



**Texas LNG Forum**  
**November 29, 2006 -- Houston**

**Commissioner Victor G. Carrillo**  
**Texas Railroad Commission**



Congressman Joe Barton (R-TX)  
Chair, Energy & Commerce  
Principal author, EPACKT

**“There is no greater issue  
facing our world over the  
next century than energy.”**



# Texas Railroad Commission

- Established in 1891
- Regulate oil & gas, pipelines, mining, natural gas utilities
- No railroad issues
- "TX Energy Commission"

# TX Railroad Commission Role



- *State Water Quality Certification*  
(Corps of Engineers' CWA permit)
- *Coastal Management Plan Consistency*  
(Coastal Coordination Commission)
- *Natural Gas Storage Facility Permitting*  
(e.g., Freeport LNG Underground Gas Storage Facility)
- *Intrastate Pipeline Activity Permitting*  
(Pipeline construction, modification, integrity testing)



# TEXAS OVERVIEW

> 6,900 active operators; 229,050 producing wells:  
**149,100 oil**  
**79,950 natural gas**

**#1 producer of oil & natural gas in the U.S**

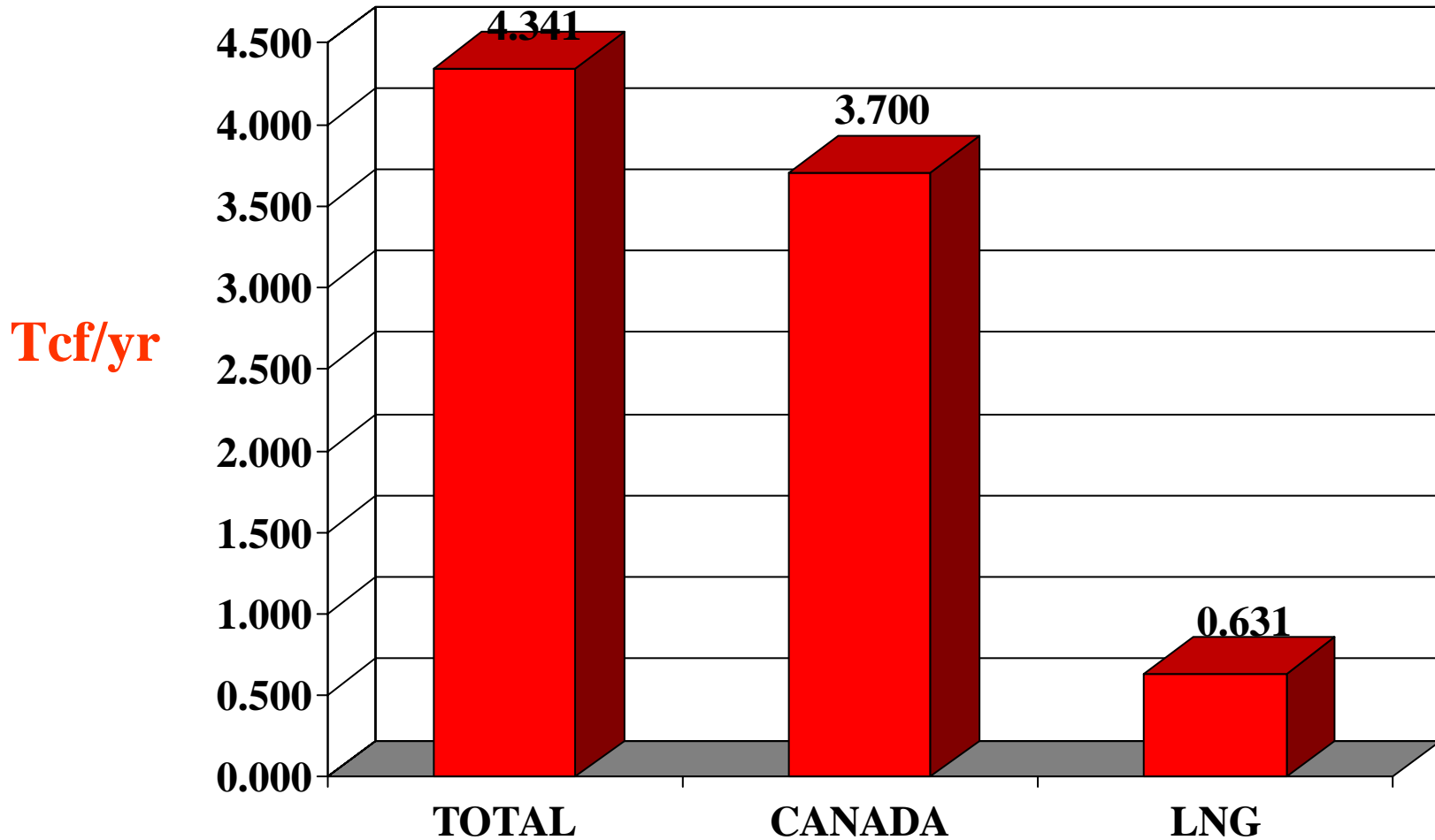
**348 million barrels oil (2005)**

**5.9 Tcf natural gas (2005)**

> 27% of total U.S. natural gas demand

- > 42,000 mi. of nat gas transmission & gathering pipelines
- 26% total U.S. refinery capacity (TX: 4.9 mmbopd)
- Oil & gas & petrochemicals = \$100 billion industry in TX

# 2005 U.S. Natural Gas Imports



Source: U.S. Energy Information Administration.

# Potential Resources Currently Off-Limits



# Offshore Gulf Coast:

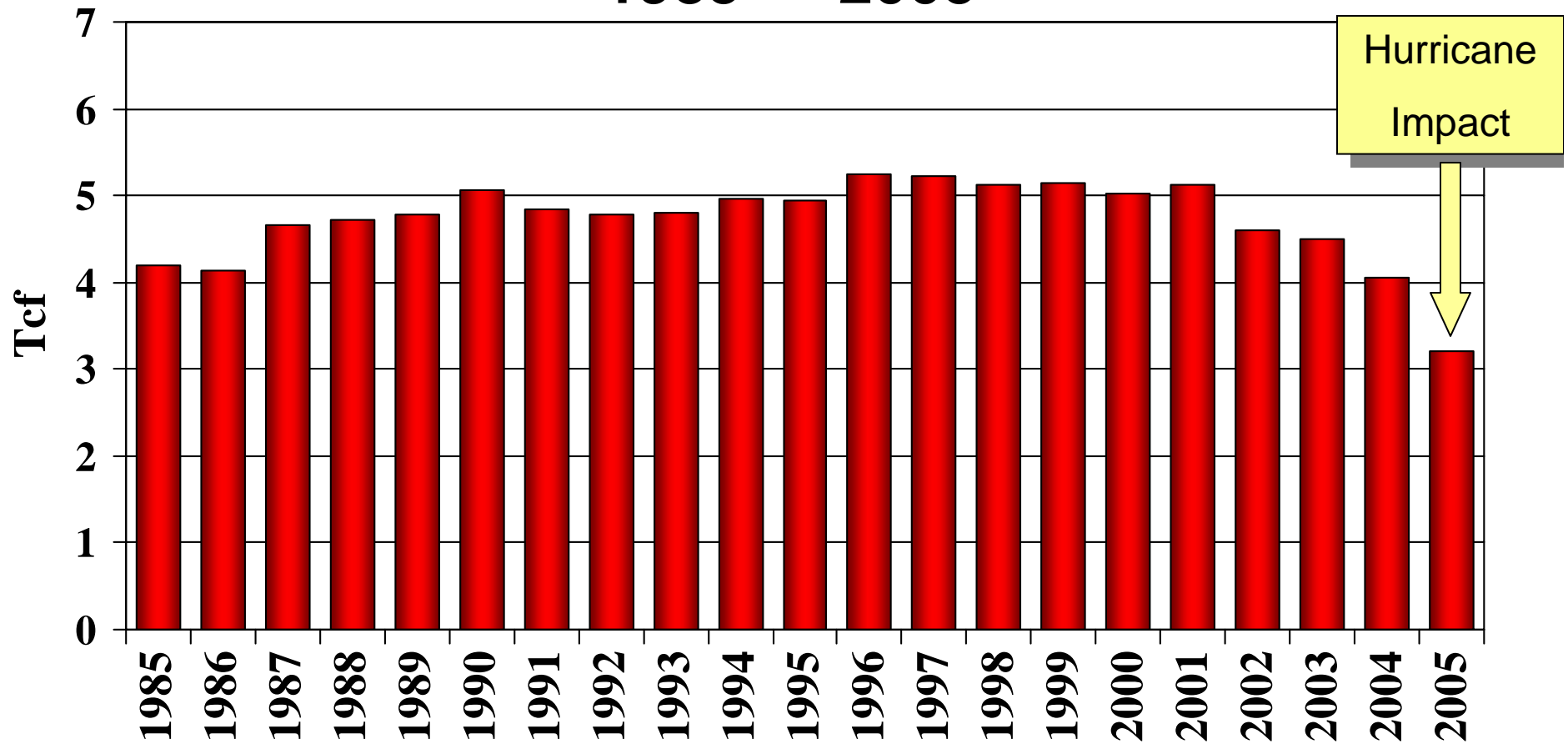


GOM production (daily):  
1.5 mm barrels oil (30%)  
10 Bcf natural gas (20%)

