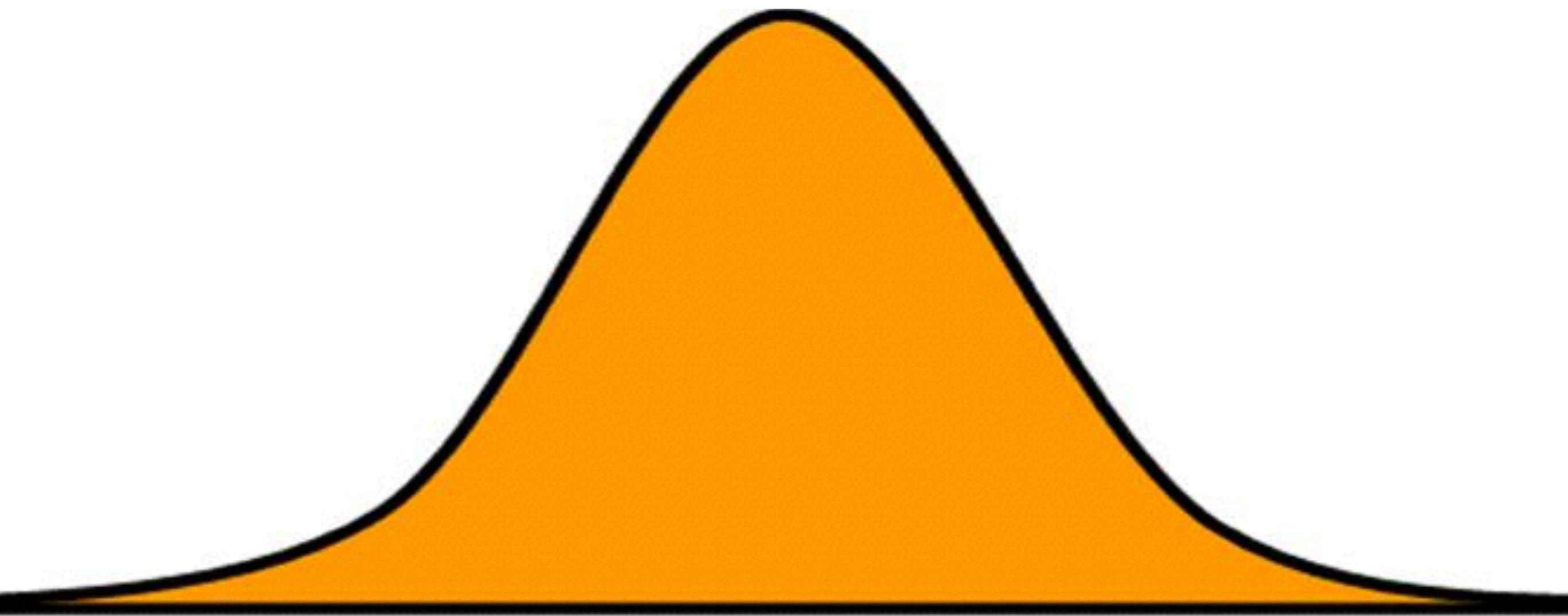


# State of the Industry

Louisiana Oil & Gas Association

Fall 2015



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# Energy Renaissance

## Price Change

## State Issues



# Shale Gas Revolutionizes the US

44

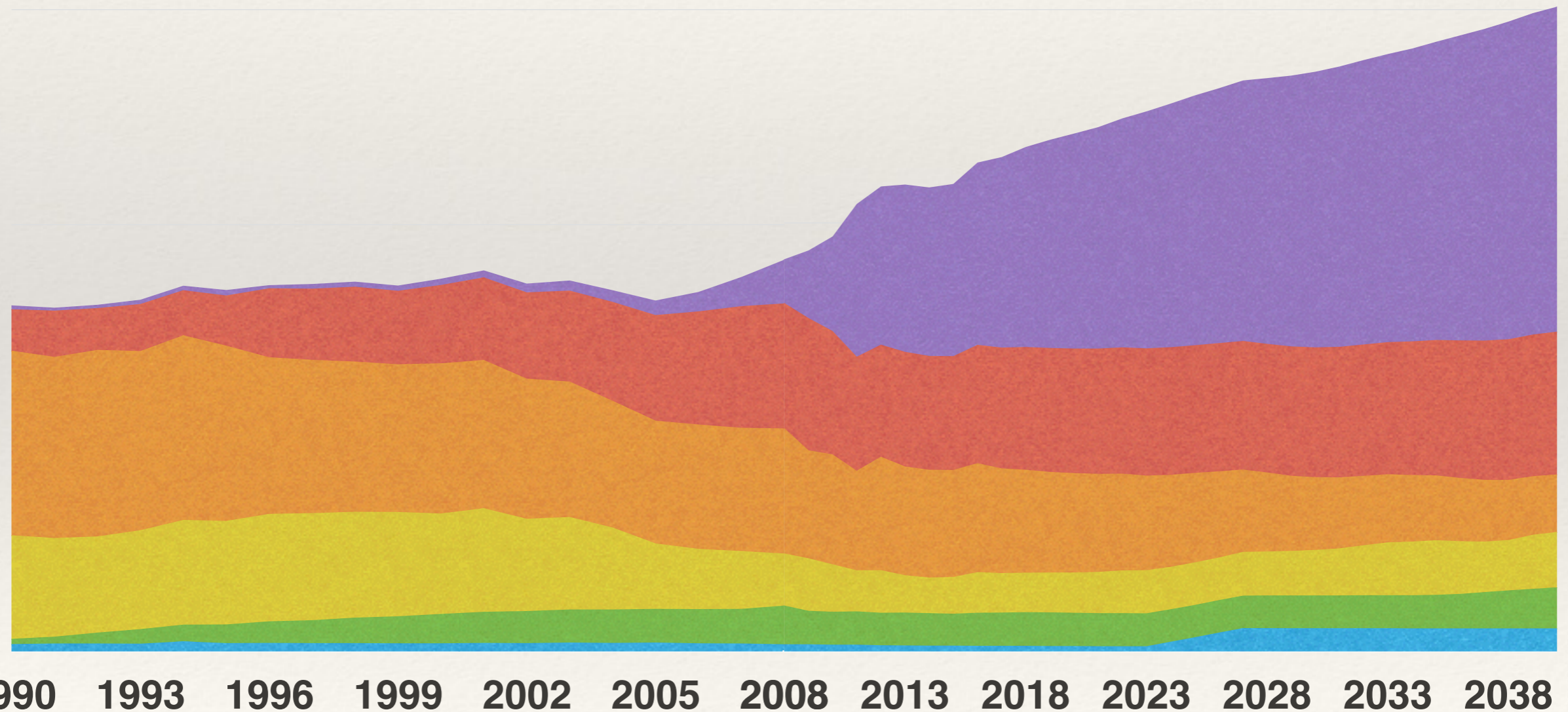
SOURCE: EIA Annual Energy Outlook 2013

33

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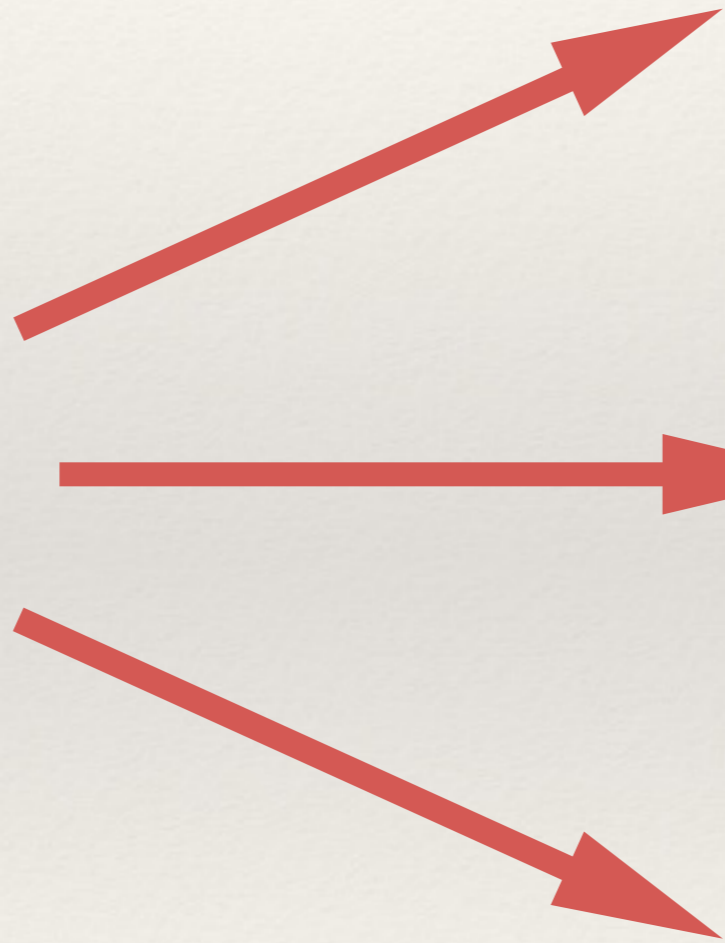


