Oil and Gas News Briefs
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China buying up cheaper crude from Venezuela and Iran

(Bloomberg; Jan. 10) - China doubled down on imports of Iranian and Venezuelan crude in 2021, taking the most from the U.S.-sanctioned regimes in three years as the nation's refiners brushed off the risk of penalties to scoop up cheap oil. Refiners in the world's biggest importer bought 324 million barrels from Iran and Venezuela in 2021, about 53% more than the year before, according to data from market intelligence firm Kpler. That's the most since 2018, when China took 352 million from the two nations.

Chinese buyers, particularly private refiners, have benefited from Washington's tough line on Iran and Venezuela, continuing to buy oil from the two nations long after their counterparts elsewhere in Asia ceased purchases. The risk that non-U.S. entities may lose access to the U.S. financial system or have their American assets frozen if found guilty of breaching the sanctions hasn't dissuaded China from buying the oil.

A glut of unsold cargoes, rising global prices that make the sanctioned crude relatively cheaper and the issuance of more oil import quotas by Beijing have encouraged the private refiners, known as teapots, to snap up more oil from the pariah states. These shipments typically don't show up on official data. Sanctioned oil is typically transported on old ships that would have otherwise been scrapped, providing additional cost savings, said Anoop Singh, head of East of Suez tanker research at Braemar ACM Shipbroking. The price of sanctioned oil will always be discounted, said Emma Li, a Singapore-based analyst at Vortexa. "For teapots, the incentive is always the low price."

China looks to boost relations with oil-producing Gulf nations

(South China Morning Post; Jan. 12) - As China scrambles to ensure a stable supply of energy, Beijing is looking to boost bilateral relations with oil-abundant Gulf countries by entering into a strategic partnership and expediting the implementation of a free-trade agreement. In a rare move, Beijing invited a high-level delegation of Gulf Cooperation Council members, including the foreign ministers of four member countries — Saudi Arabia, Kuwait, Oman and Bahrain — for a visit to China this week.

China's foreign ministry said both sides agreed to negotiate a bilateral free-trade agreement as soon as possible, after nine rounds of talks since 2004. "We will leverage the geographical advantages of GCC countries," the statement said. "We will share China's vast market opportunities, help GCC countries become regional logistics and shipping hubs, and attract more capital and technology investment to the Gulf region."

As China imports more than 70% of its crude oil requirements, and with Beijing looking to insulate the energy lifeline from price volatility and shipping disruptions, free-trade talks with Gulf countries keep the focus on energy security. China, the world's second-largest economy, imported more than 2.7 billion barrels of oil from six GCC countries in 2020, a jump of 140% from a year earlier and accounting for 69% of China's imports.

[Asia looks to OPEC+ for more crude as oil demand heads higher]

(S&P Global Platts; Jan. 10) - Asia's oil demand may finally be on a sustained upward trend after a long period of uneven growth, with consumption in China and India looking increasingly resilient. But how OPEC+ members plan their supply response will be crucial in supporting this recovery. The decision earlier this month by OPEC and its Russia-led partners to approve another hike in production quotas — betting the market can absorb more oil in the coming months despite surging COVID-19 infections — will be music to the ears of Asian oil importers witnessing a fragile economic revival.

"As we leave the worse days of the pandemic behind, the oil and gas market is already on a steady volume and price recovery mode since the historic lows in mid-2020," Pankaj Kalra, CEO of Essar Exploration and Production, told S&P Global Platts. According to Platts Analytics, Asian oil demand is projected to rise by 1.7 million barrels per day in 2022 and reach 103% of pre-pandemic levels, although the full impact of the Omicron variant of the coronavirus is still being assessed.

The OPEC+ alliance, which controls about half of the global oil production capacity and instituted a record cutback during the market crash of spring 2020, has been gradually restoring output in monthly increments, aiming for pre-pandemic levels by late 2022. Asian refiners believe the global oil supply remains very tight, with prices overheated. The end-users are continuing to call for OPEC+ to raise supply by at least 800,000 barrels per day, doubling the producer group's current stance to increase output slowly.