(Does not include onshore TX production)

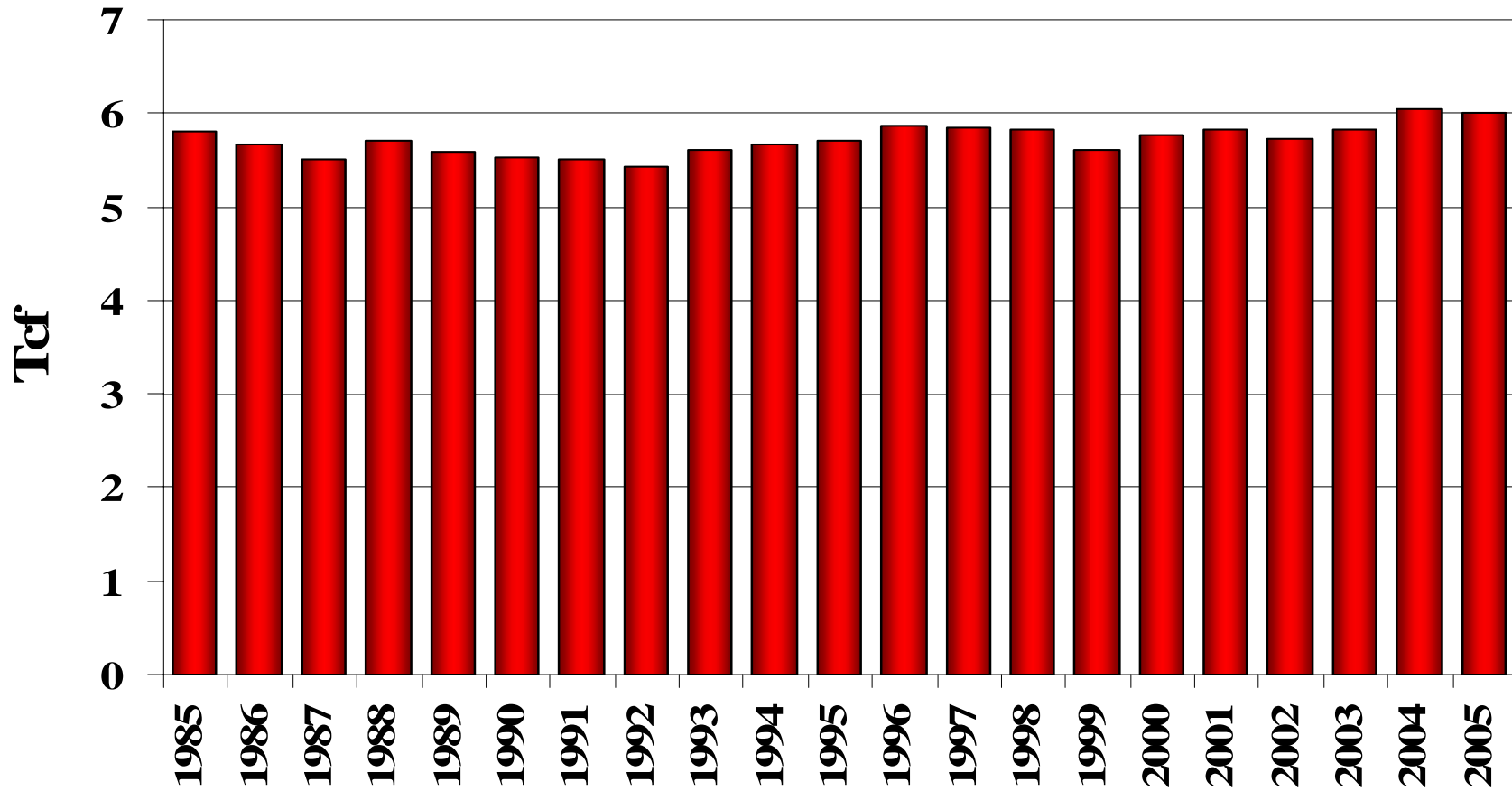


# Federal OCS Annual Natural Gas Production 1985 — 2005



Source: U.S. Energy Information Administration.

