



TEXAS OIL & GAS ASSOCIATION | SINCE 1919

ANNUAL ENERGY & ECONOMIC IMPACT REPORT

2022

*Published
January 2023*

A Message from Our President

On behalf of the members of the Texas Oil & Gas Association, we are pleased to release our annual Energy & Economic Impact Report.

I continue to be awestruck by the extraordinary role oil and natural gas play in our state and national economy. From the hundreds of thousands of jobs, to the every-day products that are created from oil and natural gas, the industry continues to make modern life not only possible but undeniably better. These benefits manifest themselves in a variety of ways ranging from national security to personal safety to economic stability.

On the economic front, Fiscal Year 2022 was a record-breaking blockbuster year for tax revenue from the oil and natural gas industry—money that will go to work for the people of Texas.

The Texas oil and natural gas industry paid \$24.7 billion in state and local taxes and state royalties—the highest total in history—shattering the previous record of just over \$16 billion set in 2019 by 54%. This revenue from oil and natural gas production, pipelines, refineries, and liquified natural gas (LNG) facilities translates to roughly \$67 million a day that pay for our schools, universities, roads, first responders and essential services.

“Just as growth is not guaranteed, policy can promote prosperity, or hinder it.”

While this report details the enormous economic impact of the oil and natural gas industry for all Texans, we also recognize that many parts of the world are struggling for reliable, affordable, and secure energy. At this moment, the world understands energy security is a necessity, not a luxury and our allies are literally knocking at our door in energy need.

In addition to cementing America’s energy security, Texas’ natural gas producers, pipelines, refiners and exporters are playing an essential role in delivering stability in the form of affordable, reliable energy to our trade partners, even in times of continued global unrest.

Our industry’s ability to deliver at home and abroad is directly tied to policies and politics in Texas and across our nation that will determine if we can continue to be that trusted ally or if nations will have to look elsewhere.

At every level we need bold energy policy leadership that promotes energy freedom, global stability, and environmental progress. All three will allow the Texas oil and natural gas industry to continue building a cleaner, stronger, better future for everyone.



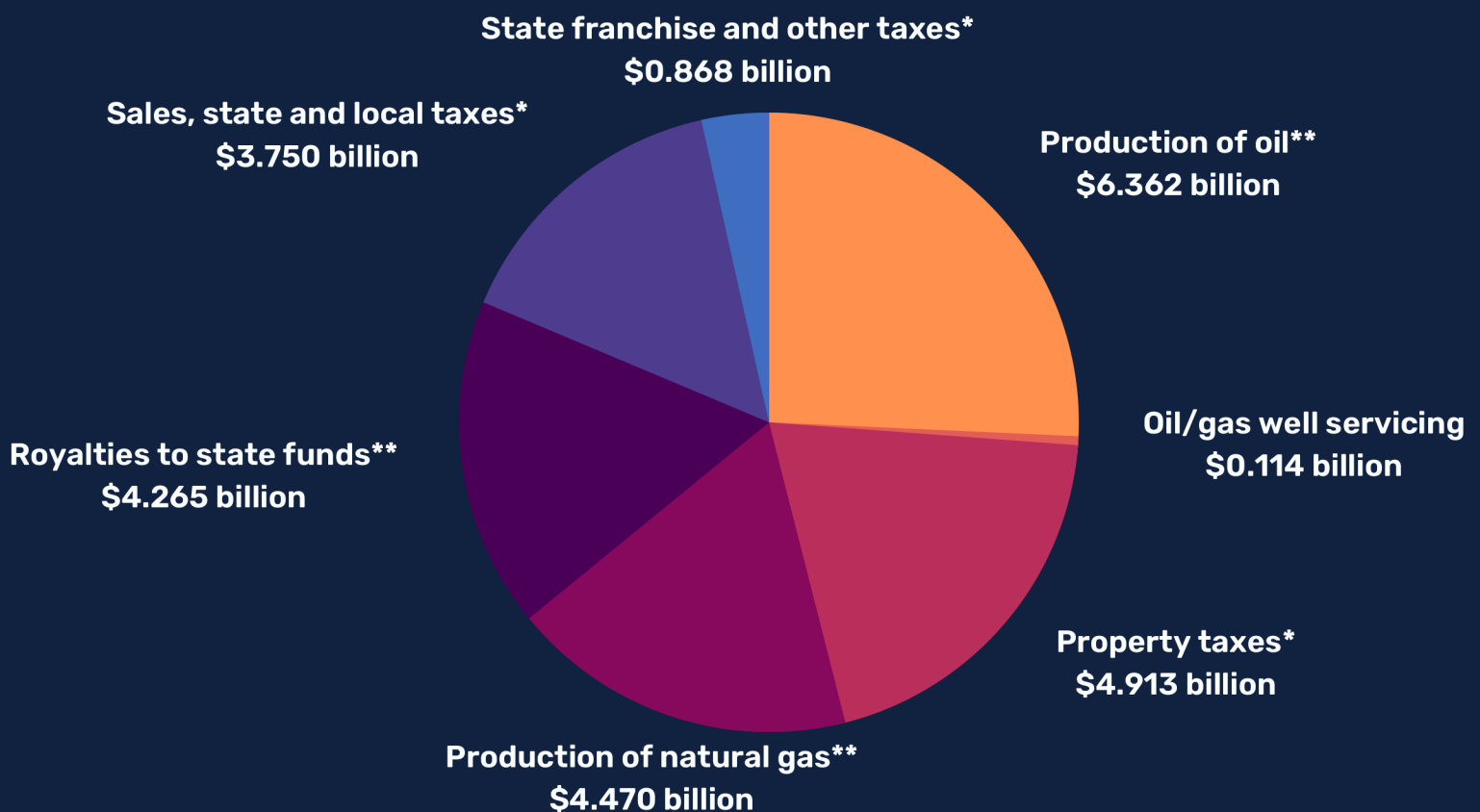
A handwritten signature in black ink that reads "Todd Staples".

