

# KOGA

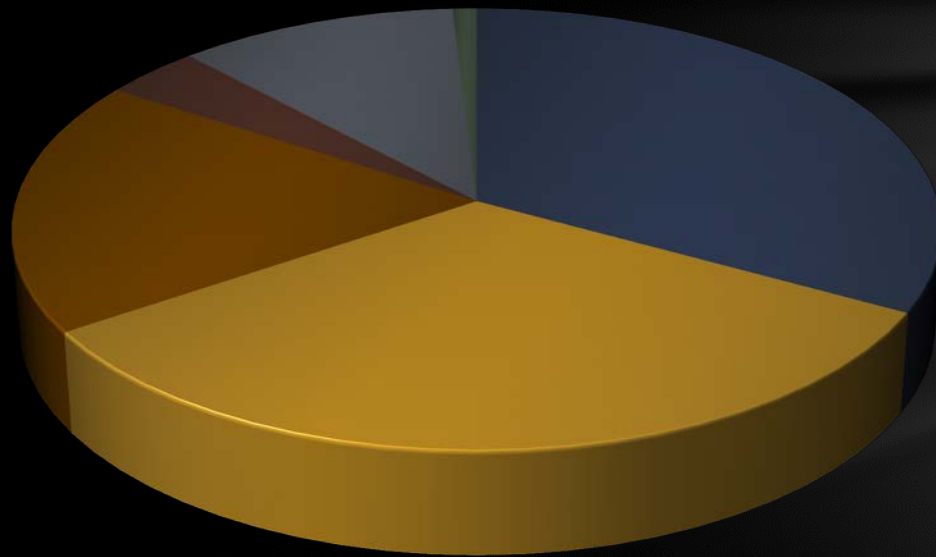
## *Issues and Trends in Kentucky's Oil and Gas Industry*

