Oil and Gas News Briefs
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U.S. making a double profit off its abundant natural gas

(Bloomberg commentary; Nov. 2) - The Iran war has triggered the largest energy crisis in history, or so the conventional wisdom says. But that's only half-true because oil is only half the story. Thanks to the shale revolution and an enviable geological endowment, U.S. and Canadian natural gas consumers are dodging the economic fallout of the Iran conflict. For America, long worried about its reliance on foreign fossil fuels, it's an embarrassment of riches. While European and Asian consumers are now paying north of $30 per million Btu for their gas, U.S. buyers pay around $3.

Canadian costs are even lower, at about $1.50. The price difference between gas in Europe and Asia versus North America, reaching now a ratio of 12 times, has never been wider; not during the 2022 gas shock following the Russian invasion of Ukraine, nor in 2011-2012 after the Fukushima nuclear accident, which forced Japan into gas to keep the lights on. Unlike the U.S. oil shale revolution, which had price benefits that were spread worldwide, the gas bonanza has remained closer to North American home.

That's because gas is difficult to move long distances. It has to be super-cooled into a liquid that can be loaded into specialized oceangoing tankers. The process is expensive, with each liquefaction facility costing $10 billion or more to build. Today, the U.S. is exporting huge amounts of gas as LNG. As such, America is making a double profit: First, it enjoys ultra-low gas prices; second, it's paid enormous sums for its exports. It's a hugely profitable geopolitical landscape and President Trump is aware.

"The United States oil and gas business is making hundreds of billions of dollars," he said at a political rally in late October. For once, the U.S. president was telling the truth. "I don't give a damn, I'm going to say it: We're making a freaking fortune," he told his MAGA followers. Left unsaid is what's happening on the other side of the coin: Europe and Asia are paying the full cost of the energy crisis caused by the Iran war. Trump could have well added: "And I don't give a damn."

Qatari purchase of U.S. LNG is insurance against supply disruptions

(Reuters commentary; Nov. 3) - Turning to your top rival is rarely a sign of confidence. Yet Qatar's decision to sign long-term contracts for U.S. supplies suggests the world's second-largest LNG exporter is increasingly concerned that instability in the Persian Gulf could undermine its ambitious expansion plans. QatarEnergy last week signed a 20-year agreement to buy 3 million tonnes per year of liquefied natural gas from

Woodside's facilities in Louisiana. A week earlier, it signed deals with Cheniere Energy for up to 4 million tonnes per year from its Texas and Louisiana plants through 2054.

Deliveries under the contracts begin in 2030 and 2031 and will make Qatar the largest buyer of U.S. LNG. QatarEnergy CEO Saad al-Kaabi said last week that he expects to sign additional supply agreements with U.S. and other producers this year. Before the U.S.-Iran war broke out, the state-owned company had already been expanding internationally. It had been acquiring stakes in LNG projects from North America to Africa as part of a strategy to broaden its trading portfolio and gain greater flexibility.

The latest deals, however, reflect a fundamental shift. Rather than simply diversifying its portfolio, Qatar appears to be buying insurance against disruptions to its own exports. Qatari still has some distinct benefits over U.S. supplies, most notably production costs. Industry estimates place Qatari costs at roughly $3 to $5 per million Btu, about half the cost of many U.S. projects. The U.S., however, enjoys a critical advantage: Its exporters face none of the geopolitical constraints associated with the Strait of Hormuz.

For Qatar, then, purchasing U.S. LNG offers a way to profit from growing demand for politically secure supplies, even if those supplies come from North America. This may be the strongest evidence yet that the Iran conflict has accelerated the decade-long shift in energy market power away from the Middle East and toward the U.S.

QatarEnergy borrowing from Chinese banks shows interdependence

(Al Majalla, Arab current affairs reporting; London; Nov. 2) - When QatarEnergy secured a $3 billion loan from four major Chinese banks in October, it appeared at first glance to be a routine financing agreement between a national energy company and international lenders. Its timing, however, made it far more significant than a figure on a balance sheet. The loan came as Qatar was trying to restore liquefied natural gas exports following attacks that damaged its facilities at Ras Laffan, and while shipping through the Strait of Hormuz remained sporadic and exposed to the risks of war.