[Russia's Novatek signs up more Chinese buyers for Arctic LNG-2]

(Argus Media; Jan. 11) - Novatek Gas and Power Asia, the trading arm of Russian gas and LNG producer Novatek, has finalized separate long-term agreements to supply two Chinese firms with LNG from the Arctic LNG-2 terminal under construction on the Siberian coast. Novatek has agreed to supply independent firm ENN with 600,000 tonnes per year of LNG over 11 years. The company also finalized a 15-year deal with Zhejiang Energy Gas for 1 million tonnes per year.

The first production unit at Arctic LNG-2 is scheduled to start operations in 2023, with the second and third trains in 2024, 2025, reaching full output capacity of 19.8 million tonnes per year. The two deals follow an earlier one signed between Novatek and China's Shenergy in February 2021 for 3 million tonnes per year across 15 years.

Novatek has now covered a combined 7.1 million tonnes per year of its 60% stake in the project's production capacity. The latest agreements reflect the growing appetite of northeast Asian buyers for term LNG supply contracts. Extreme volatility and record-high spot LNG prices over the past year have prompted buyers in the region to look to more rigid long-term contracts as a means of locking in more predictable and competitive rates, having previously taken advantage of the flexibility offered by spot procurement. Chinese firms have accounted for most of these new long-term contracts.

OPEC+ in December again comes up short of production target

(S&P Global Platts; Jan. 11) - The gap between OPEC+ oil quotas and production has widened, as the group's steady loosening of its pandemic cutbacks again outpaced actual output gains in December, according to the latest S&P Global Platts survey. OPEC's members pumped 28.04 million barrels per day, up 190,000 from November, while the non-OPEC partners in OPEC+ pumped 13.98 million per day, an increase of 120,000, the survey found — overall, short of the announced 400,000-barrel gain.

Gains by Venezuela, Kazakhstan, Saudi Arabia, Iraq and Angola far outstripped losses by Libya and Nigeria, making December the 10th straight month that OPEC+ output increased. However, 14 out of the 18 members with quotas fell short of their targets, including even its largest producer, Russia. The bloc has been hiking its quotas by a collective 400,000 barrels per day each month, which would put it on pace to restore production to pre-pandemic levels by late 2022.

But many countries are already maxing out their output levels or are close to it, lifting trader sentiment that was once quite bearish for the first quarter in anticipation of a major supply glut. Platts Analytics still expects the market to be oversupplied in the first quarter but estimates OPEC+ sustainable spare production capacity will shrink to 800,000 barrels per day by June if it maintains its monthly quota increases, creating "an uncomfortably thin market buffer in the second half of the year." The alliance is scheduled to meet Feb. 2 to decide whether to proceed with a quota increase for March.

Lack of production capacity, investment could boost oil to $90

(Reuters; Jan. 12) - Oil prices that rallied 50% in 2021 will power further ahead this year, some analysts predict, saying a lack of production capacity and limited investment in the sector could lift crude to $90 or even above $100 a barrel. Though the Omicron coronavirus variant has pushed COVID-19 cases far above peaks hit last year, analysts say oil prices will be supported by the reluctance of many governments to restore the strict restrictions that hammered the economy when the pandemic took hold in 2020.

"Assuming China doesn't suffer a sharp slowdown, that Omicron actually becomes Omi-gone, and with OPEC+'s ability to raise production clearly limited, I see no reason why Brent crude cannot move toward $100 in the first quarter, possibly sooner," said Jeffrey Halley, senior market analyst at OANDA. Brent crude futures traded near $85 on Jan. 12, hitting two-month highs.

The Organization of the Petroleum Exporting Countries and its allies are gradually relaxing the output cuts implemented when demand collapsed in 2020. However, many smaller producers can't raise supply and others have been wary of pumping too much oil in case of renewed COVID-19 setbacks. Morgan Stanley predicts that Brent crude will hit $90 a barrel in the third quarter of this year. With the prospect of depleting crude inventories and low spare capacity by the second half of 2022, and limited investments in the oil and gas sector, the market will have little margin of safety, the bank said.

