



Texas drives U.S. oil and natural gas production, transportation and exports, thereby helping to sustain downward pressure on prices, foster investment and innovation, and augment reserves to support future production

Texas set new production records and gained market share in June and July

- ▶ TXOGA estimates that Texas' 1) oil production achieved a record high of 5.5 million barrels per day (mb/d) in June and July, and 2) natural gas marketed production reached a record high 31.4 billion cubic feet per day (bcf/d) in June but slipped in July to 31.2 bcf/d in July.
- ▶ Year-to-date through July, Texas' shares of total U.S. production rose to 43.3% for oil and 27.4% for natural gas

Petroleum value chain for May 2023

- ▶ Texas' crude oil supply (that is, production, imports and net interstate receipts) was 8.7 mb/d in May, including 1.9 mb/d of crude from New Mexico and other states that rely on Texas' pipeline, refining and export capabilities
- ▶ For the month, Texas refineries: 1) processed crude oil net inputs of 5.5 mb/d; 2) exported 3.5 mb/d of crude oil and condensate, plus another 2.4 mb/d of refined products; and 3) directly utilized 3.0 mb/d of natural gas liquids (NGLs) that were produced in the state

Natural gas flows for May 2023

- ▶ TXOGA estimates that Texas produced 26.5 billion cubic feet per day (bcf/d) of dry natural gas in May, 11.3 bcf/d (43%) of which was consumed in-state; 9.8 bcf/d (37%) was exported; 4.3 bcf/d (16%) served other states; and 1.1 bcf/d (4%) entered storage
- ▶ Texas' natural gas exports included 5.7 bcf/d to Mexico via pipeline and 4.1 bcf/d via LNG. Mexico received about 58% of Texas' total natural gas exports in May, while European nations purchased 28%
- ▶ For in-state natural gas consumption in May, 5.4 bcf/d (48%) was by industry and 5.3 bcf/d (47%) for electricity generation

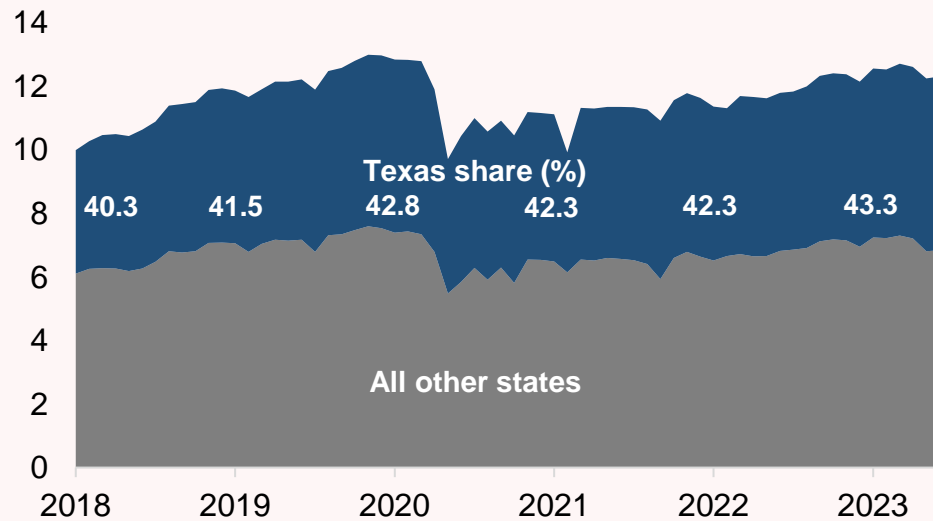
U.S. and Texas' oil and natural gas reserves have remained abundant, supporting value chains with decades of prospective production

Texas has broken its production records and increasingly driven U.S. oil & natural gas production

- **Increased market shares.** Year-to-date through July, Texas' shares of U.S. production rose to **43.3%** of oil and **27.4%** of natural gas marketed production
- **Texas' oil and natural gas marketed production records estimated to have broken in June and July 2023.** TXOGA estimates that:
 1. Oil production achieved a record high of 5.5 million barrels per day (mb/d) in June and July, and
 2. Natural gas marketed production reached a record high 31.4 billion cubic feet per day (bcf/d) in June but slipped in July to 31.2 bcf/d in July.

