Stripper Oil Wells in Nebraska 2006

The Interstate Oil and Gas Compact Commission (IOGCC) defines stripper wells as those wells producing 10 barrels of oil or less per day. Stripper oil wells produce marginal oil which is oil produced from wells that operate on the lower edge of profitability. Nebraska had 1,487 stripper oil wells in 2006 (0.4 percent of the nation's 422,255 stripper wells). Shown in the table below, these 1,487 stripper wells produced 1,579,404 barrels of oil or 68 percent of Nebraska's oil production. Using 2006's average wellhead oil price in Nebraska of \$57.77 per barrel, without the stripper oil wells' production, an additional \$91 million would have been spent on crude oil imports. While each individual well in Nebraska contributed only a small amount of oil (2.91 barrels a day, on average), combined with the rest of the nation, stripper well production was more than 335 million barrels of oil (or 17.8 percent of the total 1.9 billion barrels of oil produced in the United States) saving \$20 billion on additional imports to the nation. (The nation's average wellhead oil price in 2006 was \$59.69 per barrel.)

Rank

Twenty-nine states produce oil from stripper wells: Alabama, Arizona, Arkansas, California, Colorado, Florida, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Montana, Nebraska, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, and Wyoming. Within this group, in 2006, Nebraska was ranked tenth highest in average daily production per well, 19th highest in oil production from stripper wells, 21st highest in total oil production, and 20th highest in the number of stripper oil wells.

Plugged and Abandoned Stripper Wells

Many states have programs that allow a well to temporarily stop production. These <u>idle wells</u> are not included in the abandoned well column of the table below; only wells that have been permanently plugged are included. Also, <u>orphaned wells</u> are not included in the table's abandoned well figures. These are wells that are not producing, have not been plugged, and whose owners are either insolvent or cannot be located.

Stripper Oil Wells in Nebraska, 1970 - 2006

Year	Number of Stripper Wells	Production (Barrels)	Plugged and Abandoned Stripper Wells	Average Daily Production per Well (Barrels)	Percent of <u>Total</u> <u>Crude Oil</u> <u>Production</u>
1970	437	NA	47	NA	NA
1971	484	NA	50	NA	NA
1972	417	NA	50	NA	NA
1973	526	NA	72	NA	NA
1974	577	NA	74	NA	NA
1975	638	NA	9	NA	NA
1976	812	NA	10	NA	NA
1977	919	NA	14	NA	NA
1978	987	NA	59	NA	NA
1979	1,037	1,865,695	17	4.93	30.74%

Year	Number of Stripper Wells	Production (Barrels)	Plugged and Abandoned Stripper Wells	Average Daily Production per Well (Barrels)	Percent of <u>Total</u> <u>Crude Oil</u> <u>Production</u>
1980	1,223	2,236,500	18	5.00	35.84%
1981	1,414	2,510,329	11	4.86	37.63%
1982	1,585	2,878,602	15	4.97	41.89%
1983	1,672	3,417,977	18	5.60	53.52%
1984	1,707	2,974,420	36	4.76	45.97%
1985	1,716	2,947,347	36	4.71	42.45%
1986	1,637	2,617,159	45	4.38	36.87%
1987	1,589	2,687,697	39	4.63	44.13%
1988	1,505	2,446,275	30	4.44	40.92%
1989	1,247	2,110,732	43	4.64	33.87%
1990	1,269	2,011,219	60	4.34	34.15%
1991	1,190	1,871,474	43	4.31	32.09%
1992	1,209	2,023,359	55	4.59	36.96%
1993	1,274	2,214,607	65	4.76	45.49%
1994	1,185	2,147,655	50	4.97	50.92%
1995	1,114	1,899,004	36	4.67	50.06%
1996	1,004	1,948,710	112	5.30	55.00%
1997	1,699	2,366,278	66	3.82	70.91%
1998	1,646	2,113,098	90	3.52	66.54%
1999	1,498	1,828,293	66	3.34	68.70%
2000	1,483	1,831,497	67	3.37	61.97%
2001	1,475	1,765,208	83	3.28	60.42%
2002	1,451	1,717,983	100	3.24	61.82%
2003	1,423	1,651,923	80	3.18	59.96%
2004	1,450	1,654,195	54	3.12	65.98%
2005	1,478	1,598,224	19	2.96	66.22%
2006	1,487	1,579,404	15	2.91	68.29%

Sources: "Marginal Oil and Gas: Fuel for Economic Growth." Interstate Oil and Gas Compact Commission, Oklahoma City, OK. Nebraska Energy Office, Lincoln, NE.

Notes: The number of wells is estimated for 1997. NA = no data available.

This table was updated on May 29, 2008. Typically, there is one year between updates.

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