

VICTOR G. CARRILLO
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ELIZABETH A. JONES
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MICHAEL L. WILLIAMS
Commissioner

TEXAS



PETROFACTS

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

Highlights

Natural Gas Production

In June 2009 Texas natural gas production was 581.49 billion cubic feet (bcf), down from 635.18 bcf produced during the same month in 2008. *Note: The most recent 12 months of oil and gas production data are subject to revision.*

Crude Oil Production

In June 2009 Texas crude oil production averaged 0.919 million barrels per day (mmb/d), down from 0.952 mmb/d reported during the same month in 2008. (See Note above.)

Rotary Rigs Operating in Texas

In August 2009 the average Texas rotary rig count was 366, down from 934 rigs running during the same month last year. The August rig count was up from the July rig count of 342.

Source: Baker Hughes Co.

Permits to Drill

In August 2009 the Railroad Commission issued 1,043 original permits to drill, down from 2,129 permits issued during the same month last year and up from 1,016 permits issued in July.

Oil and Gas Well Completions

In August 2009 operators reported 465 oil completions, up from 357 oil completions during the same month last year. There were 566 gas completions in August, down from 696 gas completions reported during the same month last year. There were 1,031 wells drilled in Texas in August, down from 1,057 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 \$92.61 per barrel to \$65.41 per barrel during the 3rd quarter of 2009 and average \$57.35 for the year, according to the U.S. Energy Information Administration's (EIA) "Short-Term Energy Outlook" for September, 2009. The price is expected to average \$66.66 per barrel for the 4th quarter of 2009.

The West Texas Intermediate spot average is expected to fall from the average 2008 level of \$99.57 per barrel to \$68.41 per barrel during the 3rd quarter of 2009 and average \$60.12 for the year. The price is expected to average \$69.67 per barrel for the 4th quarter of 2009.

U.S. petroleum demand is expected to decrease 4.00 percent from 2008 to 2009 at 18.72 million barrels per day, and increase by 1.39 percent from 2009 to 2010 to 18.98 million barrels per day.

U.S. natural gas demand is expected to decrease by 246 percent from 2008 to 2009 to 22.58 trillion cubic feet, and decrease by 0.09 percent from 2009 to 2010 to 22.56 trillion cubic feet.

EIA projects that natural gas wellhead prices will average \$2.98 per mcf for the 3rd quarter of 2009 and average \$3.38 per mcf for the year. This is a 58.17 percent decrease from EIA's 2008 average wellhead price of \$8.08 per mcf.

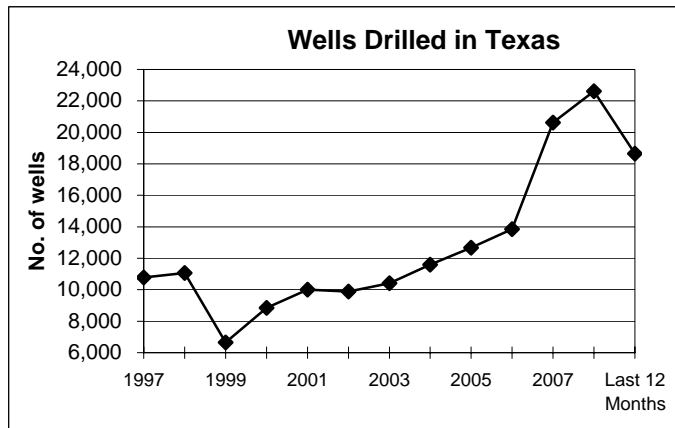
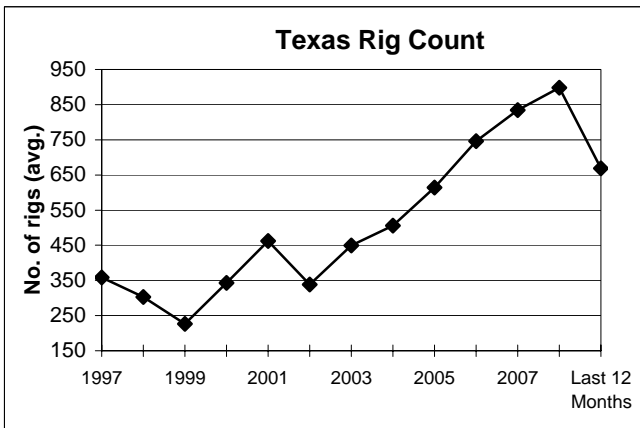
EIA projects an average annual wellhead price of \$4.17 per mcf for 2010, a 23.37 percent increase from the \$3.38 projected average price for 2009.