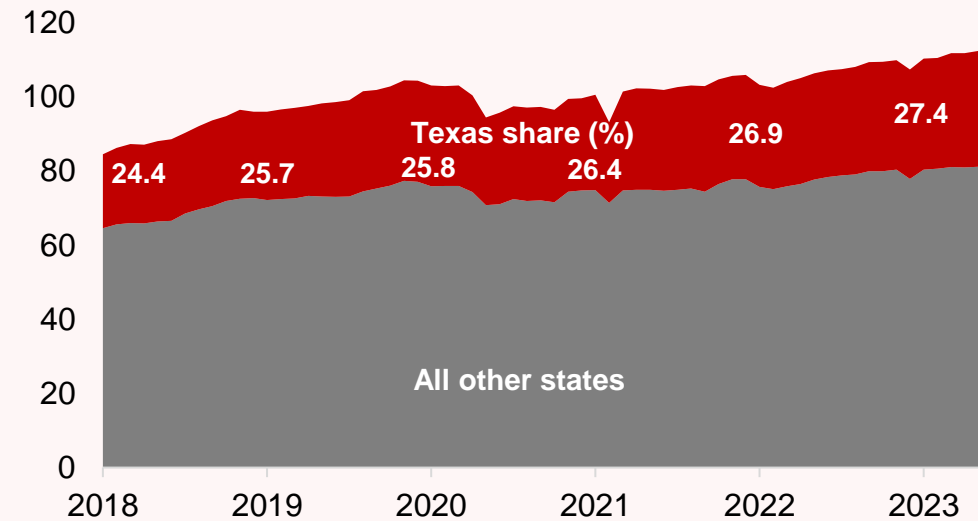
U.S. and Texas crude oil production

Million barrels per day (mb/d)



U.S. and Texas natural gas marketed production

Billion cubic feet per day (bcf/d)

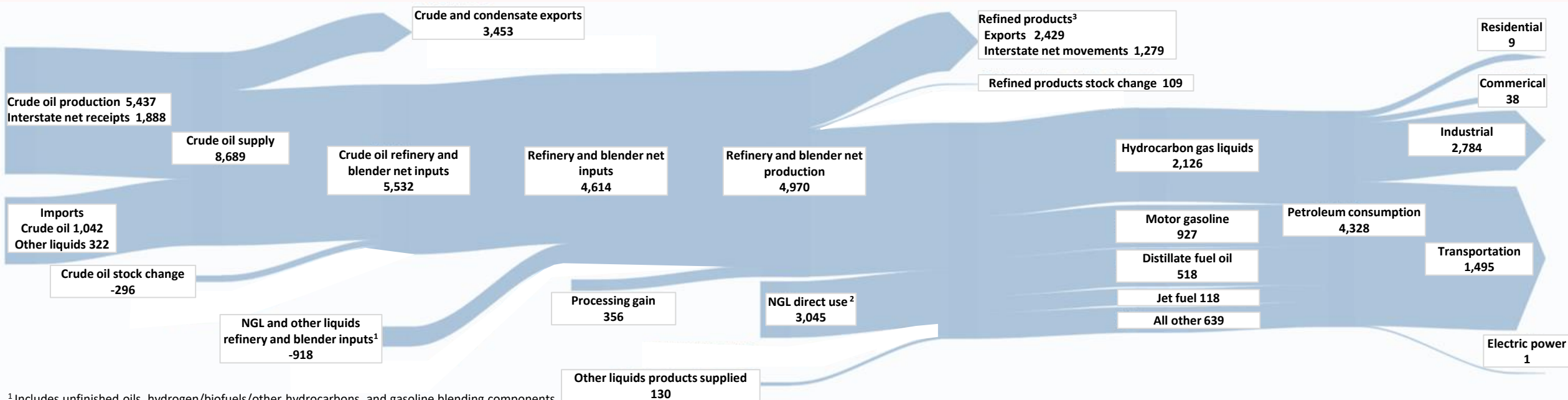


Texas' petroleum value chain – May 2023

- ▶ With Texas crude oil production of 5.4 mb/d in May per the U.S. Energy Information Administration (EIA), TXOGA estimates the state's crude oil supply was 8.7 mb/d, including 1.4 mb/d of imports and 1.8 mb/d from New Mexico and other states that rely on Texas' refining and export capabilities
- ▶ In May, Texas refineries: 1) processed crude oil net inputs of 5.5 mb/d; 2) exported 3.5 mb/d of crude oil and condensate, plus another 2.4 mb/d of refined products; and 3) directly utilized 3.0 mb/d of natural gas liquids (NGLs) that were produced in the state

