



SUSTAINING THE NORTH AMERICAN PETROLEUM RENAISSANCE (Why Policy Still Matters)

**Crossroads Energy Summit
Industry and the Economy
Heritage Foundation/Texas Public Policy Foundation
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**Lucian Pugliaresi
Energy Policy Research Foundation**

About EPRINC



- Founded 1944
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- Studies intersection of petroleum economics and public policy
- Provides independent and technical analyses for distribution to the public
- Supports USG projects, e.g. Quadrennial Energy Review, DoD strategic outlook
- EPRINC Embassy Series
- IEEJ-EPRINC Project on “Future of ASIAN LNG
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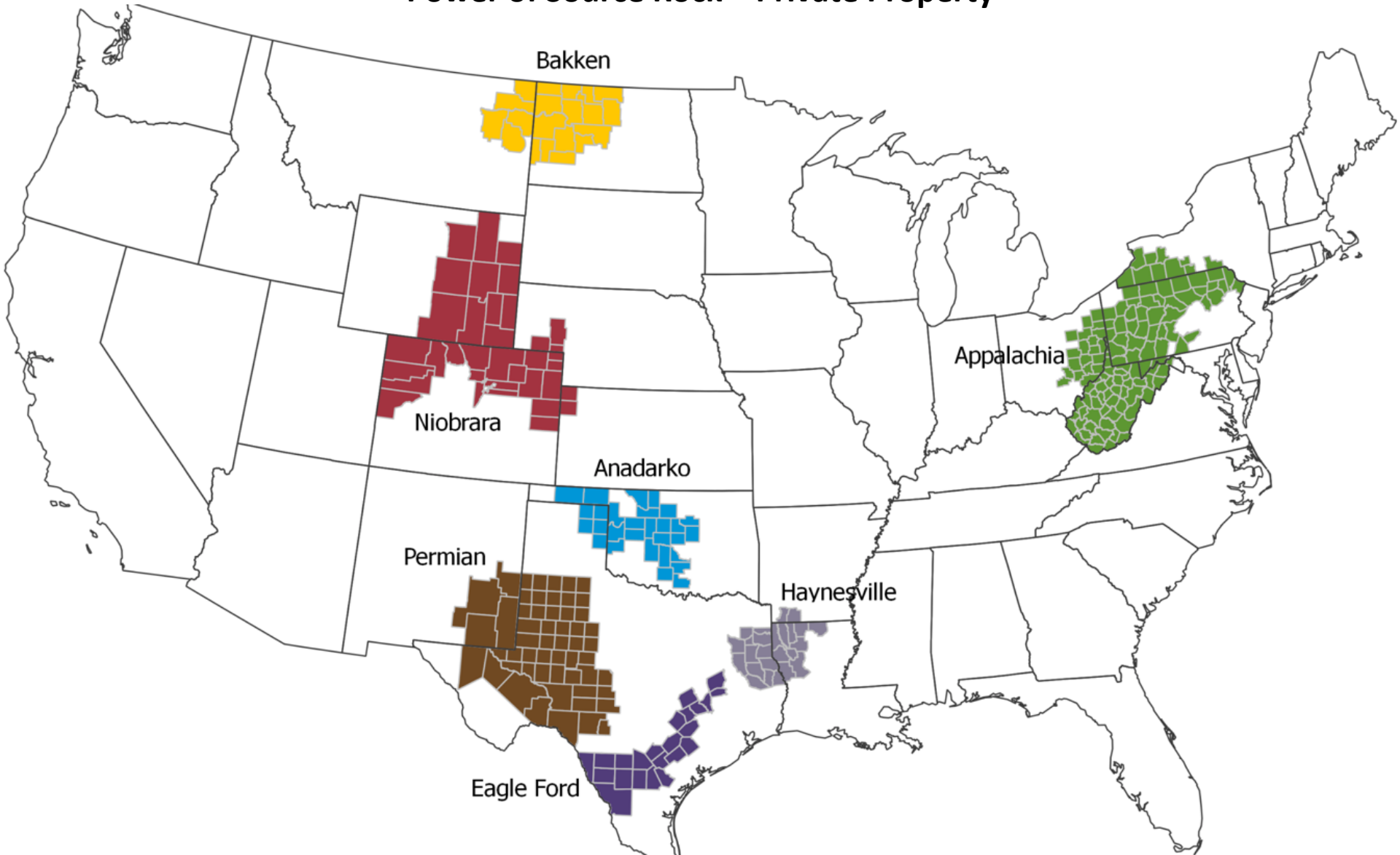


