

News from the Oklahoma Corporation Commission

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GOOD NEWS FOR OKLAHOMA'S ECONOMY, BANK ACCOUNT

Commissioners hail new numbers showing Oklahoma moving up in natural gas production rankings

Calling it "good news" for both Oklahoma's energy industry and Oklahomans in general, Oklahoma's Corporation Commissioners have announced that Oklahoma is now the second largest natural gas producer among all the states. According to numbers compiled by the Corporation Commission and the Energy Information Administration, Oklahoma finished calendar year 2003 one spot behind perennial front-runner Texas, with New Mexico slipping to the number three spot previously occupied by Oklahoma.

Commission Chairman Denise Bode says the increase is the result of "a combination of factors."

"The most significant factor in Oklahoma moving up in national importance in energy production is the grit demonstrated by Oklahoma's producers in hanging on through the tough times of the last 2 decades, when the failure of the Federal government to put in place a national energy policy, and 'dumping' by the OPEC nations, made it almost impossible for Oklahoma's oil and gas producers to make any kind of profit," said Bode. "But what sustained them was the fact Oklahoma made it a priority to keep our oil and gas resource base strong through removal of tax penalties and more efficient oversight by the Corporation Commission.

"The Commission began revamping its processes to reduce red tape and speed the processing of drilling applications, poolings, and other items that are part of the regulation of the oil and gas industry," added Bode. "The result has been a system that has allowed producers to get on with their important work without undue burden, while at the same time allowing the Commission to meet its constitutional obligation to properly regulate the industry and protect the environment."

(more)

(Ranking, pg 2.)

Commission Vice-Chair Bob Anthony, a member of the Natural Gas Committee of the National Association of Regulatory Utility Commissioners (NARUC), says the numbers show just how important Oklahoma is when it comes to meeting the nation's critical need for natural gas.

"The demand for natural gas continues to grow," said Anthony. "While it was once viewed only as a fuel for heating, it is now used in various industrial production processes, as well as to fuel electric generating facilities all over the country. Because it 'burns clean,' it goes a long way toward helping areas meet stringent clean air laws.

"Many of those cities are in areas that never give a thought to the tremendous amount of work involved here

in Oklahoma and in other producing states in getting that natural gas to them. Oklahoma's oil and gas producers have always played a vital role in America's economy, and these numbers show that isn't going to change any time soon."

Commissioner Jeff Cloud says what's good news for Oklahoma's energy industry is good news for all Oklahomans, as "we are all in the energy business in Oklahoma."

"The positive impact of what some call 'the comeback' of the domestic producer isn't just in jobs at the well-head or drilling platform," asserted Cloud. "It benefits the entire state, as revenue from the operations finds its way into both the private and public sectors. According to the Office of State Finance, Oklahoma natural gas production generated about \$444 million in production taxes in the last fiscal year, and almost \$90 million in the first two months of this fiscal year. This is money that finds its way into the classroom, into the justice system, into roads and into other vital government services."

In calendar year 2003, Oklahoma had marketed natural gas production of about 1.67 tcf (trillion cubic feet), an increase of about 120 billion cubic feet from 2002. In rankings, Texas was the number one natural gas producer (about 5.28 tcf) followed by Oklahoma, New Mexico (about 1.55 tcf), Wyoming (about 1.50 tcf) and Louisiana (about 1.37 tcf).

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