# Texas Annual Natural Gas Production 1985 – 2005



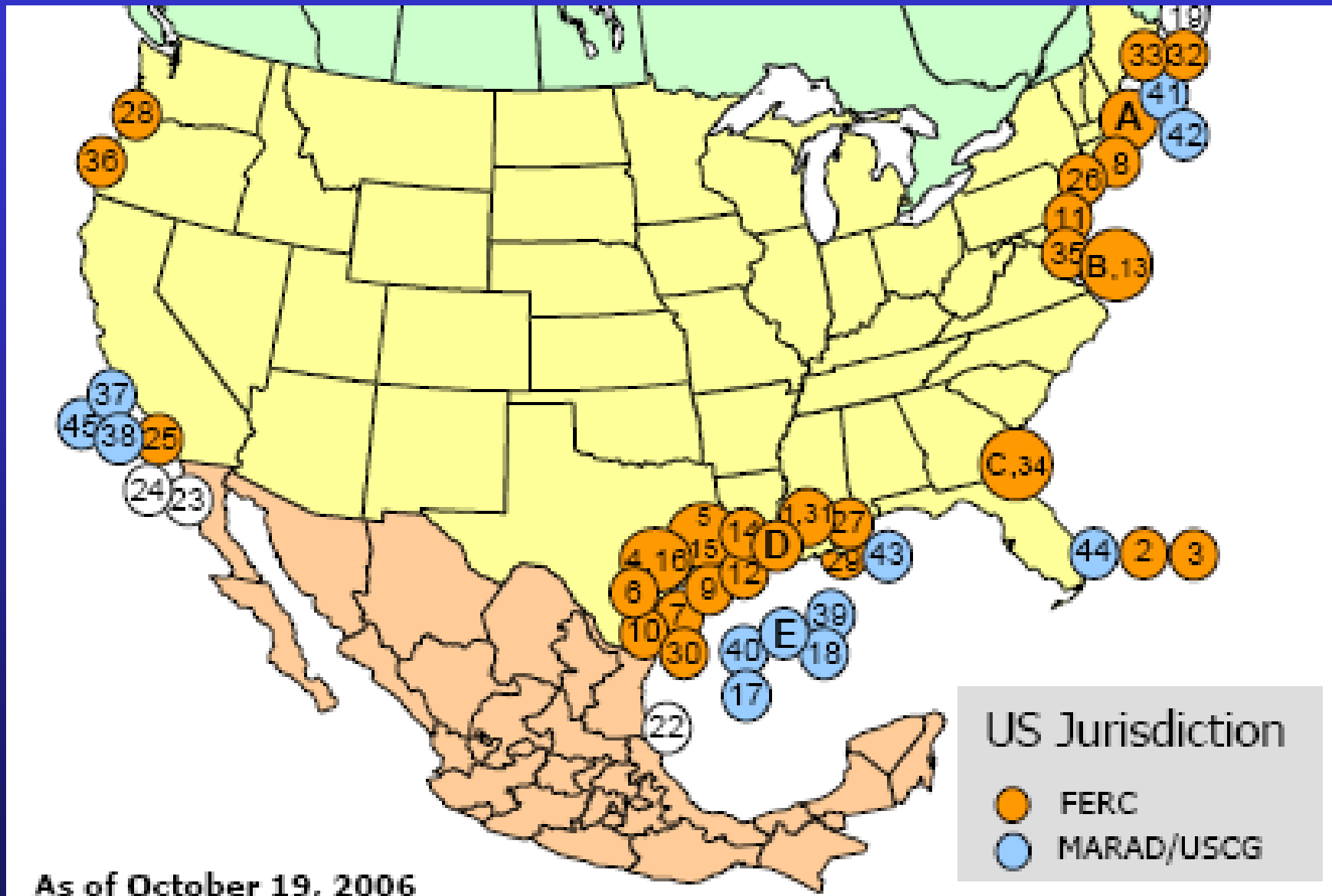
Source: Texas Railroad Commission.