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# Export Market Created

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**Lake Charles**  
**\$3.73**



**Japan**  
**\$12.00**

**China**  
**\$11.72**

**Brazil**  
**\$11.35**



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# Manufacturing Renaissance

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**Over 60 New Industrial Projects**

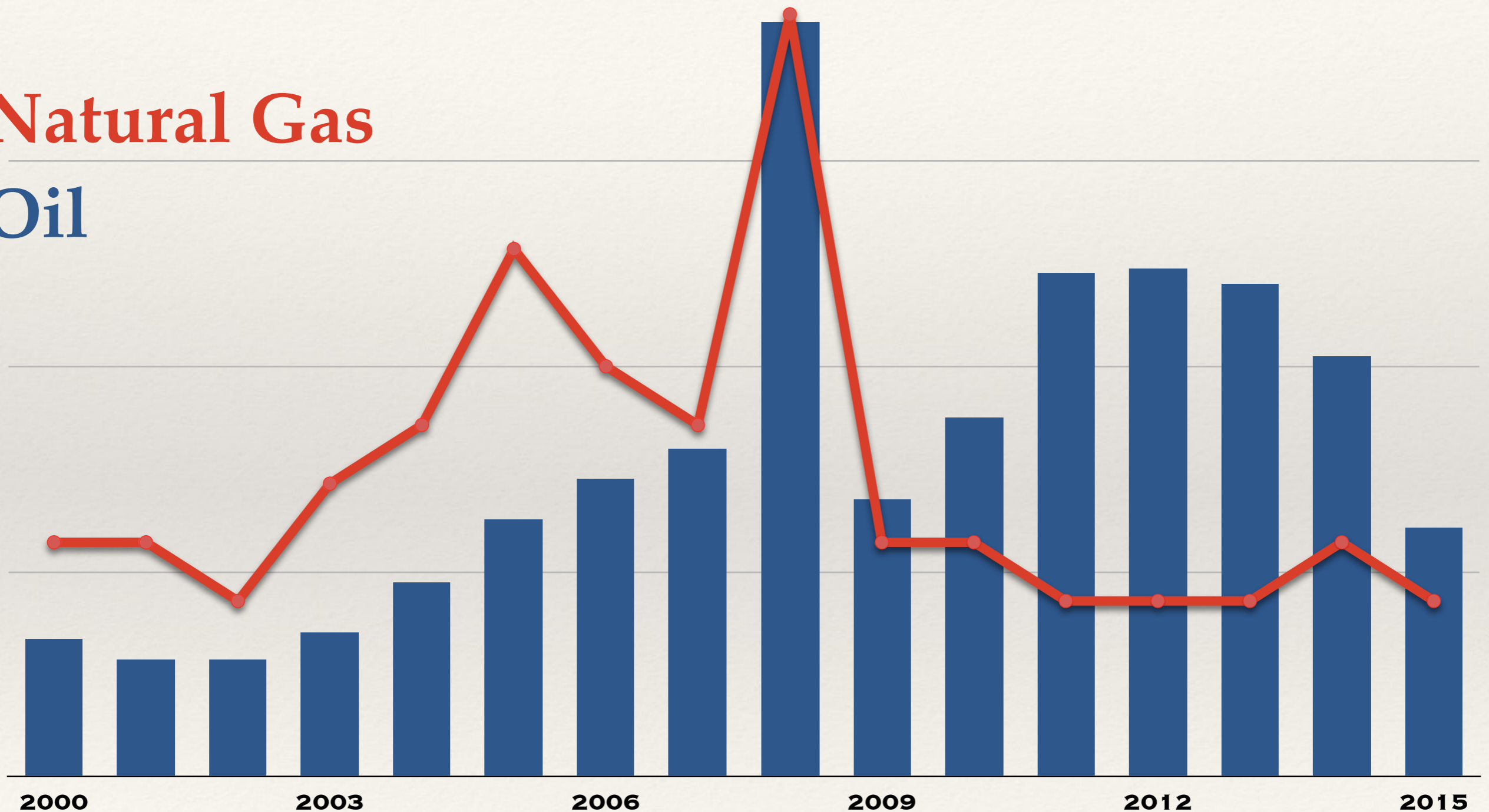
**\$100 BILLION in New Investment**

**200,000 JOBS and \$9 BILLION IN WAGES**

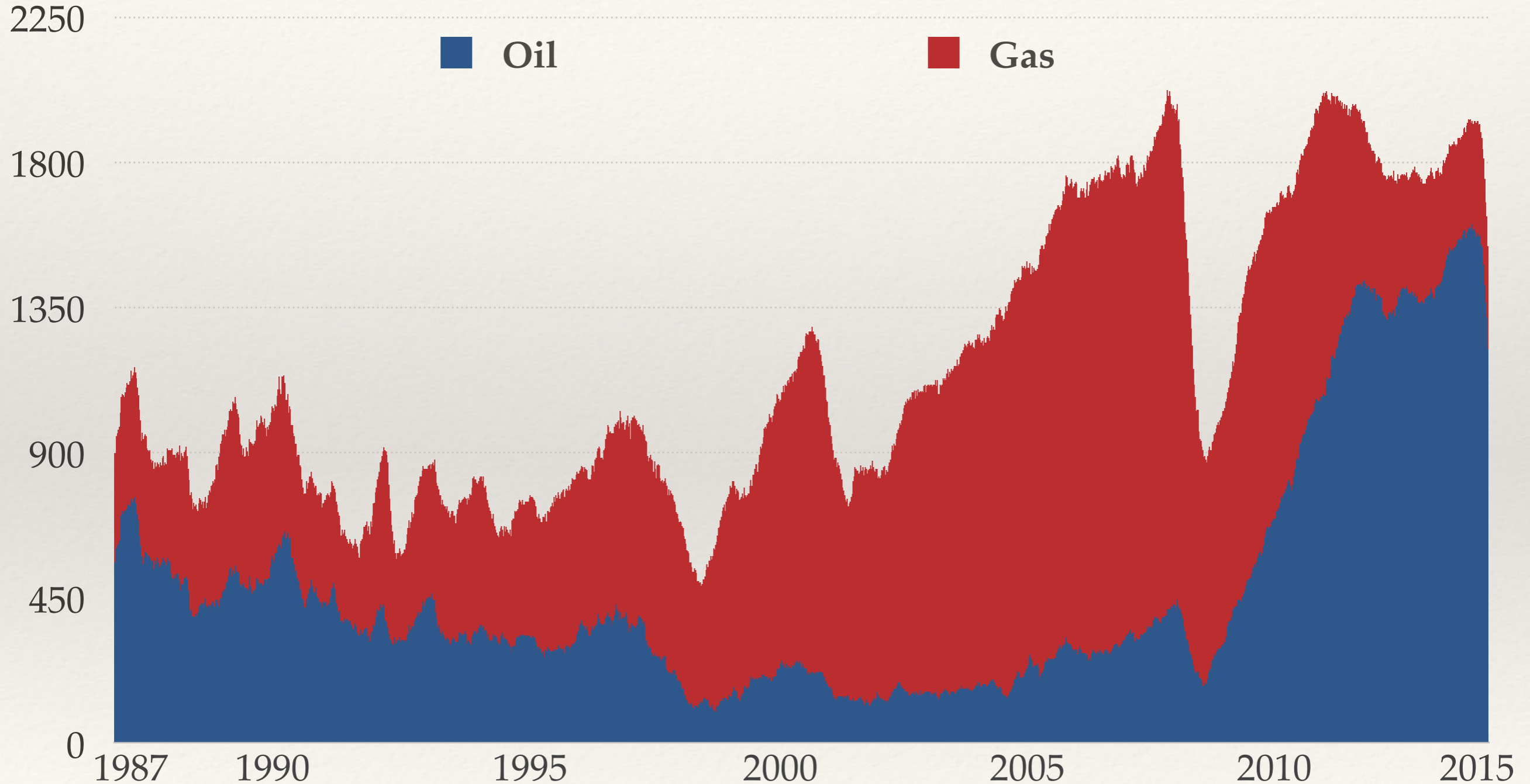
# Oil & Gas Prices No Longer Related

Natural Gas

Oil

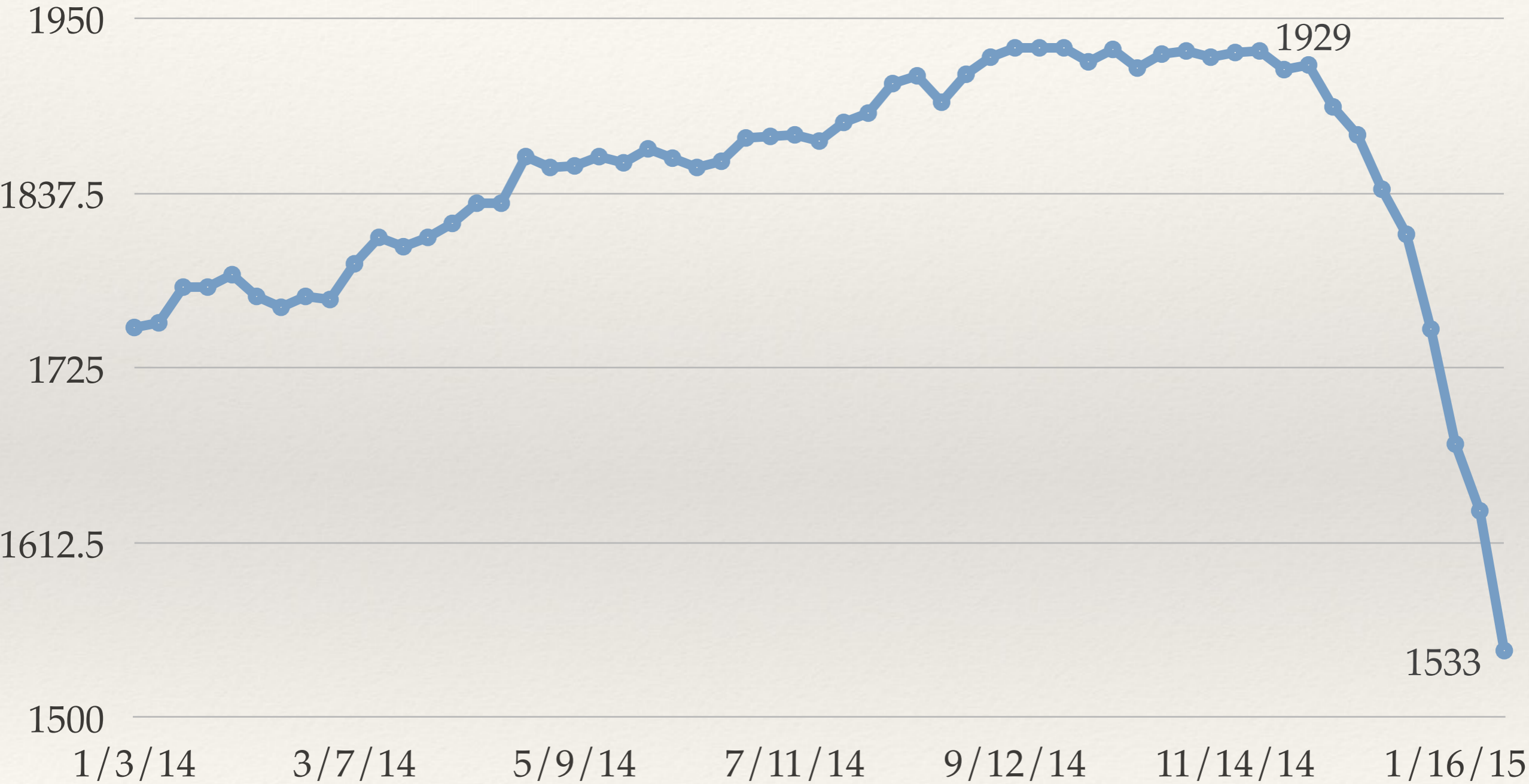


# US Rig Count



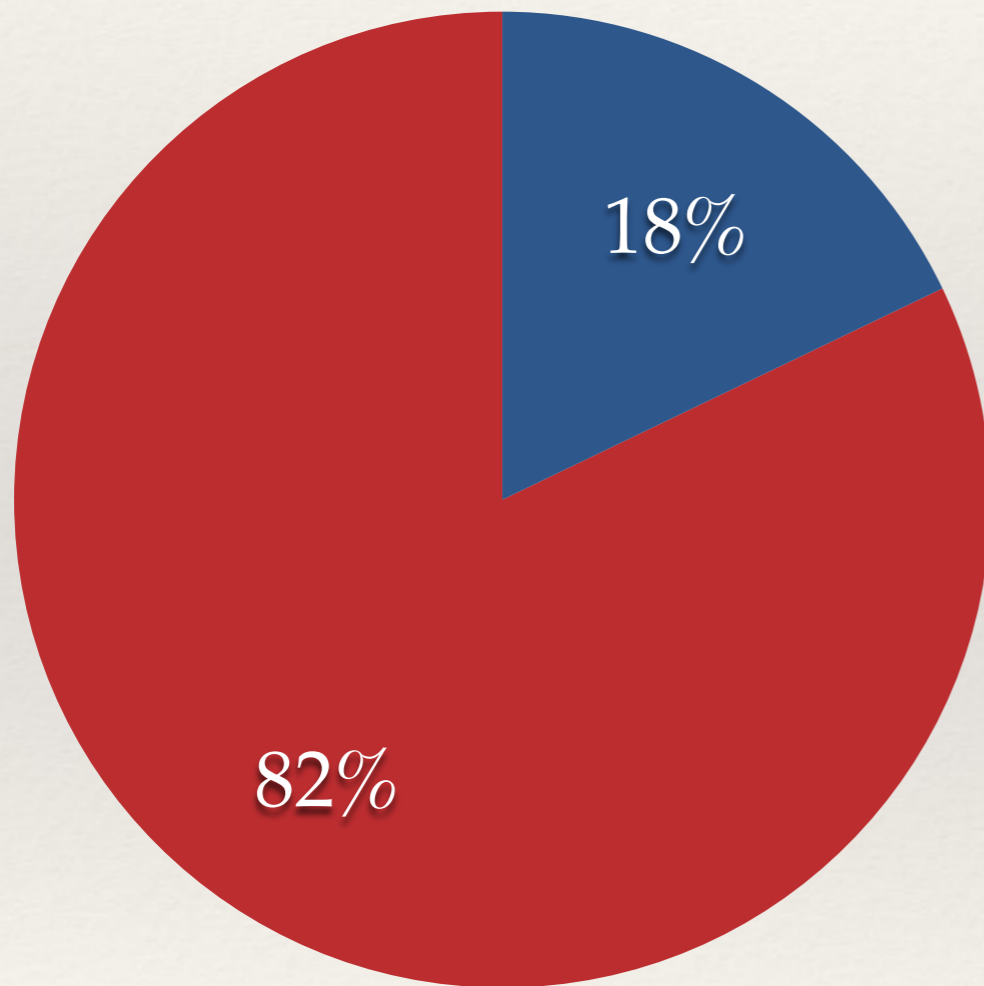


