



Written by [Warren Mass](#) on July 20, 2018

Texas to Pass Iraq and Iran to Become World's Third-largest Oil Producer

Thanks to declining drilling costs allowing for increasing production in the Permian Basin in West Texas, Texas is set to pass Iraq and Iran to become the world's third-largest producer of oil by next year, the British banking firm HSBC predicted in a recent report.

Texas oil production will be behind only Russia and Saudi Arabia, the HSBC report noted.



"It's remarkable. The Permian is nothing less than a blessing for the global economy," CNN quoted Bob McNally, president of Rapidan Energy Group, a consulting firm.

CNN reported that the increase in oil production in Texas, both in the Permian basin and in the Eagle Ford oilfield in south Texas, reveals how the shale-oil revolution has reshaped the world's energy landscape. Because the United States is pumping more oil than ever before, it is less reliant on the unstable Middle East for imports.

The report noted that the combined output of the Permian and Eagle Ford oilfields is expected to rise from 2.5 million barrels per day in 2014 to 5.6 million barrels per day in 2019, according to HSBC. Texas will then account for more than half of America's total oil production.

By comparison, Iraq's daily production is about 4.8 million barrels, while Iran is projected to produce 3 million barrels.

In another report, CNN cited Pioneer Natural Resources Chairman Scott Sheffield, who told the network that overall U.S. oil production, currently at about 10.3 million barrels a day, is expected to exceed 11 million barrels a day within the next few months. When it reaches that level, the United States will become the world's greatest oil producer, exceeding Russia, which currently pumps 10.6 million barrels a day and Saudi Arabia, which pumps about 10.1 million barrels.

This increase in U.S. oil production was predicted in an article in *The New American* last January ("[U.S. Oil Production Will Soon Overtake Saudi Arabia's](#)"). The article credited Texas entrepreneur George P. Mitchell, who along with his brother, Johnny, started Mitchell Energy & Development Corporation in the years following World War II, with providing the momentum that propelled Texas and the United States into becoming such a major oil producer.

Mitchell's company engineers developed new techniques (including improvements in fracking technology) to extract gas, and then oil, from shale, greatly increasing the output of both of these products.

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