Three issues converged in this single transaction: Qatar's effort to reclaim its standing as a reliable gas supplier; China's drive to secure long-term energy supplies; and a broader struggle for influence in a market where finance can no longer be separated from security and maritime transport. The loan does not mean that China has bought Qatar's political loyalty or become the security guarantor of its gas facilities, but it does reveal the growing interdependence between the two countries.

China needs competitively priced gas that it cannot fully replace from other sources; Qatar needs liquidity, buyers, ships and commercial flexibility. China is helping Qatar weather the crisis and in the process is building long-term influence within Qatar's gas industry. The five-year loan came from Bank of China, the Industrial and Commercial Bank of China, the Agricultural Bank of China, and China Construction Bank (Asia).

According to reports, it was priced at 50 basis points above the Secured Overnight Financing Rate — a competitive rate considering the heightened risks in the region.

The proceeds will be used for general working-capital purposes. This is an important distinction: The transaction was not announced as financing for repairs at Ras Laffan or for the construction of a production train. Its timing can reasonably be linked to Qatar's need to offset weaker cash flow and finance operations, repairs and insurance.

Korea has imported more U.S. LNG this year than from Mideast

(Korea JoongAng Daily; South Korea; Nov. 4) – South Korea has imported more liquefied natural gas from the U.S. than from the Mideast so far this year, as fallout from the Iran war severely disrupted supplies from the once-key region. It is the first time North America has ever overtaken the Mideast in supplying gas to Korea. Imports from the Middle East, which had been supplying nearly a third of Korea's LNG as of 2024, plunged 66% to 2.42 million tonnes this year from 7.09 million through September, accounting for merely 7%, according to Korea International Trade Association data.

Imports from North America, meanwhile, more than doubled to 7.82 million tonnes from 3.85 million, lifting the region's share to nearly a quarter. Overall, Korea's total LNG imports fell 6.4% to 32.87 million tonnes from January through September. "Even if U.S. cargoes take twice as long to arrive, a price advantage of a few dozen cents per million Btu matters," said an executive at a Korean gas company, referring to the standard unit used to price natural gas. "A single cargo is worth about 35 billion won ($26 million), and with some 600 cargoes coming in, the difference runs into the trillions of won."

Korea Gas Corp. is locking in North American supply through long-term contracts and equity stakes, with a goal of lifting its self-sufficiency rate to 10% to 15%. It signed a deal for 3.3 million tonnes a year of U.S. LNG in August last year, and in May it agreed to buy 700,000 tons a year from BP for 10 years starting in 2028. The company's 5% stake in LNG Canada secures 700,000 tons a year for 40 years, rising to 1.4 million tons when the project's second phase comes online in 2031. By the early 2030s, the company aims to hold 3.5 million to 4 million tonnes a year of equity LNG.

High energy prices force Bangladesh factories to run below capacity

(Bloomberg; Nov. 2) - To understand how disruptions to liquefied natural gas shipments through the Strait of Hormuz are reverberating across the emerging world, look no further than Bangladesh. Once-bustling textile and ceramics plants in the South Asia nation are running well below normal capacity as gas shortages lead to surging energy bills. Some factories were forced to halt production altogether in August and September, when an outage at an LNG import terminal compounded the crunch.

These types of industrial facilities in Bangladesh have been operating at a loss for months. Textile manufacturing is energy-intensive, with gas-fired boilers producing steam that's used in dyeing and finishing the fabrics. Bangladesh relied on Qatar for about 60% of its LNG imports last year. That dependence had been a boon following Russia's invasion of Ukraine in 2022, since long-term agreements helped shield it from the surge in spot prices. This time around, the arrangement has been a crippling vulnerability for the world's second-largest garment exporter.

