Oil and Gas News Briefs
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Shale oil execs say administration actions are hurting the industry

(CNBC; Sept. 25) - Shale oil executives say President Donald Trump is hurting investment in the oil patch, and they are giving a grim outlook for the future of the industry that turned the U.S. into the largest oil producer in the world. The executives' anonymous comments were published in a quarterly survey of oil and gas companies by the Federal Reserve Bank of Dallas this week. The 139 companies that responded operate predominantly in Texas as well as northern Louisiana and New Mexico.

Trump has championed fossil fuels while attacking renewable energy since taking office in January. His One Big Beautiful Bill Act, passed by Congress in July, delivered virtually everything the oil lobby wanted. But Trump's push for lower oil prices, higher tariffs and the resulting uncertainty caused by his "stroke of pen" policies are hurting investment, executives at independent oil and gas producers told the Dallas Fed. Nearly 80% of executives who participated in the survey said they have delayed investment decisions in response to heightened uncertainty about oil prices and the cost of producing crude.

"We have begun the twilight of shale," one executive said, pointing to layoffs by the thousands and industry consolidation. "The writing is on the wall," the unnamed manager said. Another exec warned "drilling is going to disappear" as Trump pushes for $40-a-barrel crude at the same time his steel tariffs are raising costs. U.S. oil is currently trading around $65 per barrel, just above the level producers need to drill profitably. The Trump administration has effectively aligned itself with the decision by OPEC+ to increase oil supply, "kneecapping U.S. producers in the process," one person said.

Oil industry survey warns against policies that hurt U.S. producers

(Bloomberg; Sept. 24) - The U.S. oil and gas industry is taking its private backlash against President Donald Trump's energy agenda to the next level, warning that policy missteps are hurting the world's biggest oil producer. The criticism was revealed Sept. 24 in the latest energy survey from the Federal Reserve Bank of Dallas. The quarterly publication is widely read within the energy sector and features anonymous, unfiltered comments from respondents working at production and service companies.

"The U.S. shale business is broken," one of those respondents was quoted as saying. "What was once the world's most dynamic energy engine has been gutted by political hostility and economic ignorance." Some experts are predicting that the global oil market is headed for a glut as OPEC+ members continue pumping more and Trump encourages a flood of U.S. production, underpinning his quest for “energy dominance.”

As a result, oil prices have been steadily falling. Benchmark West Texas Intermediate is down almost 10% in 2025 and traded on Sept. 24 under $65 a barrel. “The U.S. isn’t running out of oil, but she sure is running out of $60 per barrel oil,” one executive was quoted as saying in the Dallas Fed report. The comments against Trump’s policies have been a regular feature in the survey for months, but the latest answers are an escalation in tone and warning for the future. The executives cited Trump’s steel tariffs and his administration’s abrupt shifts in energy policy as battering a sector he pledged to help.

Oil and gas execs worry that changing energy policies could backfire

(The New York Times; Sept. 27) - Oil and gas executives are expressing concern about the Trump administration’s attacks on offshore wind, including attempts to block construction off the East Coast. Executives generally have refrained from publicly denouncing President Donald Trump, but in interviews with The New York Times, some voiced misgivings about what they have seen as undue political meddling in energy.

“Ever-changing policy, particularly as administrations change, is not good for business,” Darren Woods, the chief executive of Exxon Mobil, said in a recent interview. “It’s not good for the economy and, ultimately, it’s not good for people.” Woods, who runs the largest U.S. oil and gas company, was responding to a question about the Trump administration’s attempts to halt fully permitted offshore wind farms. He stopped short of directly criticizing those actions.

Others have shared more pointed concerns privately, including that efforts to rescind federal approvals could set a precedent that a future administration could use to hamper pipelines or other fossil fuel infrastructure. “Life is long, and the sword being wielded against the renewables industry right now will likely boomerang back in 3.5 years against traditional energy,” reads a response to a recent anonymized survey of oil and gas companies by the Federal Reserve Bank of Dallas.

U.S. energy secretary says coal power plants should keep working

(Reuters; Sept. 25) - The administration of U.S. President Donald Trump expects most of the nation's coal-fired power plants to delay retirement to help deliver the vast amount of electricity needed to fuel artificial intelligence, Energy Secretary Chris Wright told Reuters on Sept. 25. Keeping those often half-century-old coal plants running is part of a broader strategy to increase the country's power output that will also include boosting nuclear energy and allowing backup power plants to operate around the clock.

