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TEXAS



PETROFACTS

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

Highlights

Natural Gas Production

In March 2009 preliminary and adjusted Texas natural gas production was 678.50 billion cubic feet (bcf), up from 624.13 bcf produced during the same month in 2008. *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 March 2009 preliminary and adjusted Texas crude oil production averaged 0.978 million barrels per day (mmb/d), up from 0.955 mmb/d reported during the same month in 2008. (See Note above.)

Rotary Rigs Operating in Texas

In May 2009 the average Texas rotary rig count was 347, down from 906 rigs running during the same month last year. The May rig count was down from the April rig count of 393.

Source: Baker Hughes Co.

Permits to Drill

In May 2009 the Railroad Commission issued 771 original permits to drill, down from 1,899 permits issued during the same month last year and down from 858 permits issued in April.

Oil and Gas Well Completions

In May 2009 operators reported 442 oil completions, up from 334 oil completions during the same month last year. There were 753 gas completions in May, down from 857 gas completions reported during the same month last year. There were 1,196 wells drilled in Texas in May, up from 1,195 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 \$92.59 per barrel to \$55.77 per barrel during the 2nd quarter of 2009 and average \$55.59 for the year, according to the U.S. Energy Information Administration's (EIA) "Short-Term Energy Outlook" for June, 2009. The price is expected to average \$64.03 per barrel for the 3rd quarter of 2009.

The West Texas Intermediate spot average is expected to fall from the average 2008 level of \$99.57 per barrel to \$58.90 per barrel during the 2nd quarter of 2009 and average \$58.70 for the year. The price is expected to average \$67.00 per barrel for the 3rd quarter of 2009.

U.S. petroleum demand is expected to decrease 2.88 percent from 2008 to 2009 at 18.86 million barrels per day, and increase by 1.59 percent from 2009 to 2010 to 19.16 million barrels per day.

U.S. natural gas demand is expected to decrease by 2.20 percent from 2008 to 2009 to 22.68 trillion cubic feet, and increase by 0.26 percent from 2009 to 2010 to 22.74 trillion cubic feet.

EIA projects that natural gas wellhead prices will average \$3.43 per mcf for the 2nd quarter of 2009 and average \$3.71 per mcf for the year. This is a 54.08 percent decrease from EIA's 2008 average wellhead price of \$8.08 per mcf.

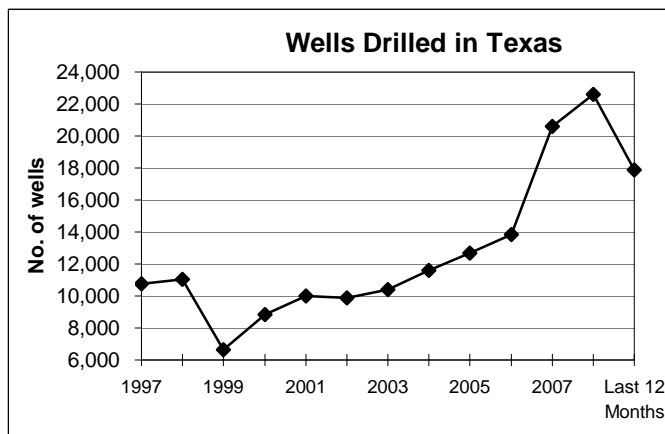
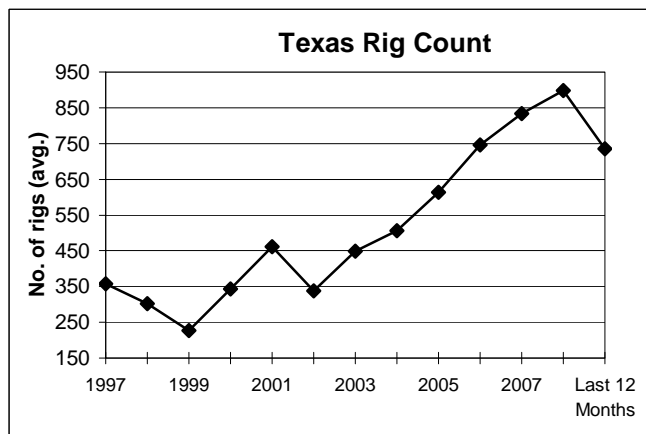
EIA projects an average annual wellhead price of \$4.82 per mcf for 2010, a 29.92 percent increase from the \$3.71 projected average price for 2009.

