

Oil and Natural Gas Stimulate Arizona Economic and Job Growth



Oil and natural gas are driving the U.S. economy through a major energy boom and that boom is rippling through the economy of Arizona, supporting business activity across the state. This finding grows out of a new American Petroleum Institute survey of domestic oil and natural gas vendors,¹ which offers a glimpse into the job and business creation engine that is the current oil and natural gas industry. The survey shows that at least 124 businesses, located across all nine of Arizona's congressional districts, are part of the larger oil and natural gas supply chain.

The survey's snapshot of state-by-state activity reinforces the impressive level of industry success throughout the country that is documented in a recent PriceWaterhouseCoopers study conducted for the American Petroleum Institute.² That study found that the oil and natural gas industry in Arizona supports some 97,100 jobs, which is 3 percent of the state's total employment. The amount of Arizona labor income supported by the oil and natural gas industry comes to \$4.65 billion annually. That's 3 percent of the state's total labor income.

Although Arizona is not a top energy producer, these job and labor income figures demonstrate that the people of Arizona enjoy significant benefits from

energy development.³ The benefits show up in the state's salary statistics as well. Thus, while the average annual salary in Arizona across all industries and sectors is \$45,525, the average oil and gas industry salary (excluding gas stations) is substantially higher—\$56,822 annually. Overall the industry supports \$9 billion of the Arizona economy. That's 3.4 percent of the state's total economic activity.

Arizona also benefits from the production of oil and natural gas from shales and so-called "tight formations," energy development that uses the proven engineering technologies of hydraulic fracturing, or "fracking," and horizontal drilling. Total jobs supported by these activities in Arizona reached 11,698 in

\$9 BILLION

THE INDUSTRY CONTRIBUTES TO ARIZONA'S ECONOMY

97,100

ARIZONA JOBS

SUPPORTED BY OIL AND NATURAL GAS INDUSTRY

AVERAGE ANNUAL SALARY COMPARISON

Category	Average Annual Salary
Avg. Annual Arizona Salary	\$45,525
Avg. Oil and Gas Industry Salary	\$56,822

1. American Petroleum Institute, "API Onshore Oil and Gas Vendor Identification Survey," Washington, D.C., 2014. The survey was distributed to API members in January 2014 to collect information for the period October 2012 to September 2013. Included are companies that provide goods and services for onshore oil and natural gas development, whether as operators, contractors, service companies, suppliers, or vendors.

2. PriceWaterhouseCoopers, "Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy in 2011," Washington, D.C., July 2013. Prepared for API using the IMPLAN input-output modeling system, based on 2011 U.S. Bureau of Economic Analysis data.

3. Information cited in this paragraph comes from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages (preliminary data for 2013 accessed July 2014); and PriceWaterhouseCoopers, "The Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy: Employment, Labor Income and Value Added," 7/12/13 (based on 2012 IMPLAN database).

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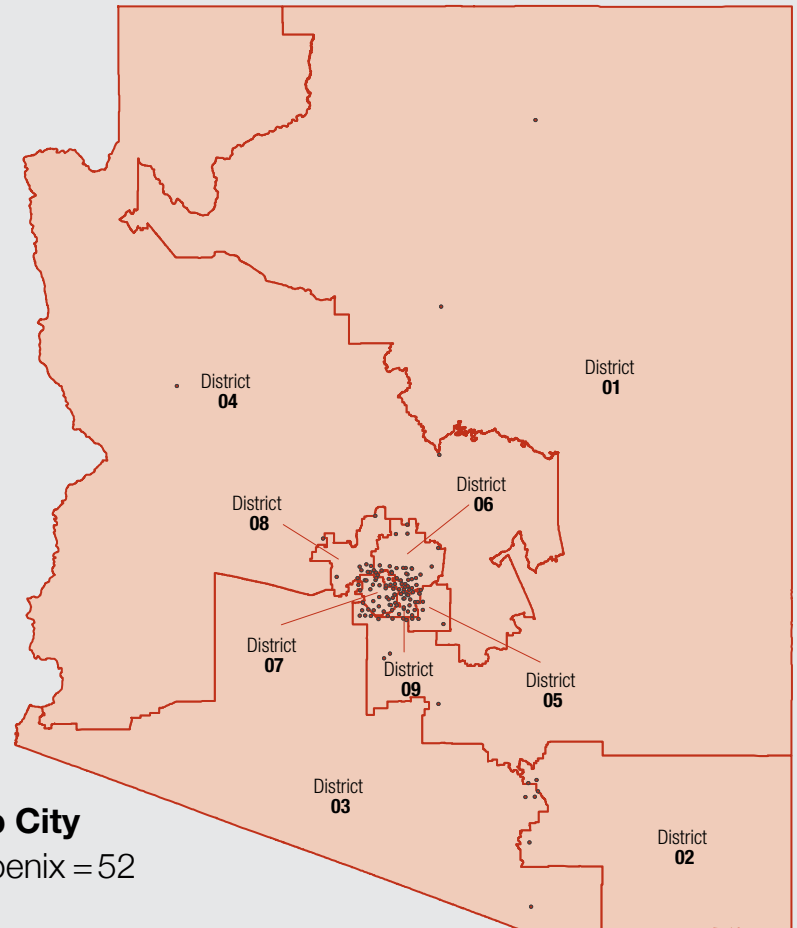
State: Arizona

Vendors by Congressional District

Congressional District	Total
Congressional District 1	5
Congressional District 2	1
Congressional District 3	6
Congressional District 4	3
Congressional District 5	1
Congressional District 6	28
Congressional District 7	56
Congressional District 8	5
Congressional District 9	19
Grand Total	124

Arizona Vendors by Congressional District

District Location ●



Sources: Esri, DeLorme, NAVTEQ, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), and the GIS User Community

Vendor Profile⁶

User Centered Design Services

User Centered Design Services focuses on enhancing situational awareness of control room operators during abnormal situations. Operators must control the process and maintain normal safe operations. The company also addresses the contribution of human factors and human error to such situations. All of these issues are addressed in the implementation of best practices in the control room.

