

**Table 4. Nonconventional and Total Lower 48 Natural Gas Projections: Section 29 C and AEO2004 Reference Case**

Projections	2004	2005	2006	2007	2008	2009	2015	2025
Wells Drilled								
Nonconventional Natural Gas								
Section 29 Case	11716	12082	10654	8193	7919	7175	7746	5989
Reference Case	10274	9710	8770	8303	8328	7481	7665	5959
Total Lower 48 Natural Gas								
Section 29 Case	22337	22699	21475	19329	19532	18896	20868	20233
Reference Case	20896	20394	19759	19620	20006	19211	20767	20161
Reserve Additions (billion cubic feet)								
Nonconventional Natural Gas								
Section 29 Case	11542	12259	11509	9793	9743	9101	9047	7931
Reference Case	10752	10434	9984	9873	9874	9133	8928	7808
Total Lower 48 Natural Gas								
Section 29 Case	24693	24470	23458	20334	21662	21672	20899	19322
Reference Case	23898	22719	22133	20609	21961	21871	20759	19155
Production (billion cubic feet)								
Nonconventional Natural Gas								
Section 29 Case	6117	6284	6751	7125	7350	7491	8790	9293
Reference Case	6116	6181	6452	6714	7059	7242	8671	9165
Total Lower 48 Natural Gas								
Section 29 Case	18976	19089	19358	19750	19793	19777	21076	21459
Reference Case	18974	19025	19098	19377	19629	19660	20983	21286
Lower 48 Average Wellhead Price (2002 dollars)								
Section 29 Case	3.88	3.49	3.33	3.38	3.57	3.43	4.20	4.45
Reference Case	3.88	3.54	3.48	3.53	3.64	3.47	4.19	4.40

**Sources:** National Energy Modeling System runs: aeo2004.d101703e and nrgsec29.d012704a.

**Table 5. Revenue and Production Impacts of Section 1345, Section 29 Case versus AEO2004 Reference Case**

Projections	2004	2005	2006	2007	2008	2009	2010	2015	2025
Joint Committee on Taxation Estimated Tax Revenue Losses (million 2002 dollars) <sup>a</sup>	-98 <sup>a</sup>	-291	-565	-779	-720	-326	-68	NA	NA
Incremental Nonconventional Natural Gas Production (billion cubic feet)	1	103	298	412	290	249	229	119	128
Percent Change in Production	0.0	1.7	4.6	6.1	4.1	3.4	3.1	1.4	1.4

<sup>a</sup>The Joint Committee on Taxation's assessment of the tax implications of Section 1345 was done in the latter part of 2003, with full implementation of the CEB assumed at the beginning of 2004. As a result, their study allowed for some increase in production in 2004. The EIA projections assume that the CEB will take effect at some later point in 2004. Although drilling and reserve additions are projected to increase in 2004 as a result of the bill, no significant change in production is expected to occur until the following year.

Sources: National Energy Modeling System runs: aeo2004.d101703e and nrgsec29.d012704a.