Top 6 Oil-Producing States in 2024 (So Far)

Dec 5

As of 2024, the United States is still the single largest crude oil producer in the world, a position it has held since 2018.
However, the U.S. is not a monolithic entity, and the amount of oil that a given area can produce is limited by how much crude is actually underneath it. As such, crude oil production varies from state to state. And though some states continue to pump out crude oil in enormous volumes, many have been experiencing a dwindling output over the years.
Here's what to know about the top six oil-producing states, according to the U.S. Energy Information Administration, and their respective petroleum industries.

U.S. Energy Information Administration. "United States Produces More Crude Oil Than Any Country, Ever."

In the U.S., crude oil is produced in 32 U.S. states as well as on federal offshore lands.
The domestic petroleum industry got its start in 1859 after the successful drilling of the first oil well in Titusville, Penn. As additional states began producing their own oil, the “black gold” rush created complex economic issues on a national scale, mainly overproduction, sudden price collapses, and frequent boom-and-bust cycles.
In November 1900, the first U.S. auto show took place in New York City’s Madison Square Garden and introduced the internal combustion engine to the world. This device helped make the oil industry into the juggernaut it is today by utilizing what had, up until this point, been just a byproduct of refining: gasoline. Less than two months later, an oil gusher at Spindletop, Texas, launched the modern U.S. oil industry.
Beginning in 1985, the year the EIA began recording oil production statistics, total U.S. crude production generally declined up until 2008. However, due to the adoption of more cost-effective drilling technology that boosted production, annual output increased nearly every year starting from 2009 and reached the highest amount on record in 2019.
In 2020, U.S crude oil production dipped by approximately 8%, the largest annual decrease in recorded U.S. history, due to a sudden drop in petroleum demand as a result of the COVID-19 pandemic.6 Since then, production has rebounded, reaching a new record high in December 2023.
Our research has found that about 76% of total U.S. crude oil production came from just six states in 2023, and the operational history of the oil and gas industry within these territories can go back decades.

1. Texas

- Total barrels annually (2023): 2.01 billion
- Share of U.S. production (2023): 42.61%
- Barrels per month (August 2024): 180.36 million

Texas is the single largest domestic producer of crude oil, with 34 petroleum refineries that can process nearly 6.3 million barrels per calendar day. The Lone Star State has had a culture associated with the oil business for more than a century.

The drilling of the famous Spindletop well near Beaumont, Texas, in 1901 is typically credited with starting the modern oil era, in addition to changing the future of U.S. industry and transportation and popularizing rotary drilling technology.

The well blew out and reportedly produced 100,000 barrels of oil per day until it was brought under control nine days later.

Texas produces more electricity than any other state, nearly double the output of the second-highest electricity-producing state, Florida. Texas is also the largest energy-consuming state in the nation.

Its industrial sector, which includes refineries and petrochemical plants, accounts for half of the energy consumed in the state. The Electricity Reliability Council of Texas (ERCOT) manages the state's primary electrical grid, which operates completely within Texas and serves about 75% of the state's territory.

ERCOT is unique in that it isn't subject to federal oversight and is largely dependent on its own resources to meet the state's electricity needs.

The share of crude oil production from Virginia, Idaho, and Arizona (each), making them smallest producers of the 32 oil-producing states.

2. New Mexico

- Total barrels annually (2023): 665.55 million
- Share of U.S. production (2023): 14.1%
- Barrels per month (August 2024): 64.85 million

New Mexico is the second-largest domestic oil producer and one of three states that saw an increase in production from 2019 to 2020, despite the reduced demand brought about by the pandemic.

The Land of Enchantment is a relative newcomer to the oil business compared to other top producers, with its first successful commercial well drilled in 1924. Despite this, the oil and natural gas industry has been a major player in the state’s economy.

It is New Mexico's largest employer and provides local schools, roads, and public facilities with over $2.5 billion in funding each year.

New Mexico's industrial sector and transportation sector each account for roughly a third of the state's energy use, with the latter industry using more energy per capita than it does in almost three-fourths of the rest of the U.S. Despite oil's historical and economic importance in New Mexico, mining, including oil and natural gas production, accounts for just one-tenth of its GDP.

Notably, New Mexico's petroleum consumption per capita is greater compared to about two-thirds of the rest of the country. Its transportation sector is the leading petroleum consumer in the state, accounting for over 80% of all petroleum used in New Mexico.

3. North Dakota

- Total barrels annually (2023): 431.72 million
- Share of U.S. production (2023): 9.14%
- Barrels per month (August 2024): 36.24 million

North Dakota is the third-largest crude producer in the U.S., and peaked in 2019 before experiencing a significant dip in 2022. In 2023, the state's production increased about 12%.