*Andrew V. McNeill Executive Director - KOGA*



# KOGA's Producers

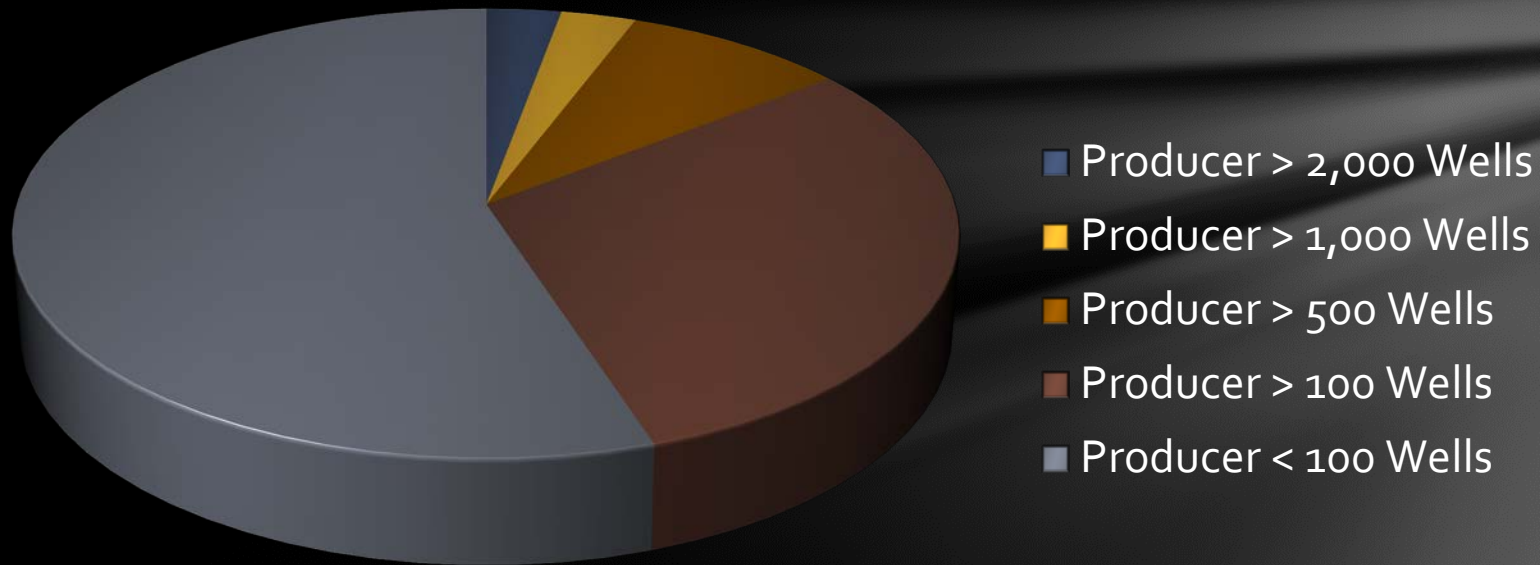
2013



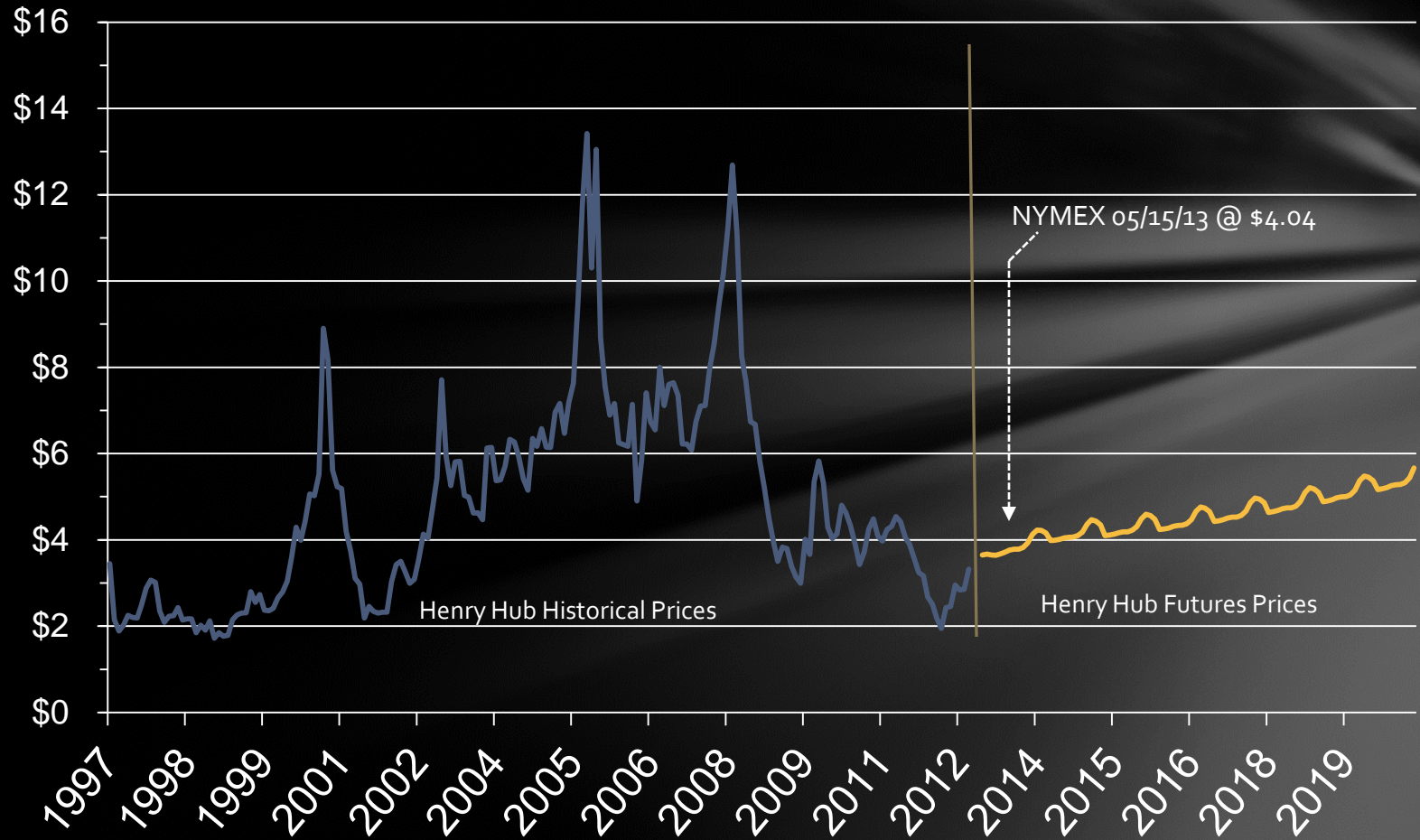
- Producers
- Service Co - Corporate
- Service Co - Professional
- Associate Individual
- Individual - Professional
- Royalty Owner