The administration has made expanding energy production a top priority while rejecting concerns about climate change, which Trump told the United Nations this week amounted to a global "con job." The government had been in discussions with many utilities nationwide and expects the majority of the several dozen U.S. coal plants nearing retirement to delay closure, Wright said at a Reuters Newsmaker event. "We've got to stop existing firm capacity from retirement."

The administration is also prepared to use emergency powers to extend the life of coal-fired plants, he said. Last month, Wright extended his emergency order to keep a Michigan coal plant running, even though the plant's operator had been planning to shut it down permanently for economic reasons. The Energy Department also ordered a gas- and oil-fired power plant, slated for retirement in Pennsylvania, to continue operating. Wright said more plants should expect similar orders.

OPEC+ expected to bring back more idled production

(Reuters; Sept. 28) - OPEC+ will likely approve another oil production increase of at least 137,000 barrels per day at its meeting Oct. 5, as rising oil prices encourage the group to try to further regain market share, sources familiar with the talks said. Since April, OPEC+ has reversed its strategy of output cuts and has already raised quotas by more than 2.5 million barrels per day, about 2.4% of world demand, to boost market share and after coming under pressure from President Donald Trump to lower oil prices.

Eight OPEC+ countries will hold an online meeting Oct. 5 to decide on November output. OPEC+ pumps about half of the world's oil and includes the Organization of the Petroleum Exporting Countries plus Russia and other allies. Oil prices have fallen from over $80 per barrel at the start of the year but have mostly traded in a narrow range of $60 to $70 per barrel since OPEC began production increases in April.

On Sept. 26, prices rose to their highest since Aug. 1, hitting levels above $70 per barrel, supported by Ukrainian drone attacks on Russia's energy infrastructure which disrupted refining and shipments from one of the world's biggest oil exporters. The group's total output reductions amounted at the peak to 5.85 million barrels per day. Of that, 2.2 million barrels per day of cutbacks will have been fully restored this week, with OPEC+ now starting to look at bringing back other components of the overall cutback.

OPEC+ fails to deliver on the higher oil production it pledged

(Reuters; Sept. 25) - OPEC+ has delivered about three-quarters of the extra oil output it targeted since the group started production hikes in April, and the level may fall closer to half later in the year as producers hit capacity limits, sources and analysts said and data showed. OPEC+, which pumps 50% of global oil and brings together the Organization of the Petroleum Exporting Countries and allies such as Russia, has been pumping almost 500,000 barrels per day below its targets. The shortfall, equal to 0.5% of global demand, has defied market expectations of a supply glut and supported oil prices.

Eight members of OPEC+ that introduced voluntary output cuts in April 2023 to support the market began raising output this April. OPEC+ reductions — voluntary and covering the whole group — totaled at their peak 5.85 million barrels per day in three different layers. The eight plan to fully unwind their most recent round of cuts — 2.2 million — by the end of September and start removing a second layer of 1.65 million in October.

Between April and August, OPEC+ delivered only 75% of production increases, according to a Reuters analysis of OPEC+ data, producing almost 500,000 barrels per day below the targeted increase of 1.92 million for that period. Data beyond August is not yet available. This shortfall has helped to keep Brent crude prices near a seven-week high of $69 per barrel. OPEC+'s constraints are one factor supporting prices, analysts at Barclays and Kpler said this month.

BP forecasts global oil demand growing to 2030, then starting decline

(Reuters; Sept. 25) – BP said on Sept. 25 it expects global oil demand to grow until 2030, five years later than its forecast a year ago, pointing to slowed efforts to increase energy efficiency and reduce global carbon emissions. The oil major's latest Energy Outlook, an annual study of energy trends through 2050, models two scenarios. The "Current Trajectory" scenario is based on existing policies and pledges. Its "Below 2-Degrees" scenario, a reference to the aim of limiting global warming in line with Paris Agreement goals, envisions about a 90% drop in carbon emissions by 2050 from 2023.

Emissions are largely the result of burning oil, natural gas and coal. Global oil demand is expected to hit 103.4 million barrels per day by 2030 in BP's Current Trajectory, before falling to 83 million by 2050. BP's report last year had forecast demand peaking by 2025 at around 102 million — but slowing efficiency gains have changed the picture. If weak energy-efficiency gains persist, oil demand increases to 106 million by 2035.

In its Below 2-Degrees scenario, oil demand peaks this year at 102.2 million barrels per day before falling to 33.8 million by 2050. In the Current Trajectory, carbon dioxide equivalent emissions stay broadly flat to 2030, then fall by about 25% by 2050 from 2023 levels. In the Below 2-Degrees scenario, emissions drop 90%, driven by faster decarbonization in emerging economies.

