgan Tejas Pipeline LLC	Clear Lake	Harris	900	51,137	56,463	(5,326)	42,017
Energy Transfer Fuel LP	Bryson	Jack	100	5,266	5,423	(157)	5,235
Worsham-Steed Gas Storage, LLC	Worsham Steed	Jack	25	14,587	20,372	(5,785)	11,911
Katy Storage and Transportation LP	Pottsville	Hamilton	200	-	-	-	-
Enstor Katy Storage and Transportation LP	Katy Hub & Storage	Fort Bend	700	19,816	21,320	(1,504)	16,802
		Subtotals	5,811	275,805	306,926	(31,121)	246,166
Salt Caverns							
Oneok TX Gas Storage LP	Salado (Loop Yates)	Gaines	500	597	1,024	(427)	754
Kinder Morgan Tejas Pipeline LP	Stratton Ridge	Brazoria	250	689	1,224	(535)	547
Centana Intrastate Pipeline LLC	Spindletop	Jefferson	400	10,805	6,385	4,420	10,623
Dow Chemical Co.	Stratton Ridge #34	Brazoria	200	-	-	-	-
Dow Chemical Co.	Stratton Ridge #6	Brazoria	180	1,064	999	65	1,013
Kinder Morgan Texas Pipeline LP	North Dayton	Liberty	750	2,559	4,658	(2,099)	3,294
ATMOS Pipeline - Texas	Bethel	Anderson	600	4,899	5,525	(626)	4,852
Moss Bluff Hub Partners LP	Moss Bluff	Liberty	1,000	14,207	14,809	(602)	11,084
Chevron Phillips Chemical Co	Clemens	Brazoria	75	1,337	863	474	1,131
PB Energy Storage Services, Inc.	Spindletop	Jefferson	480	7,012	6,694	318	6,869
Underground Services Markham, LP	Markham	Matagorda	1,100	4,101	12,140	(8,039)	5,024
Energy Transfer Fuel LP	Bethel Salt Dome	Anderson	600	1,370	1,491	(121)	1,310
Envoy Resources Inc	Wilson	Wharton	800	10,857	11,900	(1,043)	9,510
Chevron Keystone Gas Storage	Keystone Gas Storage	Winkler	350	5,055	5,897	(842)	4,912
Underground Storage LLC	Pierce Junction	Harris	350	948	794	154	1,137
Tres Palacios Storage LLC	Markham	Matagorda	2,500	14,140	29,849	(15,709)	8,302
Golden Triangle Storage, Inc	Spindletop	Jefferson	300	9,414	10,542	(1,128)	7,890
Freeport LNG Development, LP	Stratton Ridge	Brazoria	300	4,299	8,374	(4,075)	4,299
		Subtotals	10,735	93,353	123,168	(29,815)	82,551
Source: RRC Form G-3		TOTALS	16,546	369,158	430,094	(60,936)	328,717

* **Notes:** 1) Native Gas volumes are included in Working Gas volumes with the exception of Houston Pipe Line's Bammel facility and Natural Gas Pipeline Co. of America's North Lansing facility, in which the native gas is part of the non-working resident gas. 2) Due to an expansion of the North Lansing facility, 9,700 MMCCF of Resident Gas Inventory was converted to Working Gas volume as of June, 2007. 3) Tres Palacios Storage LLC Salt Cavern facility was added to report as of October, 2008. 4) The information contained on this report is an estimate for Worsham-Steed Gas Storage LLC and Hill-Lake Gas Storage LLC facilities while engineering studies are in process (8/20/2010).

TABLE 4. TEXAS GAS STORAGE OPERATIONS, 2012-2013

	Depleted Reservoirs			Salt Caverns			Total		
	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)
December-12	315,383	(8,482)	306,901	148,101	(24,933)	123,168	463,484	(33,415)	430,069
January-13	306,901	(41,340)	265,561	123,168	(25,521)	97,647	430,069	(66,861)	363,208
February-13	265,561	(32,066)	233,495	97,647	(14,834)	82,813	363,208	(46,900)	316,308
March-13	233,495	(24,177)	209,318	82,813	(7,170)	75,643	316,308	(31,347)	284,961
April-13	209,318	2,755	212,073	75,643	12,973	88,616	284,961	15,728	300,689
May-13	212,073	34,329	246,402	88,616	21,834	110,450	300,689	56,163	356,852
June-13	246,402	19,157	265,559	110,450	2,204	112,654	356,852	21,361	378,213
July-13	265,559	13,090	278,649	112,654	(4,644)	108,010	378,213	8,446	386,659
August-13	278,649	6,772	285,421	108,010	(4,043)	103,967	386,659	2,729	389,388
September-13	285,421	16,544	301,965	103,967	10,314	114,281	389,388	26,858	416,246
October-13	301,965	18,647	320,612	114,281	15,916	130,197	416,246	34,563	450,809
November-13	320,612	(9,753)	310,859	130,197	(4,759)	125,438	450,809	(14,512)	436,297
December-13	310,859	(35,054)	275,805	125,438	(32,085)	93,353	436,297	(67,139)	369,158

