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Study Finds Potential Gas Boom in US

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New research shows that natural-gas production in the United States will increase over the next 30 years and decline slowly after that.

An exhaustive study of a major natural-gas field in Texas, along with other research being conducted elsewhere, shows that U.S. shale-rock formations will serve as a growing source of moderately priced natural gas through 2040, [according to The Wall Street Journal](#), which reviewed a report on the Texas field.

The study provides evidence that there are still large amounts of gas that can be drilled profitably at a market price of \$4 per million British thermal units (BTUs), a small increase from the current price of about \$3.43, the newspaper reported.

The study, funded by the nonpartisan Alfred P. Sloan Foundation and carried out by the University of Texas, examined data from 15,000 wells in the Barnett Shale formation in North Texas, where hydraulic fracturing, or fracking, technology was first used. It involves pumping a pressurized fluid into the rocks to create fractures in order to release gas.

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The Texas study is one of the first to look at the actual geology and economics of shale drilling; previous studies have relied on estimates and extrapolations.

It also confirms earlier conclusions by the energy industry and the government that forecast rising gas production.

The American Petroleum Institute said in a statement that the study “underscores the fact that the United States has substantial and growing natural gas resources that will be able to supply future domestic markets and provide exports as well.”

But not everyone is convinced. Art Berman, a petroleum geologist and consultant, told the Journal that while the research is “probably the most comprehensive study of the Barnett shale that will ever be done,” it bolsters his view that only a quarter of the wells generate an economic return.

The question for the industry, he said, is “why didn’t they identify the sweet spots initially, before spending \$40 billion on land and wells?”

The study does show that Barnett is highly variable and that many of the wells drilled in the area have not performed well.

Still, the study concludes that 44 trillion cubic feet of natural gas will be recovered from the Barnett shale — more than three times the amount that’s been produced so far and about two years’ worth of U.S. consumption at

current rates.

That could heighten concerns by environmental advocates, many of whom have decried the impact of fracking on the air and groundwater.

“There are health risks that we don’t have our arms around and that’s a problem,” Paul Gallay, president of Riverkeeper, a New York state environmental group, told the Journal. “We’re out ahead of our science and we need to be concerned about that.”

To get all of the gas that the pro-energy groups want to develop will require tens of thousands of new wells in rural and urban parts of the country, according to Scott Tinker, director of the Bureau of Economic Geology at the University of Texas and a leader of the study.

The university also is examining shale formations in Pennsylvania, Louisiana, and Arkansas. Reports on those formations are due to be released next year.

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