WESTERN INTERIOR SEAWAY



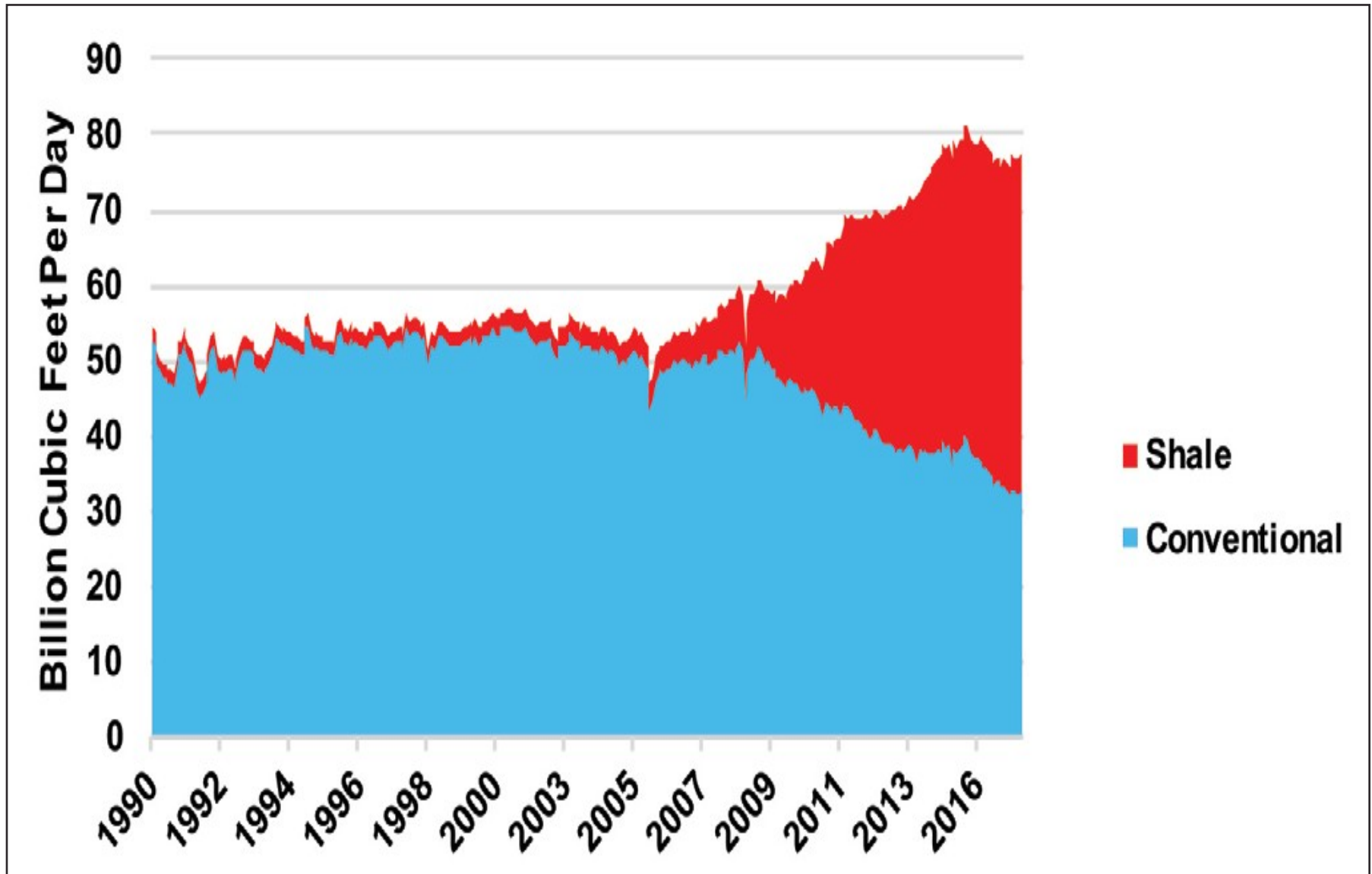
Main U.S. Shale Basins and Plays

Power of Source Rock + Private Property



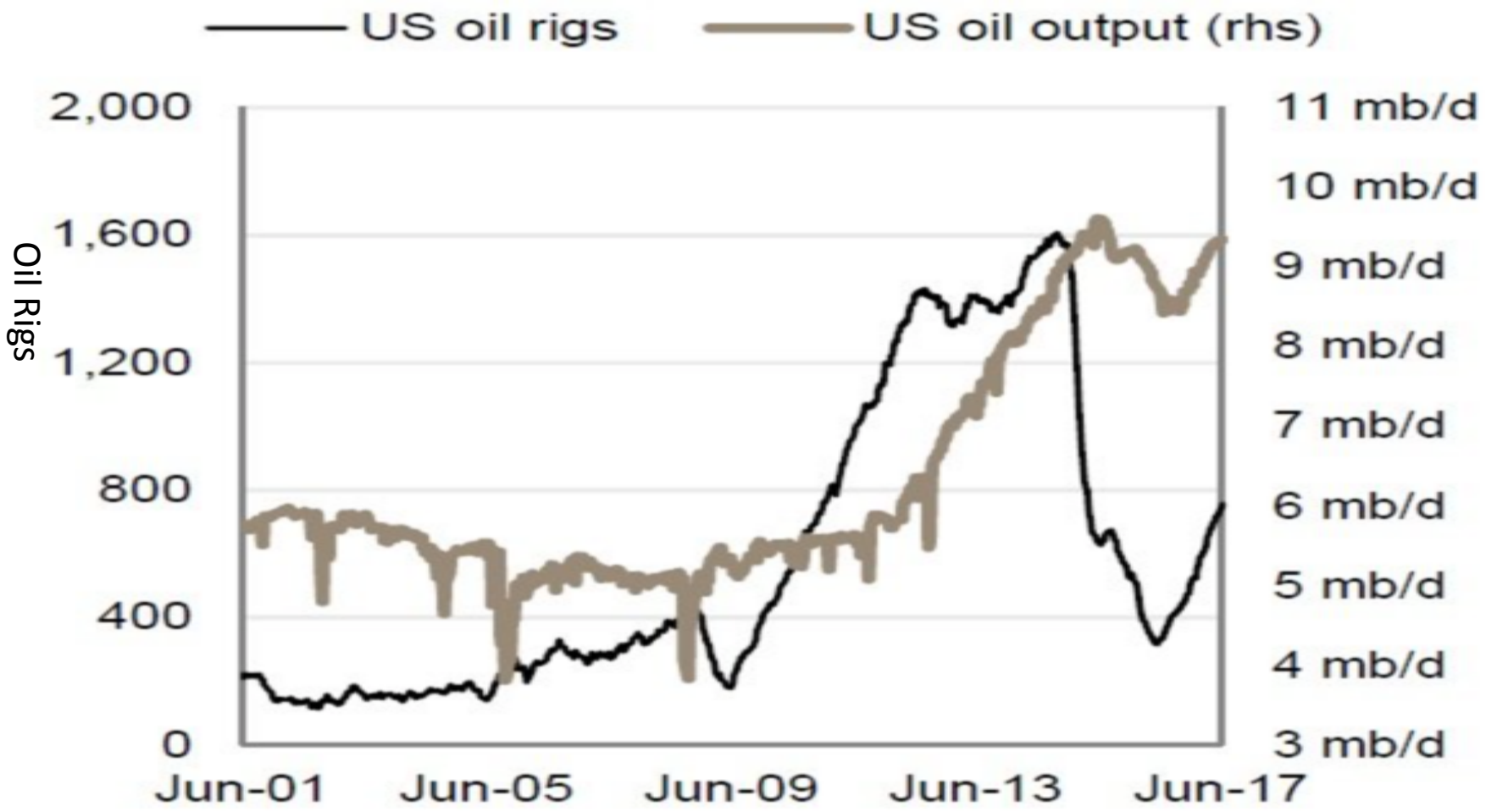
