

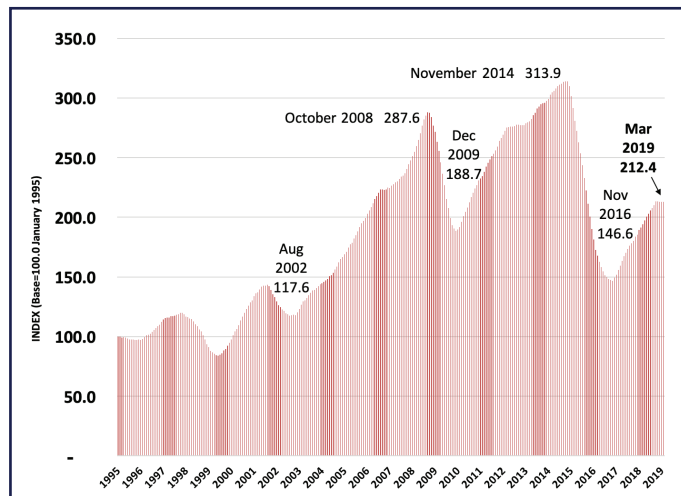
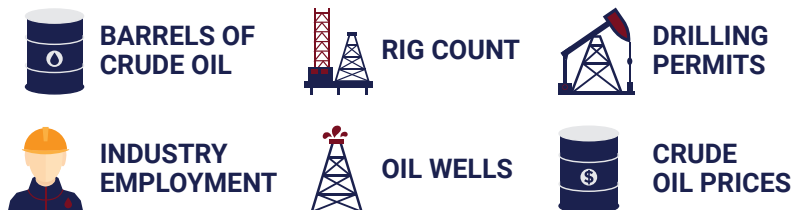
MARCH 2019: TEXAS PETRO INDEX

TEXAS OIL AND GAS PRODUCERS ARE DOING MORE WITH LESS

MARCH TEXAS PETRO INDEX (BASE = 100 JANUARY 1995): 212.4

The March 2019 TPI is up 9.4% year-over-year from the March 2018 TPI of 191.5

The Texas Petro Index (TPI) is a monthly measure of growth rates and cycles in the Texas upstream oil and gas economy. The TPI is calculated based on a comprehensive group of exploration and production (E&P) indicators, which include:



TEXAS OIL AND GAS INDICATORS DOWN THROUGH MARCH...

Texas Petro Index Declined in March: 212.4 – Down from February (213.1) and December 2018 (year-end - 212.9)

BUT, THE TEXAS UPSTREAM OIL AND GAS ECONOMY REMAINS IN EXPANSION MODE!

Despite declines in TPI indicators, prices continue to improve and crude oil production is at record levels and climbing.

MONTHLY AVERAGE RIG COUNT

BELOW 500

4th straight month of decline; rig count averaged 904 in December 2014.

DRILLING PERMITS

DOWN 40%

Compared to the 2014 high point of 5,367 permits.

OF JOBS DOWN SINCE DEC. 2018

3,500

Down by more than 70,000 compared to the all-time peak total in Dec. 2014.

WELL COMPLETIONS ARE OFF BY

OVER 60%

Down from the high point of 3,000+ in 2014.

COMPARED TO 2014 NUMBERS

AVG. BARRELS PER RIG

300,000

UP 670% IN 10 YEARS

FOR THE FIRST TIME EVER, TEXAS DAILY CRUDE OIL PRODUCTION SURPASSED

OVER 5 MIL

BARRELS PER EMPLOYEE

700

While total employment is down, the amount of oil produced per employee has increased 535 barrels in the last decade.

CRUDE OIL PRICE AVERAGE

\$55

UP FROM \$45.31 IN DEC. 2018

Crude oil prices declined by over 40% in the 4th quarter of 2018.

“Texas oil and gas producers are doing more with less, particularly since the sharp downturn from 2014-2016, producing record amounts of crude oil and near-record volumes of natural gas. At the same time, most other indicators of upstream oil and gas activity in Texas remain well below late-2014 peak levels.” - Karr Ingham, Petroleum Economist for the Texas Alliance of Energy Producers

www.texasalliance.org/texas-petro-index

The Texas Alliance of Energy Producers, the largest independent statewide oil and gas association in the nation, created the Texas Petro Index in January 1995 and continues to maintain it.