Todd Staples
President
Texas Oil & Gas Association

In FY 2022, the Texas oil and natural gas industry paid state and local taxes and state royalties totaling

\$24.7 BILLION

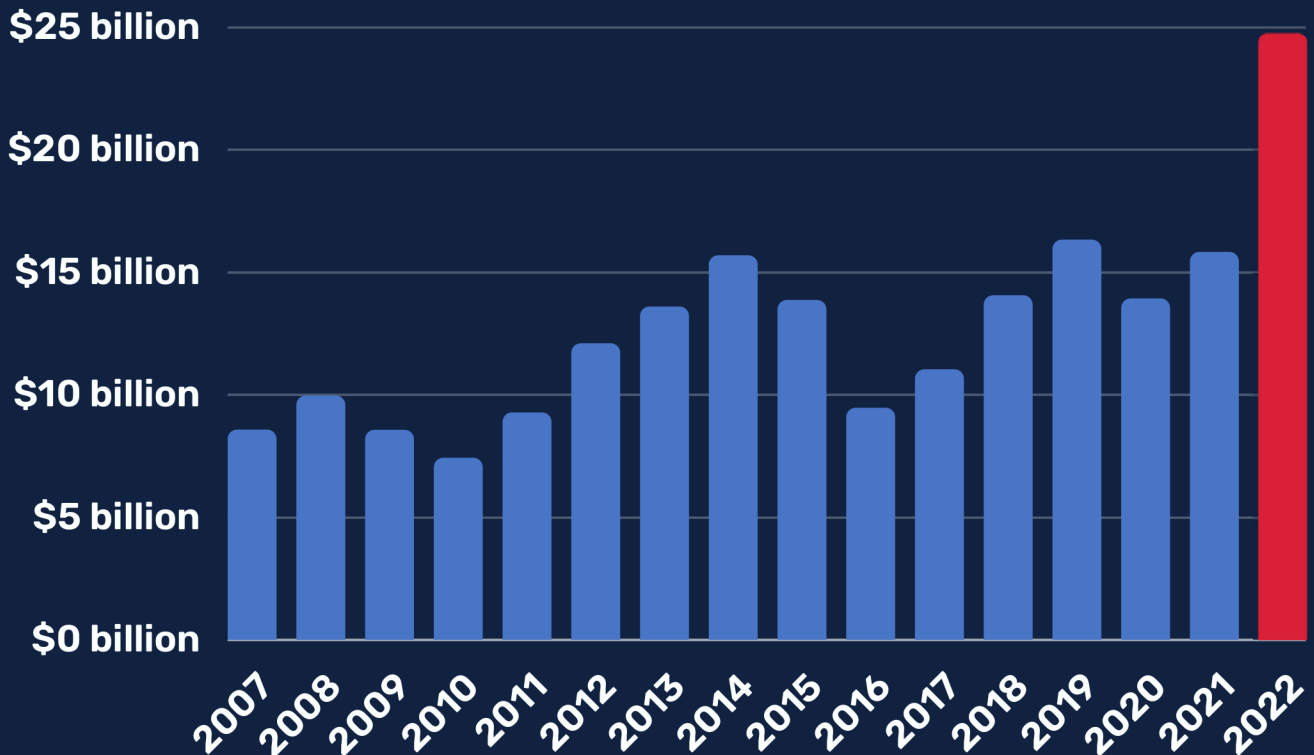
This number equates to more than **\$67 million** each day.