Source: EIA

US Natural Gas Production



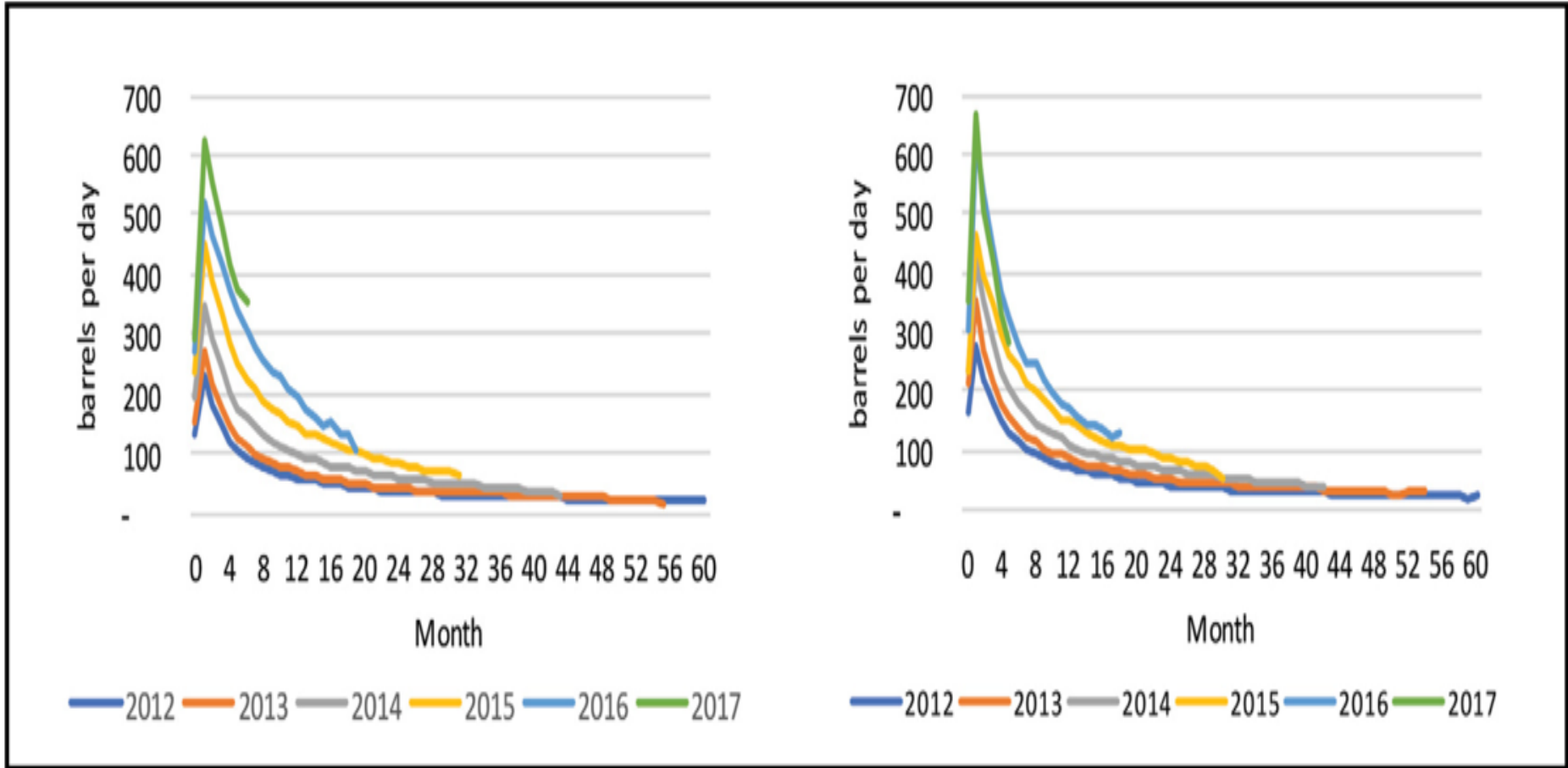
Source: EPRINC from EIA data

U.S. Oil Production is Up and Rigs Count is Down (sort of)