Abu Dhabi investment arm takes 11.7% stake in LNG project in Texas

(Gulf News; Sept. 25) – Abu Dhabi National Oil Co.'s international gas subsidiary XRG has completed the acquisition of an 11.7% equity stake in Phase 1 of the Rio Grande LNG project in Brownsville, Texas. The deal, first announced in May 2024, marks XRG's first gas infrastructure investment in the United States. It was executed through an investment vehicle of Global Infrastructure Partners, part of BlackRock, with XRG purchasing part of GIP's existing stake.

Phase 1 of Rio Grande LNG includes three liquefaction trains currently under construction. A final investment decision for a fourth train was taken earlier this month. With additional liquefaction trains, the project could reach a total production capacity of 48 million tonnes per year, underscoring the growing role of the U.S. as a major LNG exporter. The investment advances XRG's strategy to expand its international gas portfolio and meet rising energy demand driven by industrial growth, artificial intelligence and global economic activity.

In parallel, ADNOC signed a 20-year offtake agreement for 1.9 million tonnes per year of LNG from Rio Grande's fourth train, further cementing the United Arab Emirates' position in the global LNG supply chain. XRG, wholly owned by ADNOC, holds gas and chemicals investments across the Caspian region, Africa and the Americas, and has been tasked with building the company's global gas business.

High prices remain obstacle to growth in Asia's demand for LNG

(Lloyd's List; Sept. 25) - Affordability remains a key obstacle to the maturing of Asia's liquefied natural gas market, according to energy consultancy Wood Mackenzie. Global LNG supply is set to surge by 40% by 2030. Wood Mac projected Asian LNG demand to rise by 115 million tonnes between 2024 and 2030, driven by the power industry's drive to replace coal and to back up renewables. "Recent years of extraordinarily high LNG prices have curbed demand growth. This is about to change," Wood Mac said.

It said Asian spot LNG prices are expected to decline from $12 to $13 per million Btu today to an average of $8.80 between 2028-2030. High prices mean Asian governments spend billions subsidizing LNG imports to cover the gap between regulated electricity tariffs and market realities. "The upcoming wave of new supply will reshape global LNG dynamics," Wood Mac said. Lower spot prices would reduce governments' spending burden and pave the way to shift from dependence on subsidies to market-driven demand, in a sign of maturing Asian LNG markets. This would unlock fresh demand.

Four markets — Vietnam, Thailand, Bangladesh and China's Guangdong province — together make up nearly 25% of Asia's gas-to-power demand and 15% of LNG consumption. Wood Mac said spot prices would fall below the regulated tariffs, meaning less spent on subsidies in Vietnam and Guangdong by 2030, and in Thailand by 2028.

This would help affordability. But subsidies would be unavoidable in Bangladesh, where LNG may still trade $3 above affordable levels by 2030.

Offshore Louisiana LNG project moves closer to lining up financing

(Bloomberg; Sept. 25) - Delfin Midstream, the closely held developer of a liquefied natural gas export terminal off the coast of Louisiana, is getting closer to lining up the financing it needs to move forward with the project, according to people familiar with the matter. A final investment decision on the first phase of the project is expected by November, a few months behind the original schedule, said the people, who asked not to be identified because the financing talks are private.

Citigroup and Moelis & Co. are working with the closely held U.S. company on the financing, which is expected to come from a mix of debt and equity, Bloomberg News previously reported. Delfin's project, expected to cost billions, would consist of a deepwater port in the Gulf of Mexico that would support as many as three floating LNG production vessels with a combined capacity of up to 13.2 million tonnes a year.

U.S. LNG developers are racing to tie up financing before global supplies exceed demand, creating a glut that BloombergNEF expects to emerge by 2027. While the heating and power plant fuel has been touted by President Donald Trump as key to achieving U.S. energy dominance, Qatar is progressing with its own yearslong LNG expansion and a massive new Russian pipeline could begin funneling more gas to China by 2031, adding additional gas supply to the Chinese market.

Canadian gas producers cut output amid oversupply, negative prices

(Reuters; Sept. 26) - Some natural gas producers in Western Canada are aggressively cutting output in an effort to ease an ongoing glut that this week tipped prices for the fuel into record negative territory, companies and analysts said. Daily spot prices at the Alberta Energy Co. (AECO) storage hub averaged minus 5 cents per million Btu on Sept. 25, after trading at record low levels of minus 18 cents this week. The benchmark has averaged $1.03 per million Btu so far in 2025, according to LSEG pricing data.