# Liquefied Natural Gas

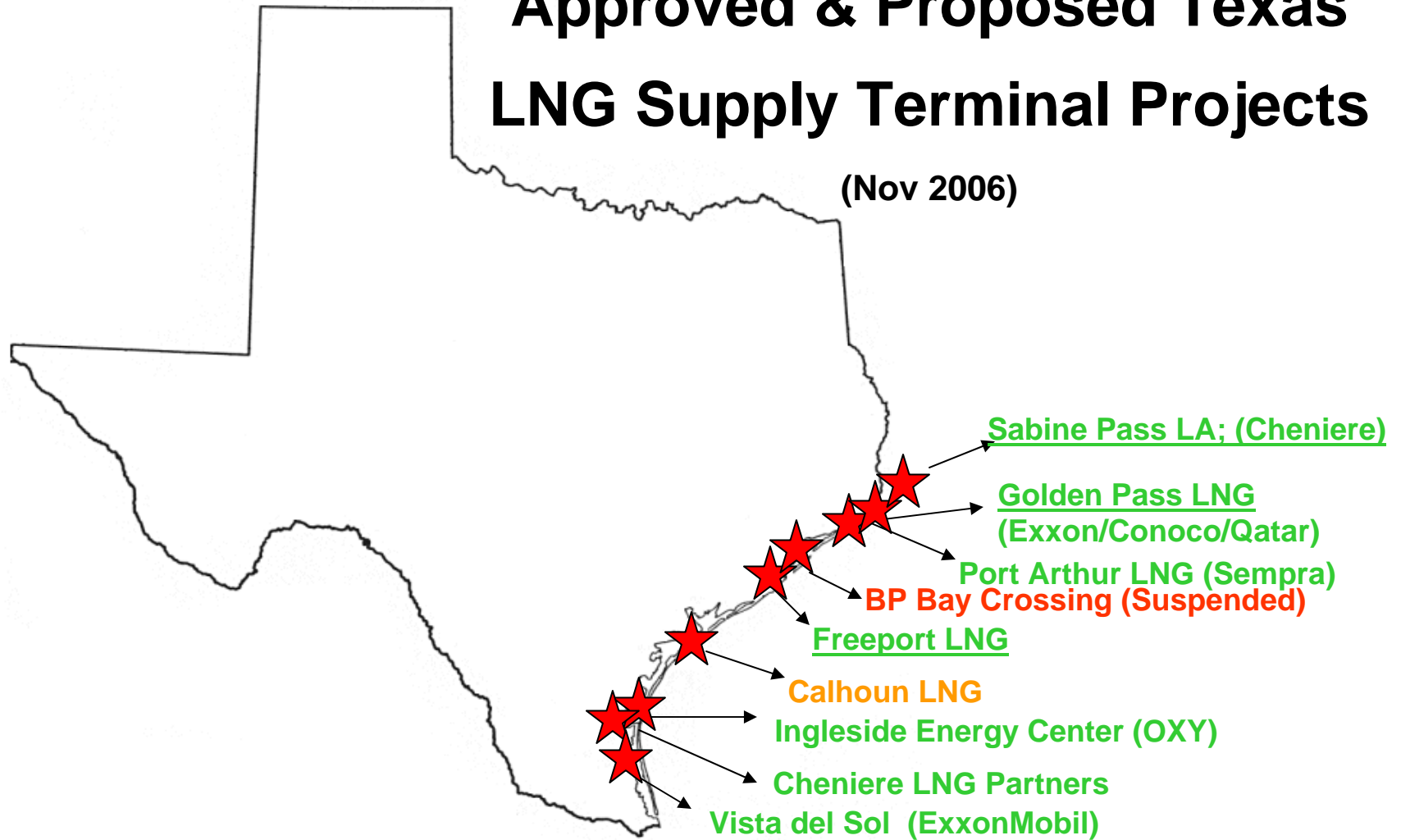


# Existing & Proposed LNG Facilities



# Approved & Proposed Texas LNG Supply Terminal Projects

(Nov 2006)





## TRADITIONAL ENERGY SOURCES

Oil

Gas

Coal

Nuclear

LNG

Clean  
Coal

## RENEWABLE ENERGY SOURCES

Wind Power

Biomass

Solar Energy

Geothermal

Hydrogen Fuel Cells

# TEXAS: U.S. LNG Leader



- *6 of 8 proposed onshore Texas LNG facilities are FERC approved*
- *Two already under construction*
- *If just three are built, ~ 8.6 Bcf/day capacity*

## **Texas & Gulf Coast will become U.S. LNG capitol**

- **Demand concentration (TX #1 nat gas consumer)**
- **Extensive existing pipeline network**
- **Petroleum business-friendly environment**



# Liquefied Natural Gas

- **Not a panacea**
- **Important role along with domestic gas**
- **Help broaden energy source base**
- **Long term, will help to:**
  - **stabilize supply & price volatility**
  - **provide national energy security**