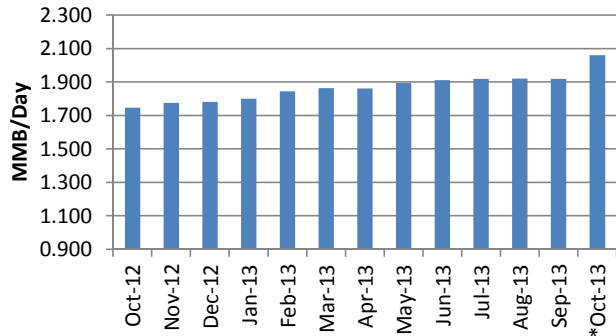
TABLE 5. TEXAS CRUDE OIL (million barrels)

Period	Texas Total Production *	Texas Daily Average	% of U.S. Production	Proved Reserves #	% of U.S. Reserves	# of Producing Wells *	WTI Spot Price **
1993	576	1.58	23.0%	6,171	26.9	186,342	\$18.61
1994	542	1.49	22.3%	5,847	26.0	179,955	\$17.30
1995	513	1.40	21.4%	5,743	25.7	177,397	\$14.73
1996	500	1.37	21.1%	5,736	26.1	175,277	\$16.31
1997	491	1.35	20.9%	5,687	25.2	175,475	\$18.77
1998	460	1.26	20.1%	4,927	23.4	170,288	\$20.01
1999	409	1.12	19.1%	5,339	24.5	162,620	\$14.06
2000	401	1.10	18.8%	5,273	23.9	161,097	\$20.01
2001	381	1.04	18.0%	4,944	22.0	159,357	\$28.71
2002	365	1.00	17.4%	5,015	22.1	155,865	\$25.95
2003	359	0.98	17.3%	4,583	20.9	153,461	\$26.11
2004	351	0.96	17.7%	4,613	21.6	151,205	\$31.12
2005	348	0.95	18.4%	4,919	22.6	151,286	\$41.44
2006	347	0.95	18.6%	4,871	23.2	151,832	\$56.49
2007	342	0.94	18.5%	5,122	24.0	153,223	\$66.02
2008	353	0.97	19.5%	4,555	23.8	156,588	\$72.32
2009	349	0.96	17.8%	5,006	24.2	157,807	\$99.57
2010	368	1.01	18.4%	5,674	24.4	158,451	\$61.66
2011	422	1.16	20.3%	n/a	n/a	161,402	\$79.40

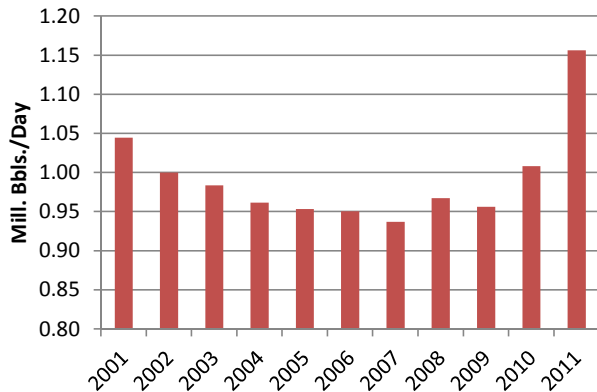
Oct-12	54.18	1.748
Nov-12	53.30	1.777
Dec-12	55.25	1.782
Jan-13	55.81	1.800
Feb-13	51.64	1.844
Mar-13	57.78	1.864
Apr-13	55.89	1.863
May-13	58.77	1.896
Jun-13	57.36	1.912
Jul-13	59.51	1.920
Aug-13	59.60	1.922
Sep-13	57.60	1.920
*Oct-13	63.93	2.062

* Note: The most recent 12 months of production data is preliminary and subject to revision. The most recent month of data is incomplete and may underestimate the final and complete total; a production adjustment factor of 1.1726 has been applied to reported October crude oil production to obtain an estimate of final crude oil production.