# US Rig Count

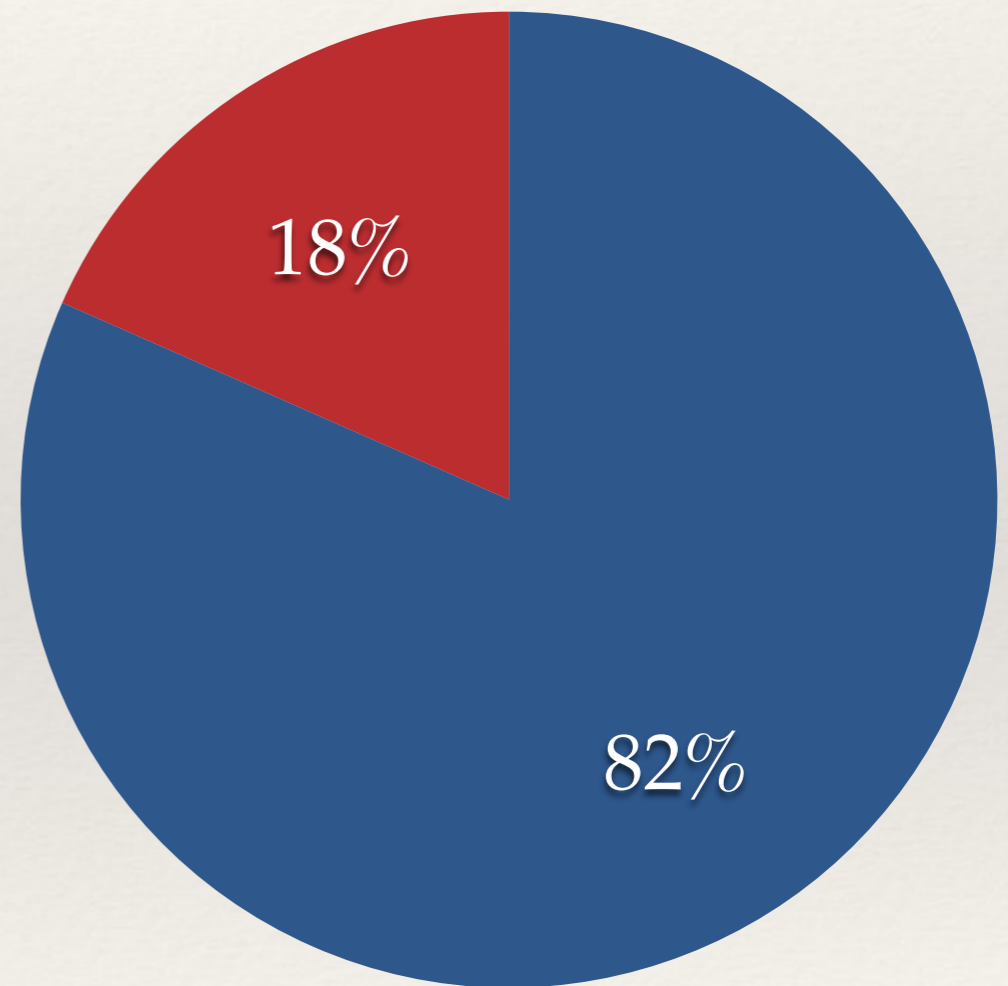


# Oil Rigs vs Gas Rigs

● Oil ● Gas

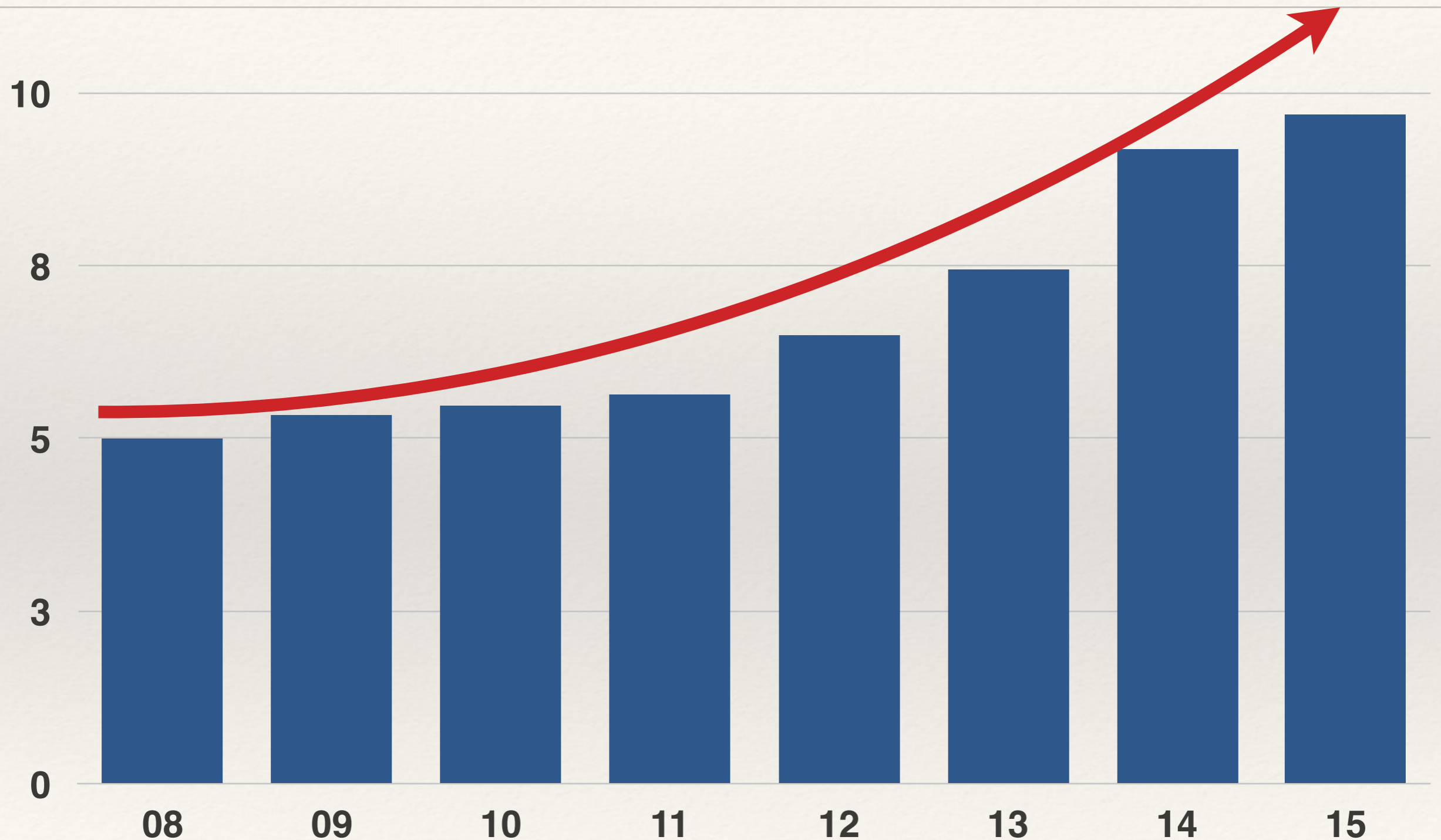


2008



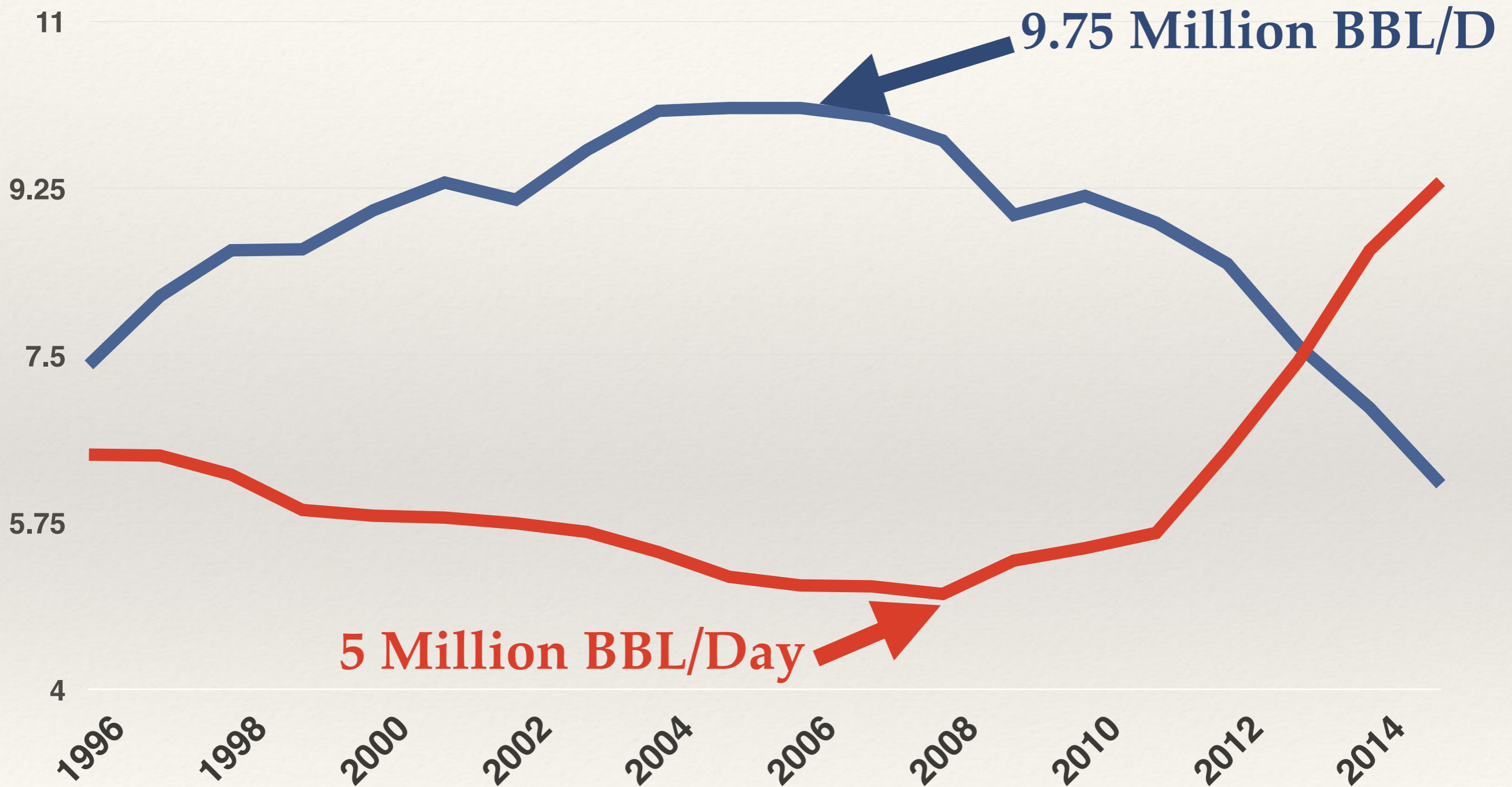
2015

# US Crude Oil Production Grows 95%





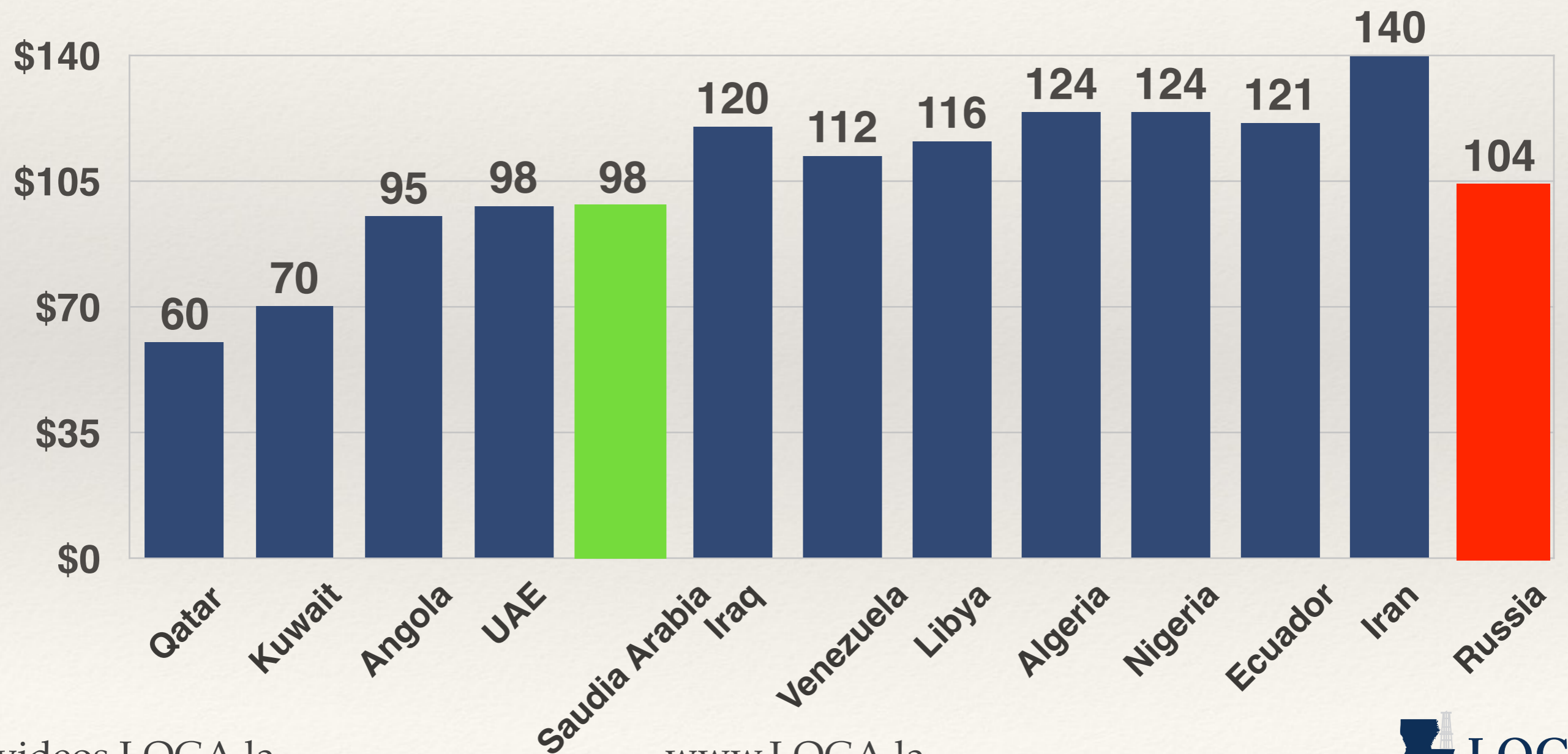
# US Production Exceeds Imports



# Price Change