Texas – estimated petroleum value chain – May 2023

Thousand barrels per day (kb/d)



¹ Includes unfinished oils, hydrogen/biofuels/other hydrocarbons, and gasoline blending components

² Includes NGL field production (Inland 3,121, Gulf Coast 172), biofuels net plant production (-7) minus refiner and blender net inputs (inland 19, Gulf Coast 222)

³ Includes finished products and HGLs

Notes: Based on EIA's preliminary data, which are subject to revision, and USITC trade data. TXOGA estimation is required for consumption by fuel and end-use sector, which influence the interstate movement calculations

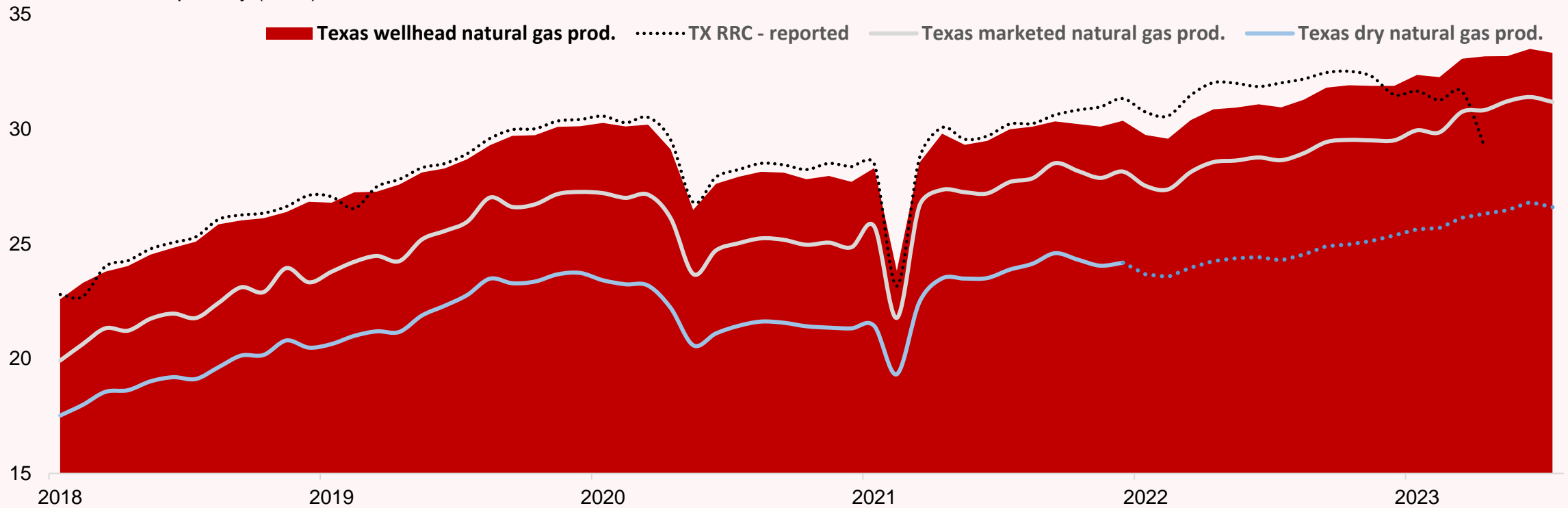
sources: EIA; U.S. International Trade Commission; TXOGA analysis

Texas' natural production estimated to have hit record highs in June 2023

- ▶ EIA reported record Texas' production in April 2023 of 33.2 bcf/d (gross withdrawals) and 30.7 bcf/d of marketed production
- ▶ TXOGA estimates that Texas' natural gas production reached record highs in June
 - June 2023 wellhead production 33.5 bcf/d; marketed natural gas production 31.4 bcf/d; and dry natural gas production of 26.8 bcf/d
 - July 2023 production levels are estimated to have slipped: wellhead 33.3 bcf/d; marketed 31.2 bcf/d; and dry 26.6 bcf/d

