



Oil and Gas Symposium

Introductory Remarks

John Johnston
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Greg Upton
Center for Energy Studies

April 17, 2019

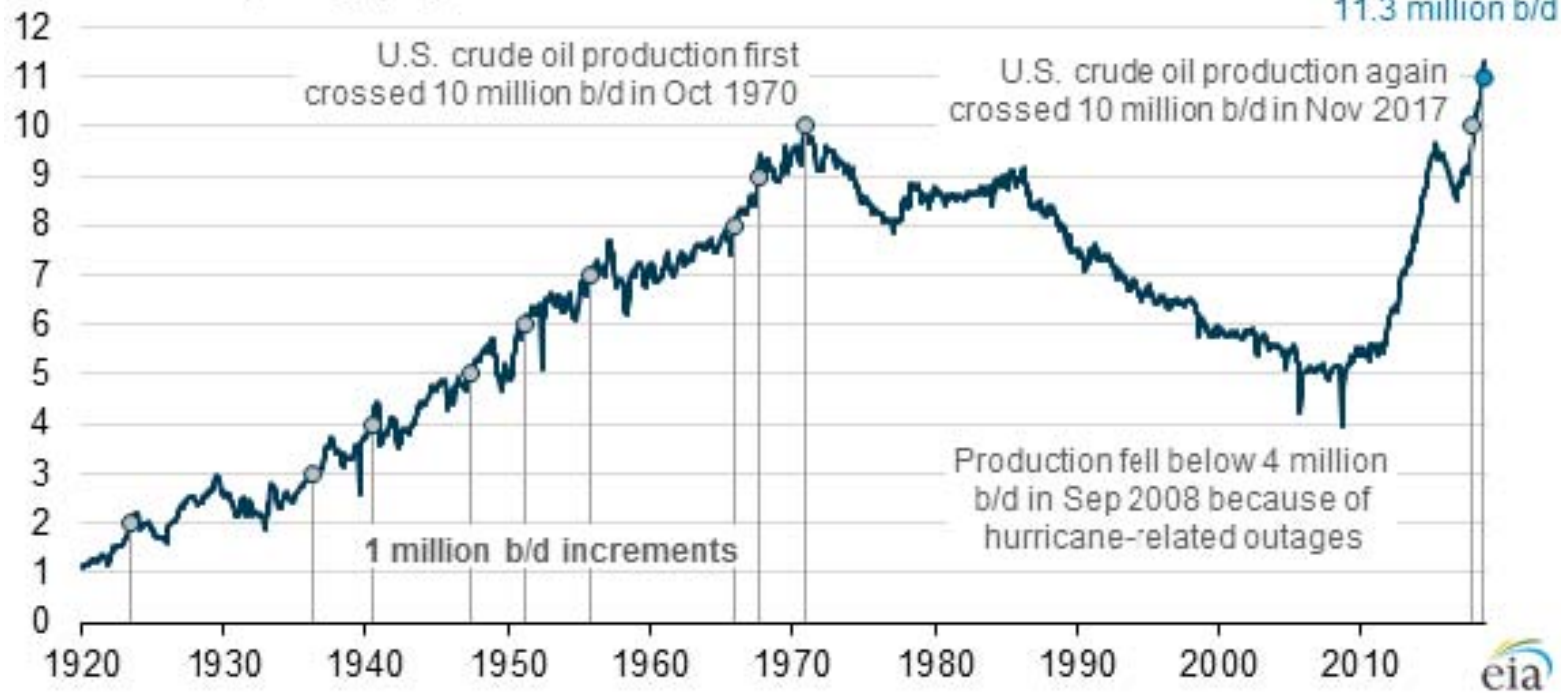
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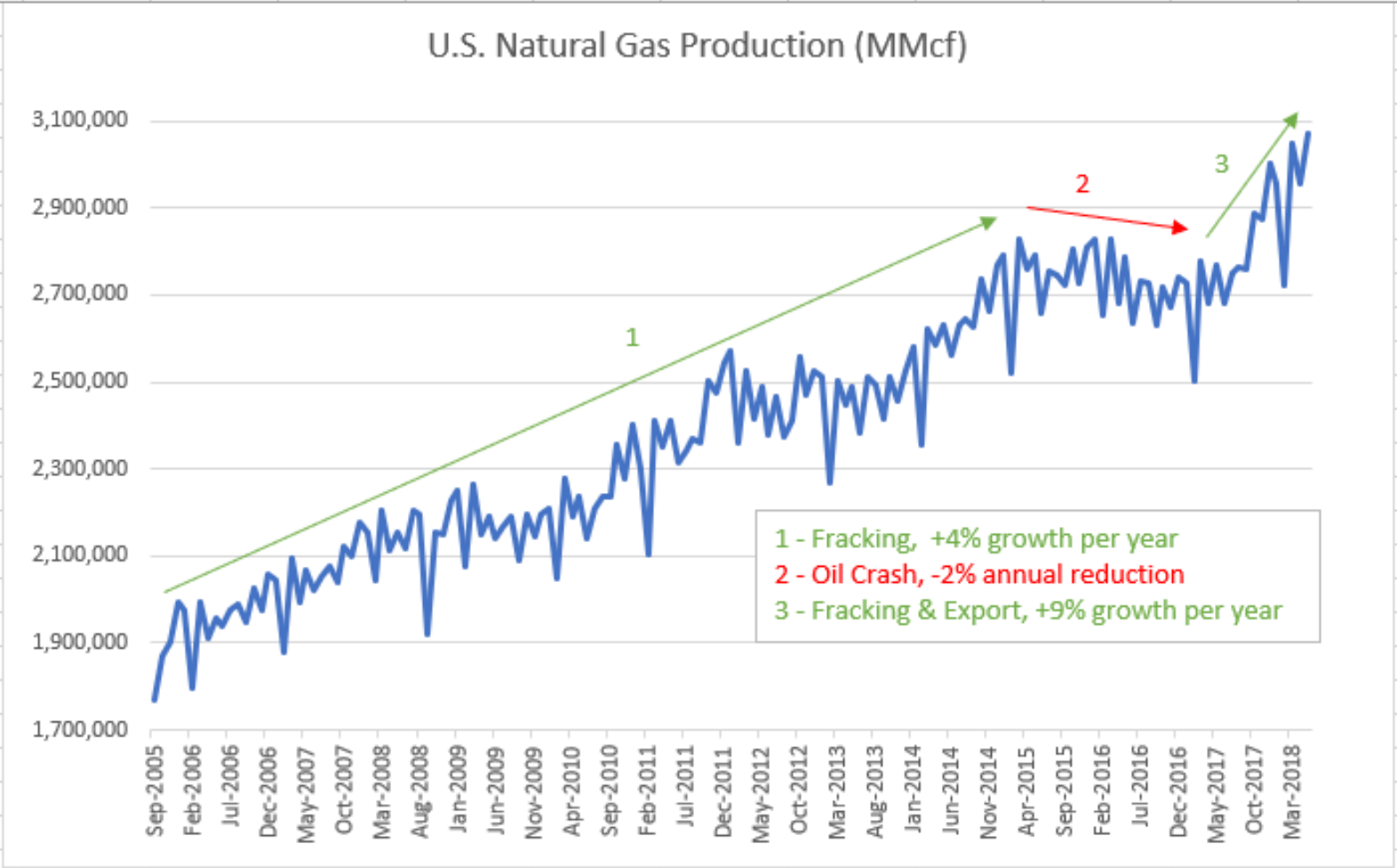
U.S. Monthly Crude Oil Production