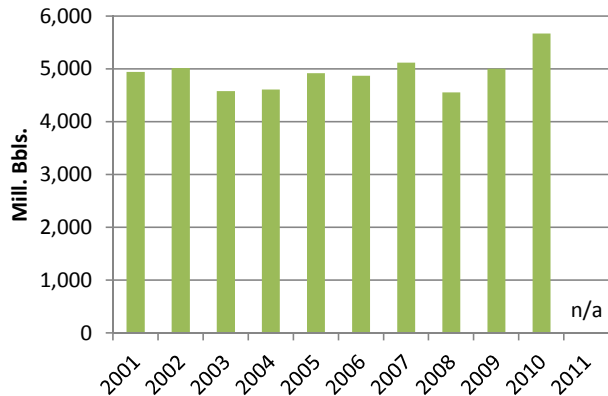
Texas Oil Production 2012-2013



Texas Oil Production 2001 - 2011



Texas Crude Oil Reserves 2001 - 2011



* Source: Railroad Commission of Texas. The most recent 12 months of production data is subject to revision

Source: U.S. Energy Information Administration (EIA). Reserve estimates for 1985 and after exclude federal offshore.

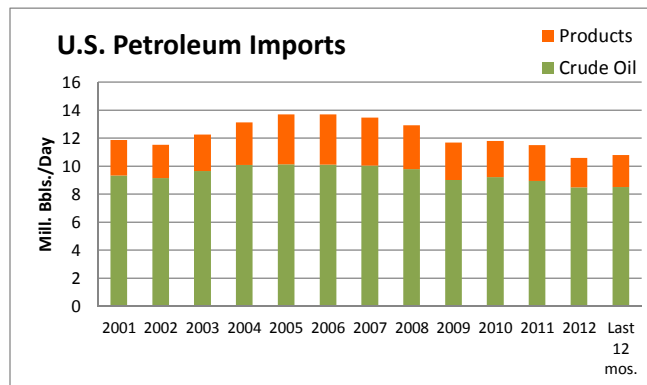
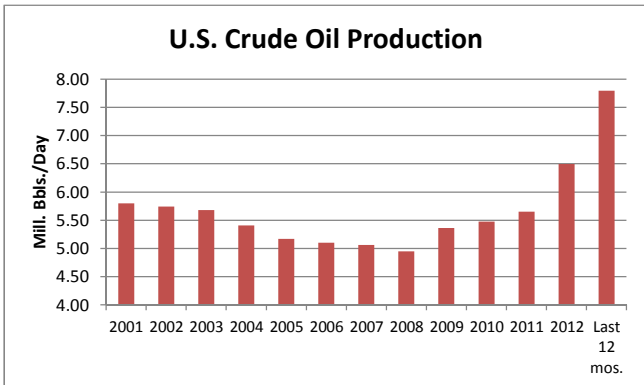
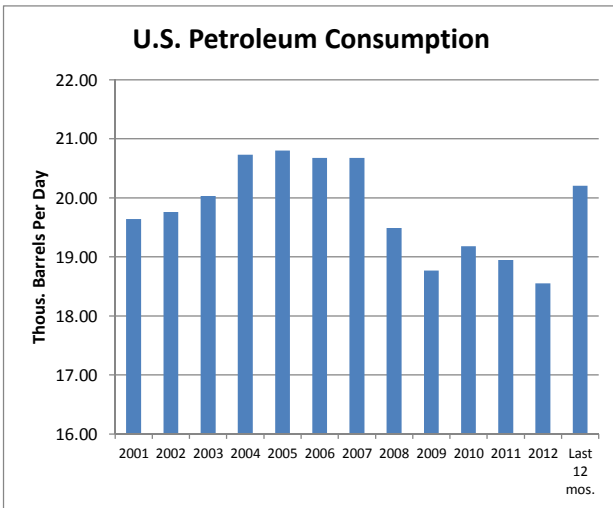
** Source: Texas Comptroller of Public Accounts. Wellhead price is average net taxable price (\$/bbl.) & excludes federal offshore production.

Source for 2001 and after is EIA. Wellhead price is West Texas Intermediate spot average.

