

OIL & GAS

OKLAHOMA INDUSTRY REPORT

26.7%

Energy Industry
Economic Output

Industry share of state GDP

10,000

Oil & Gas Direct
Employment

In the OKC Metro

\$57.6B

Total Economic
Impact in OK

\$1.985B

Gross Production Tax
Revenue

2022

OIL & GAS has been the driving force behind the Oklahoma economy for nearly a century. From crude oil, natural gas, to different forms of renewable energy, Oklahoma City has a unique historical foothold in the industry that continues to this day.

Oklahomans have been drilling for oil since the days of the Land Run. Still, the industry did not take shape in Central Oklahoma until the discovery of the Oklahoma City Field by the Foster Petroleum Company in 1928. Beginning in the early 1930s, businessmen from across the country converged upon Oklahoma City and began to seek their fortunes under the surface. By 1935, more than half of the state's 77 counties had begun producing oil in commercial quantities.

It is from these early days that some of OKC's most distinguished leaders began to realize the potential of the energy industry as the bedrock for future economic development. While fluctuations in oil prices have led to periodic downturns in the economy, oil and gas stakeholders have consistently emerged from market turbulence with new technologies and efficiencies that become the industry standard across the country.

Oklahoma is the fifth-largest producer of natural gas and the sixth-largest producer of crude oil in the United States. The state produced 152 million barrels of crude oil in 2022, which ranks 6th among all states and accounts for nearly 4% of the total crude oil production in the country. Oklahoma also plays an important role in setting domestic oil prices due to the presence of the Cushing oil hub. WTI crude prices in Cushing serve as the reference point for all crude oil produced in the US and is home to 14% of the crude oil storage capacity in the U.S.

In total, the Oklahoma oil and natural gas industry supports more than 350,000 jobs and generates \$57.6 billion to Oklahoma's total GDP, accounting for 26.7% of the state's total economic output. Oil and gas activity within the state produces significant tax revenue through gross production taxes, which fund upgrades to roads, school districts, and other capital improvement projects. In 2022, gross production taxes reached a record \$1.985 billion. School districts in more than 23 counties have received in excess of \$1 million or more annually from oil and gas production taxes over the last decade.

OIL & GAS OKC

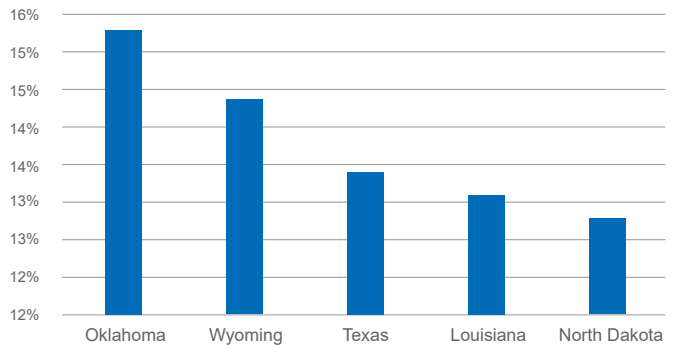
ECONOMIC IMPACT OF OIL & GAS IN OKC

- Employment in the energy sector accounted for 8.6% of total household income in 2022, an increase of 2.1% since 2020. Average earnings in the oil & gas sector remain the highest of all industry sectors in Oklahoma.
- Every job in the oil & gas industry produces 2.5 additional jobs in Oklahoma. This includes finance, accounting, legal services, transportation, manufacturing, engineering, and more.
- In addition to the \$35 billion in direct economic output from the oil & gas industry in 2022, it also generated nearly \$23 billion in spillover output in other industries.
- The oil & gas industry provides \$32.6 billion in labor income to Oklahoma (\$18.2 billion direct, \$14.3 billion indirect). This amounts to 23.8% of the state's total labor income.
- Average earnings per worker in the oil and gas sector remain the highest of all industry sectors in the state – more than double the overall earnings per worker across all other employment sectors.

Economic Effects of the Oklahoma Oil & Gas Industry

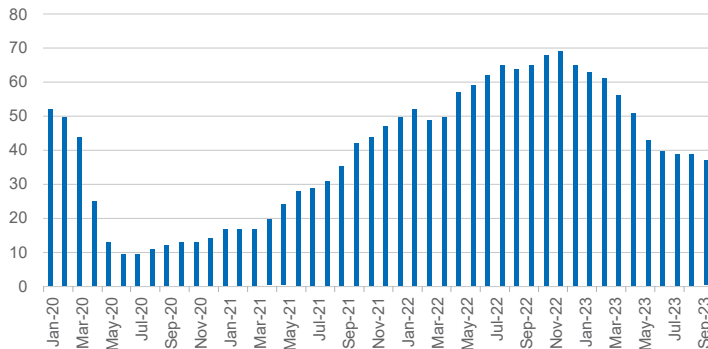
Type of Economic Measure	State GDP	Labor Income	Employment
Direct Effect	\$34.7B	\$18.2B	100,980
Indirect & Induced Effect	\$22.8B	\$14.3B	250,160
Total Effect	\$57.6B	\$32.6B	351,140

% of Total Employment

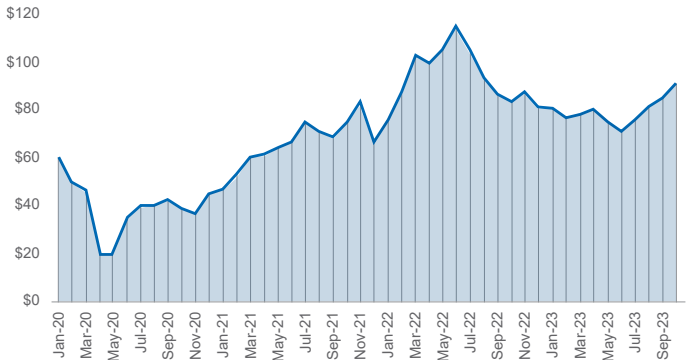


- The active rig count in Oklahoma has declined since the end of 2022, as oil and gas exploration firms have prioritized cash flow and investor returns over new drilling activity.
- Oil prices reached a post-pandemic high of \$115 per barrel in June 2022, but have largely fluctuated between \$70 - \$80 per barrel in 2023. Prices are expected to remain stable, though domestic market changes and geopolitical events overseas could lead to an increase in prices in early 2024.

Oklahoma Active Rig Count



WTI Crude Prices



MAJOR OIL & GAS COMPANIES HEADQUARTERED IN OKC



- 1,250 employees
- Celebrated 56 years of operations in 2023
- Top 10 independent oil producer in USA
- Strong presence in OK, TX, WY, ND, & MT
- Privately held



- 1,300 employees
- Founded in OKC in 1989
- Main focus on natural gas exploration
- Operates 6,000 wells across OK, TX, LA, PA
- Ticker: CHK
- Market Cap: \$10.98B



- 1,600 employees
- Founded in OKC in 1971
- Fortune 500 company included in the S&P 500
- Merged with Tulsa-based WPX Energy in 2021
- Ticker: DVN
- Market Cap: \$40B

Sources: Bureau of Labor Statistics; Greater OKC Chamber of Commerce; American Petroleum Institute; RegionTrack; US Energy Information Administration