* Estimated, Tax & Fiscal Consulting, Austin

** Source: Texas Comptroller's Office

Since 2007, when TXOGA first started compiling this data, the Texas oil and natural gas industry has paid more than **\$203.4 billion** in state and local taxes and state royalties.



When direct and indirect impacts are considered, the Texas oil and natural gas industry supported

\$560 BILLION
(30.4%)

of total private sector Texas GSP in calendar year 2021 alone.



FUELING THE WORKFORCE

Texas oil and natural gas industry jobs continue to be good for Texas as well as for the families and communities these jobs support.

Direct oil and natural gas employment plus the industry's spending on expenses such as capital goods, electricity, construction, services and supplies generate more than **1.4 million** jobs.

In FY 2022, the Texas oil and natural gas industry employed

442,966
TEXANS

Texas oil and natural gas employees by sector

Support activities for oil and gas operations	93,214
Gasoline stations with convenience stores	79,042
Crude petroleum extraction	48,540
Oil and gas pipeline and related structures construction	41,104
Oil and gas field machinery and equipment	28,241
Drilling oil and gas wells	21,427
Petroleum merchant wholesalers	20,179
Pipeline transportation	18,879
Petrochemical manufacturing	16,788
Petroleum refineries	16,008
Other gasoline stations	12,475
Natural gas extraction	11,127
Plastics material and resin manufacturing	10,416
Natural gas distribution	8,217
All other basic organic chemical manufacturing	6,381
Industrial sand mining	3,055
Fuel dealers	2,889
Asphalt paving, roofing, and saturated materials manufacturing	2,691
Fertilizer manufacturing	1,336
Petroleum lubricating oil and grease manufacturing	959
Total	442,966



Every direct job in the Texas oil and natural gas industry creates an additional **2.2 Texas jobs**.

 **\$115,302**
Texas oil and natural gas employees

 **\$67,725**
Other Texas private sector employees

Texas oil and natural gas employers paid an average of **\$115,302** per job in 2022. Other private sectors averaged **\$67,725**, roughly 40 percent less than what oil and natural gas companies paid their employees.

On a per-employee basis, the Texas oil and natural gas industry paid **\$56,000** in state and local taxes and state royalties in 2022.

This is over **9 times** higher than the other private sectors, which paid an average of just over **\$6,000** on a per-employee basis.

Per-job contributions matter because most state and local spending needs are driven by the size of the population.

In a system that relies so heavily on business to pay the cost of government, it is clear that the oil and natural gas industry **more than pays its share** in Texas.

Benefits like these are not guaranteed

Many parts of the world are struggling for reliable, affordable, and secure energy, and many of the struggles are a result of man-made choices, decisions, policies, and actions that have had dire consequences for families and communities with unmet needs.

At this moment, the world understands energy security is a necessity, not a luxury. But the oil and natural gas industry faces considerable headwinds from Washington—which discourage exploration and production, cancel pipelines and encourage divestment from oil and natural gas.

