

US crude oil production increased by 17% in 2018 thanks to tight oil



According to the United States Energy Information Administration (EIA), US crude oil production grew by 17% in 2018 to a yearly average of 10.96 mb/d, reaching a new record. Domestic production even reached 11.96 mb/d in December 2018, the highest monthly level of crude oil production. US crude oil production has increased significantly over the past 10 years, driven mainly by the development of tight rock formations. Companies operating in these areas have increased the use of horizontal drilling and hydraulic fracturing techniques. Tight oil production accounted for around 60% of total crude oil production in the United States in 2018.

The EIA predicts that this growth in crude oil production will continue over the 2019-2020 period and will reach 12.3 mb/d in

2019 and 13 mb/d in 2020. Most of the production will come from Texas, which made up 40% of the national total (about 4.4 mb/d) in 2018 and has been holding the top position in nearly every year since 1970 except for 1988 and from 1999 through 2011, when offshore production from the Gulf of Mexico (GoM) area was higher. Texas's production rose by another 0.95 mb/d in 2018, mostly due to the significant growth within the Permian region, which made up nearly 60% of the total US increase. The EIA expects three major tight oil plays in the Permian Basin, namely Spraberry, Bone Spring, and Wolfcamp, to account for half of cumulative tight oil production until 2050 (it should reach 12 mb/d in 2050), followed by the Bakken plays (19%) and Eagle Ford plays (17%).