Qatar has been unable to deliver gas, forcing Bangladesh into the pricey spot market to avoid worsening blackouts. A single shipment of LNG now costs the country more than $100 million, about four times as much as a contracted cargo would have. That's resulted in about $2 billion in additional costs so far. Bangladeshi textile manufacturers supplying global brands like H&M and Ralph Lauren are dealing with spiraling energy costs and the possibility of more power cuts. Factory owners are worried that orders could be shifted to competitors in China or India, they said in Dhaka last week.

Germany will fall short of target for natural gas storage

(Bloomberg; Nov. 1) - Germany is set to miss its official target for filling natural gas storage sites, leaving it with a reduced buffer against surging winter demand. With a cold snap setting in, German gas reserves were only 61.17% full as of Oct. 30, data from Gas Infrastructure Europe show. That's well short of a Nov. 1 goal of about 70%, despite authorities' efforts to ramp up fuel purchases via state-owned energy company SEFE over the past month. Germany's economy ministry said it won't reach its target.

The shortfall comes as colder weather is forecast to sweep across Germany and much of Europe in the coming days, potentially boosting demand for gas for heating. European gas prices have already tripled this year as the Iran war disrupts global energy trade, while uncertainty over how long the conflict will last has hampered stockpiling efforts. Germany — Europe's largest economy and home to an energy-intensive manufacturing sector — is particularly ill-prepared for prolonged spikes in winter demand, with gas buffers trailing the European Union average of 75%.

The situation has echoes of the energy crisis four years ago, when the war in Ukraine choked off pipeline gas supplies from Russia, hitting Germany particularly hard. After decades of reliance on Russian gas, Germany has since made strides in bolstering its energy security. Even so, fellow European Union member, Italy, has criticized Berlin for not doing enough to replenish inventories this year.

TotalEnergies CEO says low gas storage levels will cost Europe

(Reuters; Nov. 2) - Europe will not face a gas shortage this winter but will have to pay more to ensure sufficient supply, TotalEnergies CEO Patrick Pouyanne said on Nov. 2, adding that the region needed to rethink its storage policy. "Europe's mistake this year, specifically regarding gas, was unfortunately to have relaxed storage requirements a year too early, which left us entering the winter with lower reserves, thereby increasing the strain," Pouyanne told reporters at a briefing on TotalEnergies' energy outlook.

Europe is competing with Asia for liquefied natural gas cargoes as it seeks to replenish depleted storage sites ahead of winter, amid uncertainty over the U.S.-Israeli war with Iran and its impact on exports from Qatar, one of the world's largest LNG suppliers. That has pushed gas prices higher during the summer refill season, when traders typically inject fuel into storage for winter demand.

The European energy regulators' agency ACER said in April that filling storage sites to 90% would be difficult given tight global supplies and that countries could instead target 80%, a flexibility allowed under European Union rules during difficult market conditions. Pouyanne said short-term thinking and the pursuit of economic efficiency had led to "a rude awakening" for Europe. "We assumed people would anticipate gas prices rising more rapidly. Instead, the markets acted as if the war would end this summer."

New production helps, but global LNG supply down 3% this year

(Wall Street Journal; Nov. 3) – Natural gas markets are facing a major squeeze, with liquefied natural gas output set for its steepest annual decline on record as the Iran war chokes off supplies and intensifies competition among importers, the International Energy Agency said. Global LNG supply is forecast to fall by 3% this year, or about 700 billion cubic feet of gas, as disruptions to shipping in the Strait of Hormuz — which used to carry around 20% of the world's LNG flows — and Iranian attacks on key regional infrastructure sharply curtailed exports from Qatar and the United Arab Emirates.

The forecast assumes that trade flows through Hormuz will remain largely disrupted at least until the end of the year, according to the Paris-based energy agency, which represents a group of Western nations and their allies. Higher production elsewhere in the world helped soften the blow to supply. New projects in North America and Africa — along with increased gas supplies to existing LNG plants in Africa, Asia and Russia — pushed LNG production outside the Persian Gulf up 14% between March and October. That made up for roughly two-thirds of the lost Gulf supplies.

