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Natural Gas/Energy: U.S. Energy Information Administration Predicts Production Growth to be Driven by Shale Gas/Tight Oil Plays

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The United States Energy Information Administration ("EIA") in a June 7th news release predicted that most future United States natural gas production growth will come from shale gas and tight oil plays.

The time horizon considered extends till 2040.

EIA notes that natural gas production from shale gas and tight oil plays currently constitute approximately one-half of the United States total dry natural gas production. However, EIA predicts an increase in the role of these sources, stating:

...in the AEO2016 Reference case, production from shale gas and tight oil plays is projected to grow from about 14 trillion cubic feet (Tcf) in 2015 to 29 (Tcf) in 2040, making up 69 % of the 2040 total dry natural gas production.

Tight gas production is predicted to be the second main contributor. Further, despite the fact that the supply from this source will increase, its share of total dry natural gas is projected to remain relatively constant.

EIA also notes that growth in demand for natural gas in the industrial and electric power sectors, along with growth in exports of liquefied natural gas will place upward pressure on domestic natural gas prices. However, it predicts drilling technology improvements will continue through 2040, helping production keep pace with demand (both domestic consumption and exports), resulting in relatively stable natural gas prices throughout the projection period.

[A copy of the news release can be downloaded here.](#)