When the company designs a control room or an operator graphics for a refinery control room or a pipeline control center, a culture change takes place. Operators like their jobs more and feel more appreciated.

Forty years of research have equipped the company to identify what causes incidents and which incidents can be prevented. That research has been put to good use in educating the industry on the best practices to use to prevent incidents.

2012. That job total is projected to climb to 20,924 in 2020 and to 26,340 in 2035.⁴

And Americans, including the people of Arizona, get it. A telephone poll of 1,012 registered voters across the country,

conducted on behalf of the American Petroleum Institute, found that 77 percent of Americans, regardless of party affiliation, support increased production of oil and natural gas resources located in the United States.⁵

4. IHS Inc., "America's New Energy Future: The Unconventional Oil and Gas Revolution and the U.S. Economy," Washington, D.C., December 2012.
5. "What America is Thinking on Energy Issues." <http://www.api.org/news-and-media/news/newsitems/2014/july-2014/voters-say-us-should-do-more-to-develop-oil-natural-gas> the results of a national poll conducted by Harris for API July 10-13, 2014. Click on "national poll" to see how percentages of voters answered this and other questions.



AMERICAN PETROLEUM INSTITUTE

6. From the 2014 "API Onshore Oil and Gas Vendor Identification Survey" returns.

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Congressional District 1

Bank of America
 Environmental Energy
 Innovations, LLC
 Mobile Mini, Inc
 Personnel Safety Enterprises
 Robert W. Clements

Congressional District 2

Greenes Consulting

Congressional District 3

J. K. Wolf
 Margaret E Mooney Foundation,
 Inc
 PV Recycling, LLC
 The University of Arizona
 Geoscien
 University of Arizona
 Yasawa Group Ltd

Congressional District 4

Baker Arizona 2010 Acquisition
 Co
 Cintellate USA, Inc
 Kenneth Hixson

Congressional District 5

Equipment Safety Services, Inc

Congressional District 6

Accuvantinc
 Applied Process Equipment, Inc
 Citation Technologies, Inc
 Concur Technologies
 EOS Group, Inc
 Four Peaks Environmental &
 Engineering, LLC
 Govig & Associates, Inc
 Gregg Family Trust Dated March
 10,
 Informative Graphics
 Marine Preservation Association
 Oklahoma Plains Ent, LLC
 Panola Price Partners, LLC
 Phyllis A. Wilson
 Premium Power Solutions
 Sally Owens Ratkovic
 Salt River Materials
 Sheryl L. Damico
 Shortridge Instruments, Inc
 Signal Bridge Communications,
 Inc
 The Alexander Group, Inc
 The DMH Family Group LP
 The Legacy Gallery
 The Rowell Group, LLC
 The Sally Ann Ratkovic
 Revocable Trust
 Thermo Fluids, Inc
 Transolutions, Inc
 Venicom, Inc

William J. Petko Sr Family Trust

Congressional District 7

Air Comm
 Aire Filter Products New Mexico
 Airgas On Site Safety Services,
 Inc
 Allied Waste Services
 American Fence Company
 American Fire Equipment
 Arizona Department of Revenue
 Atmos Energy Corporation
 Bank of America
 Bechtel Hydrocarbon
 BFI Waste Services, LLC
 Cable One, Inc
 Century Link
 Cintas Corporation
 Clean Harbors Environmental
 Consolidated Disposal Service
 Corporationedia Corporation
 DirecTV, Inc
 DL Sales Corporation
 Duncan Disposal
 Embarq
 EMR Corporation
 Flow Management Devices, LLC
 Gruber Technical, Inc
 Hamilton Sundstrand
 Honeywell, Inc
 Industrial Electric, Inc

Industrial Evolution, Inc
 Infosol, Inc
 Insight
 JPMorganChase Commercial
 Card
 Juanita Frank
 Knox Company
 Law Offices One Arizona Center
 Lawlogix Group, Inc
 Lin & Associates, Inc
 Loftin Equipment Co
 Mobile Mini, Inc
 NGH Power Systems, Inc
 Oilind Safety, Inc
 Quadna, Inc
 Qwest Corporation
 Republic Services National
 Accounts, Inc
 Republic Services of Texas Ltd
 Republic Services, Inc
 SCF Arizona
 Seal Systems, Inc
 Snell & Wilmer LLP
 Sunstate Equipment Co
 Thermo Fluids, Inc
 Thunderbird School of Global
 U-Haul
 United Site Services
 University of Phoenix
 Waste Management of New
 Mexico
 Western Process Computers,
 Inc

Congressional District 8

Advantedge Technologies
 Group, Inc
 Altitude Analysis, Inc
 Audrey L. Munkres Family Trust
 Thomas Folkestad
 User Centered Design Services,
 Inc

Congressional District 9

AIT Business Solutions, LLC
 ATC Assoc, Inc
 B&W Distributors, Inc
 Caps Research
 DAP Technologies Corporation
 Geotechnical Consulting &
 Testing
 Insight Direct USA, Inc
 Instrumentation & Controls, LLC
 JWMS Enterprises, Inc
 Kayenell, Inc
 Marianne M. Jennings
 Medaire, Inc
 Mobile Mini, LLC
 Offshore Manufacturing & Design
 Result Group, Inc
 Risk Assessment Group
 Satcom Global, Inc
 Soilworks, LLC
 Western Refining Wholesale, Inc