TABLE 6. US PETROLEUM OVERVIEW (MILLION BARRELS PER DAY)

Period	Production*	Imports **			Products Supplied #	Proved Reserves **	Wells Drilled **	Wellhead Price **
		Total	Crude Oil	Products				
1991	7.42	7.63	5.78	1.84	16.71	24,682	29,528	16.54
1992	7.17	7.89	6.08	1.81	17.03	23,745	23,608	15.99
1993	6.85	8.62	6.79	1.83	17.24	22,957	25,451	14.25
1994	6.66	9.00	7.06	1.93	17.72	22,457	22,255	13.19
1995	6.56	8.84	7.23	1.61	17.72	22,351	21,600	14.62
1996	6.47	9.48	7.51	1.97	18.31	22,017	23,886	18.46
1997	6.45	10.16	8.23	1.94	18.62	22,546	27,586	17.23
1998	6.25	10.71	8.71	2.00	18.92	21,034	22,911	10.87
1999	5.88	10.85	8.73	2.12	19.52	21,765	18,939	15.56
2000	5.82	11.46	9.07	2.39	19.70	22,045	29,287	26.72
2001	5.80	11.87	9.33	2.54	19.64	22,446	35,558	21.84
2002	5.74	11.53	9.14	2.39	19.76	22,677	27,871	22.51
2003	5.68	12.25	9.66	2.59	20.03	21,891	32,833	27.56
2004	5.41	13.13	10.08	3.05	20.73	21,371	37,057	36.77
2005	5.17	13.70	10.12	3.58	20.80	21,757	44,022	50.28
2006	5.10	13.69	10.11	3.58	20.68	20,972	51,429	59.69
2007	5.06	13.46	10.03	3.43	20.68	21,317	51,071	66.52
2008	4.95	12.91	9.78	3.13	19.49	19,121	54,302	94.04
2009	5.36	11.69	9.01	2.68	18.77	20,682	32,803	56.35
2010	5.48	11.79	9.21	2.58	19.18	23,267	36,611	74.71
2011	5.65	11.50	8.94	2.57	18.95	26,544	n/a	95.73
2012	6.50	10.60	8.49	2.11	18.55	n/a	n/a	94.52
Last 12 mos.	7.80	10.78	8.51	2.27	20.21			

12-Sep	6.56	10.53	8.38	2.16	18.17
Oct	6.93	10.09	8.09	2.00	18.72
Nov	7.03	10.10	8.13	1.97	18.60
Dec	7.09	9.61	7.58	2.03	18.13
Jan	7.04	10.04	7.95	2.09	18.65
Feb	7.14	9.24	7.27	1.97	18.66
Mar	7.17	9.46	7.46	2.00	18.48
Apr	7.35	10.08	7.73	2.35	18.55
May	7.34	10.05	7.74	2.32	18.55
Jun	7.20	9.79	7.73	2.06	18.72
Jul	7.45	10.24	8.07	2.17	19.05
Aug	7.49	10.20	8.10	2.10	19.09
13-Sep	7.77	9.98	7.91	2.07	19.12



* Sources: U.S. Energy Information Administration (EIA). Recent production data is subject to revision.

** Source: EIA. Wells drilled includes crude oil, natural gas, and dry wells drilled. U.S. average wellhead (first purchase) price is dollars per barrel. (Per most recent data from EIA)

Source: EIA. Petroleum products supplied is a measure of domestic consumption.

Railroad Commission of Texas

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Texas PetroFacts is available in PDF format for download from the Railroad Commission web site at <http://www.rrc.state.tx.us>.

Created in 1891 by the Texas Legislature, the Railroad Commission today is known principally as a leader in the regulation and conservation of oil and natural gas in Texas. For more than 85 years, the Commission has been charged with preventing waste and pollution while safeguarding property rights.

We believe the people of Texas continue to have a vital stake in the orderly production and conservation of the state's natural resources. Across the state, crude oil and natural gas are produced in 226* of 254 counties. About 282,300* persons are employed in oil and gas exploration, production, refining, and related industries. In all, businesses involved with the Texas oil and gas industry contribute about \$114.43 billion annually to the state's more than one trillion-dollar economy.

As an oil and gas producer, the state of Texas ranks among the nations of the world. Texas leads the United States in the production of crude oil and natural gas, and its marketed production of natural gas represents one-third of total U. S. supply. Texas produces an average of nearly one million barrels of oil a day; natural gas production in the state exceeds 7 trillion cubic feet a year.

Barry T. Smitherman
Chairman

David Porter
Commissioner

Christi Craddick
Commissioner

* The number of producing counties and employment data are subject to revision.