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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		
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	12,664	
2006	746	1,649	18,952	4,761	8,534	13,854	
2007	834	1,769	19,994	5,084	8,643	20,619	
2008	898	1,880	24,073	6,208	10,361	22,615	
Last 12 Months	669	1,533	17,670	7,526	11,095	18,650	
2008	Aug	934	1,987	2,129	357	696	1,057
	Sep	946	2,014	2,335	384	704	1,090
	Oct	925	1,976	2,693	988	1,277	2,269
	Nov	899	1,935	1,517	824	842	1,670
	Dec	826	1,782	1,226	641	819	1,462
	Jan	701	1,553	1,264	556	881	1,443
	Feb	574	1,320	943	777	800	1,579
	Mar	445	1,105	1,033	683	1,176	1,860
	Apr	393	995	858	535	927	1,465
	May	347	918	771	442	753	1,196
	Jun	329	895	842	506	1,183	1,689
	Jul	342	931	1,016	368	471	839
2009	Aug	366	980	1,043	465	566	1,031



* Source: Baker Hughes Inc.

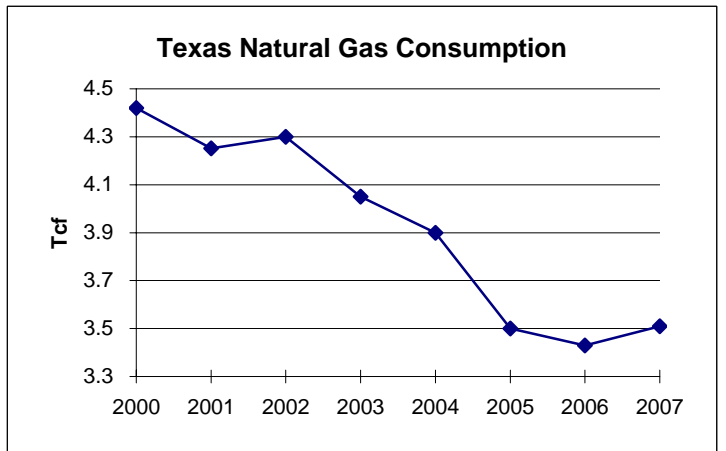
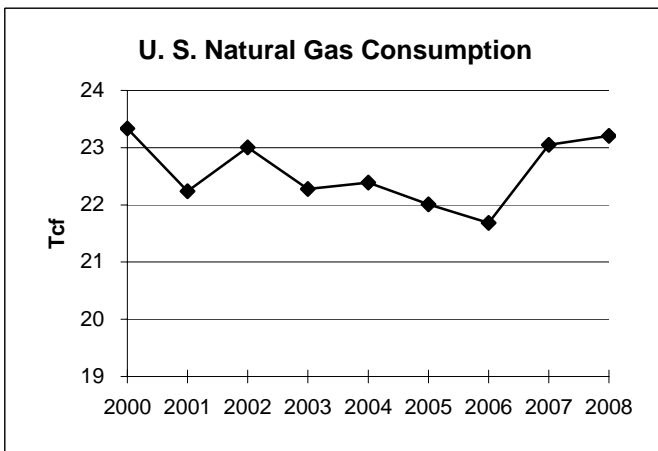
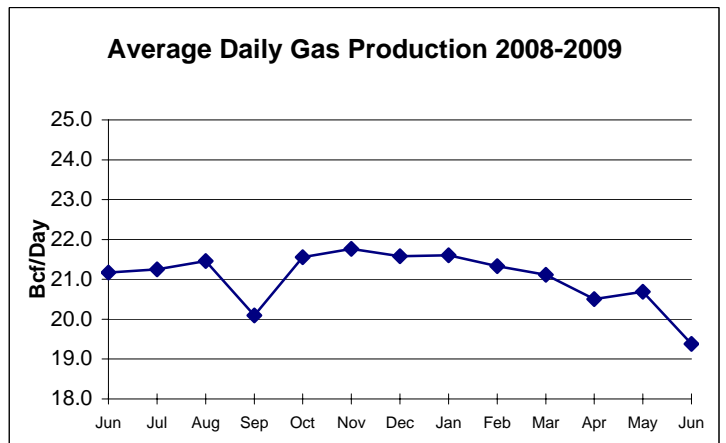
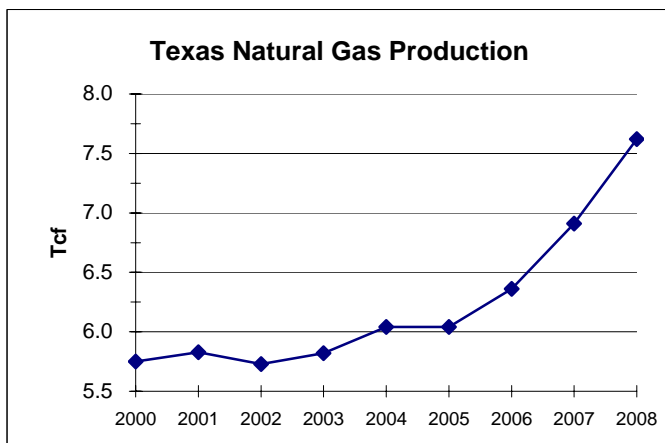
Totals shown are number of drilling permits issued.

