



July 7, 2014

Via E-mail Submission: neal.davis@eia.gov

Mr. Neal Davis
U.S. Energy Information Administration
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: Proposed Revisions to Form EIA-914, the “Monthly Natural Gas Production Report”

Dear Mr. Davis:

Citadel LLC¹ (“Citadel”) appreciates the opportunity to provide comments to the U.S. Energy Information Administration (the “EIA”) on its proposed revisions to Form EIA-914, the *Monthly Natural Gas Production Report* (the “Report”).² We support the proposed revisions to Part 2 of the Report to increase by fourteen the number of states for which natural gas production data will be collected³ as well as the addition of Part 3 to the Report to collect total monthly crude oil and lease condensate production volumes at the state level.

The Report currently includes monthly data on the production of natural gas in seven geographical areas: six defined areas⁴ and a remaining area labeled “Other States”. While this approach worked well historically, it has become outdated. In 2005, the “Other States” area accounted for only ~17% of U.S. total production. However, as gas production has increased dramatically over the last decade in certain states that comprise the “Other States”, that figure has

¹ Established in 1990, Citadel is a leading global financial institution that provides asset management and capital markets services. With over 1,100 employees globally, Citadel serves a diversified client base through its offices in the world’s major financial centers including Chicago, New York, London, Hong Kong, San Francisco and Boston.

² Agency Information Collection Extension, 79 Fed. Reg. 25,855 (proposed May 6, 2014), *available at* <http://www.eia.gov/survey/frn/naturalgas/FRN-60-Day-EIA-914-May-6-2014.pdf>

³ The data then appear in the “Monthly Natural Gas Gross Production Report” on EIA’s Web site and in the EIA publications, *Monthly Energy Review*, *Natural Gas Annual*, and *Natural Gas Monthly*.

⁴ The six defined areas are Texas (including State offshore), Louisiana (including State offshore), Oklahoma, New Mexico, Wyoming, and Federal Gulf of Mexico offshore. Data for Alaska is collected directly from the state.

risen consistently. In the last several months, the “Other States” accounted for nearly 35% of U.S. total production.⁵

The seven geographical areas are therefore no longer appropriate and do not provide sufficiently detailed information to accurately reflect current natural gas production. For example, they do not individually identify gas production from Pennsylvania, Ohio, and Colorado, each of which has recently witnessed large production increases. The proposed revisions to the Report to collect both gross withdrawals of natural gas and natural gas lease production volumes for fourteen additional states will correct this shortcoming.

Furthermore, more granular data on crude oil production growth by state and crude quality will improve transparency for oil market participants. This has significant implications for refining and the ability of producers to export this crude oil / lease condensate to refineries outside of the United States. Additionally, the changing crude slate has implications across the industry, including the capability of pipelines to move higher API crude, rail car safety improvements, and the impact on light-end product yields. Lastly, greater detail on key shale formations provides more transparency on future production growth or decline rates.

Improving the granularity of natural gas and oil production data will provide additional transparency into the evolving energy supply in North America. We believe that this will better inform policy-makers as they consider important matters including energy export policy. This transparency will also benefit market participants, including producers, end users, and risk intermediaries, as the integration of more accurate supply information increases market efficiency and enhances the price discovery process.

We commend the EIA for taking these steps to improve the quality of the Report and appreciate the opportunity to provide input. Please feel free to call the undersigned at (312) 395-3100 with any questions regarding these comments.

Respectfully,

/s/ Adam C. Cooper
Senior Managing Director and Chief Legal Officer

⁵ See, for example, the data files at http://www.eia.gov/oil_gas/natural_gas/data_publications/eia914/datafiles.html.