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TEXAS



PETROFACTS

A Monthly Data Review from the Railroad Commission of Texas ■ January 2009

Highlights

Natural Gas Production

In October 2008 preliminary and adjusted Texas natural gas production was 676.57 billion cubic feet (bcf), up from 598.71 bcf produced during the same month in 2007. *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 or see the Commission's website at <http://www.rrc.state.tx.us>*

Crude Oil Production

In October 2008 preliminary and adjusted Texas crude oil production averaged 0.945 million barrels per day (mmb/d), up from 0.935 mmb/d reported during the same month in 2007. (See Note above.)

Rotary Rigs Operating in Texas

In December 2008 the average Texas rotary rig count was 826, down from 884 rigs running during the same month last year. The December rig count was down from the November rig count of 899.

Source: Baker Hughes Co.

Permits to Drill

In December 2008 the Railroad Commission issued 1,226 original permits to drill, down from 1,550 permits issued during the same month last year and down from 1,517 permits issued in November.

Oil and Gas Well Completions

In December 2008 operators reported 641 oil completions, up from 464 oil completions during the same month last year. There were 819 gas completions in December, up from 660 gas completions reported during the same month last year. There were 1,462 wells drilled in Texas in December, up from 1,126 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 fall from the average 2008 level of \$92.87 per barrel to \$38.35 per barrel during the 1st quarter of 2009 and average \$39.24 for the year, according to the U.S. Energy Information Administration's (EIA) "Short-Term Energy Outlook" for January, 2009. The price is expected to average \$38.67 per barrel for the 2nd quarter of 2009.

The West Texas Intermediate spot average is expected to fall from the average 2008 level of \$99.55 per barrel to \$42.33 per barrel during the 1st quarter of 2009 and average \$43.25 for the year. The price is expected to average \$42.67 per barrel for the 2nd quarter of 2009.

U.S. petroleum demand is expected to decrease 02.00 percent from 2008 to 2009 at 19.51 million barrels per day, and increase by 0.84 percent from 2009 to 2010 to 19.28 million barrels per day.

U.S. natural gas demand is expected to decrease by 0.99 percent from 2008 to 2009 to 22.97 trillion cubic feet, and increase by 0.70 percent from 2009 to 2010 to 23.13 trillion cubic feet.

EIA projects that natural gas wellhead prices will average \$5.39 per mcf for the 1st quarter of 2009 and average \$4.99 per mcf for the year. This is a 61.92 percent decrease from EIA's 2008 average wellhead price of \$8.08 per mcf.

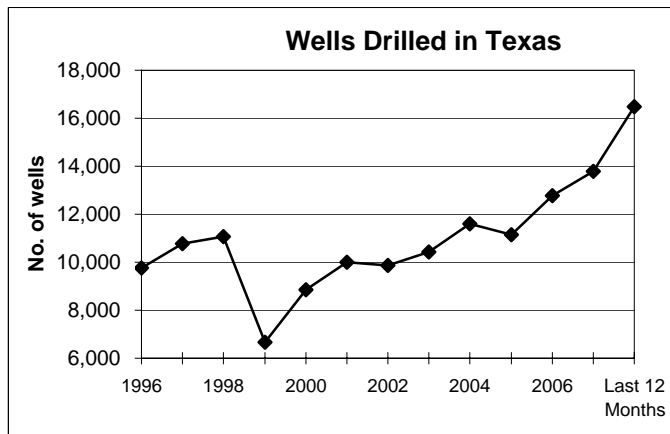
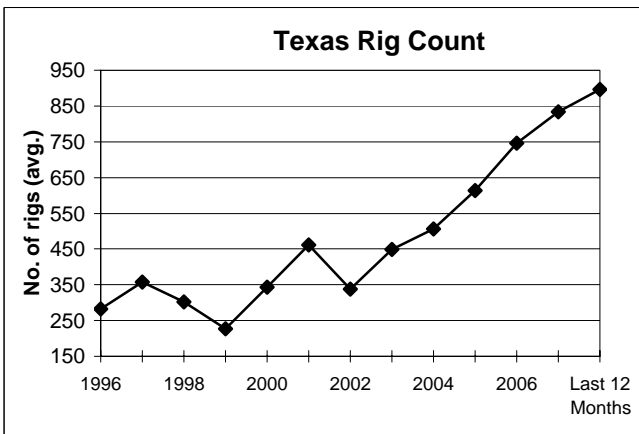
EIA projects an average annual wellhead price of \$5.70 per mcf for 2010, a 12.46 percent increase from the \$4.99 projected average price for 2009.

