



**FOR IMMEDIATE REVIEW**

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## **Texas oil and gas industry expansion surpasses jobs milestone**

**HOUSTON**—An 18-month-long expansion of the Texas oil and gas economy, tracked by the Texas Petro Index (TPI), has propelled estimated petroleum industry employment beyond a milestone achieved in late 2008, contributing to the creation of about two-thirds of all jobs added in state in the past year.

“Post-recession job growth in Texas has been among the strongest in the nation, and the oil and gas industry in Texas deserves most of the credit for that,” said Karr Ingham, the economist who created the TPI and updates it monthly.

According to the TPI, total oil and gas industry employment in Texas in June reached an estimated 224,200, a nearly 15-percent gain since June 2010. It marked the first time more Texans have been working in the state’s oil and gas industry than in October 2008, at the peak of the industry’s last boom, when Texas Workforce Commission estimates put the count at 223,200.

“In the past 12 months, the industry has added more than 28,600 jobs, which is nearly 13 percent of all jobs added to the Texas economy,” Ingham said. “That’s really an accomplishment, considering the TPI in June indicates the industry still has not recovered to the level of economic health that created the last jobs milestone.

“More importantly, when a conservative multiplier of 5.0 is used to model the direct, indirect, and induced effects of petroleum industry employment on the statewide economy, one discovers that industry activity accounted for a whopping 66 percent of total job growth in Texas over the past 12 months.”

A composite index based upon a comprehensive group of upstream economic indicators, the Texas Petro Index increased in June for the 18<sup>th</sup> consecutive month to 243.5, from a low in December 2009 of 186.6. The TPI peaked at 286.0 in September and October 2008.

Among leading TPI indicators during June:

- Crude oil production in Texas totaled an estimated 34.1 million barrels, 0.4 percent more than in June 2010. Crude production in the first six month of 2011 totaled nearly 211 million barrels, an estimated 3.5 percent increase.
- The value of Texas-produced crude oil was nearly \$3.16 billion, 29.5 percent more than in June 2010. The value of Texas crude produced during the first six months of 2011 totaled more than \$20 billion, up 31.3 percent compared to the first six months of 2010.

- Estimated Texas natural gas output was nearly 576.5 billion cubic feet, a year-over-year monthly decline of about 6.1 percent. Texas operators in first half 2011 produced more than 3.47 billion cubic feet of gas, down about 6.5 percent.
- The value of Texas-produced gas totaled \$2.46 billion, about 0.2 percent more than in June 2010. The value of gas produced by Texas operators in first half 2011 totaled nearly \$14.4 billion, a decline of more than 17 percent.
- The Baker Hughes count of active drilling rigs in Texas averaged 839, 26.5 percent more than in June 2010, when 663 rigs were active on average. The number of drilling rigs working in Texas during first half 2011 averaged 780. Drilling activity in Texas peaked in September 2008 at a monthly average of 946 rigs before falling to a trough of 329 in June 2009.
- The number of Texans on oil and gas industry payrolls totaled an estimated 224,200, about 28,600 (14.6 percent) more than in June 2010, according to the Texas Workforce Commission. Oil and gas industry employment in Texas averaged 214,933 during first half 2011. The number of upstream oil and gas workers in Texas peaked in October 2008 at an estimated 223,200, following a revision to reflect new industry employment data for 2009 and 2010.

**EDITOR'S NOTE:** The Texas Petro Index is a service of the Texas Alliance of Energy Producers, the nation's largest state association of independent oil and gas producers.

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