These actions hurt American consumers and diminish our nation's security because **energy security is national security**. Clearly, Texas has the natural resources, manpower and infrastructure to make the world a more energy secure place, and we must continue to push back on federal policies that threaten this nation's ability to prosper and this industry's contributions to a cleaner, stronger, better future.

Policies and politics in Texas and across our nation will determine if we can continue to be that trusted ally or if nations will have to look elsewhere.

America needs **bold leadership on energy policy**—not political obstructionism that stands in the way of energy freedom and environmental progress.





FUELING PUBLIC EDUCATION

The Texas oil and natural gas industry plays a significant role in funding public education in the state. Through a variety of taxes and royalties, the industry helps to provide much-needed funding for schools, teachers, and students.

This support is critical to the future of our state, and serves as an important example of the industry's contributions to the next generation of Texas leaders.

Oil and natural gas royalties to state funds, particularly the Permanent University Fund and Permanent School Fund, widely support Texas public education. In FY 2022, each fund received over

\$2.1 BILLION

more than double the amounts from last year. In fact, **99%** of the state's oil and natural gas royalties were deposited into these funds. Additionally, independent school districts in Texas received oil and natural gas property taxes totaling

\$1.65 BILLION

Top 10 ISDs for oil and natural gas property taxes*

Midland	\$113.3 million
Pecos-Barstow-Toyah	\$108.8 million
Wink-Loving	\$81.8 million
Rankin	\$64.6 million
Carrizo Springs	\$51.0 million
United	\$46.9 million
Reagan County	\$43.6 million
Cotulia	\$38.5 million
Grady	\$36.7 million
Glasscock County	\$32.3 million

**Note: "Oil and natural gas" means mineral properties producing oil and natural gas, pipelines, and gas utilities. It does not include refineries, petrochemicals, or other properties. [Click here](#) to view all oil and natural gas property taxes paid to Texas independent school districts.*



FUELING COMMUNITIES

Counties across the Lone Star State receive millions of dollars in property taxes paid by the Texas oil and natural gas industry.

This funding supports local communities and empowers them to address local needs and issues.

In FY 2022, Texas counties received oil and natural gas property taxes totaling over

\$608.6 MILLION

Top 10 counties for oil and natural gas property taxes*

Reeves	\$44.9 million	58.4% of tax base
Midland	\$31.9 million	30.3% of tax base
LaSalle	\$24.5 million	57.4% of tax base
Loving	\$24.5 million	83.6% of tax base
Ward	\$21.1 million	63.7% of tax base
Martin	\$17.8 million	83.9% of tax base
Webb	\$17.1 million	13.9 % of tax base
Upton	\$16.3 million	74.3% of tax base
Pecos	\$16.3 million	36.0% of tax base
Andrews	\$14.7 million	51.6% of tax base

**Note: "Oil and natural gas" means mineral properties producing oil and natural gas, pipelines, and gas utilities. It does not include refineries, petrochemicals, or other properties. [Click here](#) to view all oil and natural gas property taxes paid to Texas counties.*



FUELING THE RAINY DAY FUND

Texans know that the oil and natural gas industry anchors our economy and directly funds our roads, schools, emergency services and our Rainy Day Fund.

This support is critical for our state, and ensures funding for our state and local governments.



The Texas oil and natural gas industry is the primary funding source for the Economic Stabilization (“Rainy Day”) Fund, contributing more than

\$28 . 1 BILLION

since the Fund’s inception in 1987. This amounts to

89 PERCENT

of the Fund’s revenue over time. Legislators have appropriated funds from the ESF **114** times, the first of which was to fund public education in Texas. The sum of all appropriations totals

\$18 . 2 BILLION

Without the direct funding from taxes paid by the Texas oil and natural gas industry, support for retired teachers, disaster recovery, healthcare services, and numerous other priority items would not have received the substantial dollars allocated to meet essential needs.