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Table 1. Texas Drilling and Completion Summary

Period	Rotary Rigs Active *		Permits #	Wells Completed		Wells Drilled **
	Texas	U. S.		Oil	Gas	
1989	264	871	12,756	4,914	2,760	10,054
1990	348	1,009	14,033	5,593	2,894	11,231
1991	315	860	12,494	6,025	2,755	11,295
1992	251	721	12,089	5,031	2,537	9,498
1993	264	754	11,612	4,646	3,295	9,969
1994	274	775	11,030	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	945	13,933	4,482	4,594	10,778
1998	303	827	9,385	4,509	4,907	11,057
1999	226	622	8,430	2,049	3,566	6,658
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	1,383	16,914	3,454	7,197	11,154
2006	746	1,648	18,952	4,761	8,412	12,764
2007	834	1,769	19,994	5,084	8,643	13,778
Last 12 Months	896	1,877	23,928	6,322	10,126	16,491
2007	Dec	884	1,811	464	660	1,126
2008	Jan	858	1,749	1,609	570	1,135
	Feb	866	1,765	1,760	536	876
	Mar	881	1,797	1,926	400	785
	Apr	887	1,829	2,207	403	827
	May	906	1,863	1,899	334	857
	Jun	923	1,902	2,444	432	813
	Jul	920	1,932	2,183	453	1,065
	Aug	934	1,987	2,129	357	696
	Sep	946	2,014	2,335	384	704
	Oct	911	1,971	2,693	988	1,277
	Nov	899	1,935	1,517	824	842
	Dec	826	1,782	1,226	641	819



* Source: Baker Hughes Inc.

Totals shown for 1988 and after are number of drilling permits issued; data for previous years was total drilling applications received.

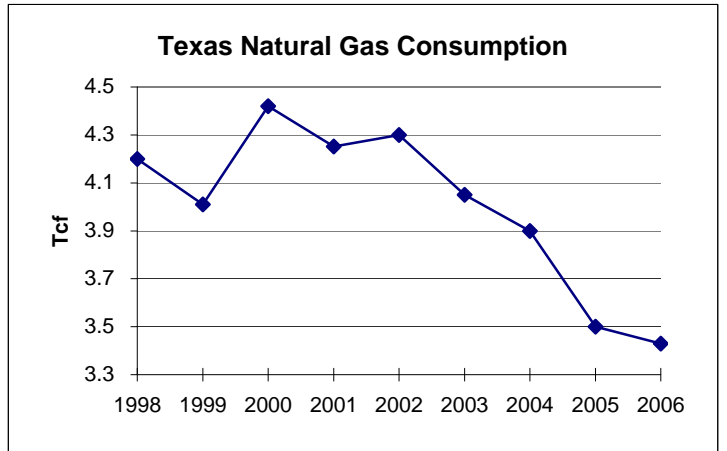
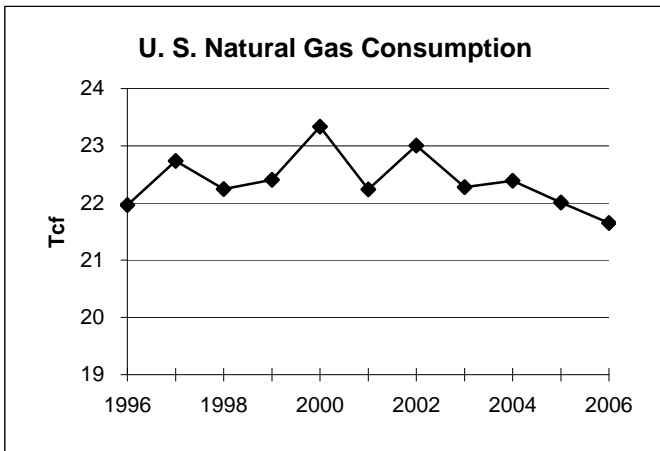
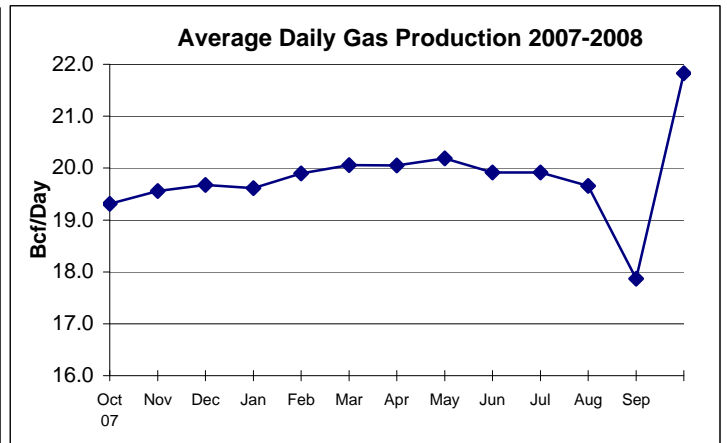
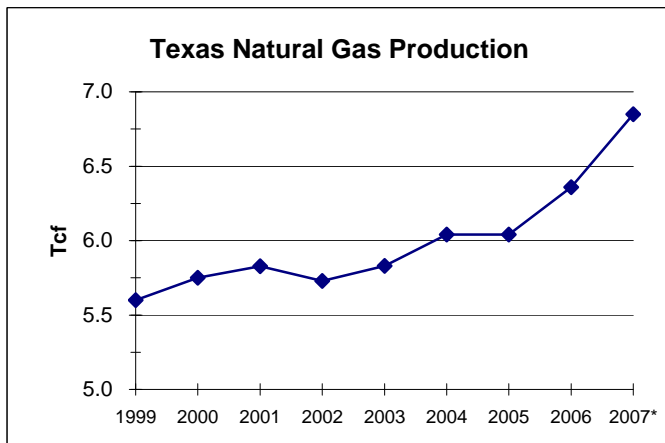
** Wells drilled are oil and gas well completions and dry holes drilled/plugged.