The loss of supply is expected to intensify competition among buyers in the coming months, especially during periods of strong consumption. The supply shortfall comes as total global gas demand is also expected to weaken this year — LNG and pipeline gas deliveries — declining by around 1.5%, or close to 2.3 trillion cubic feet of gas, driven by

demand destruction in the Middle East, lower industrial gas consumption in Europe and a shift from gas to coal in the power sector across several Asian countries.

U.S. refineries max out on production to boost supplies

(Agence France-Presse; Oct. 31) – U.S. oil companies are investing to squeeze out more fuel from refineries and also bringing shuttered plants back online in response to conflicts in Russia and Iran that have crimped supplies and driven up prices. ExxonMobil CEO Darren Woods said Oct. 30 the company had achieved "record fuels utilization" outside of the Middle East, pointing to 100% crude utilization at U.S. Gulf Coast refineries. Woods told analysts on an earnings conference call that there were a "lot of variables" behind the crunch in supply of diesel and other key refined items.

Besides lost capacity in the Middle East and Russia from Ukrainian drone strikes, Woods cited a decline in Chinese refined output. "My guess would be it will take certainly well through to next year before we see things getting back closer to normal," he said. "But it could be longer than that." U.S. rival Chevron said it achieved record throughput at its refineries during the quarter. But about 10% of the world's refining capacity remains offline, said Chevron Vice Chairman Mark Nelson.

"I would expect margins to eventually moderate as refinery runs recover and export flows increase," Nelson said on a conference call. "But that will take some time." Both companies reported a more than doubling of quarterly profits Oct. 30 as oil giants reap financial rewards from spiking commodity prices and refinery margins. Valero Energy announced Oct. 30 that it reached a deal to acquire a shuttered Houston refinery from LyondellBasell for $320.5 million. It plans an initial restart by the end of 2027.

UAE says it is pumping more oil than it did before the war

(Reuters; Nov. 2) - Six months after leaving OPEC, the United Arab Emirates on Nov. 2 began hosting ADIPEC, one of the world's largest energy conferences, where it told an audience of industry executives it had increased oil exports in spite of the Iran war. The UAE was for 59 years a pivotal member of the Organization of the Petroleum Exporting Countries. It said in April it would quit the group, weeks into the U.S.-Israeli war on Iran.

UAE Energy Minister Suhail al-Mazrouei said at ADIPEC that his country's exports on occasions have been better than before the war, without giving precise details. The UAE will protect its energy infrastructure and invest in new export routes, he said. OPEC figures compiled from secondary sources support the comments. In September, the UAE pumped 3.917 million barrels per day of crude, up 15% from February, the figures show. The September figure is 470,000 more than the OPEC+ quota that would have applied to the UAE in May had it not left OPEC and the wider OPEC+ as of May 1.

The International Energy Agency has assessed UAE output higher still. It said that for September it expected UAE oil production to have averaged 4.4 million barrels per day. Taking crude oil, condensate and other liquids into account, the UAE pumped a record 5.3 million barrels per day in September, the IEA said last month. The Abu Dhabi National Oil Co. disputes the data quoted by Reuters.

Persian Gulf nations shipping oil at same volume as before the war

(Bloomberg; Nov. 2) – All but Iran of the Middle East's leading oil-producing nations are shipping crude at about the same rate as before the war, bringing a tide of supply to the global market that's helped to temper prices. Combined exports from Saudi Arabia, the United Arab Emirates, Iraq and Kuwait climbed by 10% to 15.53 million barrels a day in October, putting them roughly in line with levels shipped at the start of the year, according to tanker-tracking data compiled by Bloomberg and energy-analytics firms.

By contrast, Iran's exports remained at zero for a second month amid a U.S. naval blockade. The resurgence in flows from Gulf Arab producers attests to the success of covert shuttle runs by tankers through the Strait of Hormuz, pioneered by the UAE and adopted more recently by the Saudis. It's helping to keep physical oil markets well supplied and to moderate prices at a critical moment when the elevated cost of fuels like gasoline and diesel is squeezing consumers and stoking inflation.