Monthly U.S. field production of crude oil (Jan 1920-Aug 2018)

million barrels per day (b/d)

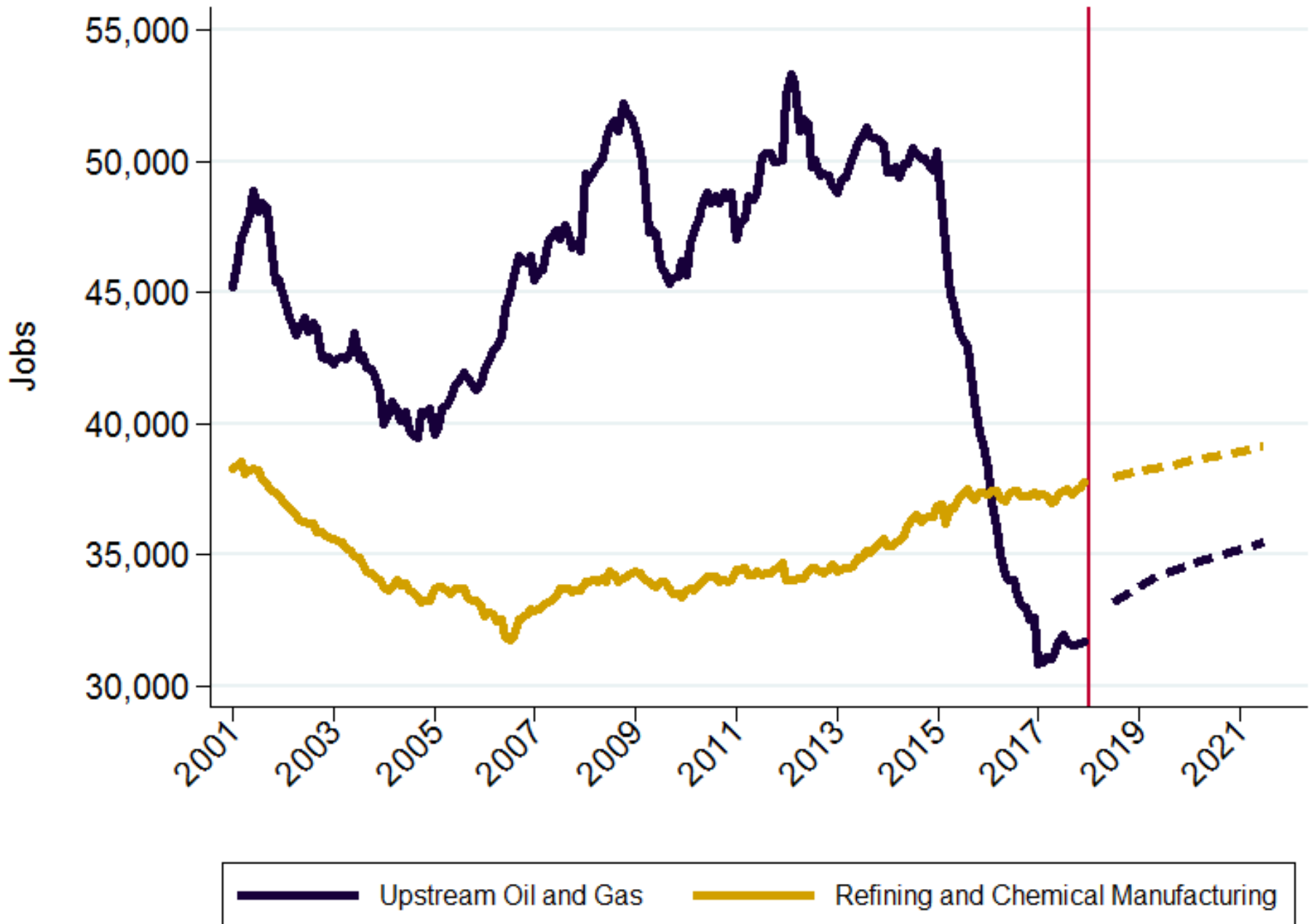


U.S. Monthly Natural Gas Production



Today's Focus: The Upstream Sector

The upstream sector of the oil and gas industry represents 2% to 3% of the global economy.



Gulf Coast Energy Outlook –Grab a Copy!