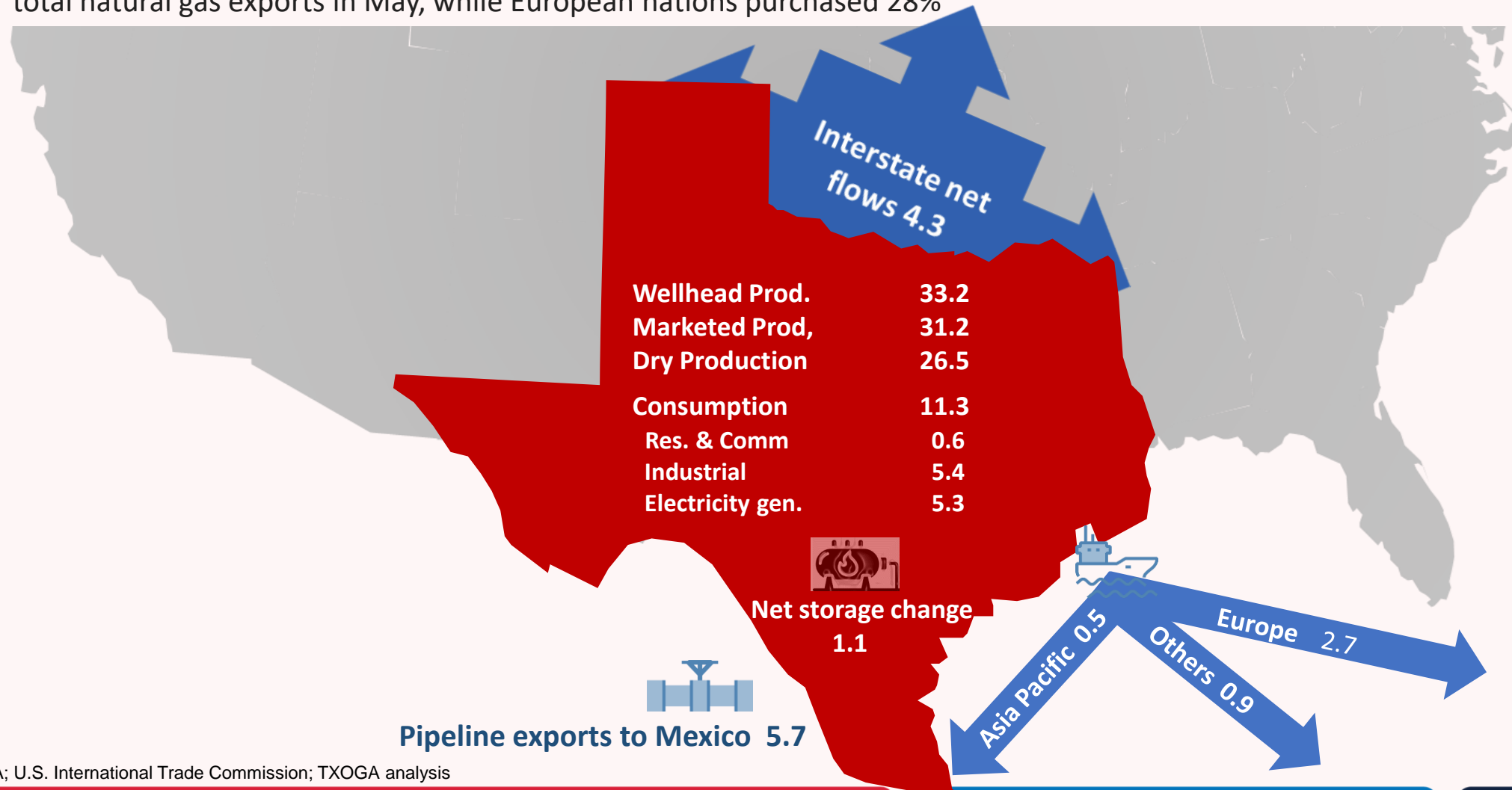
Texas natural gas production, Jan. 2018 – Jul. 2023

Billion cubic feet per day (bcf/d)



Texas' natural gas flows – May 2023 (billion cubic feet per day, bcf/d)

