



Written by [Bob Adelman](#) on March 11, 2022

U.S. Oil Industry Starting to Revive

[Early indications from Montana](#), where much of the Bakken oil field is located, and [from Baker Hughes](#), the oil-field services company, show that the U.S. oil industry is slowly awakening from its government-induced slumber.

Alan Olson, executive director of the Montana Petroleum Association, told Helena, Montana's KTYH news outlet on Monday that, at current prices, he is seeing "a growing interest [among oil developers in the state] in restarting idled wells."

The wells were shut down during the pandemic and remained shut down as the Biden administration launched its attack on fossil fuels starting on its very first day. That day Joe Biden kept his campaign promise to "go green" by revoking the Keystone Pipeline permit. Months later, the developer gave up all hopes of restarting it, removing any chance that oil flowing from the Bakken field would be allowed to increase.

According to Olson, the breakeven point for the developers working the Bakken field is \$80 a barrel, giving them enough revenue to cover their fixed and variable costs and returning a profit to their investors.

Baker Hughes is reporting that increases in the rig count are confirming the nascent recovery. At the beginning of the year, there were 588 active rigs working in the country. As of March 4, that number had increased to 650, a gain of 10 percent.

The recovery, however, is going to be slow, according to Olson: "Now that the oil price is rising rapidly, it's been a challenge to hire new employees."

It's also a challenge to meet the new regulations imposed by the Biden administration:

We've got a lot of very small, independent oil producers that, to meet some of the proposed new federal regulations, it's going to leave them with a couple of choices: you either bite the bullet, spend the money, take it off your bottom line — which will cost jobs, which will also cause revenue to state and local government coffers to decline — or you plug your wells and walk away from them.

Biden is deaf to pleas to take his administration's foot off the oil industry's oxygen hose. Said Senator Dan Sullivan (R-Ala.), "You [Biden] need to do a lot more. You have to get off the necks of American energy producers."



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That's not going to happen. The green agenda is to raise the cost of fossil fuels, especially gasoline, so high that Americans will be forced to purchase the vaunted EVs that allegedly would reduce carbon emissions and save the planet.

The primary reason for those high gasoline prices is simple economics: According to the U.S. Energy Information Administration (EIA), total U.S. petroleum production in 2021 was 16.6 million barrels of oil per day. But the recovering economy was consuming nearly 20 million barrels per day. The three-million-barrel shortfall was made up of imports from so-called enemies of the United States, and drawdowns from reserves.

There is a political impact to the slow revival of the U.S. oil industry. It will take months to bring those idled rigs and shut-down wells back online, just in time for the November elections. The Biden administration is sure to tout its success in bringing down gas prices, thanks to the industry's recovery and no thanks to his policies. But for the low-information voter with a short memory, it will appear that Biden is finally doing something right after all, and some may vote to keep Democrats in control of the power levers in Washington.



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