# KOGA's Producers

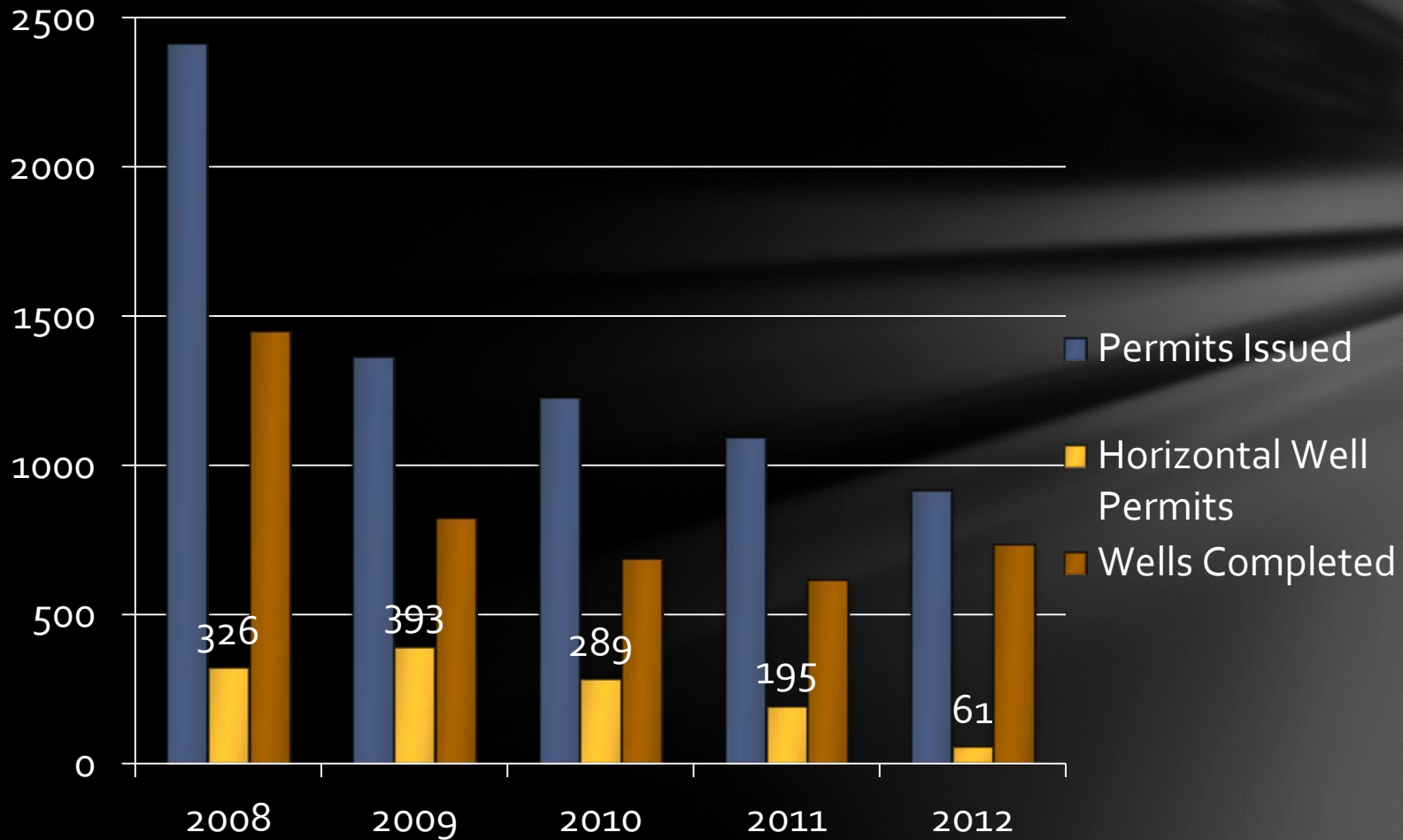
2013



# Henry Hub Natural Gas Historical & Futures Prices



# 5 Year Trend



# Oil & Gas Jobs in Kentucky: A Preview

NAISC	Sector	Total Wages	Avg. Annual Wage
211	Oil & Gas Extraction*	\$53,956,295	\$61,788
213111	Drilling Oil & Gas Wells	\$17,310,996	\$45,042
213112	Support Activities	\$28,102,028	\$53,681
324110	Petroleum Refineries	\$73,425,467	\$107,913
2212	Nat Gas Distn	\$45,204,055	\$57,190
32512	Industrial Gas Manufacturing	\$14,310,853	\$59,238
486110	Pipeline Transport (Oil)	\$5,377,967	\$91,023
486210	Pipeline Transport (NG)	\$73,023,259	\$86,478
Total		\$310,710,920	\$70,680

*Average Annual Wage  
KY Oil & Gas Industry =  
\$70,680*

- \* Wage and Salary only. Doesn't include "Proprietors".
- Source: Kentucky Office of Employment & Training – 2011 Figures

# Production: 2001-2011

**Union & Henderson  
Combine for 24% of  
Statewide oil production.**

Top 20 Producing Counties, Cumulative 2001-2011			
	Oil (thousand barrels)		Natural Gas (Bcf)
UNION	3,614	PIKE	375.1
HENDERSON	3,349	FLOYD	235.9
LEE	2,528	KNOTT	127.6
LESLIE	2,102	LETCHER	103.3
MUHLENBERG	1,167	PERRY	91.1
PERRY	1,132	MARTIN	66.5
LETCHER	1,008	HARLAN	40.2
HOPKINS	995	LESLIE	35.7
WEBSTER	973	CLAY	32.7
DAVISS	874	KNOX	32.6
MAGOFFIN	743	BELL	30.3
WOLFE	737	WHITLEY	21.9
OHIO	642	MAGOFFIN	14.3
CLINTON	633	JOHNSON	12.9
WARREN	627	LAWRENCE	11.8
ADAIR	600	MEADE	6.9
MCLEAN	592	BREATHITT	5.5
PIKE	525	HOPKINS	1.9
HARLAN	507	MCCREARY	1.6
BELL	486	BOYD	1.5
Top 20 Counties	23,832		1,249.4
Share of State	85.50%		99%
State Total	27,861		1,261.6

Source: Kentucky Geological Survey as derived from severance tax receipts. Bcf: billion cubic feet, which is energy-equivalent of 172 barrels of oil.