- TXOGA estimates that Texas produced 26.5 billion cubic feet per day (bcf/d) of dry natural gas in May, 11.3 bcf/d (43%) of which was consumed in-state; 9.8 bcf/d (37%) was exported; 4.3 bcf/d (16%) served other states; and 1.1 bcf/d (4%) entered storage
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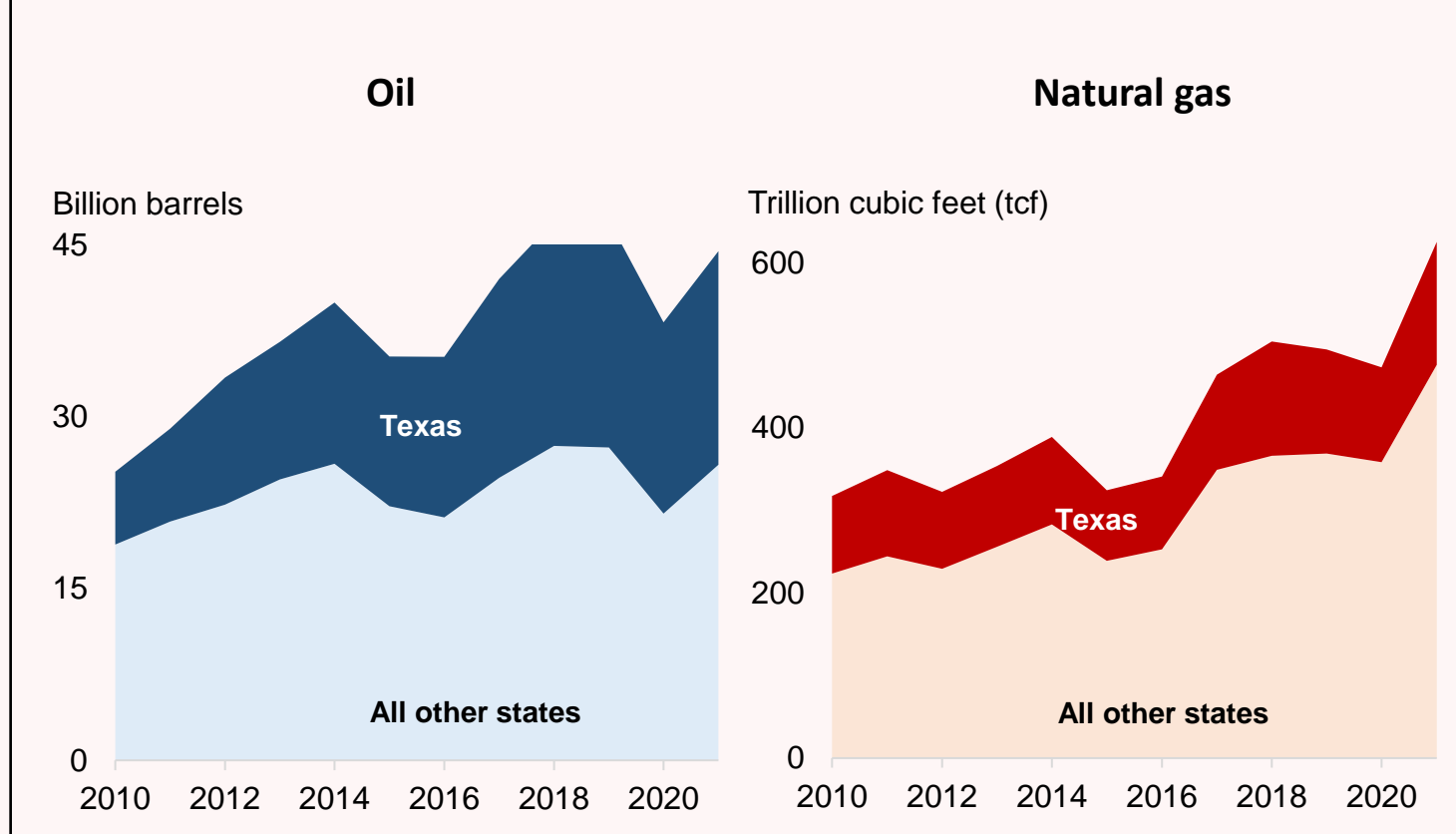