This amazing growth has been powered by the development of the Bakken Shale formation in the Williston Basin. Although oil exploration in the Peace Garden State began in the early 20th century, it wasn't until 1951 that its first oil discovery occurred.

Production was initially limited until over a decade ago when horizontal drilling and hydraulic fracturing were applied to the Bakken formation. A concentrated effort of oil rigs are targeting this same formation.

In part due to the state's smaller population, North Dakota's total energy consumption is one of the lowest in the U.S. However, thanks to its energy-intensive industrial sector, it is one of the top five states in terms of energy consumption per capita and the amount needed to produce each dollar of the state's gross domestic product (GDP).

That said, North Dakota's total energy production is also nearly seven times greater than its energy consumption. Approximately 55% of North Dakota's total primary energy production in 2022 was in the form of crude oil.

Additionally, North Dakota is a U.S. entry point for pipelines transporting crude oil from Canada.

4. Colorado

- Total barrels annually (2023): 166.79 million
- Share of U.S. production (2023): 3.53%
- Barrels per month (August 2024): 14.09 million

Colorado is the fourth-largest producer of crude oil, with 80% of its production originating in Weld County. In 2023, as a result of new horizontal drilling and hydraulic fracturing technologies, the state produced about two times more crude oil than it did in 2010.

The majority of oil production in the Centennial State comes from the Niobrara Shale formation, which is located in the Denver-Julesburg Basin in northeastern Colorado. The Wattenberg field, much of which is in Weld County, is one of the top ten U.S. oil field based on proved oil reserves.

Though its mining as well as its oil and gas industries are rather energy intensive, Colorado's energy consumption per dollar of its GDP is smaller compared to around four-fifths of the other 32 oil-producing states. In spite of this, demand in Colorado for refined petroleum products is approximately two and half times more than its refining capacity.

As oil production from the Niobrara Shale continues to increase and exceed local refining capacity, additional pipelines are being constructed or repurposed to transport Colorado crude oil to out-of-state refineries. Several petroleum product pipelines from nearby states, mainly Wyoming, Texas, and Kansas, in addition to barrels brought in by rail and truck, help supply the Colorado market.

5. Oklahoma

- Total barrels annually (2023): 156.78 million
- Share of U.S. production (2023): 3.32%
- Barrels per month (August 2024): 11.92 million

Located in the heart of the U.S. Mid-Continent oil region, Oklahoma comes in fifth in crude oil production. The oil industry in the Sooner State has a long and storied history; Nellie Johnstone Number One, located near Bartlesville, was the first commercially productive oil well in Oklahoma. This well kicked off the beginning of an oil boom in 1897. Oklahoma was also where J. Paul Getty got his start in the oil business in the early 1900s. Getty later went on to run the Getty Oil Company and became one of the first billionaires in the U.S.

Oklahoma produces nearly three times as much energy as it consumes. Its industrial sector, which includes the energy-intensive crude oil and natural gas industries, accounts for roughly two-fifths of the state's end-use energy consumption, while its transportation sector accounts for about three-tenths.

Much of the energy produced in Oklahoma, including petroleum, is transported to other states by interstate pipelines or high-voltage transmission lines. That said, Oklahoma's per capita petroleum consumption is still greater compared to nearly four-fifths of the rest of the U.S.

6. Alaska

- Total barrels annually (2023): 155.47 million
- Share of U.S. production (2023): 3.29%
- Barrels per month (August 2024): 12.28 million

Alaska is the sixth-largest oil producer of crude oil. The Last Frontier was a relatively minor domestic source of crude prior to the discovery of oil in the North Slope in 1967. Production from the Prudhoe Bay field and other fields began in 1977 and at one point comprised 25% of all U.S. oil production.

The state's oil output peaked at 2 million barrels per day in 1988. Since 2003, Alaska's annual oil production has slowly declined as the state's oil fields have matured. There are, however, still large areas of the state that remain unexplored for oil.

The oil and natural gas industry plays a special role in Alaska's economy. Because Alaska's oil and gas industry revenues fund most of the state government, it's the only state in the U.S. that does not have a state sales tax or a personal income tax. Additionally, since 1982, every eligible Alaskan resident has received an annual dividend based on the value of oil royalty revenue in the Alaska Permanent Fund.

Currently, most of the oil produced in Alaska is transported south via tankers to refineries in Washington and California. Alaska is the 13th-lowest state by total petroleum demand, but it still has the second-highest per capita petroleum consumption in the U.S.