

Louisiana oil "exports"



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The hugely important oil extraction and refinery industry of Louisiana traces its roots all the way back to the middle of the 16th century, when the Spanish expedition led by Hernando de Soto arrived in the area and stumbled upon oil seepage in areas now identified with Lafayette parish (University of Louisiana at Lafayette 2003). And there it stayed, a forgotten and unutilized resource for over three centuries through the flow and ebb of the great colonial powers and the dominance of whale oil for the time being. Even when the first oil wells anywhere in the 48 states were drilled in Pennsylvania in 1859, the great resource in the South remained moribund for another 42 years. By 1901, however, a verified deposit near Jennings became the source of the first production well.

The following year, the Anse La Butte field entered production. And around 1910, the homebred Gulf Refining Company drilled the first over-water oil near Shreveport. Production Today, the state is the center of gravity for America's oil production. Even counting Alaska's Prudhoe field, Louisiana is the primary source of crude oil and the second largest producer of natural gas across the nation. Besides those on land, another 2,300 oil and gas wells remain in production in the Gulf of Mexico; most of these are in the Louisiana's Outer Continental Shelf. A total of 19 operating crude oil refineries account for 16.

7% of national capacity, the second highest share in the country. State Demand and Exports About three-fourths of Louisiana's refined petroleum products are sent to other States for consumption. Put another way, the state's drivers and downstream petrochemical industries absorb 25% of refinery output (Energy Information Administration, 2007). Owing to the

large combination of refineries and proximity to the offshore oil platforms in the Gulf, Louisiana and the Gulf Coast states generally comprise the largest supplier of refined products to the rest of the country. The EIA reckons that the region accounts " for more than 80% of the inter-PADD (Petroleum Administration for Defense Districts) flow".

The primary recipients are the supply-poor PADD's: the East Coast, the Midwest and California. Oil Revenue Cash Flows Total payments to the state peaked at over \$1. 5 billion 1982 (Univ. of Louisiana at Lafayette 2003).

This broke down into \$971, 677, 140. in oil and gas severance taxes and \$624, 529, 812. in lease and royalty income paid by the industry to the state of Louisiana. In addition, the state collects levies on retail sales. In mid-2007, such levies amounted to twenty cents per gallon of fuel sold to consumers: The experiences with Hurricanes Rita and Katrina, as well as the continuing loss of wet lands through which oil pipelines crisscross, has led Governor Kathleen Blanco to direct that offshore oil revenue be dedicated to coastal restoration and hurricane protection (Blanco, 2007).

Laws Governing Exports Exports of crude oil are allowed, provided they meet export control requirements of the Department of Commerce. Those wishing to export natural gas need a permit from the Department of Energy, a formidable task since the country is a net importer. Works Cited Blanco, K. B. (2007) Governor Blanco wraps up meetings with insurance risk modelers; continues telling Louisiana's story to lower insurance rates. 5 December 2007,

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