

Arkansas Natural Gas Output Continuing to Decline

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Arkansas natural gas production through the first five months of 2019 was 226.4 Bcf, down by 10% from the same time last year, according to data from the Arkansas Oil and Gas Commission.

Annual gas production in the state has been in steady decline for the past four years, falling from 1 Tcf in 2015. In 2018, volumes slid 15% year/year to 593.2 Bcf.

Steady yearly declines in gas production came to a head at the end of 2018 when Southwestern Energy Co., once the state's largest gas producer, [completed](#) the \$1.87 billion sale of Fayetteville Shale assets to Flywheel Energy LLC. Southwestern, which was central in [developing](#) the Fayetteville, has since [pivoted](#) toward its Appalachian portfolio.

Despite the year/year decline in Arkansas gas production, revenues from gross natural gas severance taxes have increased. For the fiscal year ending June 30, severance tax revenue totaled \$38.3 million, up by 4.8% year/year, according to the latest report from the Arkansas Department of Finance and Administration.

The Bureau of Economic Geology at the University of Texas at Austin in December [updated research](#) for leading gas fields that included the Fayetteville. Accounting for developments in drilling technology, researchers estimated there were roughly 1,600 square meters of 2,700 analyzed that could be developed, which include 12,500 potential future wells and 12 Tcf in total remaining recoverable resources.

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