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Higher oil price could result in quicker U.S. oil production growth in 2017

If oil prices stay above \$50 per barrel in the months ahead, that could result in quicker oil production growth in the United States during 2017.

In its new monthly forecast, the U.S. Energy Information Administration said OPEC's recent decision to trim some of its oil production could push oil prices higher. If that happens, production could increase in some U.S. regions that have tight oil, such as the Permian Basin in west Texas and southeastern New Mexico.

EIA said that U.S. oil production has been more resilient than expected to the low oil prices seen over the last year and a half. Higher oil prices would improve profits at U.S. oil companies, which could result in more investment to expand oil production in 2017 and beyond.

Oil prices above \$50 could also encourage major oil producing countries that are not members of OPEC to boost their output.

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