Gas reserves in La. too low, expert says

By CARL REDMAN
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Louisiana is using up its proven reserves of natural gas faster than drilling is opening new reservoirs, LSU energy expert Robert Baumann said Friday.

As proven reserves are depleted, Louisiana is moving closer to becoming a net consumer of natural gas — that is, using more gas than it produces, Baumann told the Governor's Commission on a Louisiana Energy Policy.

As a result, the state must have access to more gas from offshore tracts in federal waters in order to be guaranteed a healthy energy supply, said Baumann, who is director of LSU's Center for Energy Studies.

Louisiana currently produces about 1.8 trillion cubic feet of natural gas a year and uses about 1.4 trillion cubic feet, Baumann said.

Depressed oil and gas prices have retarded exploration, and current production is rapidly depleting known onshore gas reservoirs, Baumann said.

"The major gas reservoirs are 'going and blowing,'" Baumann told the commission. "They're depleting very rapidly, and we're not replacing them in terms of proven reserves."

Since 1970, production of oil and natural gas in Louisiana has declined by 75 percent, Baumann said.

While production declines have tapered off in the last couple of years, the drop could begin again once current reserves are used up, Baumann said.

If federal laws were changed, offshore gas could give Louisiana a very secure energy future, Baumann said.

Pipelines annually carry 3 trillion cubic feet of natural gas from federal offshore tracts across Louisiana to the rest of the nation, but "as of today, we do not have free, open market access to all of that gas," Baumann said.

If Louisiana had access to all of that gas — plus an additional 1.4 trillion cubic feet moving across Louisiana from western states — the state and its industries would be assured a steady source of natural gas for many years to come, Baumann said.

Commission member Len Sanderson, who works in Gov. Buddy Roemer's Washington office, said Roemer has already begun to push for more recognition at the federal level of the state's energy needs.

Most of the nation's offshore oil and gas comes from coastal Louisiana and flows through pipelines across the state, yet Louisiana gets only a fraction of the federal revenue produced by offshore petroleum products, Sanderson said.

Sanderson said Roemer hopes to get members of the Louisiana congressional delegation to put more pressure on the next Congress and the next administration to give Louisiana a greater share of the money that comes from oil and gas production on the outer continental shelf.