ESF categories funded by Texas oil and natural gas

Public Education	<i>\$4.59 billion</i>
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General Revenue Fund, Economic Development, and Transportation Needs	<i>\$3.72 billion</i>
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Health, Protective Services	<i>\$2.50 billion</i>
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Water Planning and Infrastructure	<i>\$2.15 billion</i>
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Disaster Recovery	<i>\$2.10 billion</i>
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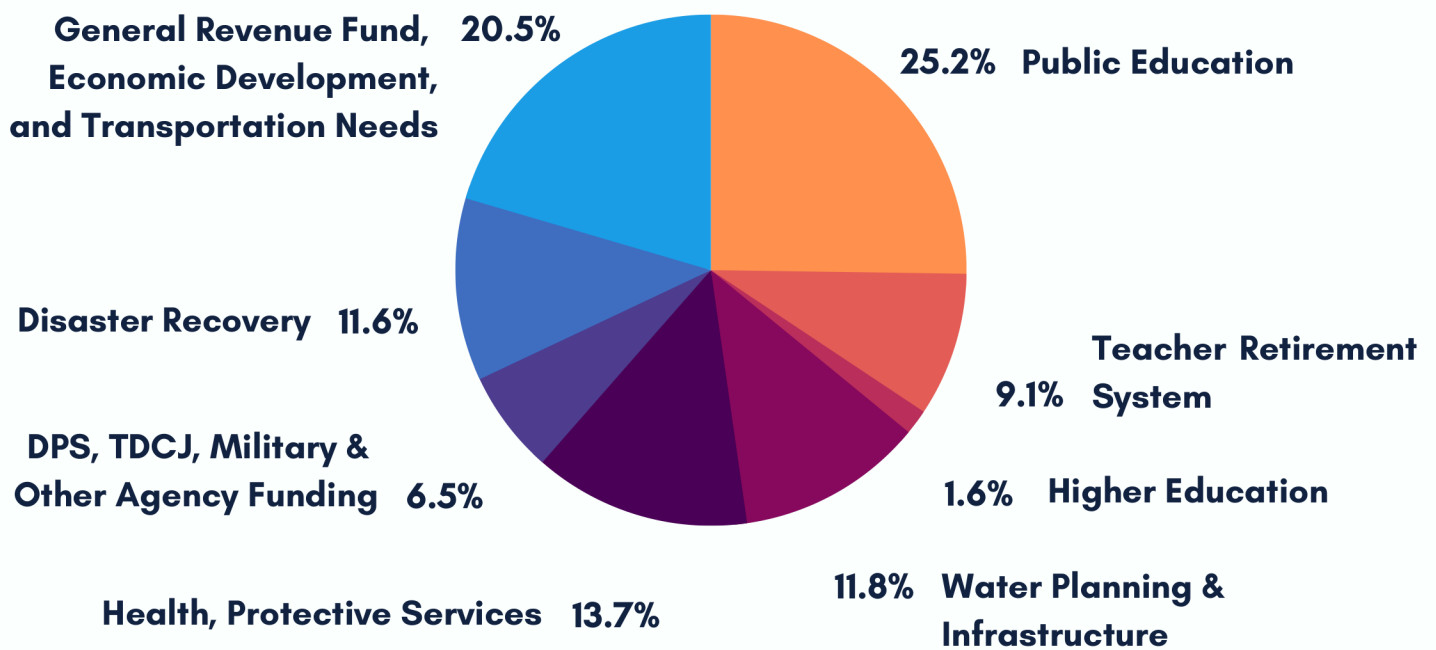
Teacher Retirement System	<i>\$1.66 billion</i>
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DPS, TDCJ, Military and Other Agency Funding	<i>\$1.19 billion</i>
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Higher Education	<i>\$0.29 billion</i>
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CURRENT TOTAL ESF APPROPRIATIONS	<i>\$18.2 billion</i>
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The oil and natural gas industry is important to Texas' economy and Texas families.

Elected officials should support policies that encourage growth in the oil and natural gas industry and provide greater energy and economic security.

THE INDUSTRY

Texas oil and natural gas fuel modern life as we know it.

