



Hibbs Outlook of East Texas

Hibbs Institute for Business & Economic Research

Lithium in East Texas: The Next Energy Opportunity?

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This Hibbs Outlook examines the role of lithium in the modern economy, the growing interest in East Texas lithium resources and the potential economic implications for the region.

For more than a century, East Texas has been closely tied to the nation's energy economy. The discovery of the East Texas Oil Field in the 1930s transformed the region into a major center of energy production and helped shape its economic development for decades. Today, another energy-related resource is attracting increasing attention across Northeast Texas: lithium. While commercial development remains in its early stages, growing interest in lithium resources could create new opportunities for investment, employment and industrial diversification across the region.

Lithium, the lightest metal, is used in rechargeable batteries, glass, ceramics, pharmaceuticals and many other industrial applications. Lithium rarely occurs in pure form and is commonly found in mineral deposits and underground brines. Some of the world's largest lithium resources occur beneath salt flats in arid regions where evaporation has concentrated lithium-rich brines over thousands of years.¹ The "Lithium Triangle" of Chile, Bolivia and Argentina contains a large share of global lithium reserves and is one of the world's most important lithium-producing regions.² Extraction involves drilling into salt flats to pump brine into evaporation ponds, where water evaporates for up to 18 months. These brine operations now produce about 75% of the world's lithium.³

Why Lithium Matters

Lithium has emerged as one of the world's most strategically important minerals because it is essential for rechargeable batteries, which account for approximately 87% of global lithium demand and power technologies such as electric vehicles, consumer electronics and grid-scale energy storage systems. Beyond batteries, lithium is used in specialty glass and ceramics, lubricating greases, aerospace alloys, air conditioning systems, pharmaceuticals and nuclear applications, making it important across numerous industries.⁴

Demand for lithium has increased rapidly over the past decade and is expected to continue growing as electric vehicles, battery storage systems and other energy technologies become more widespread. Industry forecasts suggest that global lithium demand could increase more than threefold by 2030 and more than sixfold by the mid-2030s, driven largely by battery production.⁵ At the same time, the International Energy Agency foresees continued growth in electric vehicle adoption and battery storage development, reinforcing lithium's role in the future energy economy.⁶

As countries seek to expand electrification, reduce greenhouse gas emissions and strengthen advanced manufacturing capabilities, policymakers have expressed growing concern about the concentration of lithium production and processing outside the United States. These trends have elevated lithium from a specialized industrial commodity to a strategic resource increasingly linked to economic competitiveness, energy security, technological innovation and the development of domestic supply chains.⁷

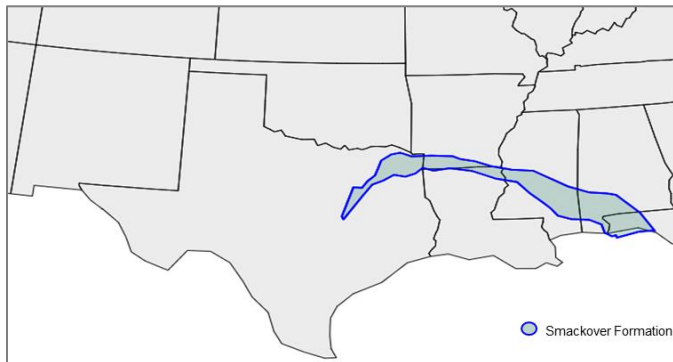


Industrial production line of lithium-ion batteries.

Lithium Deposits in East Texas

Northeast Texas has attracted growing interest from companies seeking new domestic sources of lithium. Much of that interest is centered on the Smackover Formation, a large underground rock layer that extends across parts of Texas, Arkansas, Louisiana and neighboring states and contains lithium-rich saltwater deposits.^{8,9} Unlike traditional lithium production in South America, which relies on large evaporation ponds, companies in East Texas are exploring technologies that recover lithium from saltwater deep below the surface and then return the remaining water to the formation. Supporters believe these methods could reduce land impacts while taking advantage of the region's existing energy infrastructure and workforce.¹⁰

Figure 1. Lithium Exploration in Smackover Formation



Source: Standard Lithium Ltd. and the Federal Reserve Bank of Dallas.

