Demand for equipment used in midstream oil and gas applications in the US is expected to decline through 2019 as a low oil and gas price environment limits production growth and US midstream infrastructure becomes better adapted to the recent shifts in energy production within the country. Spending on equipment for use in crude by rail and gas processing plants will both fall from elevated 2014 levels, but pipeline construction and liquefied natural gas (LNG) activity will continue to support a high level of equipment demand through the forecast period.

Eventual upstream recovery to boost midstream infrastructure

Although the market for midstream equipment is expected to return to healthy levels of demand in 2019, significant declines are expected in 2016, driven by a dramatic fall in well completions in 2015 and 2016. A recovery in drilling and completion activity is expected by 2019, with the upstream sector benefiting from an eventual oil price recovery along with additional export opportunities, which had not been previously available, for both crude oil and LNG. As growth returns to the upstream sector over the next few years, demand will again accelerate for midstream infrastructure projects, in turn boosting demand for equipment.

Major LNG export facilities expected

Although the prospects for LNG export facilities are clouded by short term price uncertainty, market fundamentals will drive the eventual construction of a number of facilities in coming years -- several of which are likely to remain under construction in 2019. These facilities, which will be major investments, will boost the overall market for a range of equipment, including compressors, valves, and pumps. Additionally, several new projects will require construction of LNG storage tanks, which can make up a large component of the total project cost due to their size and heavy engineering requirements.

Study coverage

This study analyzes US demand for equipment utilized in midstream oil and gas infrastructure. It presents historical data (2004, 2009, and 2014) and forecasts (2019 and 2024) by product, application, market, and US region. The study also considers market environment factors, evaluates company market share, and profiles 37 industry players.
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Tables within each region present historical demand data (2004, 2009, 2014) plus forecasts (2019, 2024) for:
- Oil/Gas Production & Producing Wells
- Well Completions

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Demand for midstream oil and gas infrastructure equipment in Oklahoma is expected to fall to declines, as both saw levels of equipment demand in 2014 that will not remain necessary in 2019. However, growth is expected in other segments of the market, such as gathering lines to collect oil and gas produced from unconventional plays in the Anadarko Basin.

Oklahoma is a significant oil and gas producing state, with much recent interest in unconventional oil and gas in several distinct play areas. The primary production areas in Oklahoma are the Anadarko Basin, the Arbuckle Basin, the Arkoma Basin, and the Cherokee Platform (which includes part of Kansas). The Woodford shale, much of which overlaps the Anadarko and Arkoma Basins, has become the site of considerable natural gas drilling activity in recent years. The SCOOP and STACK plays saw accelerating development in 2014 and into 2015, although low oil prices prevented a higher level of drilling activity there.

Oklahoma has long been a crude oil pipeline and storage hub and destination for transported crude oil from the Gulf Coast. Cushing, Oklahoma is the site of the largest crude oil storage tank farm in the US and is the delivery point for West Texas Intermediate crude oil futures contracts traded on the New York Mercantile Exchange. The development of Canadian oil sands plus unconventional resources in the Midwestern US and Rocky Mountain region has created a need for southward transfer capacity. This has substantially altered the state’s energy infrastructure. For example, the Seaway pipeline that runs between Cushing, Oklahoma and Houston, Texas was reversed in May 2012 and is now pumping from Cushing to Texas.

### TABLE VII-1
**MIDWESTERN REGION: MIDSTREAM OIL & GAS EQUIPMENT DEMAND**

<table>
<thead>
<tr>
<th>Item</th>
<th>2004</th>
<th>2009</th>
<th>2014</th>
<th>2019</th>
<th>2024</th>
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<tr>
<td>Natural Gas</td>
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<td>Crude Oil</td>
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<td>Midstream Oil &amp; Gas Equipment Demand</td>
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<td>By Resource:</td>
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<td>Natural Gas</td>
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<td>Crude Oil</td>
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<td>By State:</td>
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<td>Other</td>
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</tbody>
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Source: The Freedonia Group

### TABLE VII-3
**MIDWESTERN REGION: MIDSTREAM OIL & GAS PRODUCTION & PRODUCING WELLS**

<table>
<thead>
<tr>
<th>Item</th>
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<th>2014</th>
<th>2019</th>
<th>2024</th>
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<td>Producing Wells (000)</td>
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<td>Other</td>
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</tbody>
</table>

Source: The Freedonia Group

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#3362.........February 2016..............$6200

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World demand for industrial valves will rise 4.3 percent annually through 2019 to $98.5 billion. Market growth in developing areas will outpace product demand in developed countries. The expansion and upgrading of water infrastructures will help sales increases. This study analyzes the $80 billion world industrial valve industry, with forecasts for 2019 and 2024 by product and market for six world regions and 25 major countries. Total demand is given for an additional seven countries. The study also evaluates company market share and profiles industry players.

#3369.........January 2016..............$6300

**Drilling Products & Services**
US demand for oil and gas drilling products and services is forecast to increase to $71 billion in 2019, reflecting average annual gains of 3.0 percent. Services will remain the dominant segment while fluids will grow the fastest. The Eastern and Western US will be the fastest growing regional markets. This study analyzes the $60 billion US drilling product and service industry, with forecasts for 2019 and 2024 by product and market for six world regions and 17 state markets. The study also evaluates company market share and profiles industry players.

#3286.........June 2016..............$5300

**World Upstream Oil & Gas Outlook**
World upstream oil and gas activity will remain at a high level, with annual wells drilled increasing to over 115,000 in 2018. While recent crude oil price drops may limit drilling in the volatile North American market, world activity should continue to grow as many lower cost or highly productive wells remain profitable. This study analyzes activity in the 103,400-well world upstream oil and gas industry, with forecasts for 2018 and 2023 by indicator, world region, and for 16 countries. The study also considers market environment factors and profiles industry participants.

#3197........December 2014...........$6200

Freedonia’s methods

- Establishing consistent economic & market forecasts
- Using input/output ratios, flow charts & other economic methods to quantify data
- Employing in-house analysts who meet stringent quality standards
- Interviewing key industry participants, experts & end users
- Researching a proprietary database that includes trade publications, government reports & corporate literature

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- Construction & Building Products
- Consumer Goods
- Energy & Petroleum
- Industrial Components
- Healthcare & Life Sciences
- Machinery & Equipment
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- Packaging
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- Security
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