

[Previous Story](#)[Next Story](#)

Article rank | 6 Nov 2014 | Albuquerque Journal | BY KEVIN ROBINSON-AVILA JOURNAL STAFF WRITER

Gas imports to become exports

Fracking revolution turns the tables

Within a few years, the United States is expected to become a net exporter of natural gas, thanks to the shale gas boom that has driven nationwide production to historic levels since 2008, a ConocoPhillips executive told the Albuquerque Economic Forum on Wednesday morning.

The country's "energy renaissance" has completely reversed the long-term outlook for U.S. energy independence, said Terri King, director of oil and gas operations for New Mexico.

"Previously, federal estimates projected the U.S. would import about 17 billion cubic feet per day of natural gas by 2015," King said. "But by 2007, that outlook changed because of the shale gas revolution. Now, the forecast is for no imports by 2016, and exports of 7 (billion cubic feet) per day by 2025."

Since the mid-2000s, modern techniques of hydraulic fracturing and horizontal drilling have opened up vast natural gas deposits in hard-rock shale formations in the Northeast, Midwest and South.

Last year, domestic production reached 25.62 trillion cubic feet of natural gas, according to the U.S. Energy Information Administration. That's up 35 percent from 2005, and it marks the country's eighth straight year of growth.

"We have about 20 major areas of activity in the country now," King said. "We have huge deposits of hydrocarbons. ...We're looking at conservatively a century of supply."

With domestic supply now exceeding demand, the industry is pursuing export strategies, with about 50 new projects for liquid natural gas export terminals awaiting government approval, King said.

Tapping foreign markets is key to sustaining production growth, because those markets offer far higher returns than in the United States, where oversupply has severely depressed prices. Producers earn about \$3.90 per 1,000 cubic feet in the U.S. today, down from more than \$13 in 2008.

Producers can earn more than \$8 per 1,000 cubic feet in the United Kingdom, and more than \$16 in Japan, King said.

Higher prices are also critical to reviving natural gas production in the San Juan Basin in northwestern New Mexico, where the national shale gas boom has had a boomerang effect.

New Mexico production fell to 1.215 trillion cubic feet in 2013, down 29 percent from the state's peak production in 2001, according to the New Mexico Oil Conservation Division. This year, production is down slightly again, by about .05 percent as of August.

ConocoPhillips, which operates in 27 countries, is New Mexico's No. 1 natural gas producer. About 10 percent of the company's total annual production comes from New Mexico.

This article was shared by a user of PressReader - an online source of publications from around the world. PressReader contains copyrighted material, trademarks and other proprietary information. Receipt of this article should not be interpreted as grant of any licenses express or implied, to the intellectual property of PressReader or publishers of publications presented. PressReader - Connecting People Through News PressReader, 200-13111 Vanier Place, Richmond BC V6V 2J1, Canada Phone: +1 604 278 4604 © 2003-2014 NewspaperDirect Inc. dba PressReader. All rights reserved. Terms of Use: http://www.pressdisplay.com/pressdisplay/showlink.aspx?pageid=ins_terms Privacy Policy: http://www.pressdisplay.com/pressdisplay/showlink.aspx?pageid=ins_privacy

[Previous Story](#)[Next Story](#)