In 2025, Smackover Lithium, a joint venture between Standard Lithium and Equinor, released an inferred resource estimate for its Franklin Project in Franklin County. The company estimated that the project contains approximately 2.16 million metric tons of lithium carbonate equivalent, enough lithium to support the production of tens of millions of electric batteries over time. The project reported an average lithium concentration of 668 milligrams per liter of brine, with some wells exceeding 800 milligrams per liter. According to the company, these are among the highest lithium-in-brine grades reported in the continent.¹¹ The size of the resource and quality of the brine have helped position East Texas as an emerging area of interest within the nation's growing critical minerals industry.¹⁰

Economic Development Implications

The significance of lithium development in East Texas extends beyond mineral production. If commercial production proves successful, lithium could support a new industrial segment that builds upon the region's long history in the energy sector while creating opportunities for investment, employment and economic diversification. Many of the skills, infrastructure and services developed through decades of oil and gas activity are also relevant to lithium production. As a result, East Texas may be well positioned to support future development. This overlap could provide a competitive advantage as companies seek

locations with an experienced workforce, established infrastructure and a supportive business environment.

The economic benefits could extend beyond jobs created at extraction and processing facilities. Lithium development may increase demand for engineering, construction, transportation, environmental consulting, equipment supply and other business services. As workers and businesses spend income locally, additional economic activity could be created throughout retail, housing, healthcare and other sectors. Like other resource-based industries, these ripple effects can substantially increase the overall economic impact of a project.

Perhaps the most significant long-term opportunity is the potential development of a broader critical minerals industry in East Texas. Successful resource projects could encourage additional investment in processing, manufacturing, research and related industries, creating economic opportunities that extend beyond lithium production itself.

The Franklin Project has the potential to become one of the most significant industrial developments in Northeast Texas in recent decades. While the direct employment impact of approximately 120 jobs is meaningful for Franklin County,¹² the project's broader significance lies in its ability to attract investment, support higher-paying technical occupations, stimulate supplier industries and position East Texas within the emerging domestic lithium supply chain. If additional projects across the Smackover Formation move forward, the cumulative economic impact could extend well beyond Franklin County and contribute to the development of a new critical minerals industry in Northeast Texas. However, the ultimate scale of these benefits will depend on the commercial viability of extraction technologies, future lithium market conditions and the successful transition from resource development to sustained production. Whether lithium becomes a major industry in East Texas remains uncertain, but growing exploration activity and investment suggest that the region may play an increasingly important role in the nation's evolving energy and manufacturing economy.



East Texas Lithium Brine Well in Franklin Project.

End Notes

¹ U.S. Geological Survey. (2020, June 1). Lithium Deposits in the United States.
<https://www.usgs.gov/data/lithium-deposits-united-states/>

² Harvard International Review. (2020, January 15). The Lithium Triangle: Where Chile, Argentina, and Bolivia Meet.
<https://hir.harvard.edu/lithium-triangle/>

³ National Aeronautics and Space Administration. (2022, December 8). Racing to Mine Lithium.
<https://science.nasa.gov/earth/earth-observatory/racing-to-mine-lithium-150730/>

⁴ Natural Resources Canada, Government of Canada. (2026, January 29; last update). Lithium Facts.
<https://natural-resources.canada.ca/minerals-mining/mining-data-statistics-analysis/minerals-metals-facts/lithium-facts>

⁵ Lithium Harvest. (2026, April 15; last update). The Future of Lithium - Trends and Forecast.
<https://lithiumharvest.com/knowledge/lithium/the-future-of-lithium-trends-and-forecast/>

⁶ The International Energy Agency. (2024, May 17). Lithium; Global Critical Minerals Outlook 2024.
<https://www.iea.org/reports/lithium>

⁷ The International Energy Agency. (2025, May 21). Executive Summary; Global Critical Minerals Outlook 2025.
<https://www.iea.org/reports/global-critical-minerals-outlook-2025/executive-summary>

⁸ Standard Lithium Ltd. (2026). East Texas, Project; Smackover Formation.
<https://www.standardlithium.com/projects/smackover/east-texas/>

⁹ Federal Reserve Bank of Dallas. (2024, September 20). Old oil fields reimagined as lithium sources.
<https://www.dallasfed.org/research/swe/2024/swe2413>

¹⁰ Journal of Petroleum Technology. (2025, September 28). Smackover Lithium's Resource Report Shows East Texas Promise.
<https://jpt.spe.org/smackover-lithiums-resource-report-shows-east-texas-promise>

¹¹ Standard Lithium Ltd. (2025, November 5). Smackover Lithium Smackover Lithium Files Maiden Inferred Resource for its Franklin Project in East Texas, Containing the Highest Reported Lithium-in-Brine Grades in North America; News Details.
<https://smackoverlithium.com/newsroom/news-details/2025/Smackover-Lithium-Releases-Maiden-Inferred-Resource-For-Its-Franklin-Project-Comprising-A-Portion-Of-Significant-Brine-Position-In-East-Texas/default.aspx>

¹² KLTV. (2025, June 23). City of Mount Vernon prepares for lithium plant that will bring 120 jobs.
<https://www.kltv.com/2025/06/24/city-mount-vernon-prepares-lithium-plant-that-will-bring-120-jobs/>

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