Oil Industry Segment Update

Lee K. Johnson
Hess Corporation

Rail Energy Transportation Advisory Committee
Surface Transportation Board

April 20, 2022
Global Production and Consumption
Top Five Producers and WTI Pricing

Top Five Global Crude Oil Producers

Source: EIA

WTI Prices
Monthly Averages

- March 2019: $58.15
- September 2019: $56.95
- March 2020: $29.21
- September 2020: $39.63
- March 2021: $62.33
- September 2021: $71.65
- January 2022: $82.22
- February 2022: $91.64
- March 2022: $108.50

Source: EIA
US Crude Oil Production
MBPD

Total Production

- 1Q'19: 11.90 MBPD
- 2Q'19: 12.82 MBPD
- 3Q'19: 10.42 MBPD
- 4Q'19: 11.37 MBPD
- 1Q'20: 6.31 MBPD
- 2Q'20: 7.10 MBPD
- 3Q'20: 6.04 MBPD
- 4Q'20: 6.60 MBPD
- 1Q'21: 1.93 MBPD
- 2Q'21: 1.79 MBPD
- 3Q'21: 1.38 MBPD
- 4Q'21: 0.89 MBPD
- 22-Jan: 0.47 MBPD

Tight Production

- 1Q'19: 8.50 MBPD
- 2Q'19: 9.39 MBPD
- 3Q'19: 7.69 MBPD
- 4Q'19: 8.44 MBPD
- 1Q'20: 6.31 MBPD
- 2Q'20: 7.10 MBPD
- 3Q'20: 6.04 MBPD
- 4Q'20: 6.60 MBPD
- 1Q'21: 1.38 MBPD
- 2Q'21: 1.10 MBPD
- 3Q'21: 0.47 MBPD
- 4Q'21: 0.75 MBPD
- 22-Jan: 0.05 MBPD

Production: TX/NM/OK, Off Shore, ND, AK, CO/UT/WY, Other

Source: EIA
Highlights

- Global crude oil consumption growing; projected to exceed pre-pandemic in 2023 - eia

- Global stock draw ended 1Q 2022; production and consumption are in equilibrium - eia

- US remains #1 global crude oil producing nation - eia

- WTI pricing reached an eleven-year high in March (was $109.53 April 2011) - eia

- US crude oil production recovering but down 11.3% from pre-pandemic levels – eia

- US tight crude oil production is recovering but down 10.1% from pre-pandemic level – eia

- ND crude oil production is down 19.1% from pre-pandemic levels - eia

- Land rig count is recovering but down 5.6% from pre-pandemic levels – Baker Hughes

- PADD 4 CBR originations grew to approximately 50 carloads a day in December 2021 - eia

- PADD 3 CBR originations averaged 2 carloads a day in 2021 – eia

- Canada to US CBR is down 50% from 2019 peak - eia

- SCOTUS rejected DAPL’s appeal seeking to avoid further environmental reviews - AP