Table 2. Texas Natural Gas (Trillion CF)

Period	Total Production	Proved Reserves #	Consumption #	Producing Wells	Wellhead Price **
1989	5.60	41.5	3.62	50,017	\$1.50
1990	5.54	41.4	3.60	49,989	\$1.43
1991	5.52	39.3	3.56	49,825	\$1.39
1992	5.45	38.1	3.48	49,839	\$1.45
1993	5.61	37.8	3.74	50,794	\$1.80
1994	5.69	39.0	3.67	52,614	\$1.68
1995	5.69	39.7	3.80	53,612	\$1.36
1996	5.85	41.6	3.99	55,052	\$1.76
1997	5.85	41.1	3.95	56,736	\$2.14
1998	5.82	40.8	4.20	58,436	\$1.96
1999	5.60	43.4	4.01	59,088	\$1.86
2000	5.75	45.4	4.42	60,486	\$3.51
2001	5.83	43.5	4.25	59,744	\$4.01
2002	5.73	44.3	4.30	56,718	\$2.95
2003	5.83	45.7	4.05	63,534	\$4.88
2004	6.04	49.9	3.90	66,959	\$5.46
2005	6.04	56.5	3.50	70,384	\$7.33
2006	6.36	61.8	3.43	76,821	\$6.40
2007*	6.85	72.0	n/a	81,371	\$6.39

	Total Gas Production (Bcf)			
	Monthly	Daily	Gas Well	Casinghead
Oct 07	598.71	19.31	537.68	61.03
Nov	586.66	19.56	528.35	58.31
Dec	609.86	19.67	550.62	59.24
Jan	608.02	19.61	548.66	59.36
Feb	577.00	19.90	519.64	57.36
Mar	621.85	20.06	559.77	62.08
Apr	601.45	20.05	540.65	60.80
May	625.79	20.19	561.93	63.86
Jun	597.47	19.92	536.61	60.86
Jul	617.30	19.91	550.73	66.57
Aug	609.42	19.66	543.48	65.94
Sep	536.04	17.87	481.32	54.72
Oct*	676.57	21.82	615.73	60.84

*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 1.2378 has been applied to reported October gas well production to obtain an estimate of final gas well production.



**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 U.S. Energy Information Administration (EIA) and wellhead price is national average.

Source: EIA's reserve estimates for 1986 and after exclude federal offshore and are wet after lease separation.

