Manufacturing and the New American Energy Revolution

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New American Energy Revolution=Shale-Energy

Technology has increased domestic production of oil and natural gas.
Increased oil production has different impacts than increased natural gas production.

• More domestic oil production will decrease U.S. dependence on imports.
• Increase in supply of natural gas will reduce its price.
U.S. Consumption and Production of Petroleum and other Liquid Fuels, 1970-2040

(million barrels per day)

Consumption

Net Imports

Domestic supply

History

Projections

Source: Energy Information Administration
U.S. Natural Gas Prices

Source: World Bank

2005-2008 $5.59/MCF

2011-2014 $3.69/MCF
Energy Revolution’s Impact on Manufacturing

• Decrease in natural gas prices will reduce energy costs for manufacturers
• Availability of cheap natural gas will reduce other costs for manufacturers
• Increased demand for specialized manufacturing products
Largest U.S. consumers of natural gas

- Petroleum refining (NAICS 32411)
- Chemical manufacturing (NAICS 325)
- Paper manufacturing (NAICS 322)
- Food manufacturing (NAICS 311)
- Iron and steel manufacturing (NAICS 3311 and 3312)
Manufacturers also purchase large quantities of electricity.

- 38.9 percent of natural gas consumption is to produce electricity.
- Electricity prices will increase more slowly due to increased supply of natural gas.
Other manufacturing costs reduced due to increased supply of natural gas liquids (NGL)

- Methane
- Ethane
- Propane
GTUIT™

The Leader in Remote Natural Gas Capture Systems
Helping decrease flared gas volumes, reduce emissions, and increase oil production by extracting NGLs at the well-site utilizing systems that are mobile and scalable.

TOTAL NGLs RECOVERED (GALLONS)
1,362,595

TOTAL CO2 RECOVERED (TONS)
9,586

TOTAL VOCs RECOVERED (TONS)
2,869

TOTAL BTUs RECOVERED (MMBTU)
124,618

GTUIT™ News

GTUIT™ is a service company

The GTUIT™ Value
• Integrity
Increased demand for specialized manufacturing products

- Oil and gas field machines (NAICS 333132)
- Pipe and pipe fittings (NAICS 332996)
- Measuring instruments (NAICS 334513)
INTEGRITY

Integrity. Without it, pipelines will fail and so will companies. That’s why we have made it the cornerstone of our business, and the reason Loenbro is the preferred partner of engineering firms, oil and gas producers, contractors and refineries across the West.

We are more than welders, more than pipeline inspectors and more than Industrial Insulation experts. Much more. We are a leader in the pipeline industry, continually working to make it better.

When you partner with Loenbro, you’ll work with a team that will help you meet your goals through a combination of proven techniques and new innovation, allowing us to stay at the forefront of the industry.

See Our Work
Oil Field Tanks

TrueNorth Steel has provided the oil fields with custom fabricated tanks since the 1970's oil boom in Western North Dakota. Today, oil exploration companies throughout the northern plains still trust TrueNorth Steel to deliver reliable, high-quality storage tanks ready for rugged life on an oil field. Our fabrication and distribution facilities surround our nation’s oil patches and can deliver anywhere in the U.S. and Canada.

All of our tanks meet or exceed API 12F specifications. On average, we deliver 2,000 tanks to U.S. and Canadian oil fields each year, including:

- Production Tanks
- Skid Tanks
- Flow-Back Tanks
- Catch Tanks
- Accessories

We offer standard tank sizes and can custom fabricate any tank to your specifications.
Since 2006, ALCOM LLC has produced the most diverse, highest quality aluminum trailer line in the industry. With operations based in Winlow, Maine, the company has grown from a staff of 3 full-time employees, working from a 10,000 square foot facility to a team of more than 150 dedicated craftsmen, sales associates and office personnel. In February of 2010, doors opened on ALCOM's state-of-the-art, 70,000 sq. ft. manufacturing facility, optimized for modern aluminum trailer production. At present, we serve more than 270 dealerships in 51 States and Provinces, China, India and Kuwait.

ALCOM's storied growth has been attained through a commitment to providing our dealer network with the top quality aluminum trailer products, in a product line that truly caters to individual market areas. We recognize that snowmobile trailers don't sell in Arizona and, likewise, you won't see open motorcycle trailers
Great Falls, Montana, USA

Fabrication of Steel Structures
Modular Construction

ANNUAL FABRICATION CAPACITY: 25,000 TONS

- Fabrication plant of 0.290 m² (100,000 ft²)
- Specialized paint shop of 0.200 m² (60,000 ft²) (June 2014)
- 100-acre lot, 70 acres of which for pre-assembly of modular steel construction work

Areas of focus:
- Fabrication of standard steel components
- Fabrication and assembly of modular steel structures
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Manufacturing Wages, China, India and U.S. (2002 = 1.00)
Selected Commodity Prices (1/1/2009 =1.00)
Questions?