

# OIL AND NATURAL GAS AND THE U.S. ECONOMY



Oil and natural gas are the lifeblood of the U.S. economy. As of 2016, they meet two thirds of our energy needs and more oil and natural gas are projected to be needed to meet our energy needs in the decades ahead. Technological innovation is helping produce more domestic natural gas and oil than ever before. The U.S. has entered an era of energy abundance that will ensure we can meet our energy needs and drive economic growth well into the future.

## BACKGROUND:

Thanks to new technology and innovation that have allowed the U.S. to safely tap into energy resources once thought inaccessible, we have an oil resource that can meet 85 years of current production levels and a natural gas resource that can meet up to 72 years of current production.<sup>1</sup>

As our technical ability expands, so will our ability to gather more resources than currently estimated. According to the U.S. Energy Information Administration (EIA), natural gas and oil meet 66 percent of the nation's energy needs.<sup>2</sup> In 2040, they are projected to meet 67 percent of our energy needs.<sup>3</sup> While renewable energy is a growing and important part of our energy mix, fossil fuels will continue to shoulder the vast majority of our energy needs well into the future.

As the U.S. oil and natural gas industry looks ahead, opportunities abound to help meet the nation's – and the world's – energy needs, to grow our economy and to provide affordable, secure energy to U.S. consumers.

## FAST FACTS:

- » U.S. oil production is projected to reach all-time highs as early as 2019, exceeding peak production from the early 1970s.<sup>4</sup>
- » The vast majority of oil production will come from tight formations that necessitate the use of hydraulic fracturing technology to be economically produced.
- » However, conventional formations, both on and offshore, are also often hydraulically fractured to increase production rates. "Up to 95 percent of new wells drilled today are hydraulically fractured" according to the US Department of Energy.<sup>5</sup>
- » The EIA projects natural gas production to account for nearly 38 percent of U.S. energy production by 2040 and 39.5 percent by 2050.<sup>6</sup>
- » By 2040, US natural gas production is projected to increase by 42 percent due to hydraulically fractured shale and tight gas formations.<sup>7</sup>
- » By 2040, over 80 percent of US natural gas production is projected to come from formations that need to be hydraulically fractured to be accessible.<sup>8</sup>



## REFERENCES:

1. EIA, [Assumptions to the Annual Energy Outlook](#), July 2017.
2. EIA Monthly Energy Review, September 2017.
3. [EIA Annual Energy Outlook 2017](#).
4. [EIA Annual Energy Outlook 2017](#).
5. U.S. Department of Energy, "[How is Shale Gas Produced?](#)", accessed September 13, 2017.
6. [EIA Annual Energy Outlook 2017](#).
7. [EIA Annual Energy Outlook 2017](#).
8. [EIA Annual Energy Outlook 2017](#).