**Eighteen eastern Kentucky  
Counties make up 98% of  
Statewide natural gas  
production including:**

**Pike County 29%  
Floyd County 18%  
Knott County 10%  
Letcher County 8%  
Perry County 7%**

**Total for Top 5 = 72%**

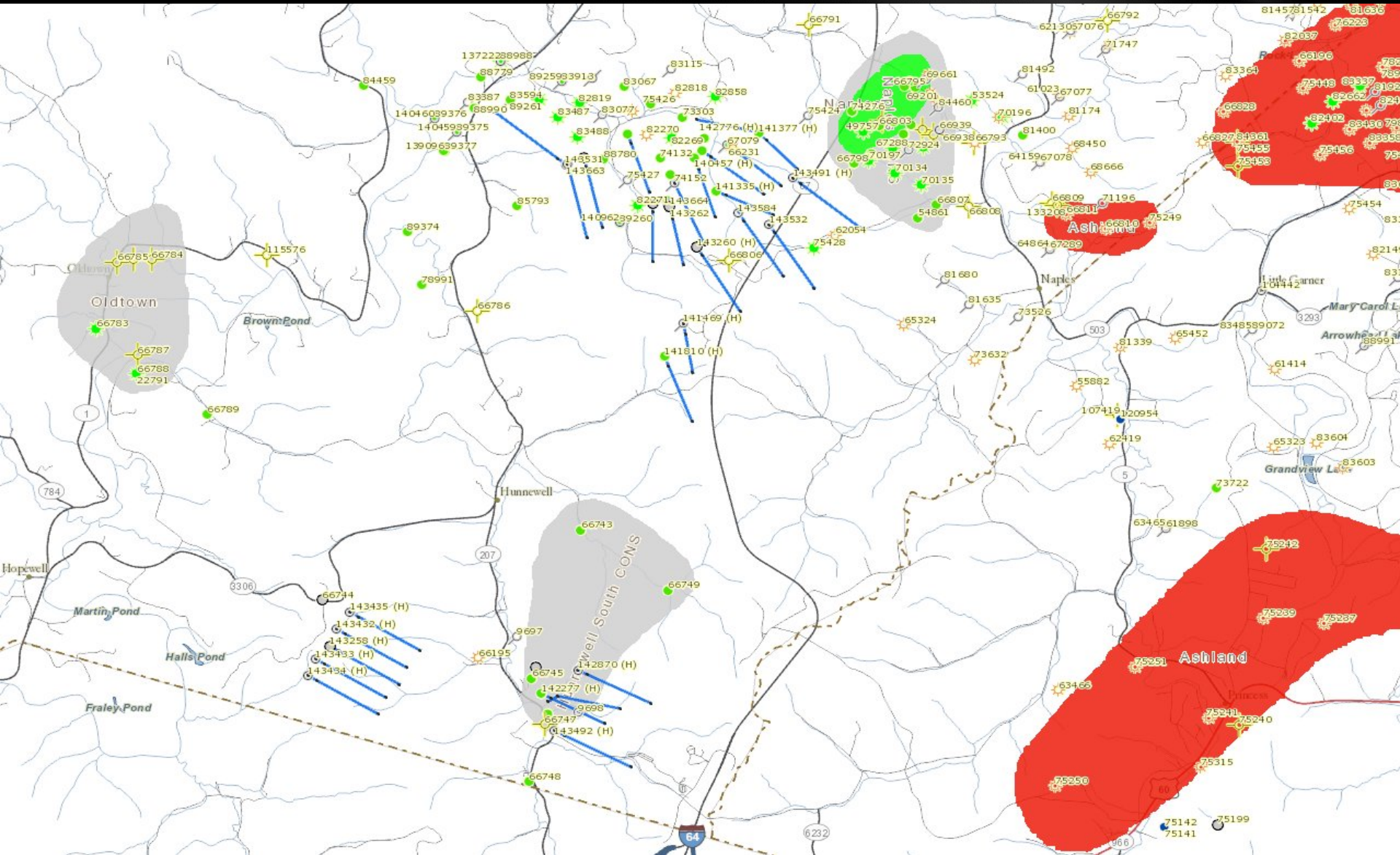
# Kentucky State Tax Receipts from Production