** 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 **
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	46.5	4.25	63,598	\$4.00
2002	5.73	47.5	4.30	65,686	\$2.95
2003	5.82	48.7	4.05	68,488	\$4.88
2004	6.04	53.3	3.90	72,237	\$5.46
2005	6.04	60.2	3.50	76,510	\$7.33
2006	6.36	65.8	3.43	83,218	\$6.39
2007	6.91	76.4	3.51	88,311	\$6.37
2008	7.62	n/a	n/a	n/a	\$8.07

	Total Gas Production (Bcf)*			
	Monthly	Daily	Gas Well	Casinghead
Jun	635.18	21.17	573.30	61.88
Jul	658.75	21.25	593.19	65.56
Aug	665.22	21.46	600.22	65.00
Sep	602.96	20.10	548.28	54.68
Oct	668.19	21.55	604.62	63.57
Nov	652.98	21.77	589.61	63.37
Dec	669.00	21.58	605.20	63.80
Jan	669.69	21.60	605.86	63.83
Feb	597.22	21.33	540.35	56.87
Mar	654.49	21.11	591.18	63.31
Apr	615.20	20.51	552.22	62.98
May	620.63	20.69	555.73	64.90
Jun	581.49	19.38	518.83	62.66



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

**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.

Table 3. Texas Gas Storage Operations

Productive or Depleted Reservoirs			Reported Max Withdrawal Rate (MMCF/DAY)	Working Gas* Inventory 08/31/09 (MMCF)	Working Gas* Inventory 08/31/08 (MMCF)	Change From One Year Ago (MMCF)	Preliminary Working Gas* Inventory 09/15/09 (MMCF)
Operator	Field	County Location					
Oneok TX Gas Storage LP	Felmac (Yates)	Gaines	45	2,533	1,299	1,234	2,645
Oneok TX Gas Storage LP	Loop (Yates)	Gaines	75	800	800	-	800
Enbridge Pipeline LLC	Pickton (Bacon Lime)	Hopkins	15	-	-	-	-
Houston Pipe Line Co.	Bammell	Harris	1,300	53,153	23,619	29,534	55,727
Cago, Inc.	Ambassador	Clay	40	80	80	-	80
Hill Lake Gas Storage LP	Hill-Lake Sand	Eastland	450	9,320	5,145	4,175	9,673
ATMOS Pipeline - Texas	Lake Dallas	Denton	120	3,565	4,015	(450)	3,565
ATMOS Pipeline - Texas	La-Pan-Miss	Clay	120	3,471	2,880	591	3,556
Cummings Company, Inc.	Leeray Strawn	Stephens	20	-	-	-	-
ATMOS Pipeline - Texas	New York City	Clay	120	5,425	4,473	952	5,425
Fort Concho Gas Storage, Inc.	Pecan Station	Tom Green	28	393	394	(1)	393
ATMOS Pipeline - Texas	Tri-Cities Bacon	Henderson	275	19,443	21,796	(2,353)	19,908
ATMOS Pipeline - Texas	Tri-Cities Rodessa	Henderson	50	41	198	(157)	41
Lower Colorado River Authority	Hilbig	Bastrop	100	2,090	2,599	(509)	2,084