sources: EIA; U.S. International Trade Commission; TXOGA analysis

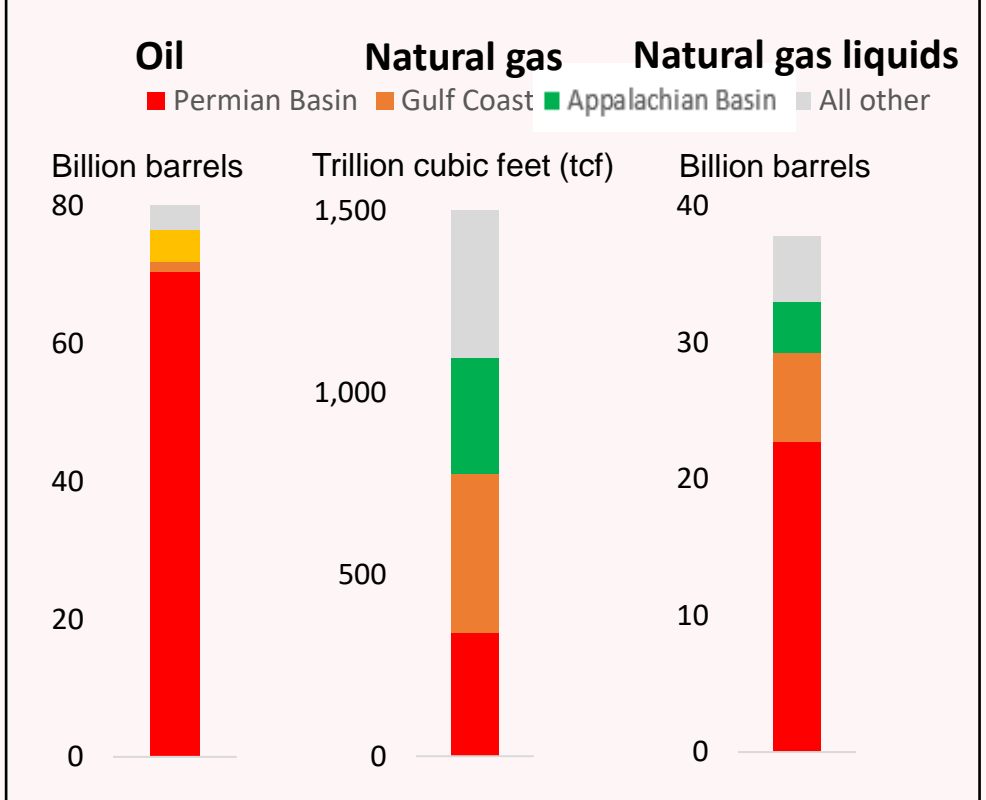
U.S. and Texas' oil and natural gas reserves have remained abundant, supporting the value chains with decades of prospective production

- ▶ Since 2016, Texas has accounted for over 40% of U.S. crude oil and condensate proved reserves and nearly one quarter of natural gas proved reserves per EIA
- ▶ The U.S. Geological Survey's (USGS) broader resource assessments show decades of potential additions, led by the Permian Basin and Gulf Coast

U.S. proved reserves of oil and natural gas



USGS Domestic Continuous (Unconventional) Oil & Gas Assessments, 2000-Present



sources: EIA; USGS

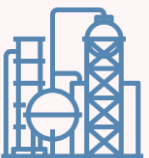
Texas' petroleum facts at-a-glance for May 2023



1. **Highest Texas crude oil production (5,437,233 barrels per day)** for any month on record since 1981
2. **Highest Texas natural gas liquids (NGL) field production (3,293,581 barrels per day)** on record for any month since 1993
3. **Lowest Texas crude oil imports (1,042,323 barrels per day)** for the month of May since 2015



4. **Highest Texas crude oil and condensate exports (3,453,144 barrels per day)** on record for the month of May
5. **Highest Texas refined product exports (2,428,782 barrels per day)** for the month of May on record since 1989



6. **Second highest Texas refinery crude oil net inputs (5,532,000 barrels per day)** on record for any month since 1993
7. **Highest Texas refinery NGL direct use (3,044,543 barrels per day)** on record for any month since 1993

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