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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	
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	736	1,618	19,396	7,072	10,753	17,861
2008	May	906	1,863	334	857	1,195
	Jun	923	1,902	432	813	1,248
	Jul	920	1,932	453	1,065	1,522
	Aug	934	1,987	357	696	1,057
	Sep	946	2,014	384	704	1,090
	Oct	925	1,976	988	1,277	2,269
	Nov	899	1,935	824	842	1,670
	Dec	826	1,782	641	819	1,462
	Jan	701	1,553	556	881	1,443
	Feb	574	1,320	943	800	1,579
	Mar	445	1,105	1,033	1,176	1,860
	Apr	393	995	858	927	1,465
2009	May	347	918	771	753	1,196



* Source: Baker Hughes Inc.

Totals shown are number of drilling permits issued.

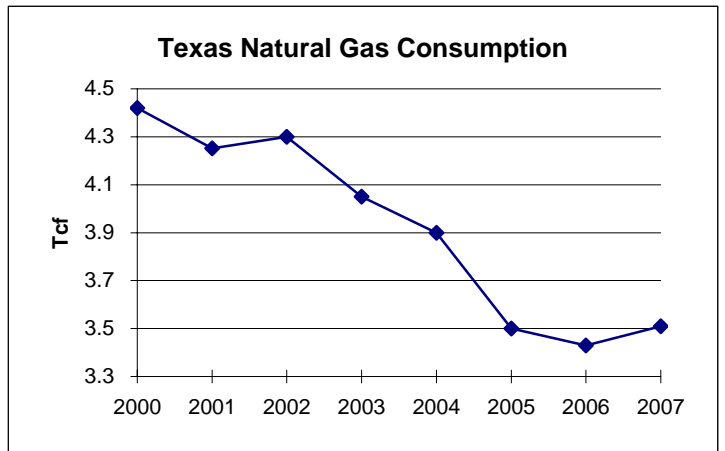
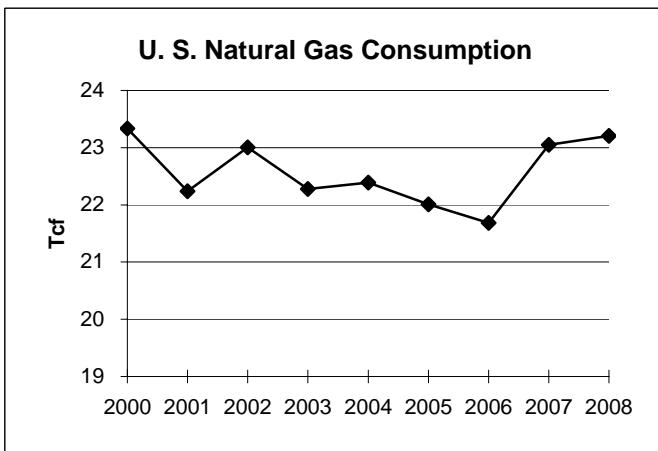
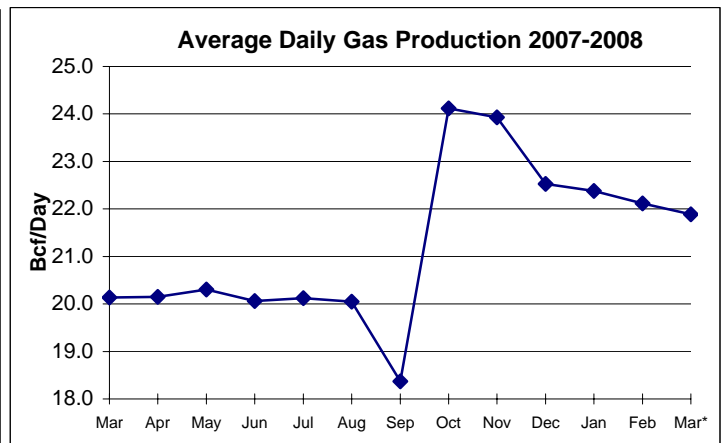
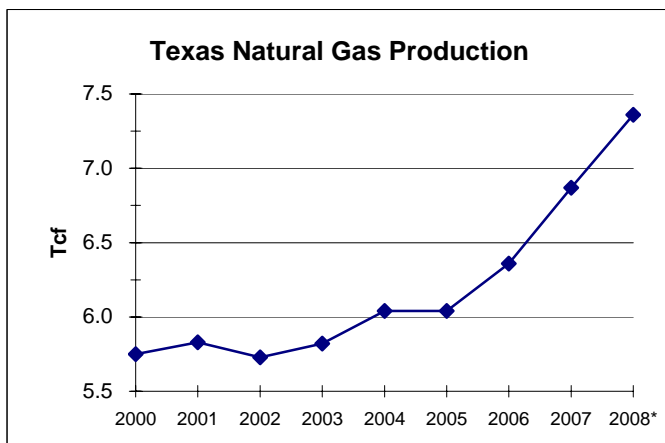
** Wells drilled are oil and gas well completions and dry holes drilled/plugged.