# Breakeven Oil Price For OPEC & Russia





**Supply / Demand**

**Dollar Strength**

**Political Weapon**

**Speculators**

**All of the Above**



# How Long Will it Last?

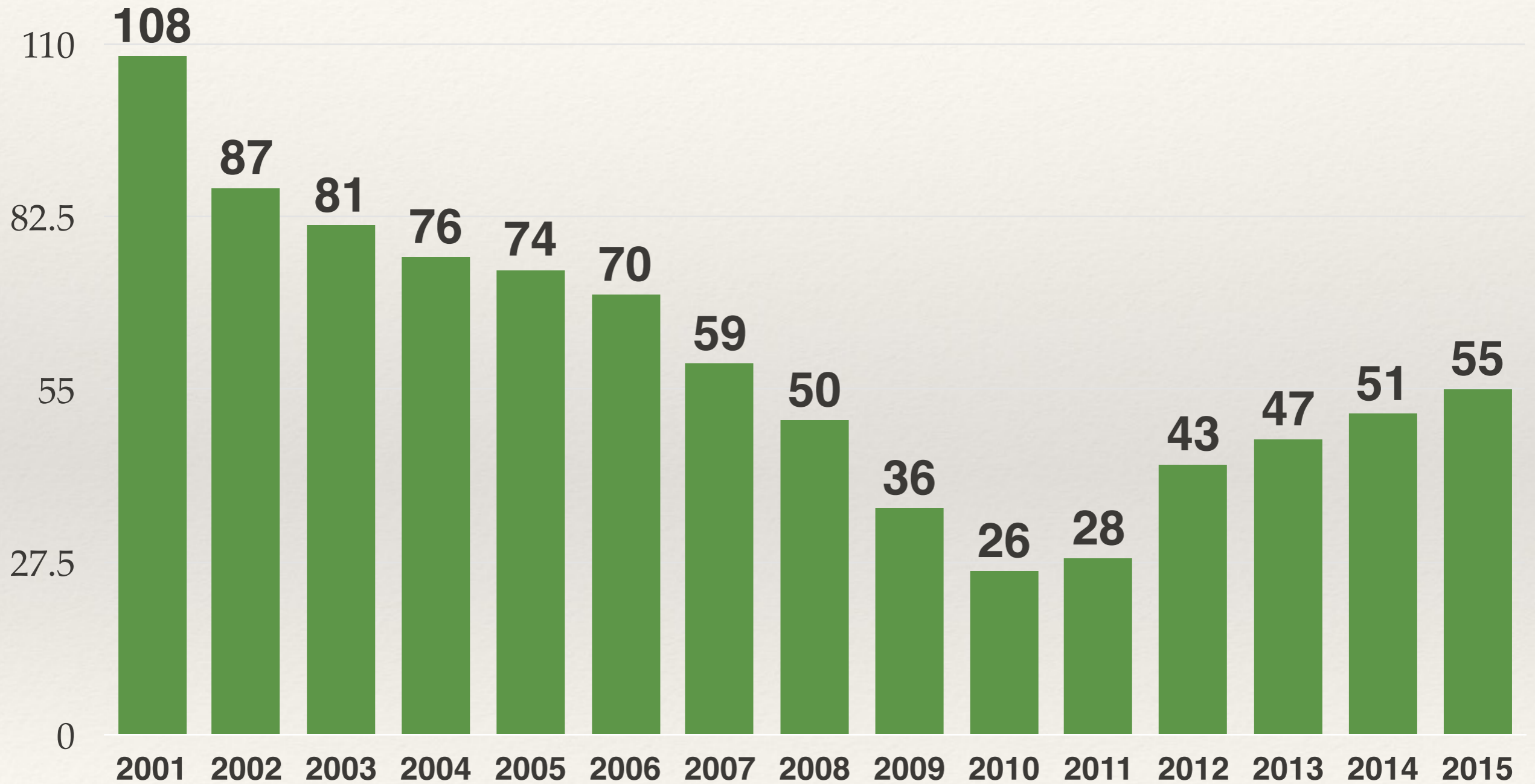
**“But I'm sure we're never going to see \$100 anymore. I said a year ago, the price of oil above \$100 is artificial. It's not correct.”**