Analysts expect prices to remain under pressure as pipelines have become congested due in part to more output in Alberta and British Columbia, which has yet to be absorbed by the new liquefied natural gas export terminal, LNG Canada, in British Columbia. That means producers must choose between temporarily shutting in wells or continuing to drill and paying the cost of transporting the surplus gas away. The U.S. gas benchmark, Henry Hub, traded around $2.90 per million Btu on Sept. 25. U.S. producers have greater access to more domestic demand and LNG exports than Canadian producers.

"Negative prices are forcing temporary wellhead shut-ins. We are seeing some reductions in gas supplies at this point and this may last until the end of the month," said RBN Energy analyst Martin King. "These are the worst sustained prices we've seen, and therefore our shut-ins will be the most aggressive," Calgary-based producer Advantage Energy CEO Mike Belenkie said in an interview on Sept. 25.

Canadian natural gas prices fall to record negative

(Bloomberg; Sept. 29) - Canada's benchmark natural gas price has tumbled to a record low as production hiccups at the country's first LNG export plant on the British Columbia coast contributed to a supply surplus. The price at Alberta's AECO hub fell below zero at the start of last week and closed at minus 81 Canadian cents per gigajoule (roughly 1 million Btu) Sept. 26, the lowest level in data extending back to 1999. The benchmark has been on a downward trend since hitting a high for the year of C$3.68 in February.

Gas production and inventories surged before the LNG Canada export plant started operations in Kitimat, British Columbia, at the end of June. While the facility hasn't always operated smoothly, with a temporary pause to liquefied natural gas shipments in July, its ramp-up should eventually help to chip away at the glut. Repairs to the Great Lakes Gas Transmission pipeline — which delivers gas from Western Canada to the east of the country and the U.S. — have also contributed to a buildup in supply.

"Gas storage in Western Canada is essentially at last year's record levels," Jefferies analysts including Sam Burwell wrote in a note dated Sept. 25. "Added pipe maintenance and LNG Canada repairs have kept builds high despite production shut-ins." Canada's gas production — nearly all from Alberta and British Columbia — rose 15% in the two years before the start of LNG shipments, according to data from the Canada Energy Regulator office. Several companies said earlier this year that they planned to curtail output should prices continue to weaken.

Chinese shipyard delivers first LNG carrier

(The Maritime Executive; Sept. 25) – China's efforts to chip away at South Korea's domination of the LNG carrier shipbuilding market took another step forward as Dalian Shipbuilding Industry Co. (DSIC) delivered its first newbuild liquefied natural gas carrier. The vessel is the first of eight being built for China Merchants Energy Shipping (CMES) and is being heralded as DSIC's first independently designed vessel.

Parent company China State Shipbuilding Co. highlights the "extremely high design and construction difficulty" for LNG carriers as another demonstration of China's expanding expertise in shipbuilding. The handover celebration took place in Dalian on Sept. 24. Chinese yards have begun to break into the LNG segment, building for both domestic carriers such as CMES and for export. They were successful in winning a few international orders linked to Qatar and its massive expansion of LNG export capacity.

LNG carriers had traditionally been the domain of South Korean yards, which still win the majority of orders. While highlighting China's domestic shipbuilding capabilities, the new carrier uses the well-established GTT Mark III membrane containment system along with a reliquefication unit. France's Gaztransport & Technigaz remains the supplier of the containment systems to the world's LNG carriers despite efforts to develop competing systems. China Merchants ordered its first LNG carriers from DSIC in 2022. The initial order was for two ships, later expanded to eight ships.

Researchers find gas flaring spikes during LNG plant startups

(Business in Vancouver; Sept. 24) - A new study has found the amount of natural gas burned during startup of a liquefied natural gas export terminal is nearly three times higher than during regular operations. The findings, which were recently published in the journal Environmental Science and Technology, leaned on satellite data captured through infrared imaging to measure and then model how much gas is likely flared in the first two years a facility operates.

Tim Takaro, a physician and researcher at Simon Fraser University who supervised the study, said British Columbia's Environmental Assessment Office has been omitting the emissions released during the startup phase in all of its environmental certificates. He said that has led the province to ignore a significant part of the pollution that comes out of plants like LNG Canada, in Kitimat, British Columbia, which started operations this summer, as well as others slated to come on such as Woodfibre LNG in Squamish, B.C., and the recently approved Ksi Lisims project north of Prince Rupert, B.C.

