

## Utica Shale Fact Sheet

### *Background*

The Utica Shale is an expansive oil and natural gas field that is in parts of Quebec, New York, Pennsylvania, Ohio, and West Virginia. At an estimated 170,000 square miles, the Utica Shale is estimated to be nearly twice the size of its more famous neighbor, the Marcellus Shale.<sup>1</sup> Although the Utica is larger than the Marcellus, it lies deeper and as a result has not seen as much development as the Marcellus.

### *Production Growth*

- The U.S. Geological Survey predicts that the Utica Shale may contain 38 trillion cubic feet of undiscovered, technically recoverable natural gas, 940 million barrels of unconventional oil resources and 208 million barrels of unconventional natural gas liquids.<sup>2</sup>
- Forecasts by the Ohio Department of Natural Resources predict a typical Utica well may produce around 2-10 million cubic feet of natural gas a day and around 4 billion cubic feet over their life generating \$16 million in revenue.<sup>3</sup>
- Through 2015, Ohio is expected to create 204,000 jobs, add \$22 billion to its economy, and add \$12 billion in related employee wages as a result of the Utica Shale.<sup>4</sup>
- Permits in Ohio for horizontal drilling drastically increased in Ohio from January 2011 through June 2012.<sup>5</sup> New York and Quebec still have moratoriums on high-volume hydraulic fracturing.<sup>6</sup>
- In the Utica, five wells produced commercially in 2011. Since 2009, Ohio has issued permits for 297 horizontal wells and 105 wells have been drilled.<sup>7</sup>
- One of the horizontally drilled wells in Ohio, the Buell Well, produced 1.5 billion cubic feet of natural gas.<sup>8</sup> This well was responsible for 2% of the state's natural gas production. To put this in perspective, this well is producing 300 times more natural gas than Ohio's conventionally drilled wells.<sup>9</sup>
- Three of Chesapeake's wells produce at least 1,530 equivalent barrels of wet gas and oil and at least 3.1 million cubic feet per day of natural gas.<sup>10</sup>

# Utica Shale Formation



**IER** INSTITUTE FOR ENERGY RESEARCH

Source: EIA

## Economic Impacts

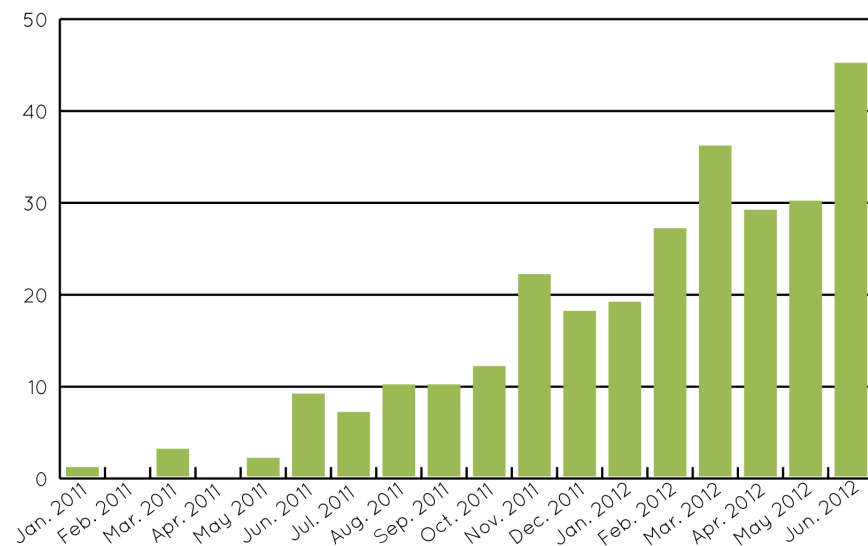
- The oil and natural gas industry supports around 5,000 direct jobs and nearly 13,000 indirect jobs in Ohio.<sup>11</sup>
- Oil and gas companies pay over \$32.7 million annually in local, state,

and federal taxes from production in Ohio.<sup>12</sup>

- The oil and gas industries in Ohio paid over \$90 million in royalties and provided another \$61 million in free gas last year to local landowners, including schools and churches.<sup>13</sup>
- Ohio's natural gas and crude oil industry approximately \$988 million in gross state product in 2010.<sup>14</sup>

# Utica Shale Formation

Permits issued per Month



**IER** INSTITUTE FOR ENERGY RESEARCH

Source: EIA

- 
- <sup>1</sup> Utica Shale Energizes Deal Frenzy in Ohio,  
<http://online.wsj.com/article/SB10001424052970204010604576592783750697202.html>
- <sup>2</sup> USGS Releases First Assessment of Shale Gas Resources in Utica Shale  
[http://www.usgs.gov/newsroom/article.asp?ID=3419&from=rss\\_home#.UHLmMvl25uo](http://www.usgs.gov/newsroom/article.asp?ID=3419&from=rss_home#.UHLmMvl25uo)
- <sup>3</sup> id
- <sup>4</sup> The Turning Tide for World Oil Supplies,  
<http://www.instituteforenergyresearch.org/2011/11/08/the-turning-tide-for-world-oil-supplies/>
- <sup>5</sup> Energy Information Administration, *Oil and natural gas drilling in Ohio on the rise*,  
<http://www.eia.gov/todayinenergy/detail.cfm?id=3430>
- <sup>6</sup> NY Times – Cuomo Proposal Would Restrict Gas Drilling,  
<http://www.nytimes.com/2012/06/14/nyregion/hydrofracking-under-cuomo-plan-would-be-restricted-to-a-few-counties.html>
- <sup>7</sup> Ohio Division of Mineral Resources Management, <http://www.ohiodnr.com/oil/shale/tabid/23174/Default.aspx>
- <sup>8</sup> Utica shale wells putting up big production numbers, ODNR says  
<http://www.ohio.com/news/local/utica-shale-wells-putting-up-big-production-numbers-odnr-says-1.290962>
- <sup>9</sup> Chesapeake's First Ohio Utica Shale Production Numbers  
<http://marcellusdrilling.com/2012/04/chesapeakes-first-ohio-utica-shale-production-numbers/>
- <sup>10</sup> ODNR to release shale-production figures Monday  
<http://www.vindy.com/news/2012/mar/30/odnr-to-release-shale-production-figures/>
- <sup>11</sup> Ohio Oil and Gas Energy Education Program,  
<http://oogeep.org/industryinformation/statistics.html>
- <sup>12</sup> Ohio Oil and Gas Energy Education Program,  
<http://oogeep.org/industryinformation/statistics.html>
- <sup>13</sup> Ohio Oil and Gas Energy Education Program,  
<http://oogeep.org/industryinformation/statistics.html>
- <sup>14</sup> Ohio Oil and Gas Energy Education Program,  
<http://oogeep.org/downloads/file/Economic%20Impact%20Study/2011%20Fact%20Sheets/Economic%20Impact%20Study%20Results%202011.pdf>