

## U.S. Oil Output Hits 10 Million Barrels for 1st Time in Decades

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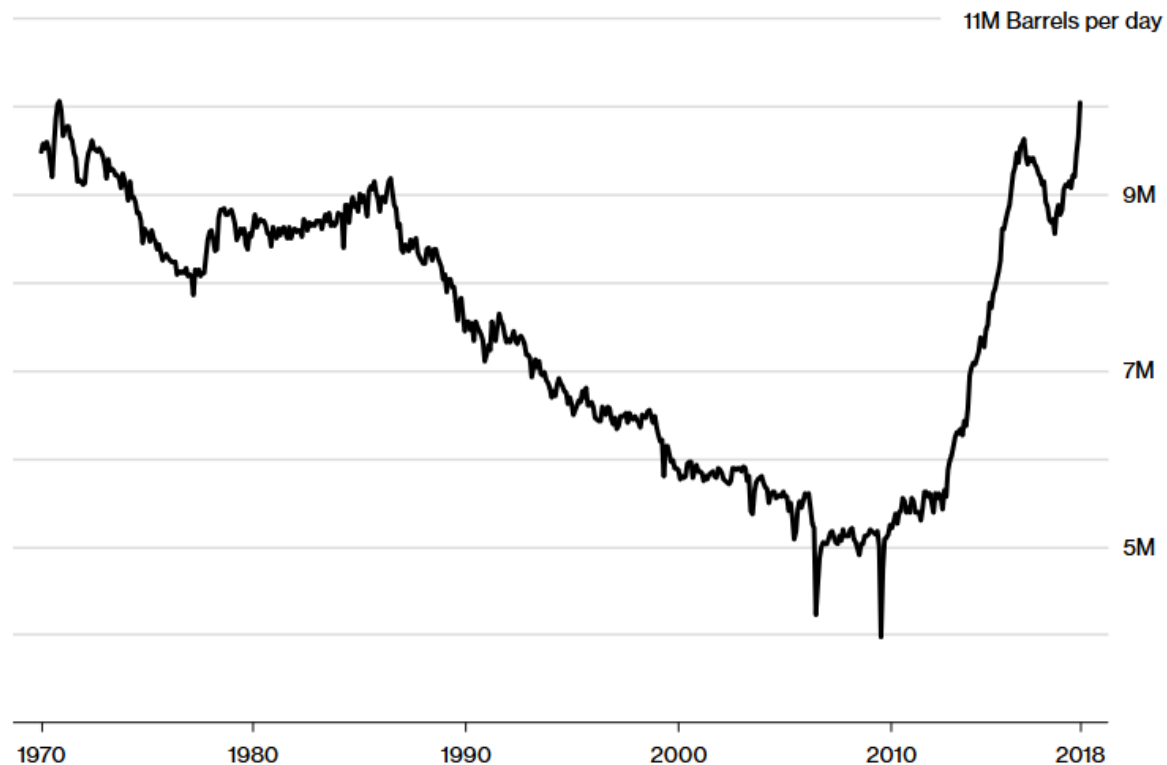
- Highest monthly production since November 1970, EIA data show
- Permian Basin supplies almost 30% of output as oil prices rise

U.S. oil production surged above **10 million barrels a day** for the first time in four decades, another marker of a profound shift in global crude markets.

**The milestone comes weeks after the International Energy Agency said the U.S. is poised for "explosive" growth in oil output that would push it past Saudi Arabia and Russia this year.** New drilling and production techniques have opened up billions of barrels of recoverable U.S. oil in shale rock formations in the past 10 years, reversing decades of declining output and turning the nation into an exporter.

### Highest in 47 Years

U.S. oil production second-highest on record



Source: EIA

The news comes after the Organization of Petroleum Exporting Countries decided last year to extend an agreement with several non-OPEC members to curb output in response to a global supply glut fed in part by shale. That agreement was finally showing signs of working, with prices emerging from a three-year downturn. **After falling near \$26 a barrel in 2016, the**

**global benchmark oil price climbed above \$70 a barrel in January, and the U.S. price is following suit. Increasing output from the U.S. may threaten that rising price.**

**Nationwide output climbed to 10.038 million barrels a day in November**, the Energy Information Administration reported Wednesday. That's the highest level since November 1970 in monthly data collected by the U.S. agency since 1920. **It comes with West Texas Intermediate crude selling for about \$64 a barrel, a price that could spur even more drilling.**

U.S. production is forecast to average 10.3 million barrels a day this year, and 10.9 million in 2019, the EIA has previously said in its monthly Short-Term Energy Outlook. **That's a number that challenges daily production of just less than 10 million barrels by Saudi Arabia in December and almost 11 million by Russia last year.**

**The Permian Basin of Texas and New Mexico, the engine room for shale production and acquisitions since the oil-price crash, is expected to comprise almost 30 percent of output this year. Exxon Mobil Corp. is spending billions to triple output by 2025 from the Permian, where its costs are as low as \$15 a barrel.**