Gas flaring at liquefaction plants occurs from burning excess methane — the main component of natural gas — as it's supercooled into a liquid for transport overseas. Flaring is used as a safety measure to release pressure and prevent explosions, and occurs at various points in the operations, including during startup, maintenance and in emergencies. By looking at facilities across the world, the researchers determined that flaring during the commissioning phase of an LNG plant tended to last two years but accounted for an outsized amount of emissions compared to regular operations.

Manitoba residents apprehensive that port could affect tourism

(CBC; Canada; Sept. 25) - Over its lifetime, Churchill, Manitoba, has been many things — a port, a military and defense hub, a research center and a tourist mecca known as the "polar bear capital of the world" that's also famous for beluga whale and aurora borealis watching. Now, the only Arctic deepwater port connected by rail is being touted as a nation-building project, an outlet for Canadian exports such as liquefied natural gas and critical minerals and a lifeline for some of Canada's most remote communities.

Locals say they are excited about the possibility of jobs and population growth, but also worried about how more commercial shipping could affect polar bears and beluga whales and the tourism industry. “We hope for better jobs for our kids, better jobs for our grandkids in the future," said David Daley, a Métis sled dog racer, tourism operator and hotel owner in Churchill, about 600 miles north of Winnipeg and accessible only by air and rail. "(But) the people that have the tourism relationship here in town, I think that they're a little apprehensive about like, is this going to be rammed down our throats?"

The proposal would upgrade Canada's only deepwater Arctic port and rail line and develop export facilities for grain, critical minerals, potash, LNG and crude oil. It could include funding for icebreakers, electric transmission lines to Nunavut and pipelines — all with the goal of becoming a vital trade link between Canada and emerging Arctic routes to Europe and beyond. Canadian Prime Minister Mark Carney and Minister of Northern and Arctic Affairs Rebecca Chartrand have been cheerleading this project.

Restart of Iraq’s Kurdistan oil pipeline not expected to move market

(Bloomberg; Sept. 26) - The restart of Iraq’s northern oil export pipeline after a two-year dispute was greeted by the market this week with a shrug. Crude traders suspect that the conduit from Iraq’s semi-autonomous region of Kurdistan will — at least initially — divert supplies that were being used locally rather than instigate a flood of new oil. That view is being reflected in the futures market, where prices have risen in recent days.

Oil is due to begin flowing Sept. 27, allowing exports of between 180,000 and 230,000 barrels a day, according to different projections this week by Iraq’s oil and foreign ministers — with the potential for larger volumes in future. “It’s mainly re-directing flows,” Homayoun Falakshahi, a senior analyst at intelligence firm Kpler, said of the pipeline restart. “I’d say an increment of 50,000 to 100,000 barrels a day on top of current output, maybe.”

The agreement reached between Baghdad, Kurdish authorities and international companies operating in the region has been something of an anti-climax. Traders have focused instead on supply risks in Russia, as Moscow contends with Ukrainian drone attacks on energy infrastructure and President Donald Trump pressures buyers of Russian fuel as he seeks an end to the war in Ukraine.

High oil tanker charter rates make U.S. crude less economical in Asia

(Bloomberg; Sept. 25) – U.S. crude could become too expensive for Asian buyers due to higher tanker charter rates, which have been inflated by an increase in Chinese purchases and traders positioning for more OPEC+ supply. Chinese refiners are placing orders now for crude that will arrive before the end of the year to use up import quotas issued by Beijing, according to traders who are involved in the market, asking not to be identified as they’re not authorized to speak to the media.

That demand for supertankers means there are fewer vessels available to ferry oil from the Americas to Asia. The daily rate for a very-large crude carrier transporting oil to China from the U.S. is currently more than $70,000, according to Baltic Exchange data. While that is lower than the $90,000 for the Middle East to China route, the journey from the Americas is at least two weeks longer, boosting the overall cost to shipping.

So-called arbitrage flows — referring to oil shipped from regions such as the U.S. to Asia to take advantage of price and cost differentials — have been a feature in spot trading over the past several months. It remains economical, highlighted by a purchase of U.S. West Texas Intermediate by India’s Bharat Petroleum Corp. this week, but the trend may not continue for much longer. “With OPEC unwinding their quotas, we are seeing more cargoes in the East of the Suez,” said Ed Finley-Richardson, shipping analyst and founder of Contango Research.