*–Prince Alwaleed bin Talal, Saudi Prince  
USA Today, January 11, 2015*



# Silver Lining

# Louisiana Offshore Rigs



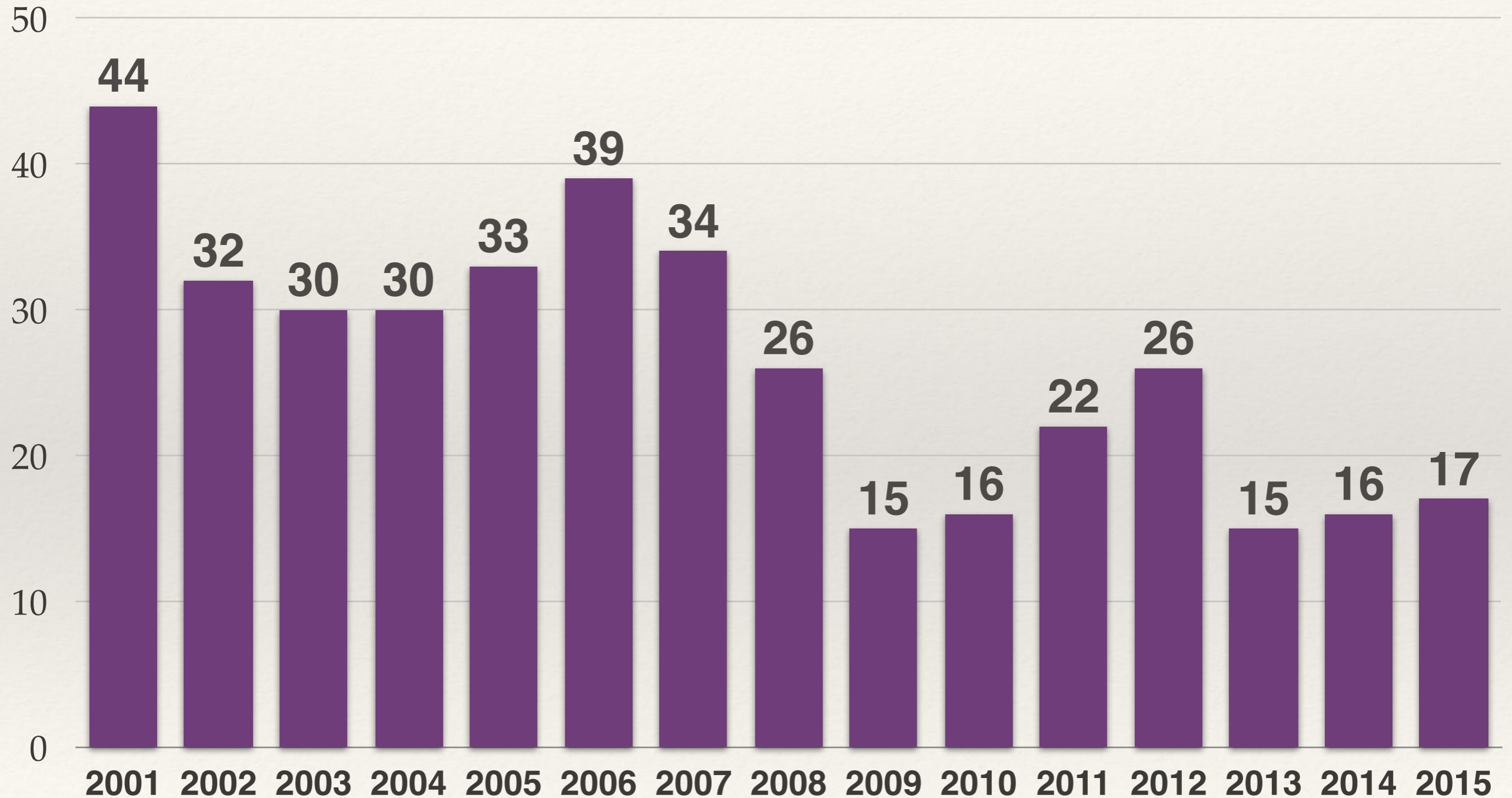
# Low Gas Prices Good for US Economy



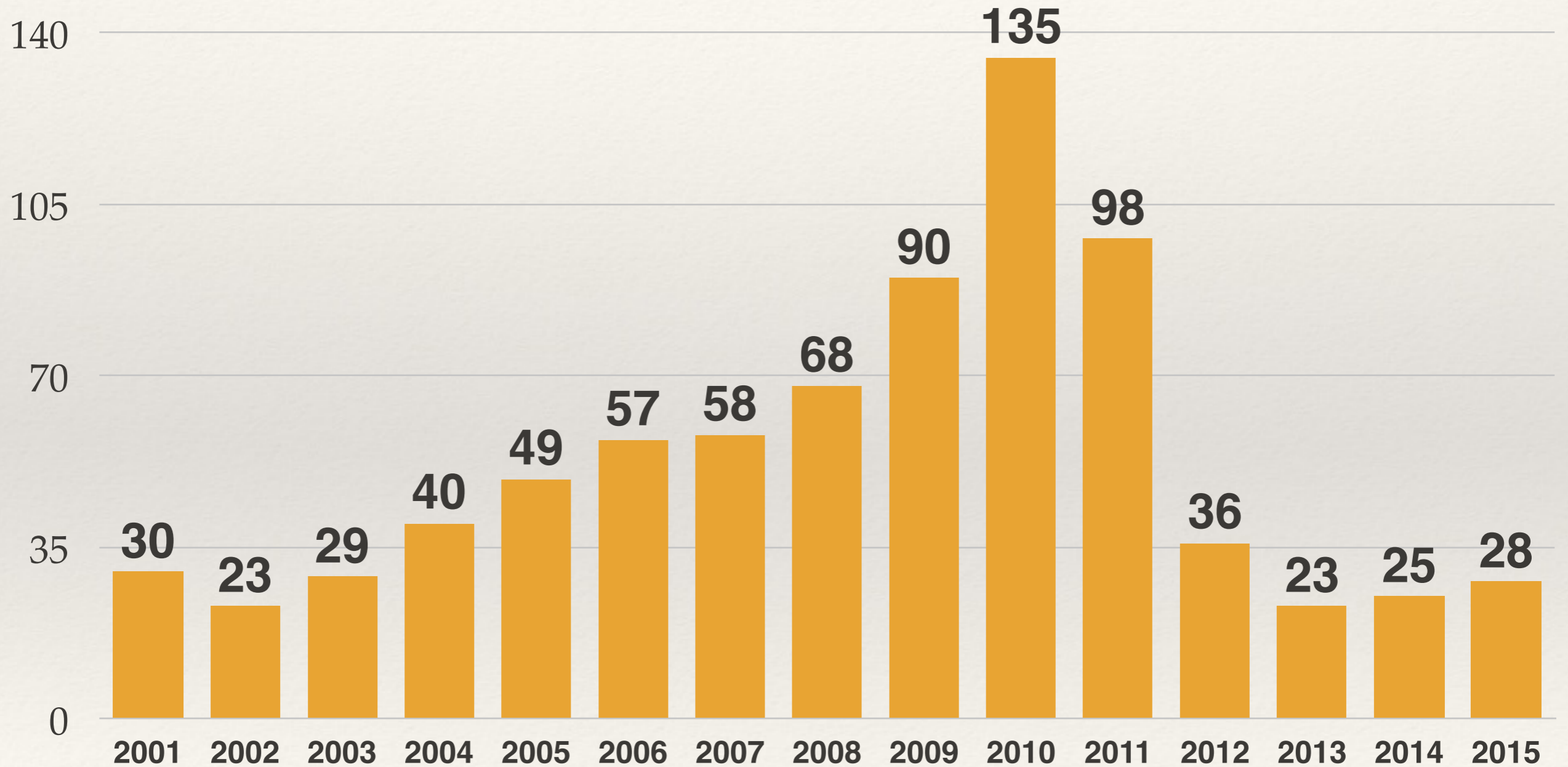




# South Louisiana Land Rig Count

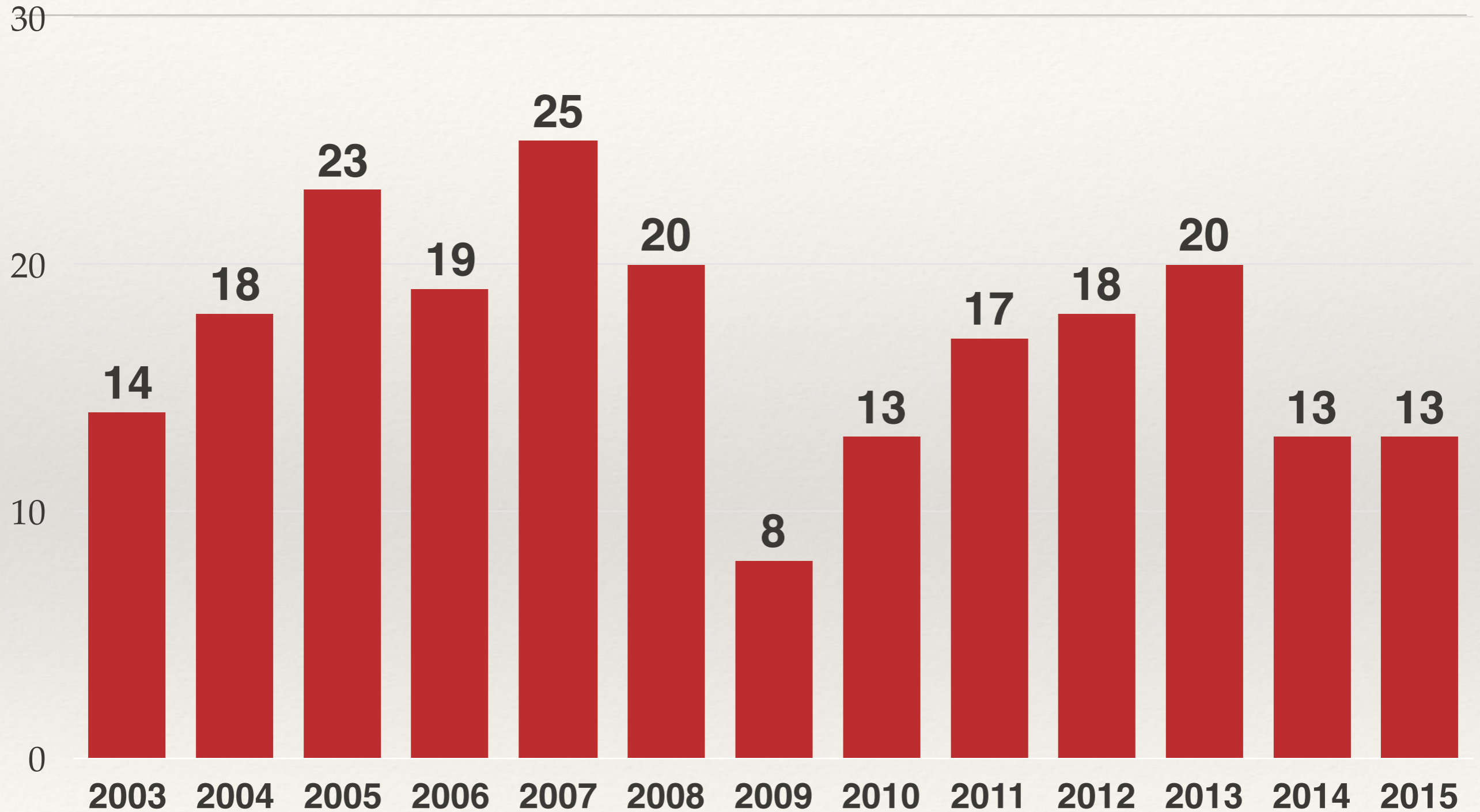


# North Louisiana Land Rig Activity

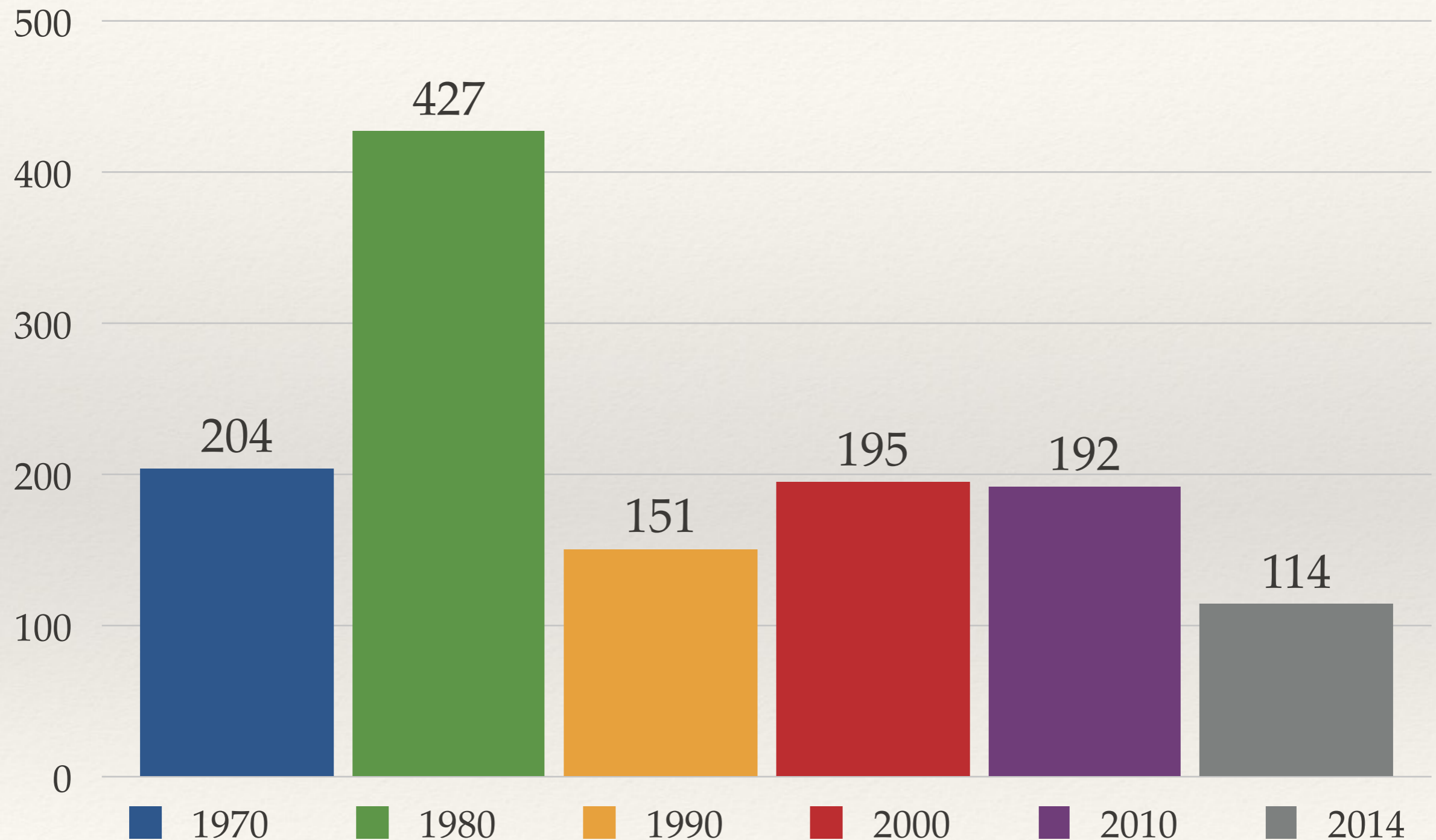




# Inland Waters Rig Count



# Louisiana Average Rigs Running



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# State Issues

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Legal Climate

Legislative Session

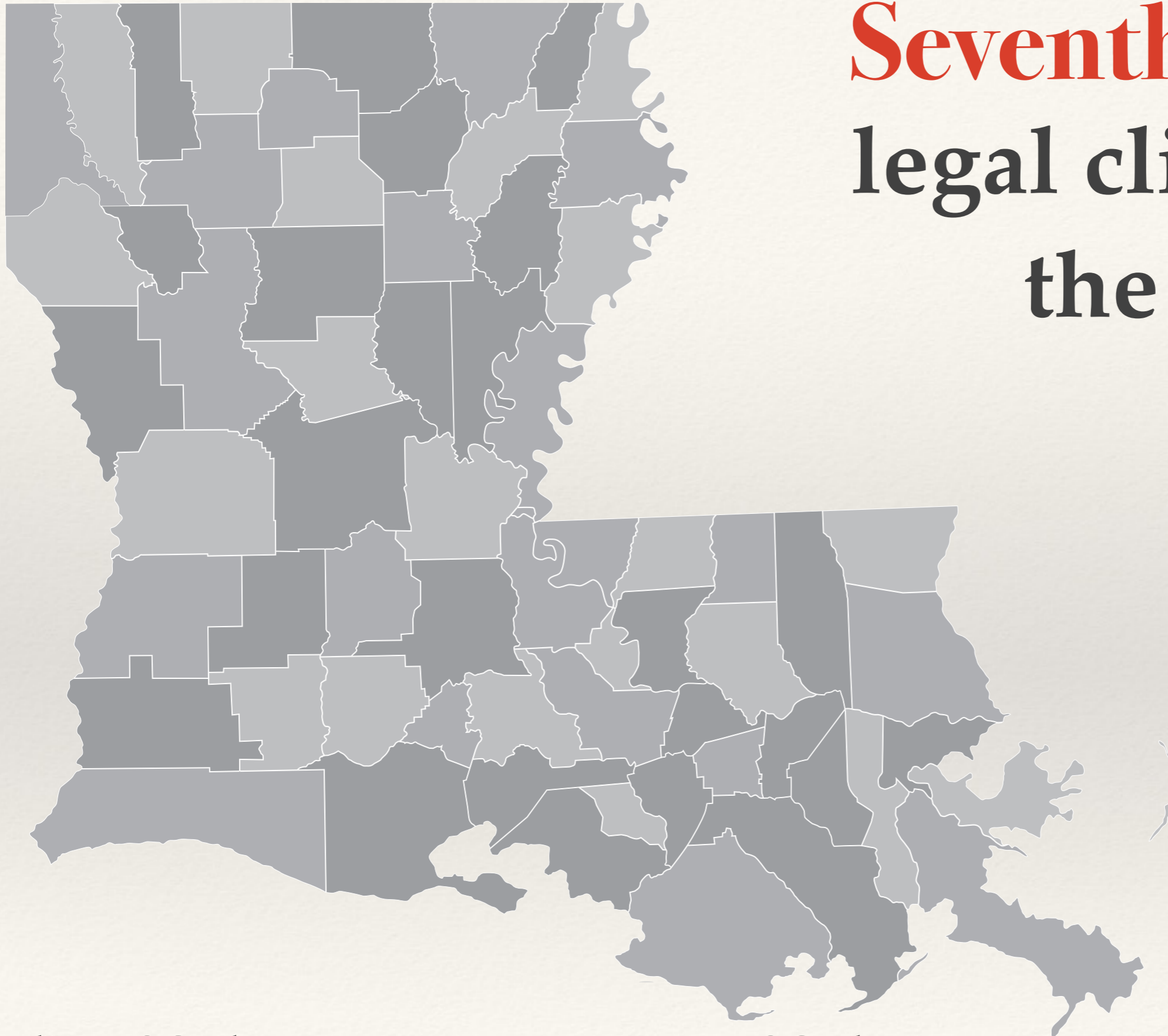
Local Issues

Elections





# Seventh Worst legal climate in the US



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# 2014 Session Advances

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- ❖ Legacy Lawsuit Reform
- ❖ Legislation end the SLFPA-E Lawsuit
- ❖ Legislation to further limit Attorney General Contingency Fee Contracts
- ❖ Legislation to require lawsuit transparency and reporting within state agencies