Natural Gas Pipeline Co.	North Lansing	Harrison	1,100	94,331	72,872	21,459	94,611
Devon Gas Services LP	Lone Camp	Palo Pinto	28	603	319	284	518
Pelican Transmission LLC	Clear Lake	Harris	900	80,193	15,967	64,226	83,392
Energy Transfer Fuel LP	Bryson	Jack	100	4,246	5,159	(913)	4,102
Worsham-Steed Gas Storage, Inc.	Worsham Steed	Jack	25	23,046	13,097	9,949	24,259
Katy Storage and Transportation LP	Pottsville	Hamilton	200	-	-	-	-
Enstor Katy Storage and Transportation LP	Katy Hub & Storage	Fort Bend	700	23,898	22,062	1,836	24,164
	Subtotals		5,811	326,631	196,774	129,857	334,943
Salt Caverns							
Oneok TX Gas Storage LP	Salado (Loop Yates)	Gaines	500	1,704	1,603	101	1,660
Kinder Morgan Tejas Pipeline LP	Stratton Ridge	Brazoria	250	1,300	980	320	1,311
Centana Intrastate Pipeline LLC	Spindletop	Jefferson	400	4,340	6,489	(2,149)	4,047
Dow Chemical Co.	Stratton Ridge #34	Brazoria	200	-	-	-	-
Dow Chemical Co.	Stratton Ridge #6	Brazoria	180	835	809	26	878
Kinder Morgan Texas Pipeline LP	North Dayton	Liberty	750	3,063	2,276	787	3,250
ATMOS Pipeline - Texas	Bethel	Anderson	600	4,974	4,959	15	5,404
Moss Bluff Hub Partners LP	Moss Bluff	Liberty	1,000	8,655	8,448	207	9,221
Chevron Phillips Chemical Co	Clemens	Brazoria	75	1,907	395	1,512	1,907
PB Energy Storage Services, Inc.	Spindletop	Jefferson	480	6,938	7,165	(227)	7,002
Underground Services Markham, LP	Markham	Matagorda	500	27,014	17,364	9,650	27,655
Energy Transfer Fuel LP	Bethel Salt Dome	Anderson	600	3,610	4,186	(576)	3,693
Enterprise Products Operating LP	Wilson	Wharton	800	6,685	3,342	3,343	6,675
Chevron Keystone Gas Storage	Keystone Gas Storage	Winkler	350	4,346	4,756	(410)	4,557
Underground Storage, LLC	Pierce Junction	Harris	350	2,546	1,754	792	2,495
Tres Palacios Storage LLC	Markham	Matagorda	2,500	18,497	-	18,497	19,217
	Subtotals		9,535	96,414	64,526	31,888	98,972
Source: RRC Form G-3		TOTALS	15,346	423,045	261,300	161,745	433,915

* Note: Native Gas volumes are included in Working Gas volumes with the exception of Houston Pipe Line's Bammell facility and Natural Gas Pipeline Co. of America's North Lansing facility. (The Native Gas in the Bammell and North Lansing facilities is part of the non-working resident gas.)