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	6.87	76.4	3.51	88,311	\$6.37
2008*	7.36	n/a	n/a	n/a	\$8.07

	Total Gas Production (Bcf)			
	Monthly	Daily	Gas Well	Casinghead
Mar	624.13	20.13	561.97	62.16
Apr	604.56	20.15	543.70	60.86
May	629.48	20.31	565.51	63.97
Jun	601.93	20.06	540.91	61.02
Jul	623.87	20.12	557.15	66.72
Aug	621.44	20.05	555.29	66.15
Sep	551.11	18.37	495.70	55.41
Oct	747.69	24.12	685.63	62.06
Nov	717.87	23.93	656.58	61.29
Dec	698.28	22.53	636.14	62.14
Jan	693.78	22.38	636.36	57.42
Feb	619.25	22.12	564.57	54.68
Mar*	678.50	21.89	617.65	60.85

*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 1.2203 has been applied to reported March 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 05/31/09 (MMCF)	Working Gas* Inventory 05/31/08 (MMCF)	Change From One Year Ago (MMCF)	Preliminary Working Gas* Inventory 06/15/09 (MMCF)
Operator	Field	County Location					
Oneok TX Gas Storage LP	Felmac (Yates)	Gaines	45	2,653	1,638	1,015	2,672
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	44,823	17,456	27,367	46,888
Cago, Inc.	Ambassador	Clay	40	80	80	-	80
Hill Lake Gas Storage LP	Hill-Lake Sand	Eastland	450	8,241	10,176	(1,935)	8,801
ATMOS Pipeline - Texas	Lake Dallas	Denton	120	3,355	3,879	(524)	3,453
ATMOS Pipeline - Texas	La-Pan-Miss	Clay	120	2,831	2,277	554	3,008
Cummings Company, Inc.	Leeray Strawn	Stephens	20	-	-	-	-
ATMOS Pipeline - Texas	New York City	Clay	120	4,798	3,499	1,299	4,968
Fort Concho Gas Storage, Inc.	Pecan Station	Tom Green	28	393	395	(2)	393
ATMOS Pipeline - Texas	Tri-Cities Bacon	Henderson	275	17,911	20,787	(2,876)	18,176
ATMOS Pipeline - Texas	Tri-Cities Rodessa	Henderson	50	41	251	(210)	41
Lower Colorado River Authority	Hilbig	Bastrop	100	2,501	2,432	69	2,430
Natural Gas Pipeline Co.	North Lansing	Harrison	1,100	88,168	67,872	20,296	89,658
Devon Gas Services LP	Lone Camp	Palo Pinto	28	257	331	(74)	381
Pelican Transmission LLC	Clear Lake	Harris	900	61,915	39,937	21,978	65,129
Energy Transfer Fuel LP	Bryson	Jack	100	5,045	5,592	(547)	5,269
Worsham-Steed Gas Storage, Inc.	Worsham Steed	Jack	25	24,996	19,167	5,829	26,669
Katy Storage and Transportation LP	Pottsville	Hamilton	200	-	-	-	-
Enstor Katy Storage and Transportation LP	Katy Hub & Storage	Fort Bend	700	23,746	22,183	1,563	23,771
	Subtotals		5,811	292,554	218,752	73,802	302,587
Salt Caverns							
Oneok TX Gas Storage LP	Salado (Loop Yates)	Gaines	500	1,728	1,633	95	1,846
Kinder Morgan Tejas Pipeline LP	Stratton Ridge	Brazoria	250	1,350	530	820	1,286
Centana Intrastate Pipeline LLC	Spindletop	Jefferson	400	3,965	6,616	(2,651)	4,381
Dow Chemical Co.	Stratton Ridge #34	Brazoria	200	-	-	-	-
Dow Chemical Co.	Stratton Ridge #6	Brazoria	180	722	941	(219)	728
Kinder Morgan Texas Pipeline LP	North Dayton	Liberty	750	3,200	2,276	924	2,900
ATMOS Pipeline - Texas	Bethel	Anderson	600	4,001	5,530	(1,529)	4,164
Moss Bluff Hub Partners LP	Moss Bluff	Liberty	1,000	8,556	10,952	(2,396)	10,002
Chevron Phillips Chemical Co	Clemens	Brazoria	75	1,913	343	1,570	1,915
PB Energy Storage Services, Inc.	Spindletop	Jefferson	480	6,837	6,838	(1)	7,046
Underground Services Markham, LP	Markham	Matagorda	500	17,119	15,828	1,291	18,392
Energy Transfer Fuel LP	Bethel Salt Dome	Anderson	600	4,329	3,453	876	4,550
Enterprise Products Operating LP	Wilson	Wharton	800	4,959	1,929	3,030	5,934
Chevron Keystone Gas Storage	Keystone Gas Storage	Winkler	350	5,612	4,435	1,177	5,501
Underground Storage, LLC	Pierce Junction	Harris	350	2,510	1,586	924	2,742
Tres Palacios Storage LLC	Markham	Matagorda	2,500	14,396	-	14,396	15,515
	Subtotals		9,535	81,197	62,890	18,307	86,902
Source: RRC Form G-3		TOTALS	15,346	373,751	281,642	92,109	389,489