Oman minister says OPEC+ does not want $100 oil

(Bloomberg; Jan. 11) - OPEC and its allies don't want crude prices to climb to $100 a barrel, and are reviving production quickly enough to prevent global markets from "overheating," Oman's oil minister said. The Organization of Petroleum Exporting Countries and its allies, a 23-nation group led by Saudi Arabia and Russia, continues to restore output halted during the pandemic at a gradual pace of 400,000 barrels a day — though in practice its increases have been restricted by internal unrest and depressed budgets. Crude prices have rallied this year, topping $80 a barrel in London.

"We're very careful at OPEC+, we will look at each month as we go," Omani Oil Minister Mohammed Al Rumhi said in an interview in Riyadh. "But so far, I think 400,000 is good because demand is increasing and we want to make sure that the market is not overheating. We don't want to see $100 a barrel. The world is not ready for that."

Part of the problem has been a crunch in global production capacity following a run of reduced spending, Al Rumhi said. Over the past five years "investments have been limited in the industry and we're paying the price for it now," he said. It's an issue afflicting OPEC+ themselves. OPEC made only part of its planned output increase last month as Nigeria and Libya were beset by disruptions. Many members of the wider coalition — such as Angola and Malaysia — are also seeing production falter because of diminished investment. Even Russia struggled to boost volumes last month.

EIA forecasts U.S. oil to average $71 in 2022, $63 in 2023

(S&P Global Platts; Jan. 11) - The U.S. Energy Information Administration boosted its 2022 oil price outlook Jan. 11 by nearly $5 per barrel from last month, but sees prices falling throughout the year as global supply outpaces demand as soon as the second quarter. EIA expects global demand to increase 3.62 million barrels per day year on year in 2022, moving demand above 2019 levels for the first time since the pandemic.

Global oil demand growth would then slow into 2023, EIA predicted. The agency increased its outlook for 2022 crude oil futures by $4.90 from last month to $71.32 for U.S. benchmark West Texas Intermediate and $74.95 for global benchmark Brent. It sees prices falling in 2023 to average $63.50 for WTI and $67.50 for Brent.

European majors send cash to shareholders, invest less in new oil

(Reuters analysis; Jan. 9) - Europe's Big Oil companies are planning to spend their windfall from high prices on becoming Small Oil. Surging oil and gas prices in 2021 delivered billions of dollars in profits to top companies, in stark contrast to the previous year when prices collapsed as the coronavirus pandemic hit travel and economic activity. Typically, companies would invest the lion's share of that cash in long-term projects to boost oil and gas production and reserves after the previous year's cuts.

But unlike any other time in their history, BP, Shell, TotalEnergies, Equinor and Italy's Eni are focusing on returning as much cash as possible to shareholders to keep them happy as they begin a risky shift toward low-carbon and renewable energy. "All of the large oil companies are managing decline to a degree," by shifting to fields that provide larger investment returns for shareholders and leaving more mature assets behind, said Ben Cook, portfolio manager with BP Capital Fund Advisors.

The growing pressure from investors, activists and governments to tackle climate change means that European oil giants are turning off the taps on spending on oil even as the outlook for prices and demand remains robust. In 2022, European firms are set to return to investors a record $54 billion in dividends and share buybacks, according to analysts at Bernstein. As investments in new projects dwindle, oil output by Europe's top five energy companies is set to drop by 15% to below 6 million barrels per day by 2030 after reaching a peak of 7 million in 2025, data from Bernstein Research showed.

Saudis reach deal to supply almost half of Poland’s oil

(Bloomberg; Jan. 12) - Saudi Aramco’s agreement to supply almost half of Poland’s oil will give the world’s biggest crude exporter a stronger foothold in a region that Russian producers have long dominated. Aramco, the world’s largest oil company, will buy 30%

of a refinery on the Baltic coast, as well as a wholesale fuel unit. It also signed a long-term delivery deal with Polish refiner PKN Orlen.

The Saudi-government-owned oil giant will be ramping up oil sales in Russia’s energy backyard just as the two nations, who are joint leaders of the OPEC+ producer alliance, work to wind down nearly two years of production cuts they implemented at the onset of the pandemic. The Saudi deal could have implications beyond Poland, as Orlen may use the Saudi crude in refineries in Lithuania and the Czech Republic. Crude from Saudi Arabia and Iraq regularly competes with Russian barrels for customers.