Table 3. Texas Gas Storage Operations

Productive or Depleted Reservoirs			Reported Max Withdrawal Rate (MMCF/DAY)	Working Gas* Inventory 11/30/08 (MMCF)	Working Gas* Inventory 11/30/07 (MMCF)	Change From One Year Ago (MMCF)	Preliminary Working Gas* Inventory 12/15/08 (MMCF)
Operator	Field	County Location					
Oneok TX Gas Storage LP	Felmac (Yates)	Gaines	45	2,728	2,312	416	2,671
Oneok TX Gas Storage LP	Loop (Yates)	Gaines	75	800	800	-	800
Houston Pipeline Co.	Bammell	Harris	1,300	49,305	57,768	(8,463)	47,004
Enbridge Pipeline LLC	Pickton (Bacon Lime)	Hopkins	15	-	-	-	-
Cago, Inc.	Ambassador	Clay	40	80	80	-	80
Hill Lake Gas Storage LP	Hill-Lake Sand	Eastland	450	8,075	9,486	(1,411)	7,431
ATMOS Pipeline - Texas	La-Pan-Miss	Clay	120	3,472	3,249	223	2,958
ATMOS Pipeline - Texas	Lake Dallas	Denton	120	4,027	4,075	(48)	3,795
ATMOS Pipeline - Texas	New York City	Clay	120	5,111	5,709	(598)	5,045
ATMOS Pipeline - Texas	Pecan Station	Tom Green	28	395	397	(2)	394
ATMOS Pipeline - Texas	Tri-Cities Bacon	Henderson	275	21,307	21,379	(72)	20,518
ATMOS Pipeline - Texas	Tri-Cities Rodessa	Henderson	50	126	341	(215)	124
Lower Colorado River Authority	Hilbig	Bastrop	100	3,282	3,180	102	3,210
Natural Gas Pipeline Co.	North Lansing	Harrison	1,100	86,821	93,262	(6,441)	85,634
Devon Gas Services LP	Lone Camp	Palo Pinto	28	474	345	129	428
Pelican Transmission LLC	Clear Lake	Harris	900	32,521	80,801	(48,280)	32,718
Energy Transfer Fuel LP	Bryson	Jack	100	5,679	5,615	64	5,634
Falcon Gas Storage, Inc.	Worsham Steed	Jack	25	24,610	15,641	8,969	23,809
Cumming Company, Inc.	Leeray Strawn	Stephens	20	-	-	-	-
Katy Storage and Transportation LP	Pottsville	Hamilton	200	-	-	-	-
Katy Storage and Transportation LP	Katy Hub & Storage	Fort Bend	700	21,964	24,131	(2,167)	21,971
	Subtotals		5,811	270,777	328,571	(57,794)	264,224
Salt Caverns							
Oneok TX Gas Storage LP	Salado (Loop Yates)	Gaines	500	2,035	956	1,079	1,735
Centana Intrastate Pipeline LLC	Spindletop	Jefferson	400	2,099	4,728	(2,629)	1,151
Dow Chemical Co.	Stratton Ridge #34	Brazoria	200	-	-	-	-
Dow Chemical Co.	Stratton Ridge #6	Brazoria	180	612	798	(186)	599
Kinder Morgan Texas Pipeline LP	North Dayton	Liberty	750	2,412	2,603	(191)	2,282
ATMOS Pipeline - Texas	Bethel	Anderson	600	5,751	5,212	539	5,130
Moss Bluff Hub Partners LP	Moss Bluff	Liberty	1,000	12,398	15,516	(3,118)	11,640
Gulfterra South Texas LP	Wilson	Wharton	800	5,160	2,037	3,123	4,163
Chevron Phillips Chemical Co	Clemens	Brazoria	75	949	1,853	(904)	1,105
PB Energy Storage Services, Inc.	Spindletop	Jefferson	480	6,611	6,927	(316)	6,784
Kinder Morgan Tejas Pipeline LP	Stratton Ridge	Brazoria	250	906	480	426	824
Texas Brine Corp.	Markham	Matagorda	500	24,255	18,770	5,485	23,693
Energy Transfer Fuel LP	Bethel Salt Dome	Anderson	600	4,250	3,414	836	4,341
Union Oil Co. of California	Keystone Gas Storage	Winkler	350	5,452	4,635	817	4,800
Underground Storage, LLC	Pierce Junction	Harris	350	1,144	2,306	(1,162)	1,332
Tres Palacios Storage LLC	Markham	Matagorda	2,500	3,484	-	3,484	3,850
	Subtotals		9,535	77,518	70,235	7,283	73,429
Source: RRC Form G-3		TOTALS	15,346	348,295	398,806	(50,511)	337,653

* Note: 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. (The Native Gas in the Bammel and North Lansing facilities is part of the non-working pad gas.)