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# 4 Types of Lawsuits

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**Legacy Lawsuits**

**Flood Protection Authority**

**Parish Government Lawsuits**

**Private Coastal Lawsuits**



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# Private Coastal Lawsuits

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- ❖ **Next generation of Coastal Lawsuits**
- ❖ **Same attorneys that represent the SLFPA-E**
- ❖ **Same permits and area alleged in Parish suits**
- ❖ **Seeking additional damages beyond restoration**

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# 2 Other Lawsuit Concerns

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Hayes Trust Fund

“Prudent Operator”

Jennings

McCarthy vs Evolution

“Fiduciary Duty to Disclose”

Delhi







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# Budget

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- ❖ **\$1.6 Billion Deficit or higher**
- ❖ **\$800 Million or more in real cuts and/or increases in revenue**
- ❖ **Business community will be looked at for additional revenue**

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# Budget Targets

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- ❖ **Incentives**
- ❖ **Fees Increases**
- ❖ **New or Increased Taxes**
- ❖ **Fund and Agency Sweeps**

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# Legislation / Rule Changes

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- ❖ **Cross Unit Wells**
- ❖ **Landowner Bill of Rights**
- ❖ **Orphan Well Program**
- ❖ **Financial Security & Future Utility**



# LOCAL ISSUES



CITIZENS FOR A FRACK-FREE ST. TAMMANY  
No Water. No Future.

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# Local Issues

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- ❖ **St. Tammany Parish**
- ❖ **Road Ordinances**
- ❖ **Permits & Fees**

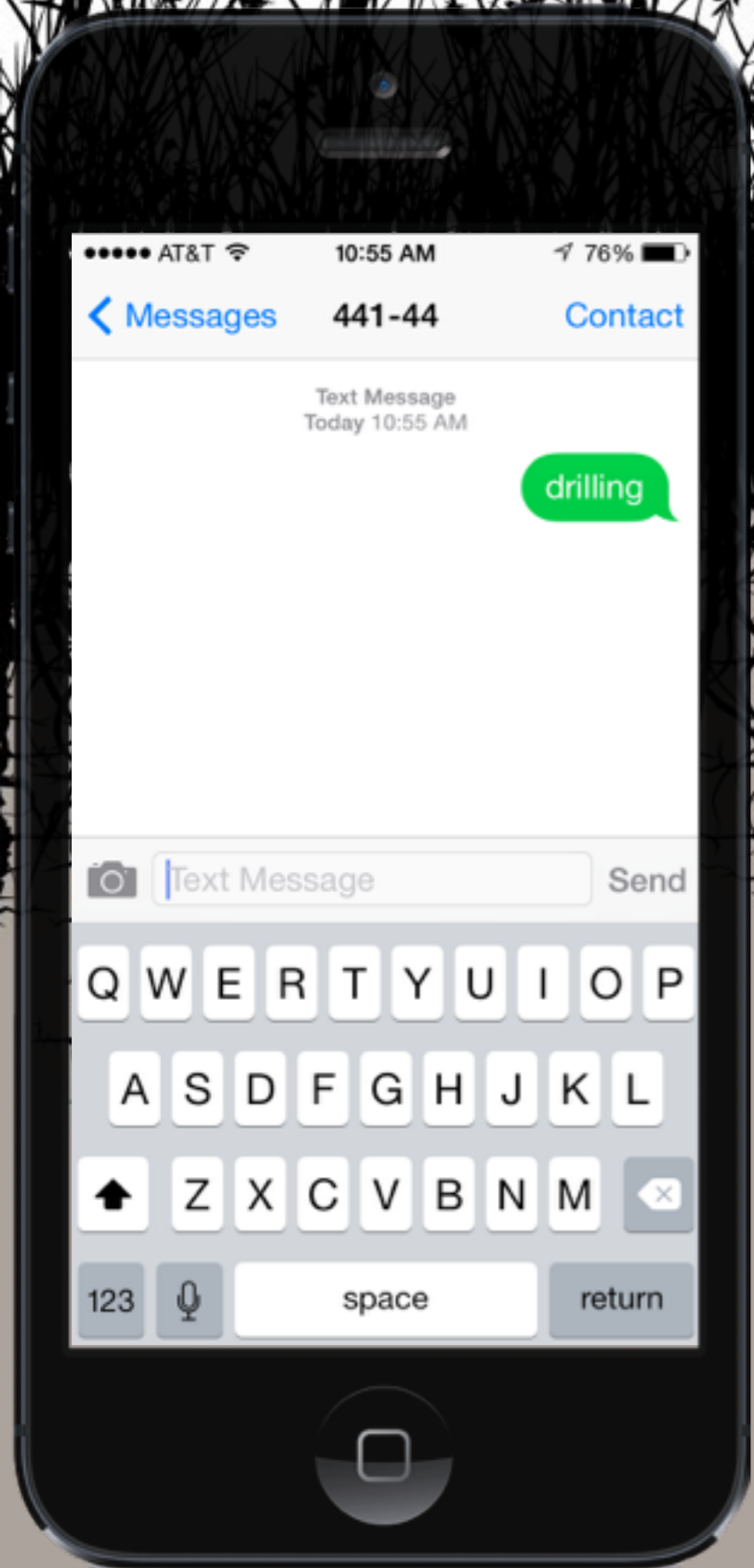
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# Louisiana Elections

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- ❖ **Governor**
- ❖ **Senate**
- ❖ **House of Representatives**
- ❖ **Attorney General**
- ❖ **Judicial**
- ❖ **Parish**





Get Involved.

Text DRILLING to 44144





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