* 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

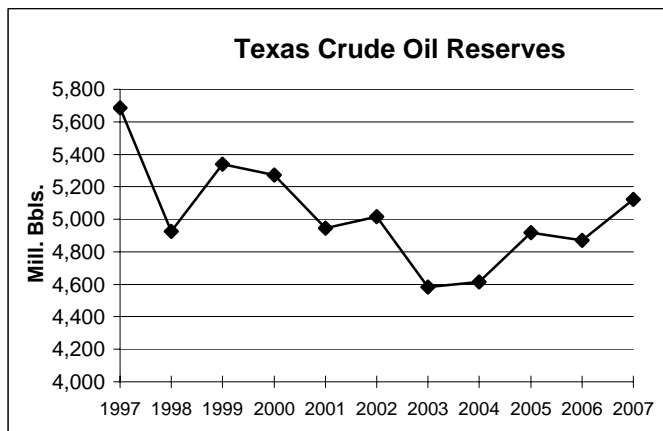
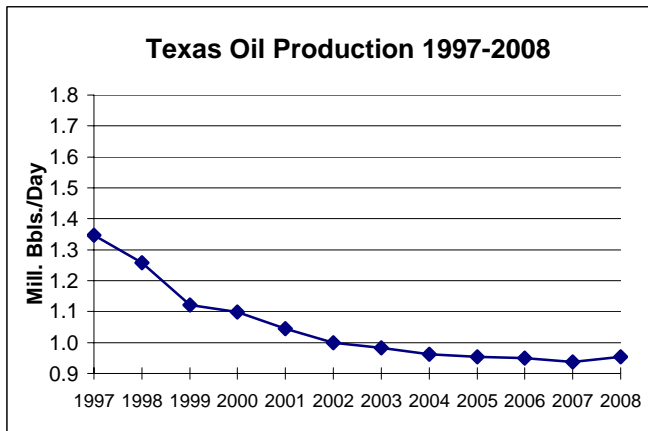
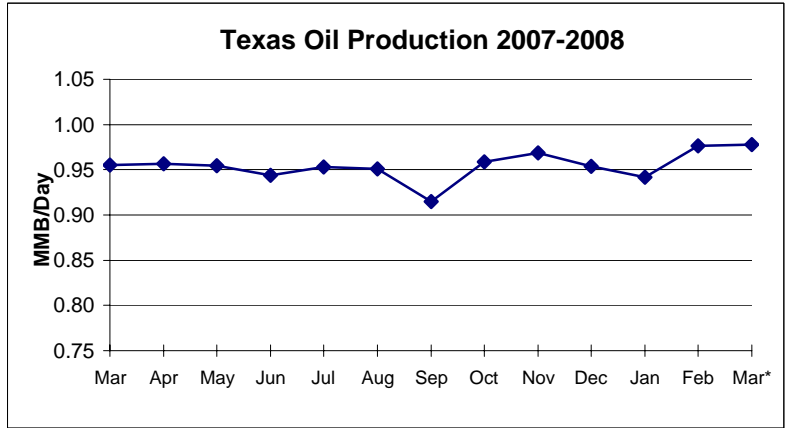
	Depleted Reservoirs			Salt Caverns			Total		
	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)	Beginning Balance (Mmcf)	Injections/ (Withdrawals) (Mmcf)	Ending Balance (Mmcf)
May-08	193,535	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
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

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	348	0.95	19.2	n/a	n/a	n/a	\$99.67

Mar	29.60	0.955
Apr	28.69	0.956
May	29.58	0.954
Jun	28.31	0.944
Jul	29.54	0.953
Aug	29.47	0.951
Sep	27.45	0.915
Oct	29.72	0.959
Nov	29.05	0.968
Dec	29.57	0.954
Jan	29.19	0.942
Feb	27.34	0.976
Mar*	30.31	0.978

*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 1.0732 has been applied to reported March 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.

