



West Virginia: Governor's Energy Summit

Natural Gas

A Promise for Tomorrow's West Virginia

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WV: A long history in Natural Gas

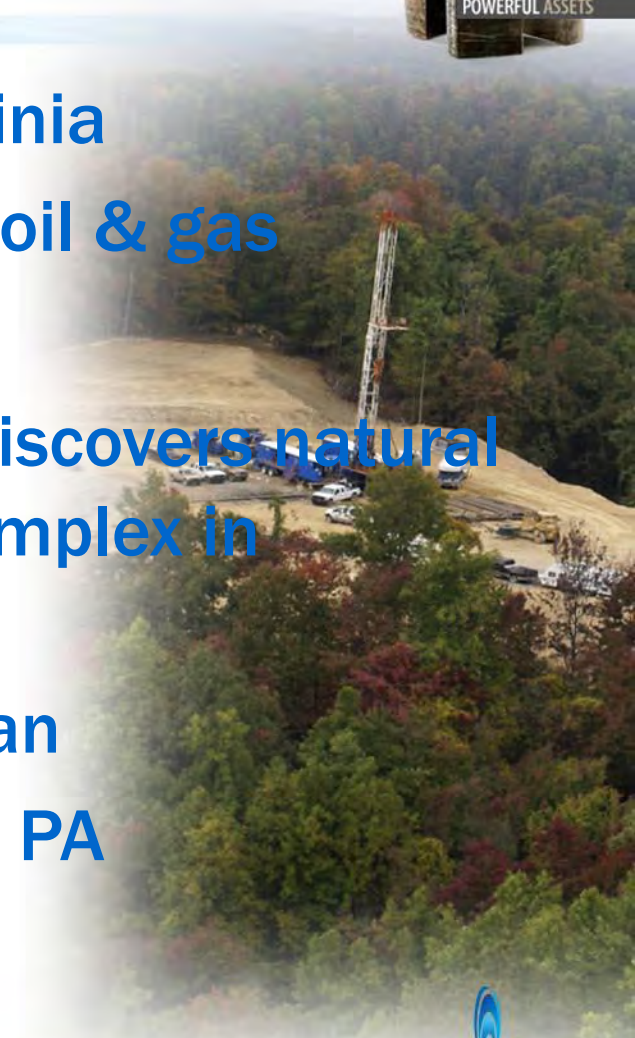


- Steel
- Glass
- Plastics
- Chemicals
- Fertilizers
- Powdered Metals
- Electric Generation
- Vehicle Use—major fleets

Natural Gas: Long History in Appalachia



- Origins of this industry in West Virginia
- In early 1800s, WV salt-makers hit oil & gas
- “Old Greasy” Kanawha River
- 1815: Captain James Wilson first discovers natural gas near the present-day Capitol complex in Charleston
- Lot of debate as to where it all began
- Parkersburg Valley or Drake Well in PA



Natural Gas—Fueling WV's Economy



- 235 BCF of production annually
- 90 BCF of consumption
- 21,000 employees (industry jobs)
- Over 380,000 customers served



Marcellus Shale fairway



Marcellus Shale—A bright future for WV



- Marcellus—an Appalachian industry still in its infancy
- Competing capital in all 4 major shale plays
- Significant job growth expected
- Natural gas independence for the U.S.
- Environmental benefits of burning a green fuel
 - 40% LESS CARBON THAN COAL
 - 30% LESS THAN OIL
 - No particulate matter
 - Significant reductions in both SO_x and NO_x

What can we expect in WV? Pennsylvania Estimates:



	2009	2010	2020
Economic Value:	\$2.2 Billion	\$8.2 Billion	\$13.5 Billion
State/Local Taxes*	\$238 Million	\$871 Million	\$1.4 Billion
Total Jobs:	48,500	107,000	174,000

**Approximately 30 percent of total tax burden remains at local level.*

Pace of Drilling:



Assumptions:

- One month or more to drill, complete each well (operating continuously)
- 95,000 square mile formation, assume 50% of it can be developed
- 47,500 drill sites (8 wells drilled per units 380,000 wells/ 16 wells drilled per unit 760,000 wells)
- 500 rigs dedicated to Marcellus Shale play –at the height of Barnett drilling there were 225
- Probability that we will still be drilling wells in a hundred years

During and After:



Efficient use of the surface: (Example only)



Why is Marcellus Important to WV?



- Long term energy security of our nation
- Clear environmental winner!
- Nearly 100% North American produced
- Major jobs producing benefits in an ailing economy
- Developing local wealth
- New and future tax revenues
- Saving family farms

WV Governor's Energy Summit



THANK YOU!