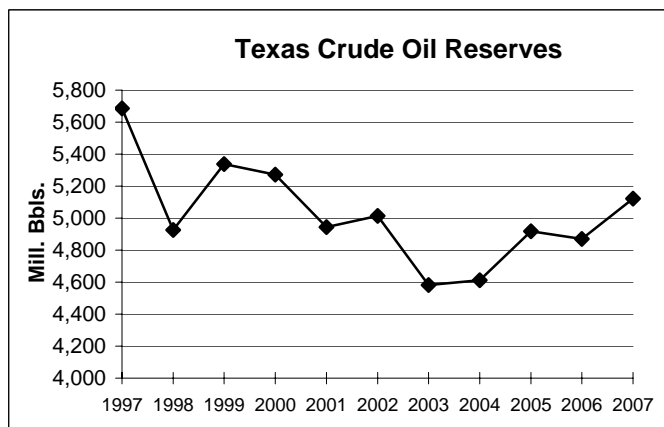
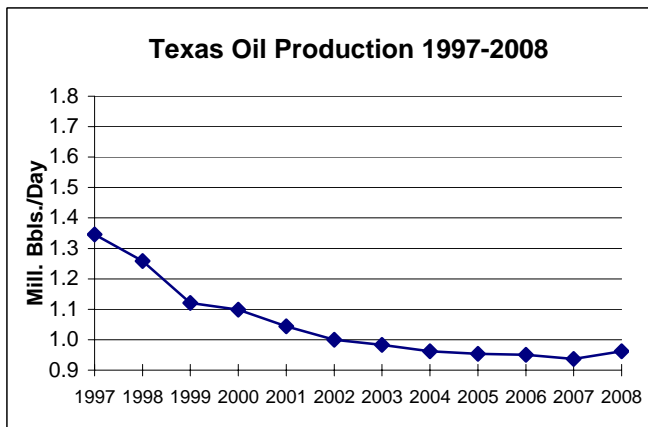
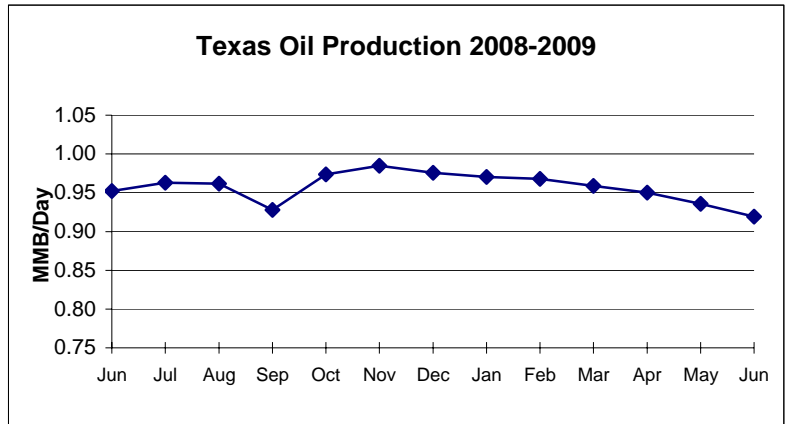
Table 4. Texas Gas Storage Operations, 2008 - 2009

	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)
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
Dec-08	270,777	(16,278)	254,499	77,518	(2,543)	74,975	348,295	(18,821)	329,474
Jan-09	254,499	(16,834)	237,665	74,975	(11,966)	63,009	329,474	(28,800)	300,674
Feb-09	237,665	5,296	242,961	63,009	(2,767)	60,242	300,674	2,529	303,203
Mar-09	242,961	10,833	253,794	60,242	3,375	63,617	303,203	14,208	317,411
Apr-09	253,794	19,478	273,272	63,617	11,449	75,066	317,411	30,927	348,338
May-09	273,272	19,282	292,554	75,066	6,131	81,197	348,338	25,413	373,751
Jun-09	292,554	14,905	307,459	81,197	8,490	89,687	373,751	23,395	397,146
Jul-09	307,459	15,521	322,980	89,687	6,760	96,447	397,146	22,281	419,427
Aug-09	322,980	3,651	326,631	96,447	(33)	96,414	419,427	3,618	423,045

Table 5. Texas Crude Oil (million barrels)

Period	Total* Production	Daily Average	% of U.S. Production	Proved Reserves #	% of U.S. Reserves	Producing Wells *	WTI Spot Price **
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	155,865	\$24.33
2003	359	0.98	17.4	4,583	20.9	153,461	\$31.08
2004	351	0.96	17.7	4,613	21.5	151,205	\$41.51
2005	348	0.95	18.4	4,919	19.0	151,286	\$56.64
2006	347	0.95	18.6	4,871	23.4	151,832	\$66.05
2007	342	0.94	18.5	5,122	24.0	153,223	\$72.34
2008	351	0.96	19.2	n/a	n/a	n/a	\$99.67

Jun	28.56	0.952
Jul	29.85	0.963
Aug	29.81	0.962
Sep	27.83	0.928
Oct	30.18	0.974
Nov	29.55	0.985
Dec	30.25	0.976
Jan	30.08	0.970
Feb	27.10	0.968
Mar	29.72	0.959
Apr	28.50	0.950
May	29.01	0.936
Jun	27.57	0.919



