



# Current Status of the Oil and Gas Industry in Louisiana and Downstream Freight Impacts

New Orleans Regional Planning  
Commission Freight Roundtable

January 27, 2016

New Orleans, LA



# Outline

- Status of the Oil and Gas Business
- Impacts on Freight Transportation
- Discussion/Questions



# Status of the Oil and Gas Business

- “Best of Times – Worst of Times”
- Different than Past Downturns
- Varies by Company
- How Did We Get Here?

# Upstream Companies



# Downstream Companies



# Midstream Companies



# Integrated Companies

**ExxonMobil**





# How Did We Get Here

- Supply/Demand
- Stronger Dollar
- Lease Terms
- Geopolitical Forces



# 2015-16 Downturn Vs. History

- Shale Revolution
- Break-up of Major Integrations
- Removal of Export Ban
- Changing Dynamics



# Impacts on Freight Transportation

- Main Industry Transportation Methods
- Changing Dynamics/Trends
- Issues



# Major Industry Transportation Methods

- Pipelines
- Barges/Ships
- Rail
- Trucks



# Pipelines

- Industry Preferred
- Many Go the Wrong Direction
- Long Lead Time to Build/Reverse
- Public/Landowner Opposition



## Barges/Ships

- Another Preferred Method
- Both Crude Oil and Products
- Obvious Geographic Limitations
- Well Established Infrastructure



# Rail

- Traditionally Not Favored
- Easiest to Take Advantage Of Availability
- Less Geographic Limitations



# Truck

- Capacity Limited for Crude Shipments
- OK for Small Refineries
- Preferred for Products



# Changing Dynamics/Trends

- Gradual Move to Pipelines
- Marine Terminals May Need to be Import Export



# Changing Dynamics/Trends

- Project Deferrals
- Impact of Crude Oil Exports?
- Impact of Opening of Mexico to Private Cos.?



# Issues

- Rail/Pipeline Safety
- Rail Competition
- Regulations
- Road Design
- Road Haz Mat Limitations



# Fuel Prices

- Expected to be Stable Well into 2017
- Includes Both Natural Gas and Liquid Fuels
- Always Subject to Supply Disruptions



## Ozone

- EPA Announced New Standard October 1, 2015
- Selected 0.070 ppm. (70 ppb)
- New Orleans Area Currently Meets Std



## Ozone

- Compliance Based on 2014-2016
- Madisonville Monitor at 0.0707 ppm  
Based on 2013-2015 data
- 2016 Will be a Critical Year for Area



# Discussion/Questions

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