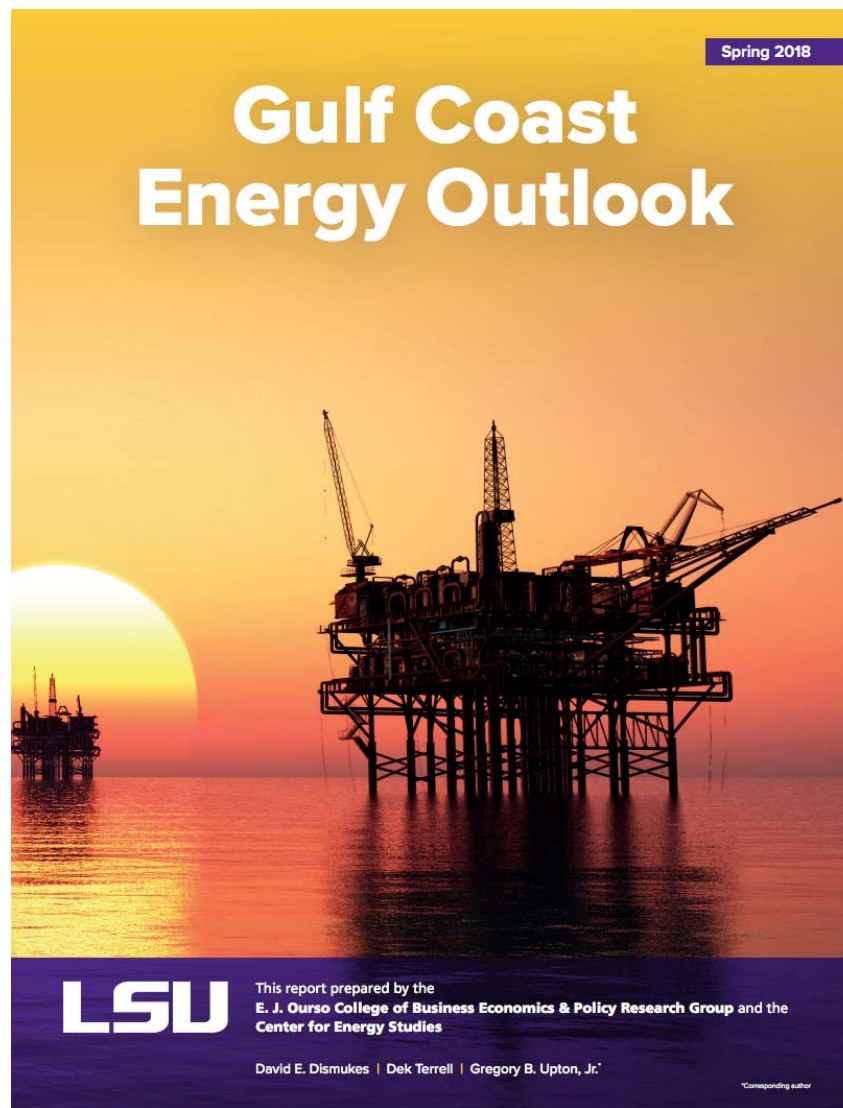
Gold



Silver



Bronze



Mineral Revenues

2018 Second Extraordinary Session

ENROLLED

SENATE CONCURRENT RESOLUTION NO. 4

BY SENATOR ALLAIN

A CONCURRENT RESOLUTION

To urge and request the Louisiana State University Center for Energy Studies (LSU CES), the Louisiana State University Public Administration Institute (LSU PAI), and the Louisiana Tax Institute, in consultation with various stakeholder organizations and certain legislative committees, to analyze mineral revenues, taxes, and exemptions in Louisiana and to submit a written report of its findings to the legislature.

WHEREAS, in 2015, a team of economists, led by Dr. James A. Richardson of LSU PAI, presented comprehensive and overarching recommendations on Louisiana tax policies; and

WHEREAS, a book entitled *Exploring Long-Term Solutions for Louisiana's Tax System*, authored by James A. Richardson, Steve M. Sheffrin, and James Alm will be published in fall of 2018; and

WHEREAS, the chapter entitled Mineral Revenues in Louisiana, written by Greg Upton, a professor at LSU CES, presents an analysis of Louisiana's mineral tax laws and makes specific recommendations; and

- Purpose of Oil and Gas Tax Structure
 - **Simplify** the tax system.
 - Holding the IRR constant, a simple tax structure is more attractive to investors because it reduces regulatory burdens.
 - A simple tax system provides less opportunity for legal and tax disputes.
 - **Improve/hold constant** the IRR for investment in drilling in Louisiana on average for oil and natural gas.
 - **Improve/hold constant** revenues for the state with new tax regime.

Given these goals and objectives, we have have come up with the following potential areas of discussion.

Please provide feedback!

Continuing Education Hours



5 hours available

- **MCLEs (La. State Bar Association):** Fill in form at entrance. Credits uploaded online.
- **PDH (LAPELS and La. Board of Professional Geoscientists):** Sign sheet at entrance. Certificate emailed to you.

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