Table 4. Texas Gas Storage Operations, 2007 - 2008

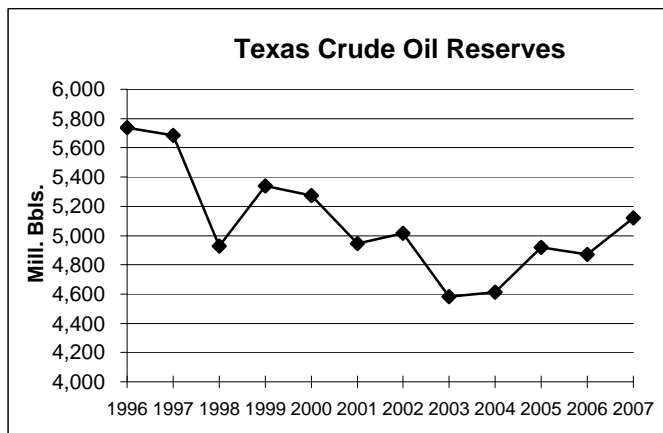
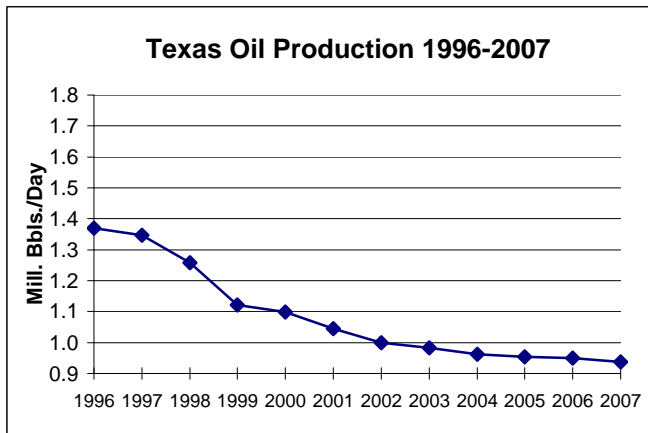
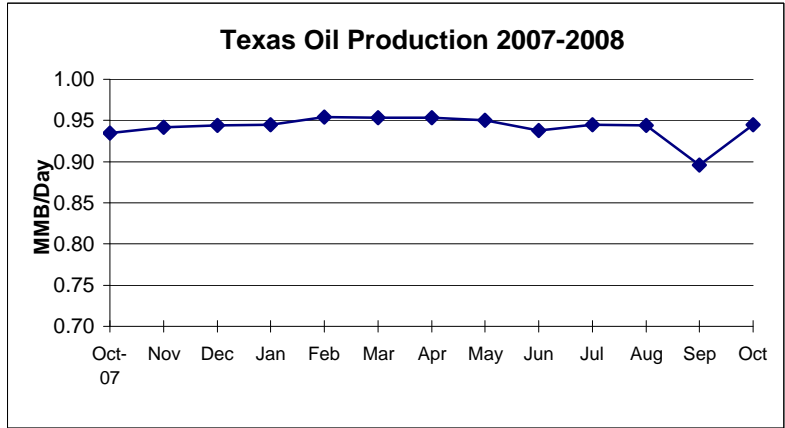
	Depleted Reservoirs			Salt Caverns			Total		
	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)
Nov-07	325,009	(755)	324,254	77,008	(5,822)	71,186	402,017	(6,577)	395,440
Dec-07	324,254	(19,898)	304,356	71,186	(6,164)	65,022	395,440	(26,062)	369,378
Jan-08	304,356	(61,288)	243,068	65,022	(12,399)	52,623	369,378	(73,687)	295,691
Feb-08	243,068	(49,237)	193,831	52,623	(8,244)	44,379	295,691	(57,481)	238,210
Mar-08	193,831	(20,301)	173,530	44,379	5,342	49,721	238,210	(14,959)	340,663
Apr-08	173,530	20,005	193,535	49,721	5,340	55,061	223,251	25,345	248,596
May-08	193,535	25,219	218,754	55,061	7,810	62,871	248,596	33,029	281,625
Jun-08	218,754	(6,162)	212,592	62,871	1,148	64,019	281,625	(5,014)	276,611
Jul-08	212,592	(11,664)	200,928	64,019	3,728	67,747	276,611	(7,936)	268,675
Aug-08	200,928	1,418	202,346	67,747	(3,587)	64,160	268,675	(2,169)	266,506
Sep-08	202,346	23,365	225,711	64,160	1,305	65,465	266,506	24,670	291,176
Oct-08	225,711	22,650	248,361	65,465	1,185	66,650	291,176	23,835	315,011
Nov-08	248,361	22,416	270,777	66,650	10,868	77,518	315,011	33,284	348,295

