



RECORD PRODUCTION MEANS ENERGY AND ECONOMIC SECURITY - INSIDE SOURCES

Posted on February 16, 2024 by Jeff Eshelman | Inside Sources



America's oil and natural gas producers are innovating to produce more oil and gas than ever while generating less emissions and bringing reliable, affordable energy to Americans and our global allies. In its latest short-term energy outlook, the Energy Information Administration estimated that U.S. crude oil production reached "an all-time high in December of more than 13.3 million barrels per day."

That production helps stabilize prices for consumers. Oil and natural gas are sold on global markets, and prices can be affected by events or decisions (frequently by bad actors) on the other side of the world. However, having strong U.S. output helps reduce the shock of those actions for Americans.

Our record level of energy production does face threats — specifically by the U.S. government, whose leaders have sought to shut down oil and gas producers with an all-of-government approach, but the industry pushes forward.

Last year, the oil and natural gas sectors continued to innovate and reach record-breaking levels of production. After becoming a net energy exporter in 2019, the United States has emerged as a behemoth in the global energy market, hitting prolific levels of oil and natural gas production and exports in the past year. U.S. liquefied natural gas had a tremendous 2023, with the United States becoming the top LNG exporter in the world.

These record-breaking levels of production have not come at the expense of Americans, as some claim. On the contrary, record energy production levels have successfully met domestic and international demand, providing crucial energy security at home and abroad, all while keeping prices stable.

The American oil and natural gas industry continues to prioritize environmental progress. The workers producing the energy we use daily live in homes surrounded by the oilfield, breathing the air and drinking the water from aquifers above the oil reservoirs where they produce; thus, they are highly motivated to preserve and protect the environment for today and for future generations.

Data from the Environmental Protection Agency showed stunning drops in methane emissions across the board in oil- and natural gas-producing basins. The Arkoma Basin (Arkansas and Oklahoma) had a 77 percent decrease over the last five years. Anadarko (Oklahoma, Texas and Kansas) had a 44 percent decrease. And the Permian (Texas and New Mexico) had 32 percent less emissions. All show that even with record production, U.S. operators continue to produce oil and gas responsibly and with an eye toward methane reduction.

Voluntary initiatives like the Environmental Partnership, representing nearly 70 percent of U.S. onshore oil and gas operations, showcase the industry's commitment to responsible operations through innovation and collaboration. In their 2023 report, the Environmental Partnership highlighted an additional 14 percent reduction in total flare volumes and a 2.4 percent reduction in flare intensity from the previous year — building on the work to cut flaring intensity nearly in half in 2022 — even as U.S. oil and gas production grew.

Considering the uncertain regulatory environment, these accomplishments and innovations are even more impressive. Nowhere has this been more apparent than in the Biden administration's illegal actions regarding onshore and offshore leasing.

In the Gulf of Mexico, offshore production provides the lowest carbon barrels of oil, generates millions of dollars in funding for parks and recreation programs, and supports hundreds of thousands of jobs across every state. Yet the administration released an offshore plan 450 days late that only offered three lease sales over the next five years — the fewest in history.

Onshore, it's a similar story. There are widespread administrative efforts to limit access for development despite disagreement from local groups, including tribes. The president and leaders who control the Senate want to limit capital access for producers, add new taxes and increase federal regulations.

Yes, our members are achieving record production NOW. But you can find a timeline on the Independent Petroleum Association of America website that shows how the exploration and production process — from identifying potential acreage and seismic testing to production and development — can take up to 15 years. There are many rounds of environmental analysis and permitting before a well starts producing. Much investment and planning goes into the process. Policies that stall energy production through delayed permitting, infrastructure or regulatory barriers diminish producers' ability to operate.

The bottom line is a thriving American oil and gas industry means increased energy and economic security at home and abroad and progress toward global emission reduction goals. While administration regulatory hurdles add challenges, U.S. oil and natural gas producers continue to produce record-setting, responsible oil and natural gas.