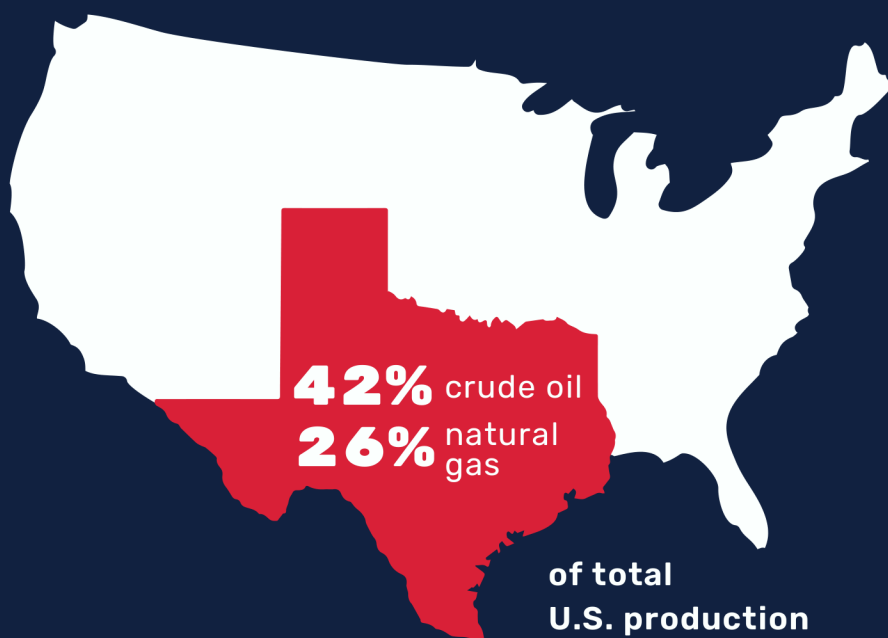
Beyond the hundreds of thousands of jobs the industry creates and billions in taxes it pays, oil and natural gas improve the economic and social progress of communities here and around the world.



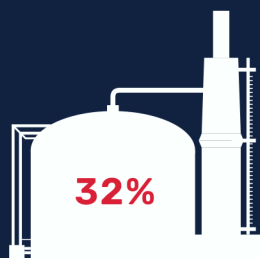
96% of products we use every day like pharmaceuticals, electronics, cosmetics and clothing are all made from oil and natural gas.

There is no substitute for oil and natural gas for the products, fuels, and electricity that power modern life.

AT A GLANCE



miles of Texas pipelines



of U.S. refining capacity

Oil and natural gas production in the U.S. and Texas

U.S. Average Daily Crude Oil Production	12.4 million barrels
U.S. Average Daily Natural Gas Production	121.5 billion cubic feet
Texas Average Daily Crude Oil Production	5.2 million barrels
Texas Average Daily Natural Gas Production	31.8 billion cubic feet

Crude oil production rank if Texas were a country

1	United States
2	Saudi Arabia
3	Russia
4	Texas
5	Canada
6	Iraq
7	China
8	Brazil
9	United Arab Emirates
10	Kuwait

Top 5 oil producing states

1	Texas
2	New Mexico
3	North Dakota
4	Alaska
5	Colorado

Top 5 natural gas producing states

1	Texas
2	Pennsylvania
3	Louisiana
4	West Virginia
5	Oklahoma

THE BIG PICTURE

Progress is rooted in smart policies aimed at unleashing American energy.

In 2023, we are committed to working with the Legislature as they go to work for the people of Texas, while continuing to push back on policies that threaten this nation's energy security.

Just as growth is not guaranteed, policy is directly linked to prosperity. The opposite is also true: Bad policy guarantees bad outcomes. Just look at California with its \$22 billion deficit compared to a \$32 billion surplus in Texas.

A bright future is Texas' to lose. We can continue to outpace other states and even countries with economic opportunity, job growth and capital investment or we can forfeit the game by sitting some of our best players on the sidelines.

Economic development policy to keep Texas competitive is a must. We also need a policy framework that allows Texas to lead in Carbon Capture and Sequestration, electricity market redesign policy that keeps the grid reliable and rates affordable, policies to fund our key regulatory agencies and protection against policy that would adversely impact this industry's contributions to a cleaner, strong, better future.

Policy can promote prosperity, or hinder it. We look forward to working with our lawmakers as they embrace opportunities to advance our state's energy leadership, strengthen communities and grow local economies.



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