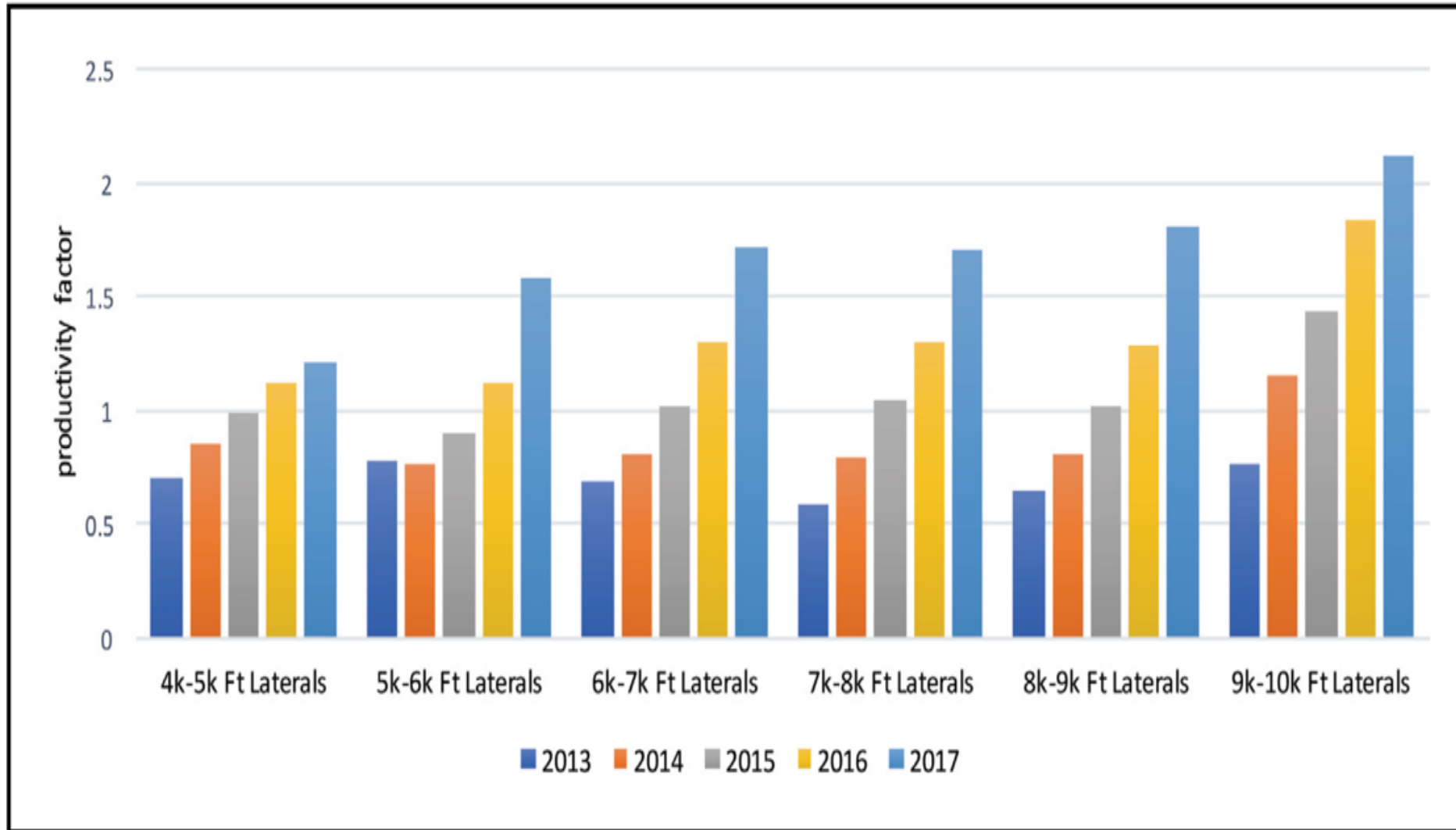
Source: EIA, Baker Hughes, DrillingInfo

Permian Basin Horizontal Decline Curves (Texas and New Mexico) (b/d)



Source: **Completion Design Changes on Well Productivity**, Curtis & Montalbano, Forthcoming EPRINC paper, (December 2017).

