

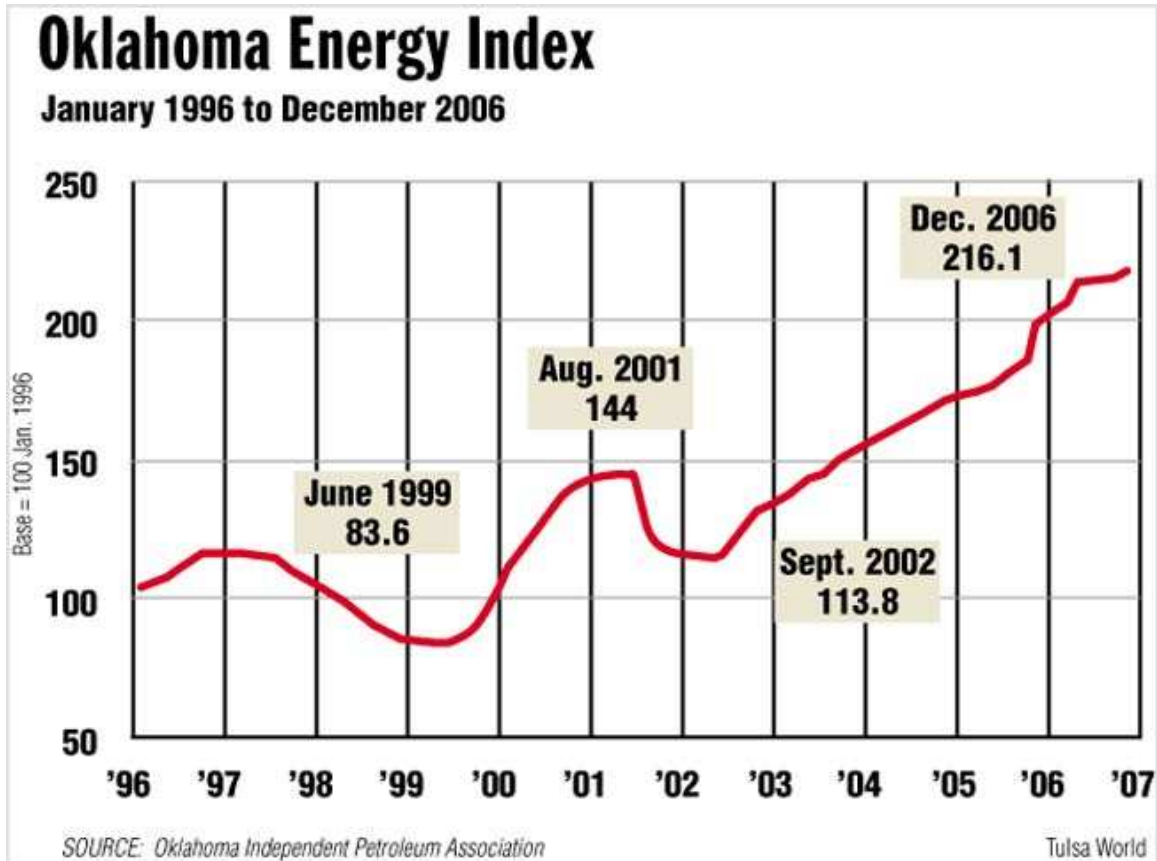
## State energy index hits record in 2006

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By Staff Reports

The Oklahoma Energy Index ended the year at a record 216.1, up from 215.4 in November and 11 percent ahead of the December 2005 index of 194.7.



The index is a comprehensive measure of the state's oil and gas production economy. It is a joint project of the Oklahoma Independent Petroleum Association and the office of state Secretary of Energy David Fleischaker.

The record close for 2006 follows a slight decline from September to October, from 215.3 to 215.2. In the index, the 1995 average equals 100.

For 48 consecutive months, beginning in September 2002, the index increased each month.

During those four years, oil prices rose from the \$20 range to more than \$70 a barrel, and natural gas prices paid to producers reached nearly \$10.

The state's working rig count increased from fewer than 100 in 2002 to nearly 200 in 2006, and the number of drilling permits issued jumped to more than 6,500 in 2006 from just over 4,000 in 2002.

The value of crude oil production in 2006 was about \$4 billion, compared with \$1.6 billion in 2002. The value of natural gas production in the state was an estimated \$10.4 billion in 2006, compared with about \$3.7 billion in 2002.

About 12,500 counted wage and salary jobs were added directly by the industry over the last four years, which represent 16 percent of the roughly 76,000 total jobs added in Oklahoma over that period.

Economist Karr Ingham, who compiles the energy index, said the energy industry's four years of growth has paid big dividends to the state's economy, where energy production accounts for 14 percent of the state's gross domestic product.

In 2002, oil and natural gas comprised about 6 percent of the state's total economic output. In 1998, that figure was about 3.3 percent.

"Oklahoma's oil and natural gas industry, as a percentage of the total state economy, has more than quadrupled," said OIPA Chairman Harold Hamm, an independent producer from Enid.

"Prices for both crude oil and natural gas remain favorable from a production standpoint, and again the energy index finished the year at a record level. The industry is poised to continue with high levels of exploration and production in 2007."