Saudi Arabia led the latest surge, boosting flows to 7 million barrels a day in October, a 13% month-on-month hike, according to a combination of data from tanker-tracking and satellite images, as well as figures from Kpler and Vortexa. Having lagged behind UAE for most of the conflict, Saudi exports started picking up when the OPEC leader ramped up flows through Hormuz in response to a temporary closure of its East-West pipeline during an attack in September launched from Iraq. With the resumption of that link, the kingdom is benefiting from both its traditional Persian Gulf route and Red Sea bypass.

Venezuelan oil town booming with activity

(Bloomberg; Nov. 3) - The beating heart of Venezuela's oil revival doesn't lie in the shiny bubble of the capital Caracas, but rather more than a six-hour drive southeast, in a place called El Tigre. Private jets now routinely touch down in the modest airport on the outskirts of town. Venezuelans are returning after years abroad to take up jobs at the growing number of service and supply companies that are expanding or setting up shop. Modern office buildings have little space left to lease, while rents for furnished townhouses have jumped 33% since the start of the year.

"In October we more than doubled the volume of equipment shipped and tripled the number of companies served compared with February," said Greg Díaz, head of Texas-

based shipping firm Frontier Forwarders. “We’ve now added a second vessel to handle new bookings.” The burst of activity in this town on the frontier of the Orinoco Belt — a vast deposit of tar-like oil — is a fragile proxy for Venezuela’s vaunted comeback, characterized by rising exuberance to restart drilling and rehabilitate wells after years of underinvestment, sanctions and an exodus of foreign producers.

El Tigre’s proximity to existing operations and concentration of service companies have made it a staging ground. The frenzy is unfolding before companies have even pumped a single new barrel of oil. Companies are leasing offices and storage yards, importing equipment, hiring staff and inspecting fields as they prepare for operations that in many cases are months away. Meanwhile, the lights still go out for long stretches.

Canada’s heavy crude selling at steep discount to U.S. prices

(Bloomberg; Nov. 3) - Canadian heavy crude prices reached their weakest point relative to U.S. oil futures since 2018, when a massive pipeline bottleneck prompted Alberta’s government to impose production limits on the largest producers. Western Canadian Select’s discount in Alberta to a monthly average of West Texas Intermediate futures grew to $31.70 a barrel early Nov. 3, the widest since November of 2018, according to Modern Commodities and General Index prices.

The secondary benchmark Canadian Cold Lake crude’s discount on the U.S. Gulf Coast was at similarly wide levels not seen in eight years, standing at $23.10. The widening discount has been caused by factors such as soaring worldwide rates for oil tankers and imports of competing Venezuelan heavy crude into the U.S. Gulf. The lower price for Canadian oil is expected to continue through the fourth quarter, oil sands producer Imperial Oil, a unit of ExxonMobil, said in an earnings call last week.

The growing discount has come as a headwind for many companies, limiting the ability of heavy-oil producers to fully benefit from a run-up in worldwide prices that now sit above $100 a barrel. In late 2018, Canadian heavy crude’s discount grew to almost $50 a barrel as production outpaced pipeline space. Unlike then, today’s widening discount is the result of international factors rather than a pipeline capacity shortage. In addition, greater supplies of competing Venezuelan oil are being shipped to U.S. refineries.

Oil services firms struggle with multitude of rising costs

(Reuters; Nov. 3) - The Iran conflict is causing the oil services industry to increase its cost assessment for projects due to rising shipping, fuel and security costs, which are affecting its Middle Eastern contract performance, executives said at a conference in Abu Dhabi on Nov. 3. The Iran war, now in its ninth month, has damaged infrastructure

and forced staff to evacuate in several countries. Threats to shipping via the Strait of Hormuz have made equipment deliveries difficult, increasing labor and insurance costs.

“What we are facing now with our contracts in the Middle East is that logistics costs have increased — sometimes threefold. Fuel costs have doubled, labor costs have increased 30% to 40%,” said Alessandro Bernini, chief executive of Italian engineering group Maire. The price increases are eating into margins of service companies, raising the cost of projects and ultimately translating into higher energy prices and inflation around the world, he said.

