



# Without Fracking, Oil Prices Would be at Record Highs

By [Tom Gantert](#)

Sept. 29, 2014

Crude oil would cost at least a record-setting \$150-a-barrel today if not for increased oil production in the United States, according to the U.S. Energy Information Administration.

EIA chief Adam Sieminski made the comment in [a recent interview with Reuters](#). Sieminski was appointed by President Barack Obama as EIA Administrator in 2012.

“What the EIA Administrator is telling us is without fracking in the United States we’d be paying well over \$4-a-gallon for gasoline and our economy would truly be in the tank,” said Daniel Kish, senior vice president of policy at the Institute for Energy Research, a non-profit research group that advocates for expansion of domestic oil production. “All oil and gas production in the United States is done with fracking and has been for decades.”

Crude oil production in the U.S. has grown by about 3 million barrels per day from Jan. 2011 to July 2014, [according to the IER](#). The U.S. uses about 18 million barrels of crude oil per day.

According to the EIA, the per-barrel average annual cost of crude oil reached a record-high in 2013 [at \\$95.99](#).

The highest cost per barrel ever on a single day was \$147.27 in July of 2008. Currently, crude oil is selling at about \$92 to \$97 per barrel.

Kish said growing economies in India and China have resulted in escalating costs.

“We are in a world market,” Kish said. “It would have been one hell of a lot worse if it had not been for our production.”

Pat Michaels, director of the Center for the Study of Science at the Cato Institute, said the price of gas is less volatile due to the increased production in the U.S.

In the recent past, international events such as the U.S. bombing of Syria and Iraq would have sent the price of oil skyrocketing, Michaels said.

“Think about the last time there was a sudden shock in gasoline prices,” Michaels said.

In Michigan, that was [a two-month period in 2010](#) when gas prices went from \$3.12 in February to \$4.26 in May.

Today, some Michigan gas stations are [reporting the lowest cost of gas in years](#). One gas station in Saginaw is reporting gas at \$3 per gallon.

John Griffin, executive director of the Associated Petroleum Industries of Michigan, said the increased domestic oil production helps out local Michigan businesses that supply that industry.

“Great news for motorists, businesses, our economy and national security,” Griffin said.