Table 5. Texas Crude Oil (million barrels)

Period	Total Production	Daily Average	% of U.S. Production	Proved Reserves #	% of U.S. Reserves	Active Wells *	WTI Spot Price **
1989	651	1.78	23.3	6,996	26.3	190,821	\$16.47
1990	646	1.77	24.2	7,106	27.1	194,962	\$19.74
1991	644	1.77	24.0	6,797	27.5	196,292	\$21.48
1992	614	1.68	23.5	6,441	27.1	193,310	\$18.61
1993	576	1.58	22.9	6,171	26.9	186,342	\$17.30
1994	542	1.49	22.3	5,847	26.0	179,955	\$14.73
1995	513	1.40	21.5	5,743	25.7	177,397	\$16.31
1996	500	1.37	21.0	5,736	26.0	175,277	\$18.77
1997	491	1.35	21.0	5,687	25.2	175,475	\$20.01
1998	460	1.26	20.1	4,927	23.4	170,288	\$14.06
1999	409	1.12	19.1	5,339	24.5	162,620	\$14.31
2000	401	1.10	18.8	5,273	23.9	161,097	\$28.71
2001	381	1.04	18.0	4,944	22.0	159,357	\$24.62
2002	365	1.00	17.4	5,015	22.1	146,640	\$24.33
2003	359	0.98	17.4	4,583	20.9	143,561	\$31.08
2004	351	0.96	17.7	4,613	21.5	142,095	\$41.51
2005	348	0.95	18.4	4,919	19.0	141,924	\$56.64
2006	347	0.95	18.6	4,871	23.4	139,292	\$66.05
2007	342	0.94	18.5	5,122	24.0	144,535	\$72.34

Oct-07	28.98	0.935
Nov	28.24	0.941
Dec	29.26	0.944
Jan	29.30	0.945
Feb	27.67	0.954
Mar	29.55	0.953
Apr	28.61	0.954
May	29.46	0.950
Jun	28.14	0.938
Jul	29.30	0.945
Aug	29.27	0.944
Sep	26.87	0.896
Oct	29.28	0.945

**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 1.0572 has been applied to reported October crude oil production to obtain an estimate of final crude oil production.*