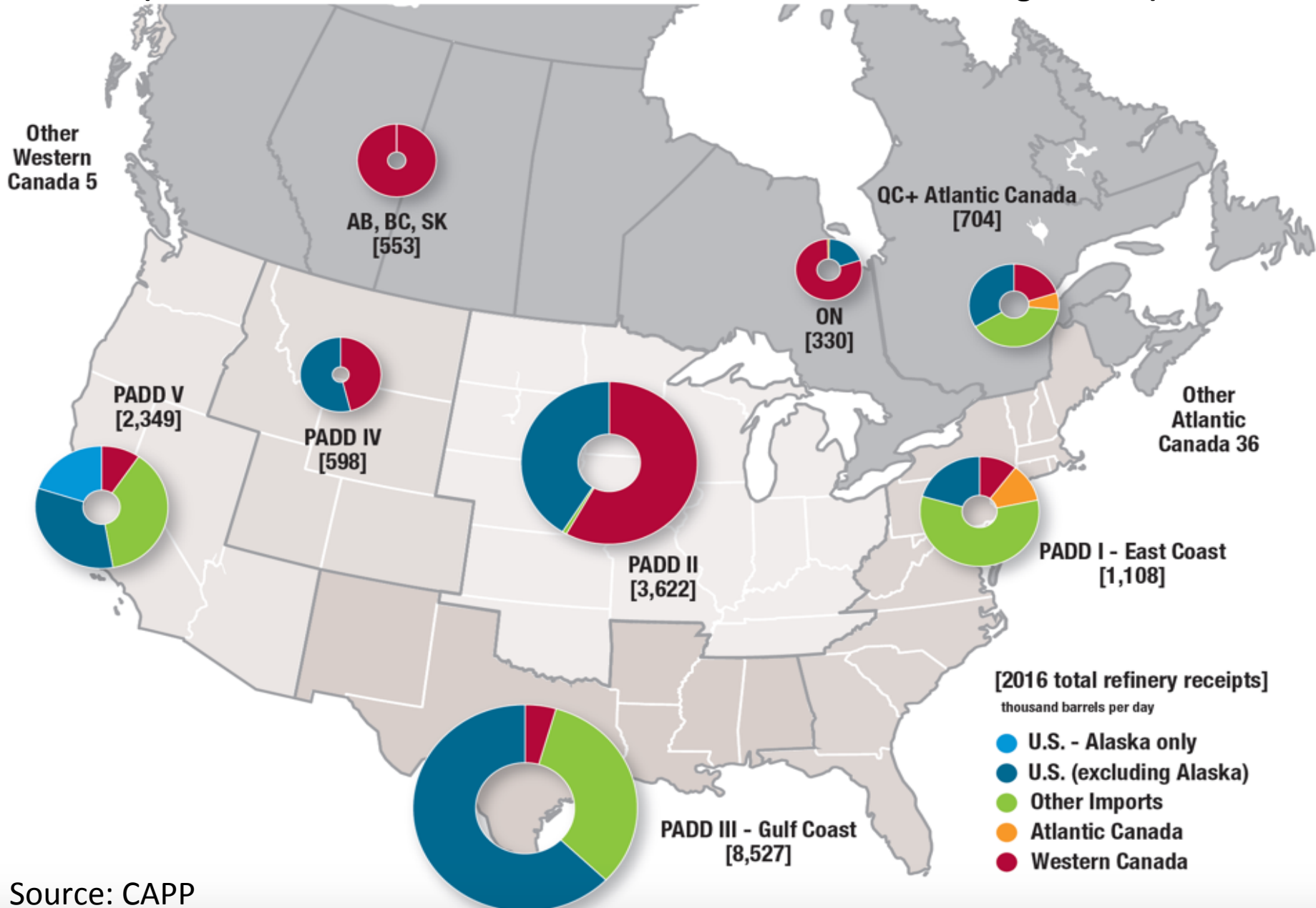
Permian Basin Horizontal Well Productivity by Lateral Length Segment



Source: **Completion Design Changes on Well Productivity**, Curtis & Montalbano, Forthcoming EPRINC paper, (November 2017). Note: Well productivity indexed to a base curve, which equals 1.