Competition for customers remains keen among the world’s top producers, even as they work together to control supply. Russia exports oil by pipeline to Asia, where it competes with Saudi barrels in Aramco’s biggest market. European sales make up a small part of the daily flotilla of crude leaving Saudi Arabia for global markets. The Saudis will be selling at most 337,000 barrels of crude a day to Poland, according to a statement from Orlen. That’s up from previous contracts that allowed for purchases of about 100,000 barrels daily of Saudi oil by Orlen.

Short of gas, New England turns to coal and oil to generate electricity

(Yankee Institute; Dec. 11) - Low temperatures in New England on Jan. 11 and the demand on natural gas supply left the electric grid leaning heavily on two older fuels to keep the lights on: oil and coal. As of 10 a.m., the New England grid was getting 20% of its electricity from oil and coal. By comparison, less than one-half of 1% of the electricity generated in New England in 2020 was from those sources over the course of the year.

Older oil and coal plants function mainly as a backup for New England’s electric grid, especially on hot summer days when demand is highest. Needing oil and coal during the winter is remarkable because New England’s gas-fired power plants were operating at only about 30% of available capacity, according to the grid operator. The main problem is that New England can’t get enough gas from the rest of the country, so power providers turned to the other fossil fuels.

Demand for gas has climbed because it produces less carbon dioxide and, in many cases, is more economical than oil or coal. But resistance to gas pipelines, particularly in New York, has left New England relying on oil for electricity and heat when the gas can’t flow fast enough. New England has periodically closed the gap between supply and demand by importing costly liquified natural gas. Three LNG tankers are anchored or nearing Boston, waiting to sell into the New England market when prices go higher.

New York state lawmakers consider banning gas in new buildings

(The Daily News; Batavia, NY; Jan. 11) - Lawmakers in New York state are considering the nation's first statewide ban on natural gas connections in new buildings, following dozens of local governments that have passed similar policies in the past two years. But as New York and other states consider ways to limit natural gas and the greenhouse gas emissions it creates, 20 mostly Republican states have passed laws barring cities and counties from blocking new gas hookups.

"Growing the demand for natural gas is exactly what the world does not need right now," said New York State Sen. Brian Kavanagh, the Democrat who sponsored the natural gas phaseout legislation. "If you build buildings that rely on fossil fuels, you are baking in very long-term needs." Fossil fuel combustion in buildings, mostly for heating, is responsible for about 13% of greenhouse gas emissions in the United States, according to 2019 figures from the U.S. Environmental Protection Agency.

Kavanagh's bill would mandate all-electric buildings after 2023, except in cases where local permitting authorities determine they're not feasible, which may depend on the availability of equipment and labor. His efforts were bolstered last month when the New York City council voted to pass a similar ban, albeit on a slower timeline, by 2027. Gas industry leaders and their political allies say the bans will raise construction costs and utility bills, while doing little to stop climate change.

Oil industry in better health, but stability may be elusive

(Energy & Environment News; Jan. 11) - After recovering from a near-death experience in 2021, the U.S. oil and gas industry could be in for a bumpy ride in 2022 that will influence how much the industry drills, cuts emissions and invests in clean energy. While oil prices have begun to stabilize after crashing during the pandemic, the recovery creates a paradox for oil companies. It will repair their bottom lines, according to a recent report from Moody's Investors Service, but also increase calls for the industry to lower its emissions of climate-warming pollution and transition away from fossil fuels.

"The corresponding increase in carbon emissions from greater oil consumption will likely lead to added investor pressure on oil companies to transition their businesses, and to inspire more policy initiatives aimed at reducing demand for oil and natural gas," the report said. Interior Department plans and pending rules from EPA on methane emissions could further change the trajectory for the energy sector across the country.

