

Ohio's Shale Economy: Executive Summary



This report presents findings from an investigation into shale-related investment in Ohio. The investment estimates are cumulative from July through December 2023. Prior investments have been included in previous reports that are available from Cleveland State University.¹ Subsequent reports will estimate additional investment since the date of this report. Investment in Ohio into the Utica during the second half of 2023 can be summarized as follows:

Total Estimated **Upstream** Utica Investment in Ohio

July - December 2023

Estimated Investments	Total Amount
Lease Renewals and New Leases	\$64,769,000
Drilling	\$592,800,000
Roads	\$8,850,400
Lease Operating Expenses	\$186,378,698
Royalties	\$708,804,000
Total Estimated Upstream Investment	\$1,561,602,098

Total Estimated **Midstream** Investment in Ohio

July - December 2023

Estimated Investments	Total Amount
Gathering Lines	\$166,878,000
Gathering System Compression and Dehydration	\$91,926,000
NGL Pipeline	\$31,554,000
Total Estimated Midstream Investment	\$290,358,000

Total Estimated **Downstream** Investment in Ohio

July - December 2023

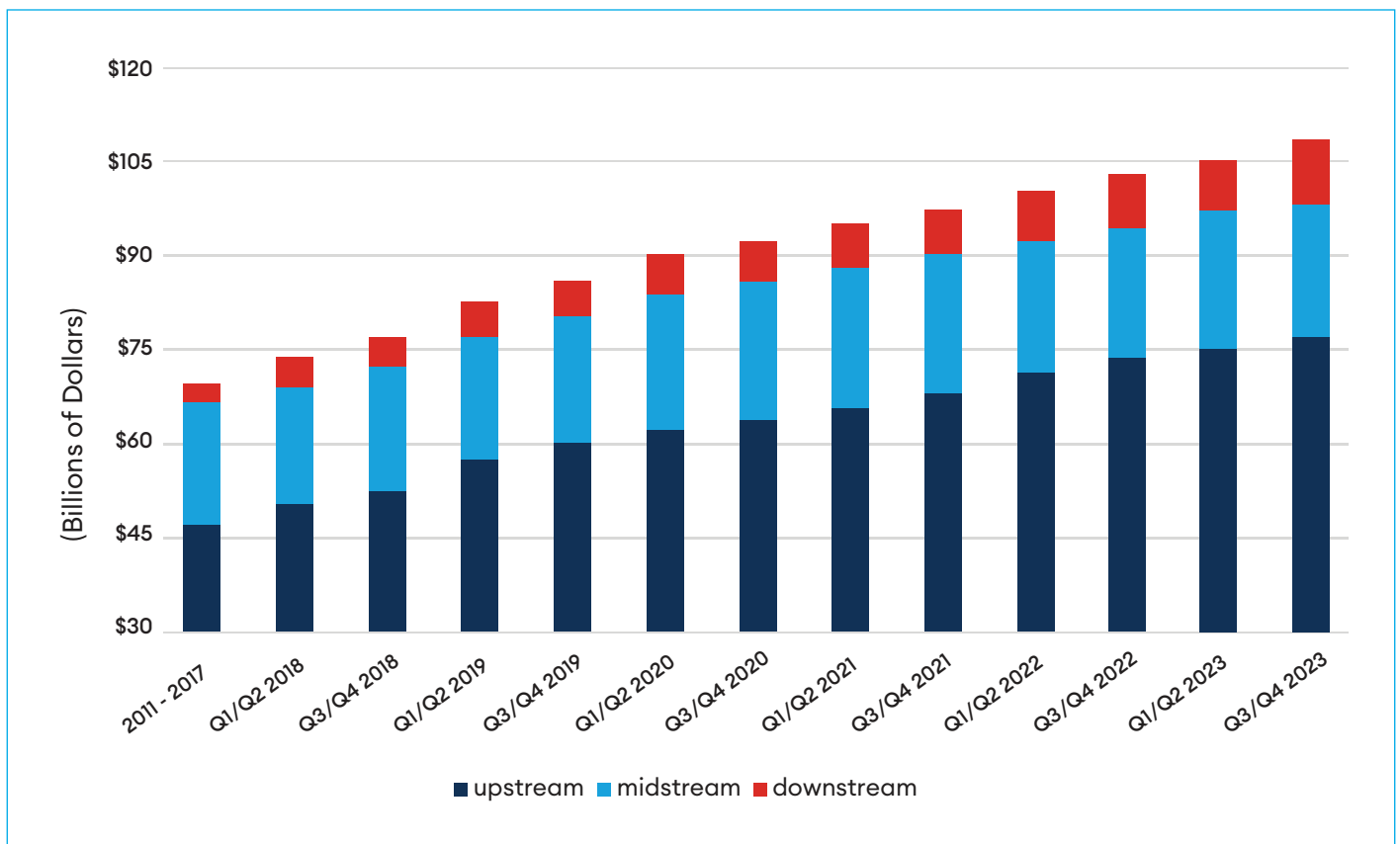
Estimated Investments	Total Amount
LPG Stations	\$1,200,000,000
Total Estimated Downstream Investment	\$1,200,000,000

¹The fifteen previous reports on shale investment in Ohio up to June 2023 can be found at https://engagedscholarship.csuohio.edu/urban_enpolc/



Total investment from July through December 2023 was approximately \$3.1 billion, including upstream, midstream, and downstream. Indirect downstream investment, such as development of new manufacturing as a result of lower energy costs, was not investigated as part of this Study. Together with previous investment to date, cumulative oil and gas investment in Ohio through December of 2023 is estimated to be around \$108.2 billion. Of this, \$76.7 billion has been in upstream, \$22 billion in midstream, and \$9.5 billion in downstream industries.² Figure 1 shows the growth in cumulative shale-related investment for Ohio since the release of the first Shale Dashboard.

Figure 1. Cumulative Shale Investment in Ohio Over Time



²Numbers may not add up precisely due to rounding.



Overall upstream investments were down by about \$332 million in the second half of 2023 compared to the first half of the year, reflecting a decline in the number of new wells drilled accompanied by continued natural gas prices below \$2/MMBtu in the region. Oil prices have remained high relative to natural gas prices, sustaining an average oil-to-price ratio of around 6:1 on an MMBtu basis since the beginning of 2023.

[1] See EIA. (2024). Henry Hub Natural Gas Spot Price. <https://www.eia.gov/dnav/ng/hist/rngwhhdm.htm>.

See also EIA. (2024). Cushing, OK WTI Spot Price FOB.

<https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RWTC&f=M>

¹The fifteen previous reports on shale investment in Ohio up to June 2023 can be found at https://engagedscholarship.csuohio.edu/urban_enpolc/

² Numbers may not add up precisely due to rounding.

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