North American Petroleum Renaissance Needs Pipelines

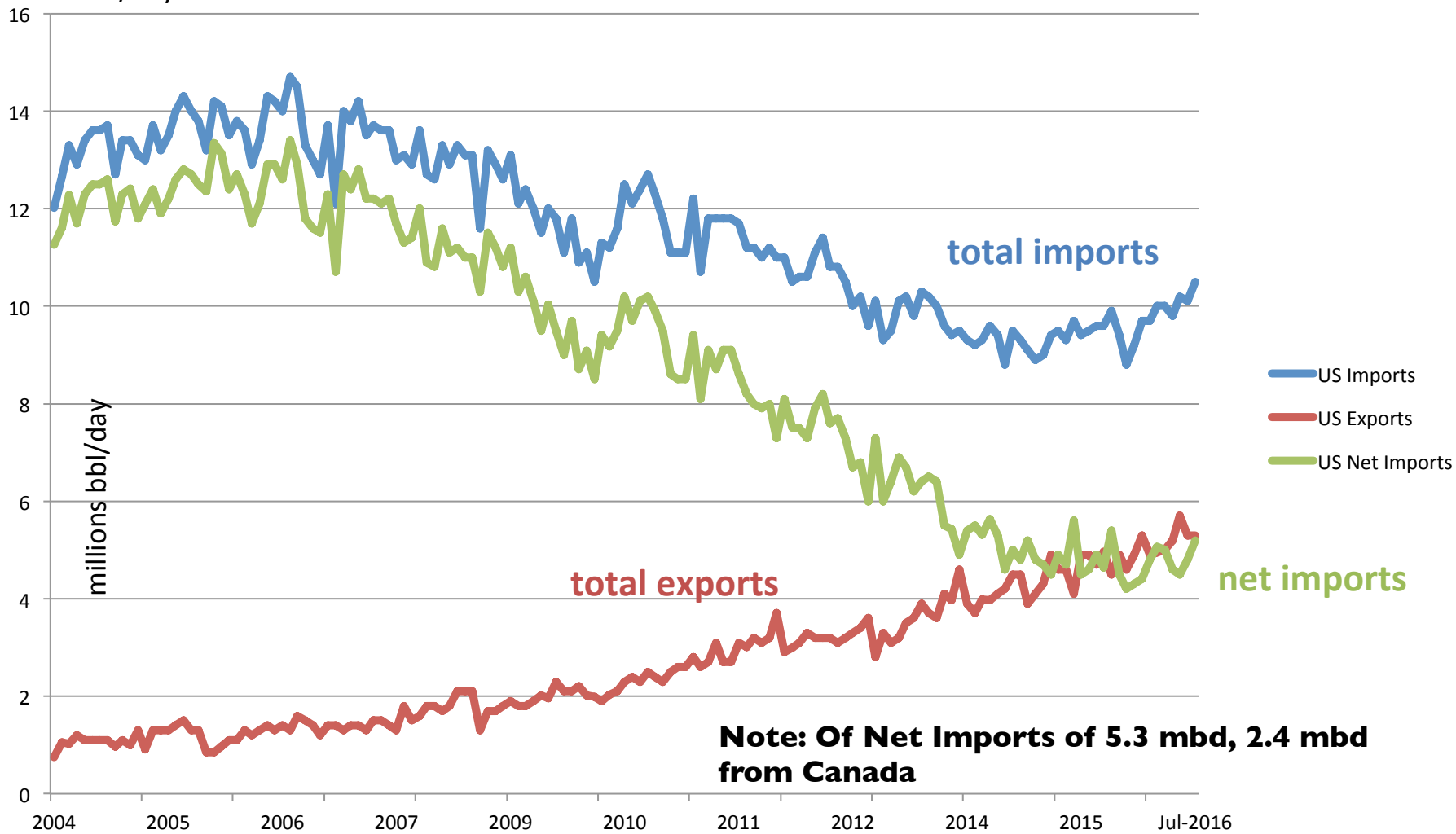
(Incremental Production Must Be Moved to Coastal Processing Centers)