Other changes in the industry, including technology and a drive for efficiency, also could shift the outlook this year. And while oil prices are higher than they were during the pandemic lows, they could whipsaw for the first half of the year. The gap between demand and supply is expected to close this year, but prices could still be volatile. And a variety of other factors could swing the price of oil over the next few months — a new outbreak of the pandemic or a change in course by OPEC and its allies. “I wouldn’t bet on stability,” David Meats, an analyst at Morningstar, said in an interview.

Canada provides financial assistance to oil and gas industry

(Globe and Mail; Canada; Jan. 9) - Of all the recipients of Canadian government support in recent years, Petroleos Mexicanos (Pemex) ranks among the strangest. Export Development Canada, a Crown corporation, provided 19 loans to Mexico’s state-owned oil company over 15 years, totaling somewhere between $3 billion and $5.7 billion (EDC only discloses ranges). The Indian Oil Co. received between $190 million and $425 million. Petrobras, Brazil’s state-owned oil company, got at least $1 billion.

EDC’s objective is to entice the oil giants to make purchases from Canadian suppliers. But providing that kind of support just got a whole lot more complicated. At last year’s UN climate conference in Glasgow, Canada joined 23 other countries in committing to end certain types of support for foreign oil and gas activities by the end of 2022. The global movement to separate the oil and gas industry from the public purse appears to be gathering steam, with the objective of repurposing funds to boost renewable energy.

Meanwhile, Canada’s generosity is difficult to measure precisely, but large loans and investments for pipelines and liquefied natural gas terminals are recent examples of helping domestic projects. The Globe and Mail’s analysis shows that oil and gas companies consistently ranked among the clients that EDC funded most generously, though certain activities seem to have ceased altogether: Pemex and Indian Oil Co. received their last funds in 2017. EDC said it had “divested many existing international loan assets and ceased new support to existing international business relationships.”

Interior Department scales back Trump-era leasing plan in Alaska

(The Wall Street Journal; Jan. 10) - The Interior Department said Jan. 10 that it plans to block oil and gas leasing on about 11 million acres on Alaska’s North Slope, or roughly half of a 23 million-acre reserve set aside for energy development decades ago. The action, announced in connection with a federal lawsuit brought by environmentalists, would reverse a Trump administration effort to expand oil production in the National Petroleum Reserve - Alaska.

The reserve was set aside for oil and gas development in the 1920s. Under President Barack Obama, the federal government restricted development to 11.8 million acres of the reserve. The Trump administration moved to expand that to 18.6 million acres, saying developing the oil and gas resources would improve the nation’s energy security and boost the Alaska economy. That drew a lawsuit from environmental groups.

President Joe Biden ordered a review, and on Jan. 10 Interior officials said that cutting back the area that can be leased will benefit threatened and endangered species.

This week's decision would revert to the Obama-era plan for the region, restoring restrictions on the 7 million acres of land the Trump administration had planned to open up. That is stirring opposition in Alaska, where the economy and state budget are deeply tied to the health of the state's oil industry, but where swaths of land are controlled by the federal government.

Natural gas storage projects next target for environmental reviews

(Bloomberg Law; Jan. 11) - Underground natural gas reservoirs — in depleted oil and gas fields, aquifers and salt formations — have emerged as a flashpoint for federal regulators as they work to adopt new policy on reviews. Two gas storage projects under review highlight the Federal Energy Regulatory Commission's challenge in assessing emissions from gas facilities. Spire Storage West wants to expand its Wyoming gas storage field fivefold; LA Storage wants to fill four salt caverns in Louisiana with gas.

The projects' supporters say storage is essential to smooth out pipeline flows and keep consumers warm during times of peak demand. Gas is deposited into nearly 400 storage facilities in 30 states through warmer months and withdrawn during the winter heating season from November to March. But that gas would be drilled, leaked and ultimately burned, requiring FERC to take a broader look at emissions, officials with the Environmental Protection Agency and other critics have argued in regulatory filings.

Pipelines have come under greater scrutiny amid recent court rulings instructing FERC to take a harder look at the environmental impacts. FERC's draft impact statement for the Wyoming storage project has "incomplete" estimates of greenhouse gas emissions and climate damages, Philip Strobel, director of EPA's National Environmental Policy Act Program, wrote in comments filed Dec. 21. The EPA hasn't yet commented on FERC's draft impact statement for the Louisiana project, which has drawn filings from opponents urging FERC to document climate impacts of the gas industry as a whole.