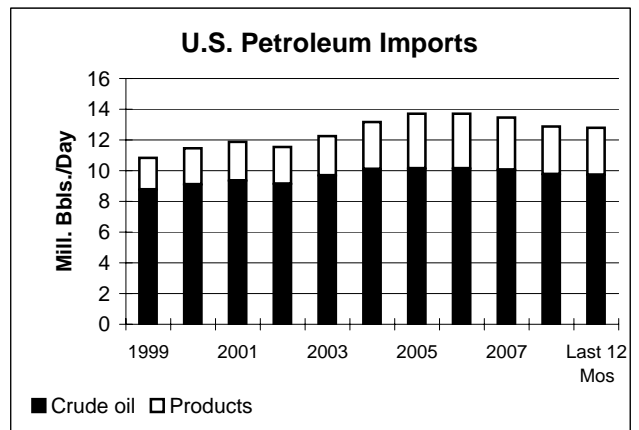
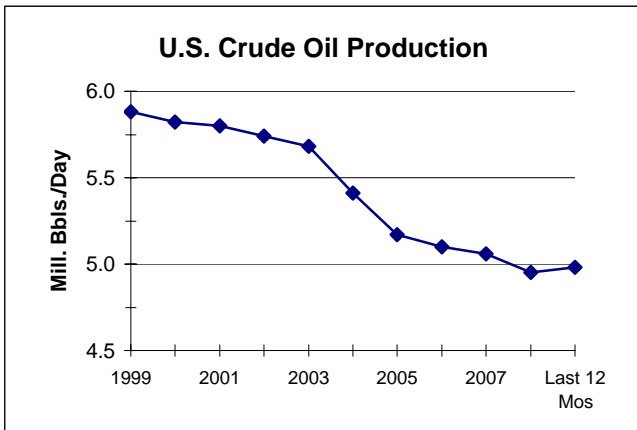
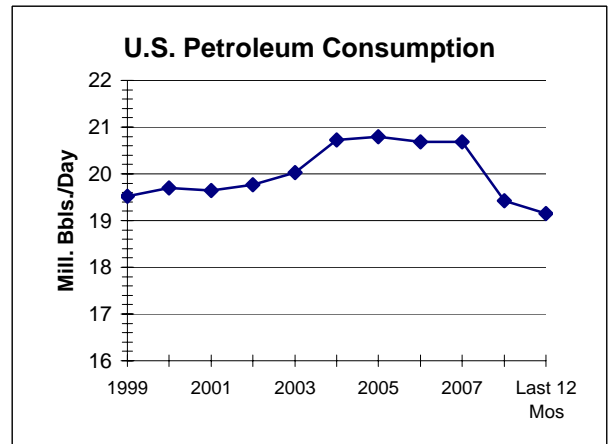
* Source: Railroad Commission of Texas

** 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	12.26	9.66	2.60	20.03	21,891	32,511	\$27.56
2004	5.41	13.15	10.09	3.06	20.73	21,371	36,379	\$36.77
2005	5.17	13.72	10.13	3.59	20.80	21,757	42,673	\$50.28
2006	5.10	13.71	10.12	3.59	20.69	20,972	50,081	\$59.69
2007	5.06	13.47	10.03	3.44	20.68	21,317	50,582	\$66.52
2008	4.95	12.88	9.76	3.12	19.42	n/a	55,669	\$94.04
Last 12 Mos	4.98	12.80	9.69	3.11	19.16			
Mar	5.13	12.55	9.62	2.93	19.73			
Apr	5.16	13.25	9.92	3.33	19.77			
May	5.16	12.86	9.66	3.20	19.73			
Jun	5.10	13.36	9.99	3.37	19.55			
Jul	5.11	13.06	10.10	2.96	19.41			
Aug	4.89	13.06	10.28	2.78	19.27			
Sep	3.96	11.51	8.41	3.10	17.80			
Oct	4.64	13.21	10.11	3.10	19.64			
Nov	4.93	12.85	9.92	2.93	19.00			
Dec	5.12	12.60	9.42	3.18	19.20			
Jan	5.24	13.17	9.85	3.32	19.13			
Feb	5.19	12.19	9.20	2.99	18.71			
Mar*	5.27	12.47	9.44	3.03	18.67			



* 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.

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 179 of 254 counties. About 230,000 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 \$159.3 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.

Elizabeth A. Jones
Commissioner

Victor G. Carrillo
Chairman

Michael L. Williams
Commissioner

