

PREPARED FOR **AMERICAN PETROLEUM INSTITUTE**

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Benefits and Opportunities of Natural Gas Use, Transportation, and Production



Arkansas

Economic Impacts of Natural Gas

There were 40,546 jobs in Arkansas related to natural gas. These jobs represented 3.4 percent of total state jobs. The top three sectors with the greatest number of jobs were freight truck, crude petroleum and natural gas extraction, and natural gas distribution. The contribution to the Arkansas economy in terms of direct, indirect, and induced value added in 2015 was \$5.27 billion, of which \$2.23 billion was related to the end use segment, \$1.74 billion was from the infrastructure segment, and \$1.30 billion was from the production segment.

Natural Gas Consumers

In 2015, Arkansas consumed 274 Bcf of natural gas in all sectors. There were a total of 620,000 customers. The value of natural gas delivered to consumers was \$1.36 billion.

Arkansas has 550,000 residential customers who consumed 33 Bcf in 2015. Average consumption was 60 Mcf per household. Residential demand was 64 percent for space heating, 27 percent for water heating, 4 percent for cooking, and 5 percent for other uses.

Arkansas has 69,000 commercial customers who consumed 48 Bcf in 2015. Average consumption per commercial customer was 688 Mcf. Commercial demand was 38 percent for space heating, 21 percent for water heating, 9 percent for cooking, and 32 percent for other uses.

There are 1,023 industrial customers in Arkansas who consumed 85 Bcf in 2015. Average consumption per industrial customer was 83 MMcf. The top industries for gas consumption were Chemicals (NAICS Code 325), Mining (21), Primary Metals (331), Paper (322), Food (311), and Petroleum and Coal Products (324), representing 84 percent of industrial demand.

Arkansas has 26 power plants consuming natural gas. In 2015, gas consumption was 109 Bcf, representing 27 percent of power generation in the state. Average consumption per customer was 4,183 MMcf.

Natural Gas Infrastructure

In 2015, Arkansas had 7,698 producing oil wells and 9,965 producing gas wells. There were 4,874 miles of gas gathering lines and 2 gas processing plants in the state with a capacity of 37 MMcf/d. In addition, there were 7,211 miles of gas pipelines, 453 miles of crude oil pipelines, 947 miles of NGL pipelines, 406 miles of product pipelines, and no CO₂ pipelines. There were 20,184 miles of gas distribution mains and 8,276 miles of service lines. There were 2 natural gas storage sites in the state with a working gas capacity of 12 Bcf.

Natural Gas and Oil Production

In 2015, Arkansas produced 1.01 Tcf of dry natural gas, 427,000 barrels of plant liquids, and 6.17 million barrels of crude. Arkansas is the location of the Fayetteville shale gas play, which is one of the top shale gas plays in the U.S.

Exhibit 7-5: Arkansas State Factsheet

Arkansas			Employment (# of Workers)			Labor Income (\$ million)			Value Added (\$ million)		
Summary	Segment	Category	Direct & Indirect	Induced	Total	Direct & Indirect	Induced	Total	Direct & Indirect	Induced	Total
	End-Use	Power Generation	1,500	2,273	3,773	116	113	229	363	200	563
		Industrial	2,498	4,452	6,951	166	205	371	642	393	1,035
		Residential/ Commercial	1,597	1,820	3,418	104	93	197	395	164	559
		Export	501	411	913	32	20	52	36	37	72
		Transportation	1	1	2	0	0	0	0	0	0
	Infrastructure	Processing	685	783	1,468	44	36	81	98	71	170
		Pipelines	3,008	2,414	5,422	218	118	336	584	221	805
		Distribution	3,563	2,652	6,215	221	122	344	507	240	747
		Wholesalers, Marketers, Other	95	72	167	6	3	10	15	7	22
	Production	Natural Gas/ NGLs	7,935	4,283	12,219	621	195	816	918	382	1,300
	All Segments	Grand Total	21,384	19,162	40,546	1,529	906	2,434	3,558	1,715	5,274

Jobs by Top Industries	Rank	NAICS	Industry Sector	Direct and Indirect Jobs
	1	4841	Freight Truck	1,361
	2	211111	Crude Petroleum & Natural Gas Extraction	1,305
	3	221210	Natural Gas Distribution	1,228
	4	213112	Support Activities for Oil & Gas Operations	1,099
	5	331210	Iron & Steel Pipe & Tube Manufacturing	1,061
	6	325	Chemical Manufacturing	985
	7	237120	Oil & Gas Pipeline Construction	872
	8	811310	Industrial Equip. & Machinery Repair & Maint.	662
	9	45431NGL	NGL Retail	428
	10	236210	Industrial Construction	387

Customers	Sector	Customer Count	Consumption Volume (MMcf/ year)	Value of Natural Gas Delivered to Customers (\$million)
	Residential Sector	550,108	32,998	\$381
	Commercial Sector	69,265	47,651	\$352
	Industrial Sector	1,023	85,287	\$313
	Transportation	18	36	\$0
	Power Sector	26	108,755	\$313
	All Sectors	620,440	274,727	\$1,359

Infrastructure	Gas Distribution Main (miles)	Gas Distribution Services (miles)	Gas Gathering (miles)	Gas Pipelines (miles)	Crude Oil Pipelines (miles)	NGL Pipelines (miles)	Oil Product Pipelines (miles)	CO2 Pipelines (miles)
	20,184	8,276	4,874	7,211	453	947	406	0

Production	Product	Annual Production
	Dry Natural Gas (mmcf)	1,009,723
	Gas Plant Liquids (barrels)	427,000
	Lease Condensate (barrels)	0
	Crude Oil (barrels)	6,165,000
	Annual Value Counted Toward Natural Gas Value Chain (\$million)	\$2,167
	Annual Value of All Produced Oil, Gas, NGLs (\$million)	\$2,433

Wells	Well Type	Operating Wells	New Wells Drilled
	Oil Wells	7,698	74
	Gas Wells	9,965	293
	All Wells	17,663	367

Annual 2015 Data for Arkansas
Natural Gas Value Chain Basis