U.S. natural gas production forecast to reach record high in 2022

(Reuters; Jan. 11) - U.S. natural gas production will rise to an all-time high in 2022, the U.S. Energy Information Administration said in its Short Term Energy Outlook on Jan. 11. EIA projected dry gas production will rise to 96.04 billion cubic feet per day in 2022 and 97.55 bcf per day in 2023 from the current record of 93.51 bcf per day in 2021.

The agency also projected gas consumption would slide from 82.96 bcf per day in 2021 to 82.77 bcf in 2022 before rising slightly in 2023. If gas consumption slides in 2022 as expected, it would be the first time demand fell for three years in a row since 1983. But while domestic consumption is slipping, the agency forecasts that U.S. liquefied natural gas exports will reach 11.54 bcf per day in 2022 and 12.13 bcf in 2023, up from a record 9.78 bcf per day in 2021.

Analysts forecast 14% boost in LNG investments in 2022

(Natural Gas Intelligence; Jan. 11) - Global oil and gas investment is expected to grow by $26 billion this year as the industry continues to recover from the worst of the coronavirus, according to new analysis from Rystad Energy. Overall oil and gas investment is forecast to climb by 4% to $628 billion this year from $602 billion in 2021.

Natural gas and liquefied natural gas investment is seen leading the way, rising 14% in 2022 to $149 billion from $131 billion in 2021. Although still short of pre-pandemic totals, Rystad sees investment in the LNG and gas segment surpassing 2019 levels of $168 billion in two years, reaching $171 billion in 2024. LNG export project sanctioning is set to rebound in North America, with more than $40 billion worth of projects due for the go-ahead in 2022. Six LNG projects are expected to receive the green light, with five in the United States and one in Canada, Rystad said.

Upstream oil investments are projected to rise from $287 billion in 2021 to $307 billion this year, a 7% increase, while midstream and downstream investments are projected to fall by 6.7% to $172 billion. Latin America will be responsible for around 24% of the total offshore sanctioning values next year, tied for No. 1 as a region with Europe, according to Rystad, an Oslo-based global energy analytical firm.

Growth in China’s natural gas demand expected to slow down

(S&P Global Platts; Jan. 12) - China's gas demand will continue to rise in 2022, but the growth rate is expected to slow from 2021, hurt by economic pressures and high spot LNG prices, analysts and market sources said. "A weaker macroeconomic backdrop in China,” with near-record high spot LNG prices that are curtailing some price-sensitive industrial demand, “means Chinese total gas demand is expected to grow at a slower rate compared to historic levels,” said Szehwei Yeo, LNG analyst at S&P Global Platts.

National oil company Sinopec expects Chinese natural gas demand to reach almost 13.95 trillion cubic feet in 2022, up 7% from 2021, according to its research arm, Sinopec Economics & Development Research Institute. This growth rate will be slower than the 12.8% in 2021, according to National Energy Administration data. The agency forecasts single-digit growth rates through 2025.

China will bolster its position as the world's largest LNG importer, however, and could add as much as 21.5 million tonnes per year of receiving capacity in 2022, more than the 14 million added in 2021 and 7.85 million built in 2020.This will take China's total LNG receiving capacity to 127 million tonnes in 2022 if all the projects are on schedule. However, like gas demand, China's LNG import growth in 2022 may slow down as well.

With sustained growth in domestic gas production and the ongoing ramp-up in pipeline gas imports from Russia, room for LNG import growth in 2022 will shrink. State-owned PetroChina will increase gas imports from Russia via the Power of Siberia pipeline to 1.5 billion cubic feet per day in 2022, up 54% from 2021.

Bangladesh receives LNG spot-market bids as high as $51

(The Financial Express; Bangladesh; Jan. 11) - Headwinds hit the Bangladesh government’s bid for resuming liquefied natural gas imports on the global spot market as bidders quoted exorbitant rates, fueled by rebounding world economies. State-owned Rupantarita Prakritik Gas received price quotes as high as US$51 per million Btu for one cargo to be delivered the middle of this month, a senior Petrobangla official said.

