Oil and Gas News Briefs
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Energy economics report questions LNG project cost escalation

(Institute for Energy Economics and Financial Analysis; Oct. 13) - When the Ksi Lisims LNG project was first proposed, the sponsors of the floating gas export terminal on the British Columbia coast estimated it could be built for a cost of between C$8 billion and C$9 billion. With a proposed capacity of 12 million tonnes per year, this implied capital costs of C$690 to C$750 per tonne. This appears to have been an underestimate.

In a previous report, IEEFA reviewed capital costs for existing facilities, revealing the cost to deliver a floating plant of similar characteristics ranged from C$1,500 to C$2,450 per tonne of output. We flagged the relatively low capital of the Ksi Lisims project and concluded that after factoring variables such as inflation, currency volatility and project challenges, it was extremely unlikely it could be delivered within its proposed budget.

Now, indications emerge that the project's budget has risen substantially. Recent public announcements are quoting a C$30 billion budget — more than triple its initial estimate. A project does not automatically become uneconomic simply because earlier estimates were off the mark. However, a substantial difference may alter the economics of the venture as well as amplify risks faced by investors and stakeholders. And where government subsidies or tax incentives are involved, the public faces risks as well.

At some point investors will have to reevaluate whether the project's economics remain sufficiently robust when measured against revised capital commitments. A significant increase in the amount of capital means greater financing requirements, higher required equity, higher debt service costs, and likely a higher LNG price to achieve an acceptable return. The experience with Ksi Lisims is not an isolated incident and must be considered against Canada's record of large-scale infrastructure development.

Major Canadian fossil fuel projects have repeatedly experienced large cost overruns and significant increases in capital from initial estimates. And while the causes are often legitimate — inflation, delays, engineering complexity and changes in scope — the recurring nature is concerning. It raises questions about effective planning but also public transparency. Ksi Lisims LNG has not yet reached a final investment decision.

Guyana oil production to hit 1 million barrels a day in December

(Bloomberg; Oct. 13) - Guyana's crude oil exports are set to surpass 1 million barrels a day for the first time when the country starts shipping its Uaru grade in December. Uaru

exports are scheduled at 4 million barrels that month, according to a loading program seen by Bloomberg. That will boost Guyana's total monthly shipments to 33 million barrels, equivalent to about 1.06 million barrels a day.

The ramp-up will be welcomed by the market after the Iran war has squeezed supplies from the Middle East, driving up prices for crude and refined fuels and fanning inflationary pressures around the world. Guyana already pumps four other crude grades after starting commercial oil production in 2019. The first cargo of Uaru, produced by the Errea Wittu floating production vessel, is due to load on Dec. 11-12, the program shows.

It will mark another milestone in Guyana's rapid emergence as a major oil producer. ExxonMobil's Liza project began production almost seven years ago, and three more oil developments have since come online. Yellowtail, the country's fourth project, started up in September last year. The $12.7 billion Errea Wittu production vessel, built by Modec, has a nameplate capacity of 250,000 barrels a day, according to the company's website.

Exxon tells Guyana it needs to use more gas to maximize oil output

(Reuters; Oct. 13) - ExxonMobil has told Guyana it will need more offshore gas than the government had expected to maximize oil production, potentially leaving less for liquefied natural gas exports, two people close to the talks said. Guyanese officials are weighing whether to shrink a planned LNG project or skip exports altogether and use the gas for domestic power and petrochemical facilities only. It would deal a blow to the nation's ambitions of a regional energy powerhouse as it grows oil and gas output.

Guyana has been pushing a consortium led by Exxon, which controls all of the country's oil and gas production, to deliver as much gas as possible so that the nation can monetize its reserves, which rank among the largest in the region. But the Exxon group, which also includes Chevron and China's CNOOC, is forecasting it will need about 2 billion cubic feet per day of gas for reinjection into oil fields so it can meet crude output targets at its government-approved projects, the people said.

That required volume would constrain supplies for any gas export projects, including a floating LNG facility proposed by Fulcrum LNG, the U.S. developer the government chose in 2024 to build and operate gas infrastructure. Instead of the 6 million tonnes per year of LNG capacity initially planned, the project may have to start with up to 3 million tonnes and expand later, the people said. Exxon has been working to determine how much gas its fields can supply, at what cost and what timeline, one of the people said.

Iraq could emerge an oil winner in Middle East turmoil

(Bloomberg commentary; Oct. 12) - “Buy to the sound of cannons, sell to the sound of trumpets.” The ancient stock market maxim resonates in today’s Middle East. While the U.S. and Iran fight, Big Oil is heading into neighboring Iraq. Baron Nathan Rothschild, the 19th-century British banker who financed the Napoleonic wars, probably never uttered the investment precept many attribute to him. But there are echoes of his philosophy in what we hear today from oil executives.

“Look, returns follow risk; and you know, we're not afraid of risk,” Chevron CEO Mike Wirth told a recent industry gathering, explaining why he’s negotiating with Baghdad. Few if any in the audience raised an eyebrow. Yes, Iraq is risky, even more so today with a war raging in the neighborhood. But for the first time in decades, it offers Big Oil the kind of returns it aspires to. When the cannons fall silent, Baghdad is likely to be a winner of the regional crisis, attracting billions of dollars from the likes of Chevron, BP, ConocoPhillips and even ExxonMobil. TotalEnergies is already a major investor.