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

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

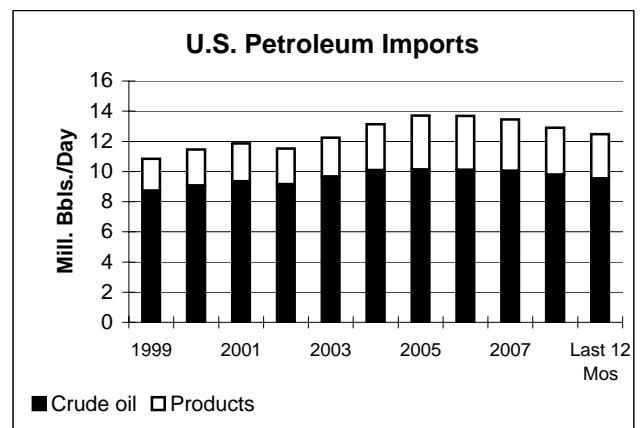
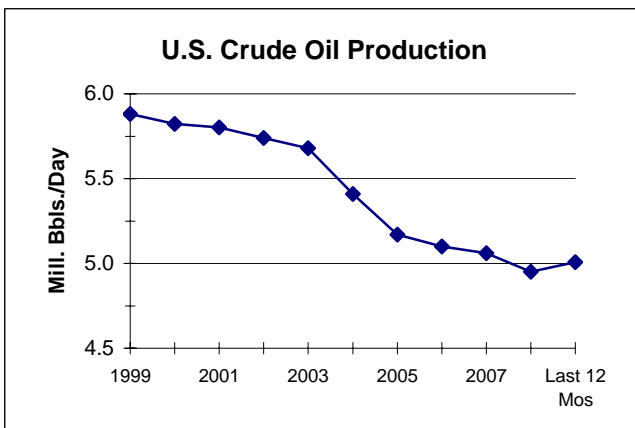
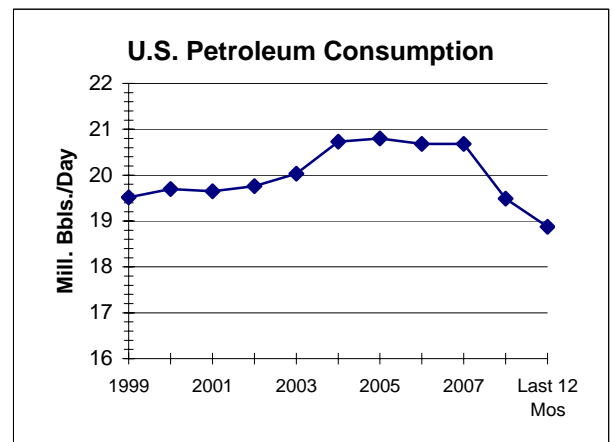
** Source: Texas Comptroller of Public Accounts. Wellhead price is average net taxable price (\$/bbl.) and excludes federal offshore production.

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				
1990	7.36	8.02	5.89	2.12	16.99	26,254	32,067	\$20.03
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	29,038	\$26.72
2001	5.80	11.87	9.33	2.54	19.65	22,446	35,303	\$21.84
2002	5.74	11.53	9.14	2.39	19.76	22,677	27,655	\$22.51
2003	5.68	12.25	9.66	2.59	20.03	21,891	32,511	\$27.56
2004	5.41	13.13	10.08	3.05	20.73	21,371	36,379	\$36.77
2005	5.17	13.70	10.12	3.58	20.80	21,757	42,673	\$50.28
2006	5.10	13.69	10.11	3.58	20.68	20,972	50,081	\$59.69
2007	5.06	13.46	10.03	3.43	20.68	21,317	50,582	\$66.52
2008	4.95	12.91	9.78	3.13	19.49	n/a	55,669	\$94.04
Last 12 Mos	5.01	12.48	9.53	2.95	18.87			

Jun	5.10	13.40	10.02	3.38	19.68
Jul	5.13	13.12	10.13	2.99	19.56
Aug	4.89	13.11	10.32	2.79	19.27
Sep	3.93	11.56	8.45	3.11	17.84
Oct	4.67	13.21	10.09	3.12	19.70
Nov	5.02	12.88	9.94	2.94	19.05
Dec	5.06	12.60	9.42	3.18	19.14
Jan	5.25	13.17	9.85	3.32	19.12
Feb	5.19	12.19	9.20	2.99	18.71
Mar	5.27	12.47	9.44	3.03	18.67
Apr	5.23	11.98	9.41	2.57	18.47
May	5.28	11.59	8.93	2.66	18.18
Jun	5.18	11.90	9.17	2.73	18.76



* Source: U.S. Energy Information Administration (EIA). Recent production data is 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.

Railroad Commission of Texas

P. O. Box 12967

Austin, Texas 78711-2967

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 180 of 254 counties. About 203,000 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 7 trillion cubic feet a year.

Elizabeth A. Jones
Commissioner

Victor G. Carrillo
Chairman

Michael L. Williams
Commissioner