An evaluation committee will review the offers to decide whether or not Petrobangla will import LNG at so a high price. Currently, Petrobangla imports LNG from long-term suppliers at around US$11.50 per million Btu, but the company needs to bring in additional volumes to meet domestic demand. Before ceasing purchases on the spot market in November Petrobangla had imported three cargoes at record-high prices.

BLM embarks on nationwide orphaned well cleanup program

(The Deseret News; Salt Lake City; Jan. 8) - Millions of Americans live near an abandoned oil or gas well — 9 million live within just one mile. Long forgotten by energy companies that packed up once they’re no longer viable or went bankrupt, “orphaned wells” spew toxic methane gas and pose a serious public health risk. A new program led by the federal Bureau of Land Management and fed by the $1.2 trillion infrastructure package is aimed at plugging those forgotten wells, found in over half of the states.

The package sets aside almost $5 billion for plugging wells, tracking methane emissions and land remediation. As of Jan. 6, 26 states had stated their intent to apply for a grant, one of three grants that states can request under the program. The money will be allocated based the number of wells. An additional grant of up to $25 million and a performance grant that will require states to apply annually are also available.

The program is being touted as an economic boost, and stakeholders say workers will be in demand to plug the wells, remediate the land and remove infrastructure. Some of the largest concentrations of orphaned wells are in California, Oklahoma, Missouri, New Mexico, Texas, West Virginia, Illinois and Louisiana. According to one estimate, there are over 330,000 abandoned wells in Pennsylvania alone, although many of those wells have an identifiable operator which means they technically aren't orphaned.

Wisconsin shipyard will build largest U.S. LNG bunkering barge

(Marine Link; Jan. 11) - Fincantieri Bay Shipbuilding announced it has started construction in its Wisconsin shipyard on the largest liquefied natural gas bunkering barge ever built in the U.S. The newbuild, expected to be completed in late 2023, is being constructed for Crowley, the largest independent operator of tank vessels in the U.S., which will operate the vessel under a long-term charter with Shell LNG.

The 416-foot-long vessel, which will have the capacity for 3.17 million gallons of LNG (equal to about 262 million cubic feet of gas), will be the largest Jones Act-compliant vessel of its kind, and the second Jones Act-compliant bunker barge Shell has under a time charter in the U.S. Serving the East Coast, it will be used to help expand current LNG fueling capacity and meet demands for cleaner energy sources for ships.

Dean Sahr, Crowley's manager of new construction and LNG engineering, pushed the button on the state-of-the-art metal cutter to cut the first piece of steel in Sturgeon Bay, Wisconsin, on Jan. 6.

Kuwaiti wealth fund will manage for environmental standards

(Bloomberg; Jan. 9) – The Kuwait Investment Authority (KIA) wants to make its entire portfolio compliant with environmental, social and governance standards, its managing director said, as Gulf nations reliant on crude move toward life after oil. Kuwait has built up its riches thanks to vast crude exports — something which puts the engine of its economy at odds with ESG principles. Unlike regional neighbors the United Arab Emirates and Saudi Arabia, Kuwait hasn't set a net-zero carbon emissions goal.

Yet the KIA, which manages $700 billion according to the Sovereign Wealth Fund Institute, and has its own governance structure, says ESG has become central to its outlook. The world's oldest sovereign fund, and its third-largest, has long sought to guard itself from the nation's tumultuous politics with a mandate to prepare the OPEC member state for a post-oil future.

"The process is ongoing with the KIA currently transitioning toward 100% ESG compliance for the entire portfolio while currently focusing on the E part of ESG," Ghanem Al-Ghunaiman told Bloomberg News in an emailed reply to questions, offering a rare glimpse inside the fund. The authority has applied the ESG standard set by an independent, globally recognized ESG benchmark provider, said Al-Ghunaiman, who was appointed managing director in August. He didn’t disclose the provider’s name. The investment authority has also started issuing ESG quarterly reports for stakeholders.