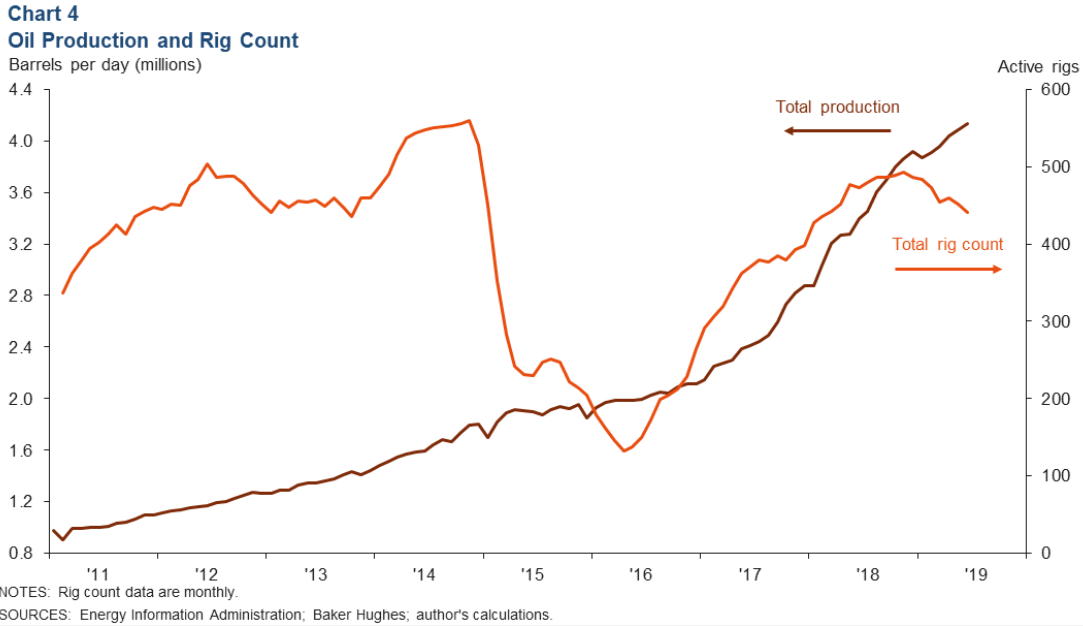


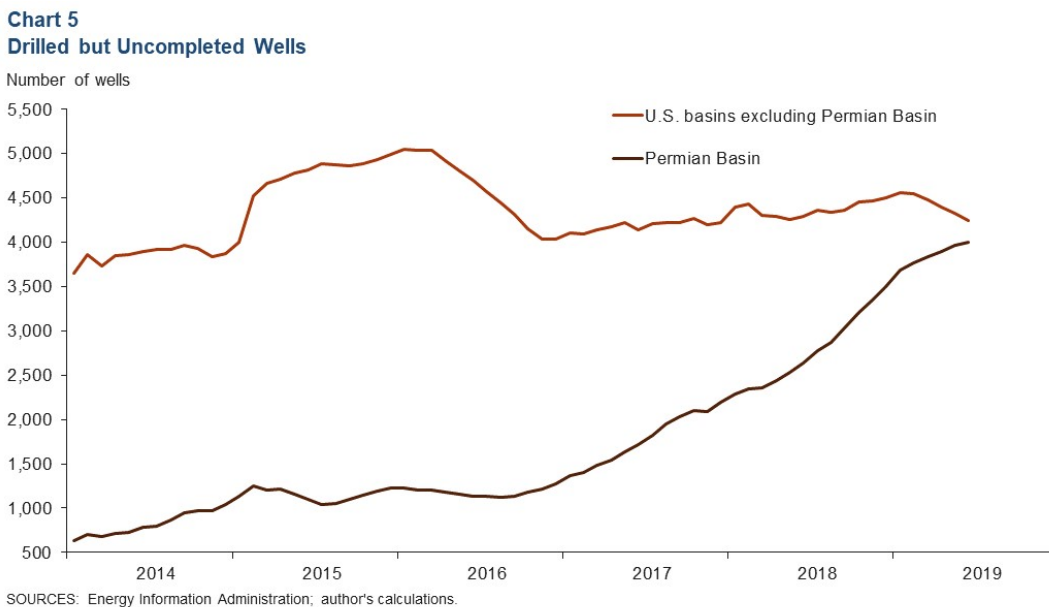
Oil Production Reaches New High; Rig Count Continues to Fall

Permian Basin oil production is estimated to have reached 4.1 million barrels per day in June, up 21 percent from a year earlier (Chart 4). Meanwhile, the Permian rig count continues to decline and stood at 441 in June, down from 452 in May.



Drilled but Uncompleted Wells Rise Steadily

The number of drilled but uncompleted wells (DUCs) rose to over 4,000 in the Permian Basin in June, a 1.1 percent increase from May (Chart 5). Meanwhile, DUCs outside of the Permian decreased 1.9 percent over that time. Since June 2018, Permian DUCs are up 52.0 percent versus a 1.0 percent decline elsewhere. The increase in Permian DUCs may be linked to the pipeline capacity that is expected to come online soon.



Housing

Existing-home prices continue to climb and reached new highs in May. The median home price in the Permian was \$298,972, up 6.3 percent from a year earlier (Chart 6). Meanwhile, home sales have leveled off. After reaching a peak of 393 homes sold in April, sales inched down to 381 in May.

Chart 6
Home Sales and Prices



*Seasonally adjusted; six-month moving average.

SOURCES: Real Estate Center at Texas A&M University; seasonal adjustments by the Dallas Fed; author's calculations.

Existing-homes inventory remains tight. Through May, inventory has remained below two months in both Midland and Odessa. In May, Midland's supply stood at 1.9 months, while Odessa's was 1.3 months.

NOTES: Employment data are for the Midland–Odessa metropolitan statistical area (Martin, Midland and Ector counties), unless otherwise specified. Energy data includes the 55 counties in West Texas and southern New Mexico that make up the Permian Basin region. Data may not match previously published numbers due to revisions.

About Permian Basin Economic Indicators

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