Fiscal Year	Oil Production Tax	Natural Gas Severance Tax	Total
2001-02	\$2,590,722	\$12,301,781	\$14,892,503
2002-03	\$3,116,954	\$14,713,486	\$17,830,440
2003-04	\$3,387,884	\$22,511,188	\$25,899,072
2004-05	\$4,710,832	\$25,307,125	\$30,017,957
2005-06	\$6,386,501	\$36,199,516	\$42,586,017
2006-07	\$6,198,342	\$32,339,897	\$38,538,239
2007-08	\$10,201,113	\$33,794,313	\$43,995,426
2008-09	\$8,430,228	\$42,155,501	\$50,585,729
2009-10	\$7,564,121	\$24,373,188	\$31,937,309
2010-11	\$8,287,566	\$24,938,411	\$33,225,977
2011-12	\$11,955,261	\$22,538,258	\$34,493,519
Total	\$72,829,524	\$291,172,664	\$364,002,188
Average	\$6,620,866	\$26,470,242	\$33,091,108

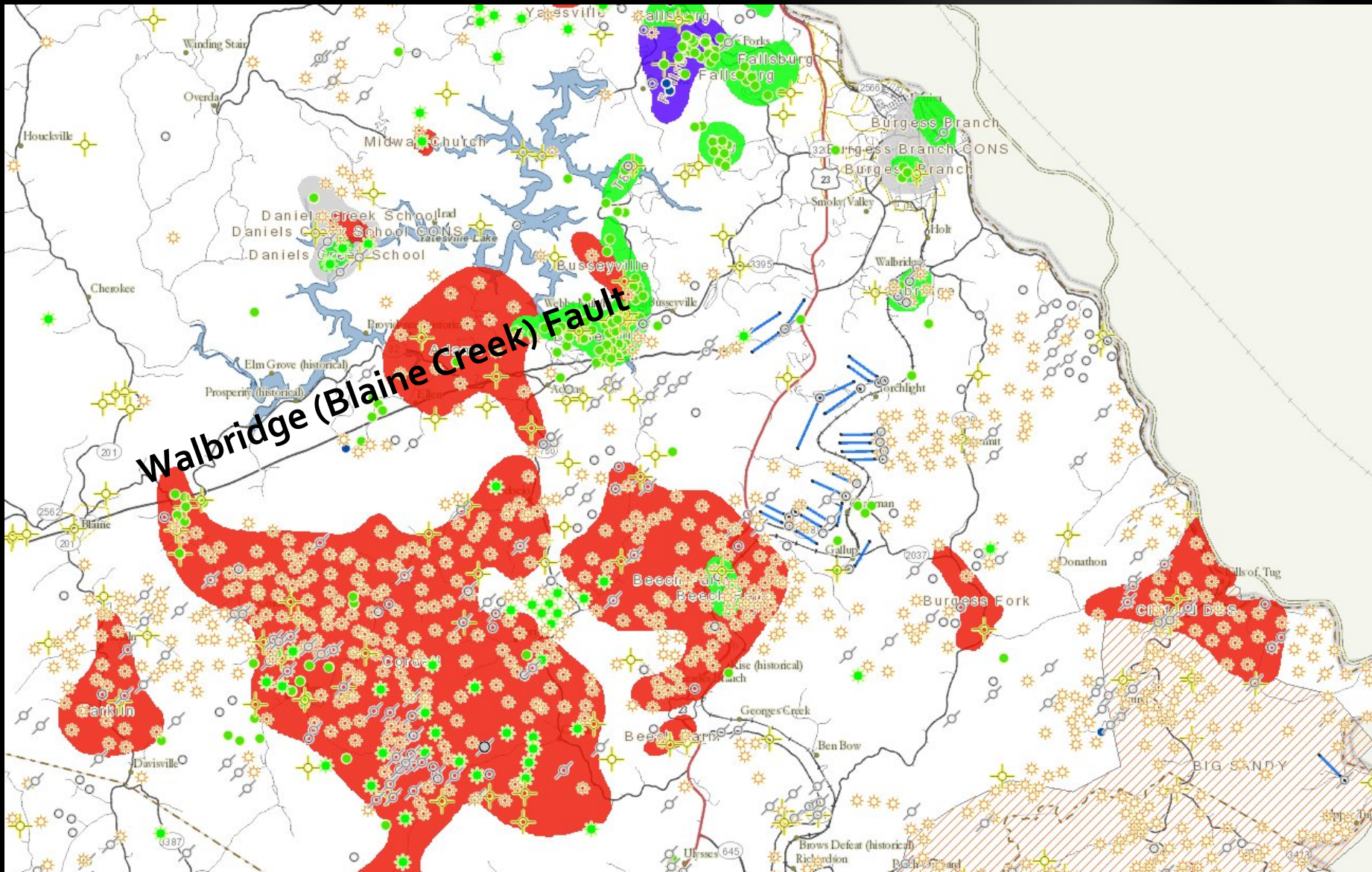




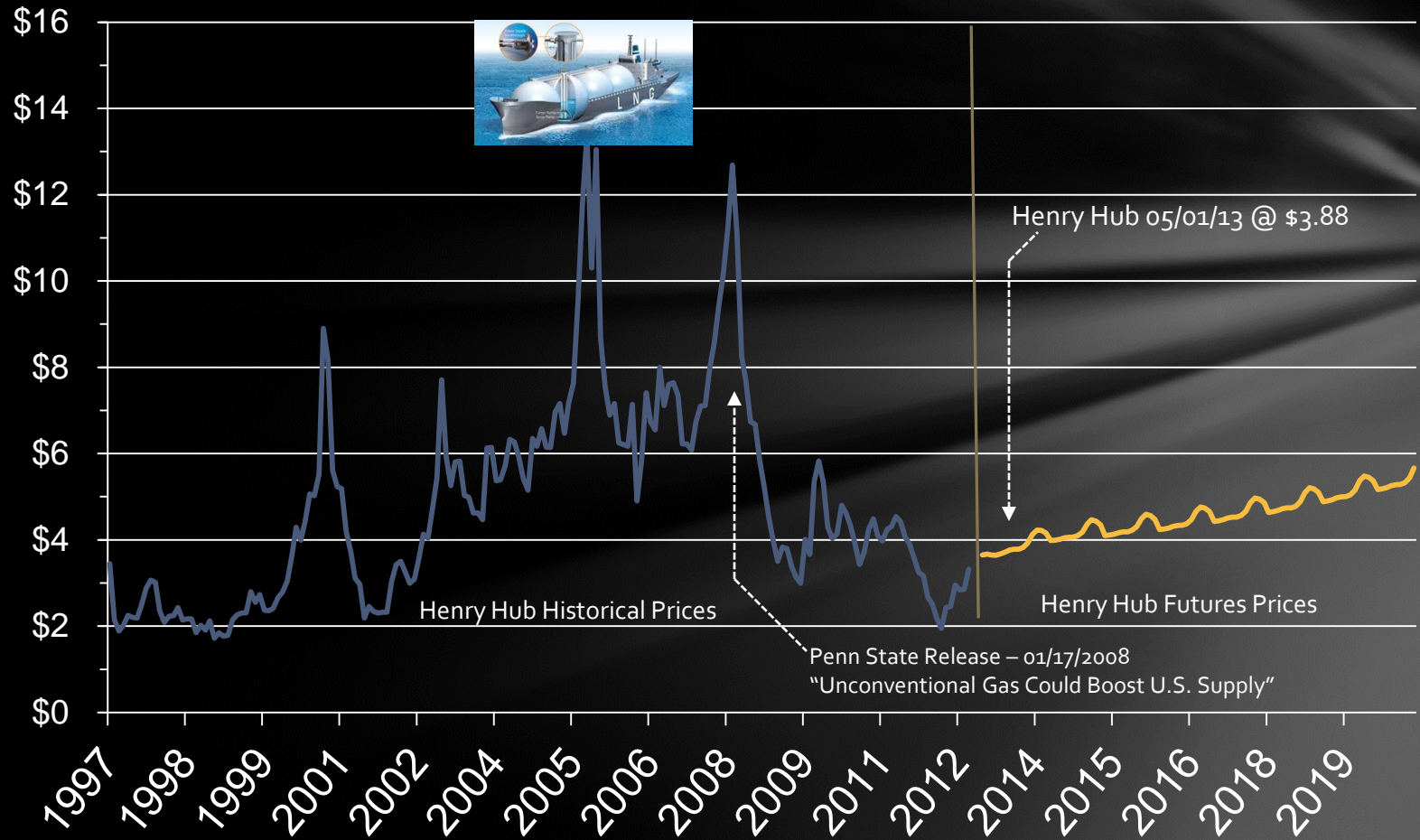
# Berea Sandstone Play: Greenup Co. Horizontal Well Locations



