

Defining the Majors, Nonmajors, and Independents

The Energy Information Administration (EIA) collects annual financial and operating information from companies that are determined to be major energy producers. In 1993, the latest year of data availability, 25 companies (the "majors") reported on Form EIA-28 (Financial Reporting System (FRS)).^a Information is reported on a net ownership basis. Net ownership includes all of a company's fractional ownership shares in oil and gas properties but excludes royalty interests.

EIA also collects annual data on U.S. reserves of oil (crude oil and natural gas liquids) and natural gas, changes in reserves, and production from reserves.^b These data are collected on an operator basis, rather than an ownership basis, and include royalty interests. However, reserves and production on a net ownership basis for companies other than the majors can be estimated. Royalty interests are about 15 percent of U.S. oil and gas production. Aggregate estimates of reserves, production, and changes in reserves for companies other than the majors ("nonmajors") can be obtained by subtracting the FRS totals from the U.S. totals, excluding royalty interests. In Chapters 1 and 2, this aggregate of net ownership interest other than the majors will be termed "nonmajors." This dichotomy will prove useful in understanding the structure and performance of the U.S. oil and gas industry.

Most of the nonmajors are specialized oil and gas producers, often referred to as "independents." However, other types of companies, such as pipeline and refinery operators, account for a significant share of U.S. oil and gas production and reserves. Since the distinctions among the nonmajors will help in understanding the structure and performance of the U.S. oil and gas industry, differences among these company groups will be addressed in Chapters 3 through 5.^c

^a A list of the companies included in the FRS and the criteria for respondent selection are in the Appendix.

^b These data are presented annually in Energy Information Administration, *U.S. Crude Oil, Natural Gas, and Natural Gas Liquids Reserves*, DOE/EIA-0216 (Washington, DC).

^c A small number of foreign subsidiaries are included in other operations.