



**Ohio Natural Gas and Crude Oil
Estimated Economic Impact from the
Utica Shale Geological Formation Only**

OHIO OIL & GAS ENERGY EDUCATION PROGRAM



**Ohio's Natural Gas and Crude Oil Industry
Potential Economic Impact Study Results
Utica Shale Geological Formation**

As the exploration, drilling and production of various geological formations continues to provide substantial economic opportunities to the state's economy, significant focus is being placed on the geological potential of the Utica Shale. If the Utica play is proven successful, a great deal of activity would then occur over the next decade. In September 2011, Kleinhenz & Associates completed an independent Economic Impact Study on the potential economic impact of this geological formation. A summary of that portion of the Study is shown below.

REINVESTMENT OF REVENUES

Ohio's natural gas and crude oil industry's could reinvest approximately \$246 million on new exploration and development in 2011, and is estimated to ramp up to \$14 billion by 2015. Over the next five years, oil and gas producers are projected to spend over \$34 billion in exploration and development, midstream, royalty and lease expenditures.

- 2011 \$ 246 million
- 2012 \$ 1.4 billion
- 2013 \$ 6.8 billion
- 2014 \$12.4 billion
- 2015 \$14 billion

GROSS STATE PRODUCT

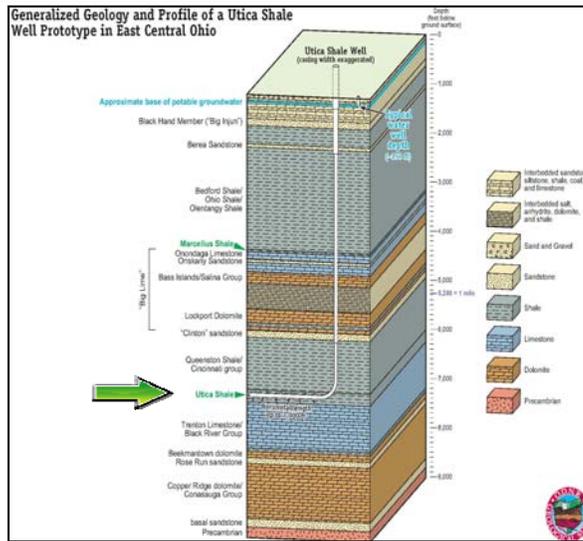
Ohio's natural gas and crude oil industry, via its expenditures, could generate approximately \$12.3 billion to the gross state product and have a statewide output or sales of \$23 billion.

ROYALTIES

Ohio's natural gas and crude oil operators (producers) could distribute more than \$1.6 billion in royalty payments to local landowners, schools, businesses and communities based on an estimate of 2,837 new Utica wells drilled and completed between 2011 and 2015. This could exceed the total amount of royalties paid for all geological formations between 2000 and 2010.

TAX REVENUES

TYPE OF TAX	2011—2015
Severance	\$50.9 million
Commercial Activity	\$27.9 million
Ad Valorem (Property)	\$125.4 million
Income (Federal)	\$219.7 million
Income (State & Local)	\$54.9 million
Total	\$478.8 million



JOBS AND PERSONAL INCOME

Between 2011 and 2015, Ohio's natural gas and crude oil industry will help create and support more than 204,520 jobs due to the leasing, royalties, exploration, drilling, production and pipeline construction activities for the Utica Shale within Ohio.

YEAR	JOB IMPACT
2011	4,614
2012	22,297
2013	102,924
2014	178,088
2015	204,520

The industry wages is projected to grow to more than \$12 billion in annual salaries and personal income to Ohioans by 2015.

Source: Kleinhenz & Associates - September 2011 Economic Impact Study - Ohio's Natural Gas and Crude Oil Industry