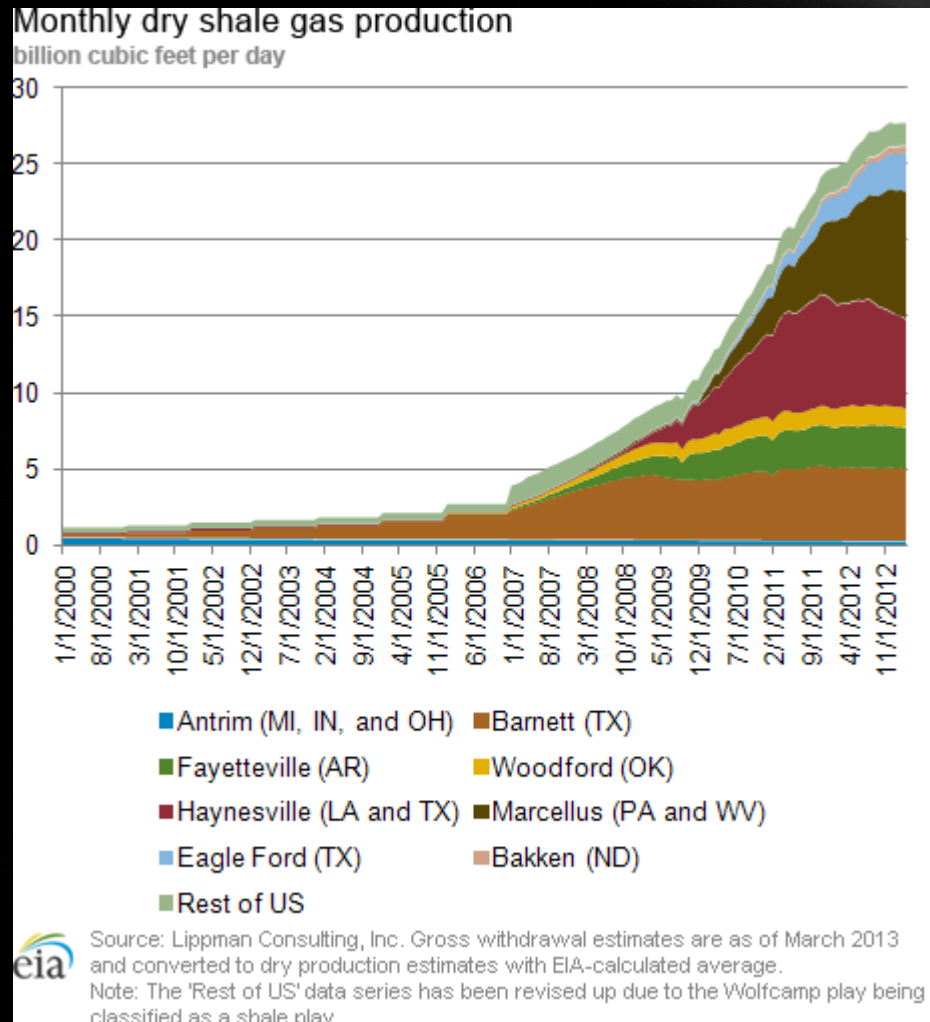
# Berea Sandstone Play: Lawrence Co. Horizontal Well Locations



# Henry Hub Natural Gas Historical & Futures Prices



# U.S. Shale Production



# Kentucky Oil & Gas Association

[www.kyoilgas.org](http://www.kyoilgas.org)

 @kyoilgas