Logistics have become a problem due to the difficulty of delivering equipment, said Alessandro Puliti, CEO of Italian energy contractor Saipem. “We have been sitting outside Hormuz for months,” he told the conference. Oil services company NESR, which has operations in Saudi Arabia, the United Arab Emirates, Kuwait, Oman and Iraq, said the biggest increase in costs was in shipping and logistics, as it has to store materials in warehouses for much longer to cover for possible disruptions.

Shell sells its stake in Australia LNG project to Abu Dhabi company

(Bloomberg; Nov. 3) - The energy investment arm of Abu Dhabi’s state oil producer agreed to pay $1.45 billion for Shell’s stake in an Australian natural gas project, the latest in a series of deals as the Middle Eastern company seeks to expand globally. Abu Dhabi National Oil Co.’s XRG unit will buy the stake in the North West Shelf liquefied natural gas project, with 14.3 million tonnes annual production capacity, to gain greater access to customers in the Asia-Pacific region, the company said in a statement Nov. 3.

XRG has been scouring the world for supply as it aims to be one of the world’s top five LNG suppliers. That effort started even before the war in the Middle East severely disrupted energy flows out of the region, increasing the urgency for companies in the Gulf to find assets worldwide to keep customers supplied. Rival exporter Qatar is similarly looking to expand LNG supplies outside the region to reduce its exposure to future transit disruptions through the Strait of Hormuz.

XRG has signed deals for LNG capacity in countries including the U.S. and Argentina. The Nov. 3 agreement is the first in Australia after the company pulled a bid to buy local producer Santos last year. While Shell is continuing to double down on LNG, Bloomberg reported in September that it would explore a sale of its 16.67% stake in North West Shelf due to the plant’s planned transition into a third-party tolling facility, where buyers pay a fee to liquefy the gas. “The sale realizes value from a mature, non-operated asset,” Cederic Cremers, Shell’s integrated gas president, said in a press release.

U.S. pipeline company commits to $1.6 billion project

(Bloomberg; Nov. 3) - Energy Transfer formally committed to building a $1.6 billion pipeline that will move natural gas from eastern Louisiana across Mississippi, a move that comes as data centers and export terminals boost demand for the fuel. The 215-mile South Mississippi Pipeline project will have the capacity to ship as much as 1.2 billion cubic feet of gas per day, the company said in a statement on Nov. 3.

Energy Transfer expects to operate the project and own 51%, with the rest of the stake coming from customers. Energy Transfer and other pipeline operators are rushing to put gas conduits into service as consumption of the fuel soars, driven by liquefied natural gas export terminals along the Gulf Coast and new power plants serving AI data centers. The infrastructure boom is stoking concern that the data center buildout will undo 15 years worth of greenhouse gas reductions from U.S. electricity generation.

Energy Transfer is holding a binding open season for additional customer commitments to the project, which is set to end Nov. 25. The pipeline is expected to start up in 2030.

Russia sets sights on more LNG exports to African nations

(The Maritime Executive; Nov. 1) - As part of a wider scheme to diversify its LNG market, Russia is targeting Africa for gas exports, projecting rising demand for energy on the continent. Energy partnership was one of the major topics at the third Russia-Africa summit held in Moscow last week. The event, hosted by President Vladimir Putin, brought together leaders and delegates from 48 African countries including 22 heads of state. Russian energy giant Novatek confirmed a new focus on the African market.

Novatek's Deputy CEO Sergei Solovyov said the company is looking into various gas projects around Africa and is interested in long-term partnerships. In addition, Novatek pledged to offer its own liquefied natural gas technology for joint projects with African partners. "The African gas (LNG) market would be about 20 million to 30 million tonnes (per year) in the near future, taking into account pent-up demand, or about 7% of the global market. Hardly any of this demand is covered by contracts or terminals," he said.

But reaching these levels of demand calls for concerted efforts to address key barriers affecting gas supply to Africa. According to Solovyov, the weakest link is countries without access to the sea. Almost a third of African countries have no access to ports, which is a huge risk in supply of critical commodities, especially if the borders with the neighboring coastal states are inefficient. African landlocked countries — including South Sudan, Chad and Malawi — have the lowest levels of electricity access globally. Solovyov noted that the reason is not lack of demand but inefficient supply routes.