Source: CAPP

U.S. Net Trade Crude & Petroleum Products

millions bbls/day



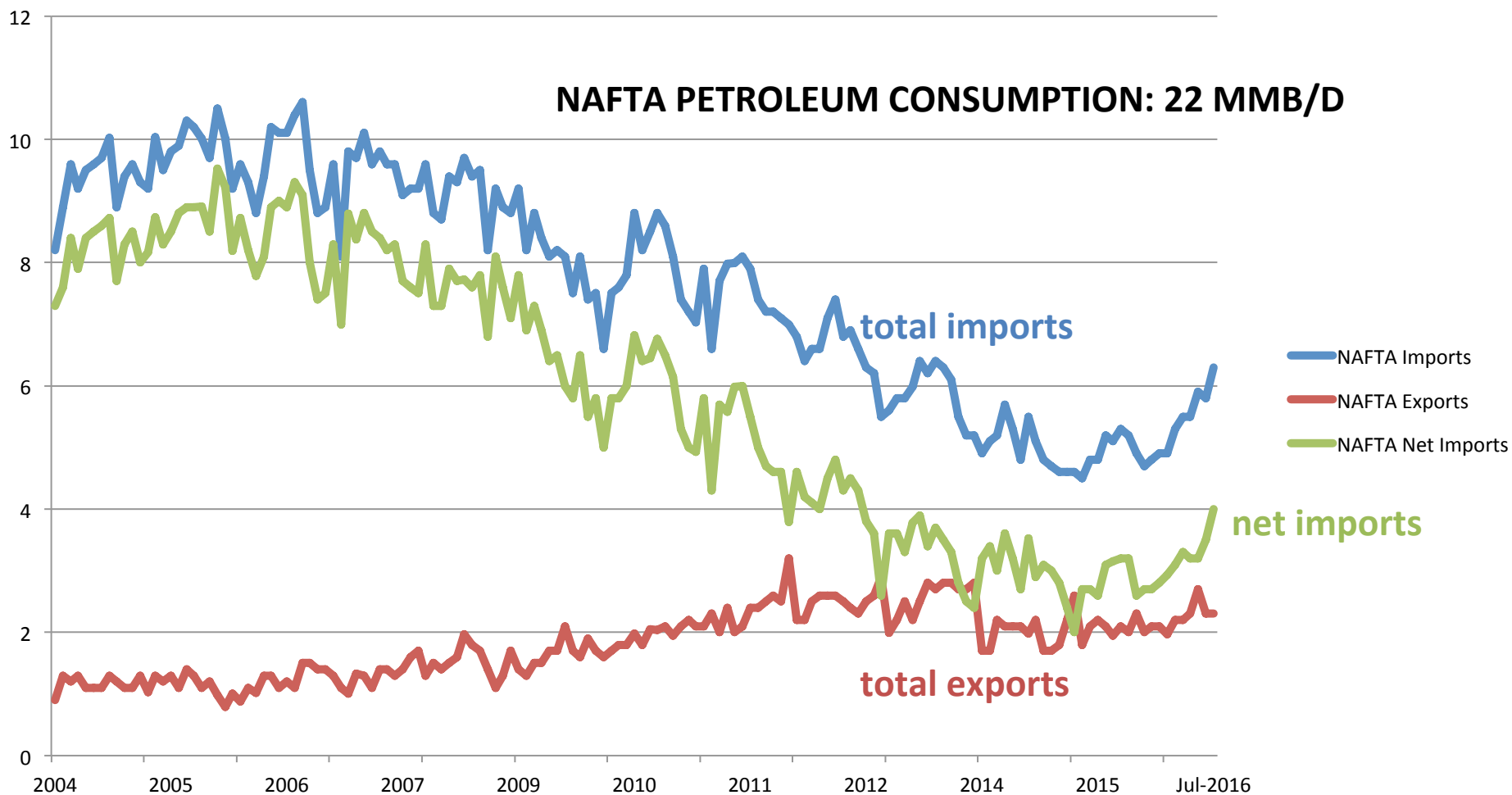
Source: EIA

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NAFTA Single Market Lens

(Net Imports of Crude & Petroleum Products)

millions bbls/day

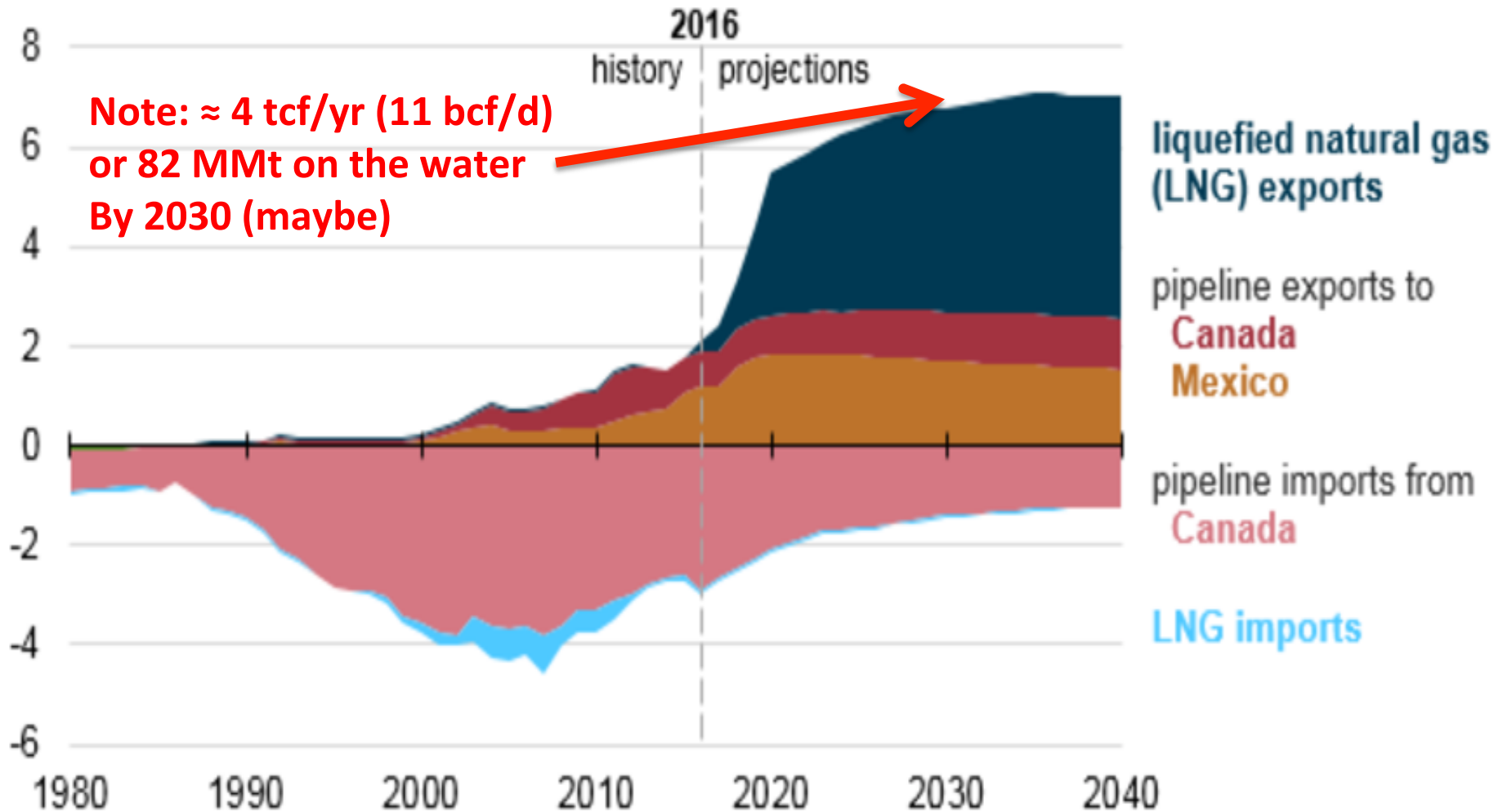


Source: EIA

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US NATURAL GAS EXPORT COULD GROW QUICKLY

trillions cubic feet/year



Source: EIA, Reference Case

Steve McQueen, a San Francisco detective in the iconic thriller, ***Bullitt***, chases the bad guys in his 1968 [Ford Mustang GT](#) fastback with a 325 horse power V8.