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

* Source: Railroad Commission of Texas, December Active Oil Well Counts

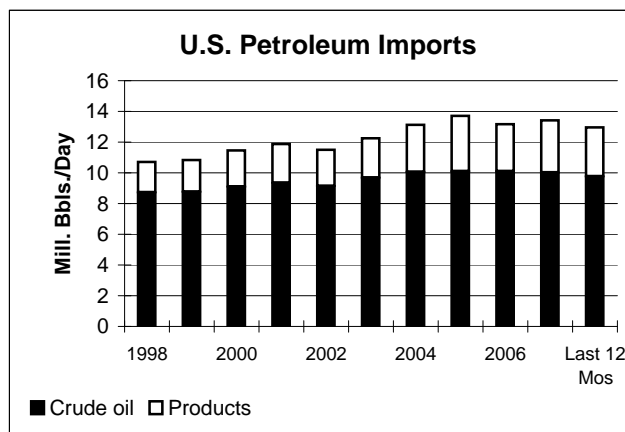
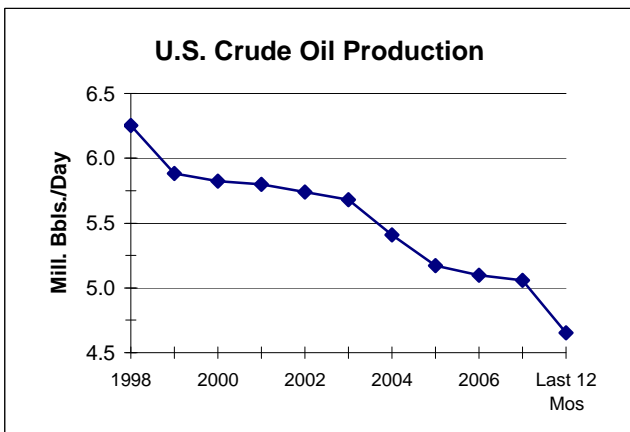
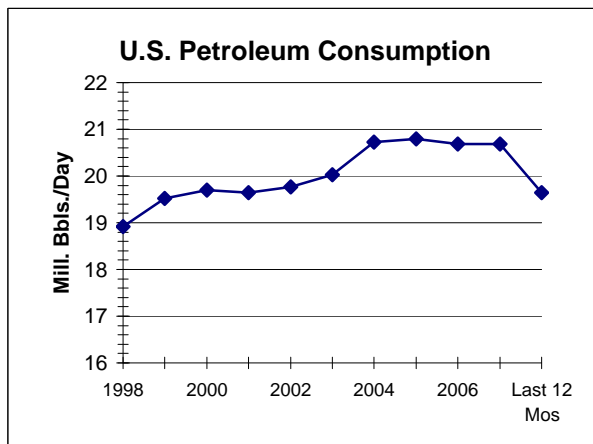
** Source: Texas Comptroller of Public Accounts. Wellhead price is average net taxable price (\$/bbl.) and excludes federal offshore production.

Source for 2001 and after is (EIA) and wellhead price is West Texas Intermediate spot average.

Table 6. U. S. Petroleum Overview (million barrels per day)

Period	Production *	Imports **			Products Supplied #	Proved Reserves **	Wells Drilled **	Wellhead Price **
		Total	Crude Oil	Products				
1989	7.61	8.06	5.84	2.22	17.33	26,501	27,931	\$15.86
1990	7.36	8.01	5.89	2.12	16.99	26,254	32,067	\$20.03
1991	7.42	7.62	5.78	1.84	16.71	24,682	28,892	\$16.54
1992	7.17	7.86	6.08	1.81	17.03	23,745	23,084	\$15.99
1993	6.85	8.48	6.79	1.83	17.24	22,957	24,752	\$14.25
1994	6.66	8.92	7.06	1.93	17.72	22,457	21,566	\$13.19
1995	6.56	8.84	7.23	1.61	17.73	22,351	21,600	\$14.62
1996	6.47	9.18	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	27,873	\$26.72
2001	5.80	11.87	9.33	2.54	19.65	22,446	34,021	\$21.84
2002	5.74	11.52	9.13	2.39	19.76	22,677	26,564	\$22.51
2003	5.68	12.24	9.65	2.59	20.03	21,891	30,675	\$27.56
2004	5.41	13.14	10.06	3.08	20.73	21,371	33,096	\$36.77
2005	5.17	13.71	10.09	3.62	20.80	21,757	40,745	\$50.28
2006	5.10	13.17	10.09	3.08	20.68	20,972	49,507	\$59.69
2007	5.06	13.42	10.00	3.42	20.68	21,317	53,558	\$66.52
Last 12 Mos	4.65	12.94	9.76	3.18	19.64			

Oct 07	5.03	12.95	9.77	3.18	20.45
Nov	5.00	13.19	9.97	3.22	20.70
Dec	5.07	12.85	9.82	3.03	20.86
Jan	5.09	13.49	10.00	3.49	20.11
Feb	5.11	12.60	9.60	3.00	19.78
Mar	5.13	12.55	9.61	2.94	19.73
Apr	5.16	13.25	9.81	3.44	19.76
May	5.16	12.86	9.63	3.23	19.72
Jun	5.10	13.36	9.97	3.39	19.55
Jul	5.11	13.06	10.07	2.99	19.41
Aug	4.89	13.06	10.24	2.82	19.26
Sep	3.96	11.51	8.36	3.15	17.79
Oct*	4.65	13.49	10.06	3.43	19.04



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

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

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

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Address Correction Requested

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 237 of 254 counties. About 250,000 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 \$201 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 6 trillion cubic feet a year.

Victor G. Carrillo
Commissioner

Michael L. Williams
Chairman

Elizabeth A. Jones
Commissioner