Environmental center says rare bats are at risk from LNG project

(Agence France-Presse; Nov. 2) - One of the world's rarest bats could be at risk if ExxonMobil forges ahead with a Papua New Guinea gas project, a law firm working with impacted landowners warned Nov. 2. The energy giant struck a deal last month to take control of Papua LNG, which aims to tap into massive gas fields nestled in the forests of Papua New Guinea. A 200-mile line will be built to move gas to a coastal processing facility, eventually pumping out 5.6 million tonnes of liquefied natural gas each year.

With a final government decision expected in December, the Centre for Environmental Law and Community Rights has written to ExxonMobil to express concern. "The Papua LNG footprint will pass through densely forested landscapes, fragile ecosystem, floodplains and mangrove-covered coastlines," the centre wrote. "The project area of influence includes 27 terrestrial species already at threat of extinction."

One species potentially at risk is the Bulmer's fruit bat, the centre wrote. At last count there were fewer than 200 adult bats in the wild, according to the International Union for Conservation of Nature. Dozens more species that have rarely been studied outside Papua New Guinea are also feared to be in harm's way. "If external scientists have never studied a species, then potential risks cannot be accurately understood, let alone mitigated," the letter read.

City of Los Angeles gives oil industry 20 years to shut down all wells

(DW German international broadcaster: Nov. 2) - Los Angeles has become the largest city in the U.S. to ban oil drilling, after years of lawsuits and campaigning by residents who raised the alarm over pollution and potential health risks from nearby wells "Front-line communities have pushed the city for a solution for this for over a decade," said resident Wendy Miranda, who has campaigned for years with STAND-LA, a coalition of community groups working to end neighborhood oil drilling.

The ordinance, approved by the city council on Oct. 28, puts an immediate stop to oil extraction and bans the redrilling or deepening of wells. Existing operations must be phased out within city limits over the next 20 years. Though LA City is only part of greater Los Angeles, the move affects hundreds of active wells and thousands of inactive ones, many in working-class areas of color. "In South LA, working-class families have had corporations drilling across the street from their homes," council president Marqueece Harris-Dawson said. "No one should have to live near an oil drilling site."

Rock Zierman, CEO of the California Independent Petroleum Association, told DW, "CIPA believes this ordinance constitutes an unlawful taking of private property." LA follows much smaller Culver City, also in California, in moving against urban oil production, and begins the process of ending its long, complex relationship with fossil fuels. California's oil industry expanded rapidly in the early 20th century, when the state

produced roughly a quarter of the world's oil. Lots of that was around LA and as the city grew, homes, schools and businesses were built around existing oil infrastructure.

First Democrat in 36 years wins seat on Texas oil and gas agency

(Bloomberg; Nov. 4) - Jon Rosenthal defeated Republican firebrand Bo French to become the first Democrat in 36 years to win a seat on the powerful panel that oversees the $200 billion Texas oil industry. Rosenthal, a state representative and self-described “drill-baby-drill Democrat,” defeated French by a margin of more than 6 percentage points, according to the AP. The three-member Texas Railroad Commission regulates an industry that pumps more crude than every OPEC member except Saudi Arabia.

The commission’s purview expanded from overseeing freight rates more than 100 years ago to handling drilling permits and well inspections as well as enforcing safety and pollution rules. The agency provided the template for OPEC’s founders in 1960. During the campaign, Rosenthal vowed to push for tougher oversight of the industry, including imposing stricter methane flaring rules and requiring companies to plug abandoned wells faster. He also pledged to reduce the industry’s influence over the commission.

Rosenthal’s ability to impose changes will be limited, however, since Republicans will still hold two of the three seats on the commission. It’s too early to tell how Rosenthal will work with Republicans on the commission, but a candidate who was not the oil industry’s choice is “historic,” said Virginia Palacios, executive director of the nonprofit watchdog Commission Shift Action. The race for the typically obscure regulatory agency garnered national attention after French’s racist social media post about foreign students, which drew widespread condemnation, including from some Republicans.