How do the cars of today compare with McQueen's Mustang?

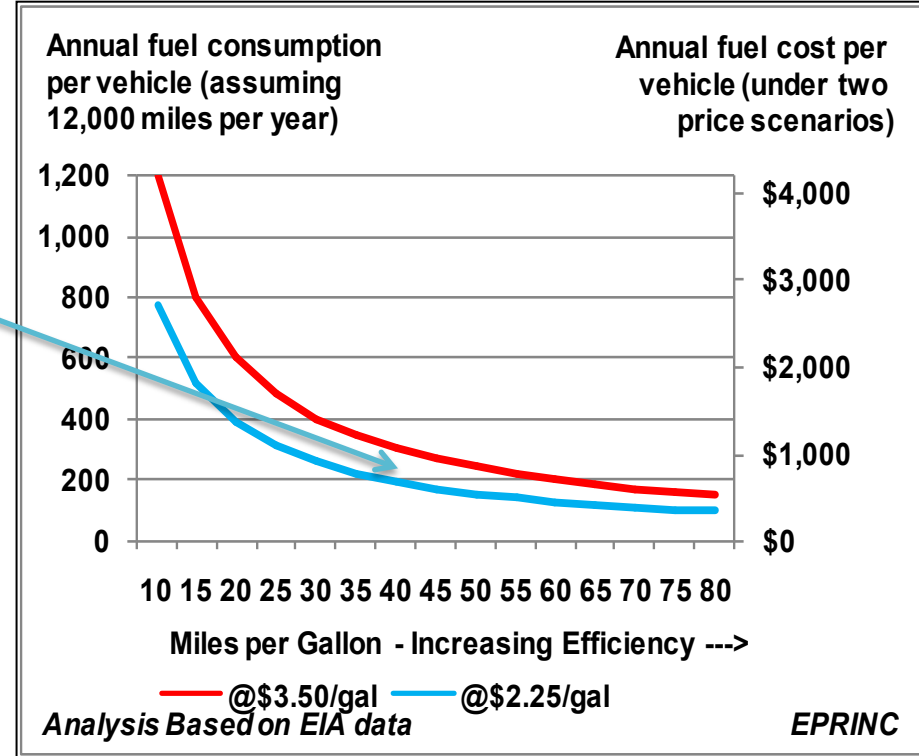
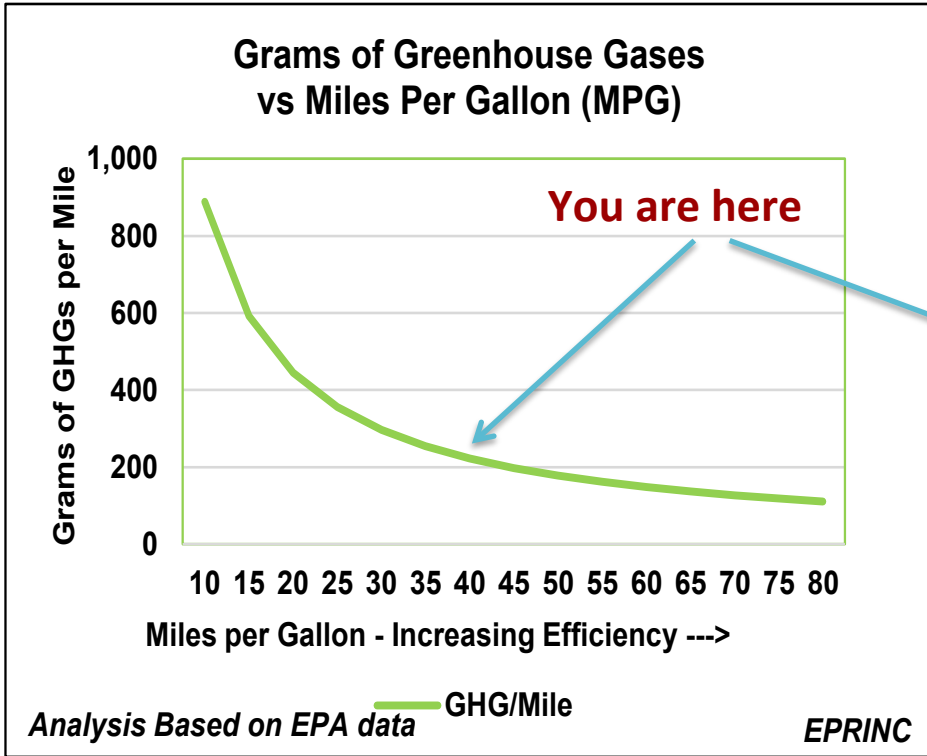
Answer:

1968 Mustang, 1 ton of criteria pollutants per 100,000 miles

2016 Mustang, 10 pounds of criteria pollutants per 100,000 miles

A Comment on Environmental Regulation

How Much Should We Pay for the Last 10 Yards?



Source: Pugliaresi, L. and Max Pyziur, *CAFE, Gasoline Prices and the Law of Diminishing Returns*, March 2016, EPRINC