With the new contracts Iraq has signed so far, and the ones it’s currently negotiating, the country could boost its output capacity to 5.5 million barrels per day by 2030. Before the war, Iraq pumped about 4.5 million barrels a day. Left unanswered is a key question for Iraq and OPEC: How would the cartel accommodate Baghdad’s desire for much higher pumping? I see two likely outcomes: OPEC would turn a blind eye to the overproduction, as it did in the past with other members including Algeria and the United Arab Emirates, or Iraq would simply ignore the cartel and ultimately leave it.

Saudi Arabia looks to temporarily move oil through gas pipeline

(Reuters; Oct. 12) - Saudi Arabia is looking to expand its pipeline crude export capacity to as much as 10 million barrels per day by repurposing a domestic gas pipeline and investing in its existing East-West network, Energy Minister Prince Abdulaziz bin Salman said on Oct. 12. Saudi Arabia could add up to 1.2 million barrels per day of oil export capacity within seven to eight weeks by temporarily converting a gas pipeline for crude shipments. Up to 3 million barrels per day could be added in total with further investment, Abdulaziz said at the World Petroleum Congress in Riyadh.

The minister said he had told Saudi Aramco it could use the pipeline for oil transport until May, after which it would need to be cleaned and returned to natural gas service ahead of the summer season. In addition, he said that upgrades to pumping stations on Saudi Arabia's East-West pipeline and other infrastructure projects could help lift the kingdom's capacity to divert shipments from its main maritime Gulf and Red Sea routes to around 10 million barrels per day over the next two to three years.

Rising tanker rates make it more costly to export U.S. heavy crude

(Reuters; Oct. 12) - Dense heavy crude, which oil refiners around the world favor for its typically low cost, is piling up in the Americas as soaring freight rates due to a shortage of tankers have stifled exports of the crude and U.S. refiners have been running close to their limits to handle the stuff. Heavy crude is a denser type of oil which Asian, many U.S. and some European refineries are typically configured to process. It is usually cheaper than light crude, offering refiners better margins when shipping is affordable.

The U.S. and Canada produce more oil than they need, said Scott Shelton, an energy specialist at TP ICAP, so they export to Asia to balance their markets. With U.S. diesel prices soaring, the cheap, stranded barrels of oil should be snapped up in a diesel-starved market, since heavy crude yields more of fuel than lighter grades. But U.S. Gulf Coast refiners have already bought as much as they can use, analysts and traders said. Meanwhile, Venezuelan exports have surged, and Canadian output is at a record. That leaves exports as the next option for U.S. heavy oil needing to find buyers.

However, the cost of hiring a supertanker from the U.S. Gulf Coast to Asia has more than quintupled since February. Shipping oil on a supertanker from the U.S. Gulf Coast to Europe was estimated to cost around $46 million, or $24.50 a barrel, last week, according to Georgios Sakellariou, a Signal Maritime analyst. That compares with $6.5 million or around $4 a barrel before the Iran war broke out in late February. The cost of a tanker from the Americas to Asia rose to more than $80 million, or about $40 a barrel, last week compared with around $10 million to $15 million near the start of the year.

EU considers windfall profits tax on oil and gas companies

(Reuters; Oct. 13) - The European Union is examining a bloc-wide windfall profits tax on oil and gas companies, the EU's tax chief told Reuters on Oct. 13, as governments scramble for funds to help citizens with soaring energy bills. Oil and gas companies have reaped bumper profits this year, as energy prices have surged during the U.S.-Israeli war with Iran, amid disruptions to shipping through the Strait of Hormuz and Iranian attacks on Persian Gulf neighbors.

Wopke Hoekstra, the European Commissioner responsible for climate and taxation, said the Commission was setting up a working group to examine the merits and drawbacks of a levy and assess whether such a measure would be viable. "Citizens, and particularly vulnerable citizens, are confronted with dramatic increases in their energy bills. And some companies are reaping truly excessive benefits without delivering any additional service or any additional products. They're reaping the benefits from the world being in turmoil," Hoekstra said in an interview.

Germany, Spain, Portugal, Italy, Poland and Austria have urged the EU to examine a bloc-wide windfall profits tax. Hoekstra said Brussels would carefully assess the legal status of any potential measure. The EU introduced a windfall profits levy on oil, gas, coal and refining companies in 2022 after Russia's full-scale invasion of Ukraine sent energy prices soaring. Legal challenges are still pending after companies including ExxonMobil argued the measure was unlawful.

Markets losing faith that Trump can talk his way out of high oil prices

(Reuters commentary; Oct. 13) – U.S. President Donald Trump's trademark ability to talk down oil markets with a few words is fading as the Iran war drags on, leaving global energy prices far more exposed to escalation. The president's "jawboning" was one of the defining features of the Iran conflict's early months after fighting erupted in February. In the months before the short-lived July ceasefire, Trump's public statements and social media posts that said Washington and Tehran were edging to a deal to end the conflict and reopen the Strait of Hormuz helped keep oil prices well below record highs.

Traders likely deemed it too risky to bet against Trump's desire to avoid a domestic fuel price spike. As stockpiles deteriorated, they assumed the president would pull back and end the war quickly. That bet appeared to pay off until markets learned the limitations of Trump’s control. The July ceasefire broke down, giving way to a protracted, low-level conflict that has spread throughout the region, including the recent escalation in violence between Yemen’s Iran-aligned Houthis and Saudi Arabia.

This lack of market confidence is now undermining the president’s efforts to bring down soaring diesel prices, a key priority before U.S. midterm elections. For energy markets, the era of the Trump trade may be over. The president can still move energy markets with his words, but that power has clearly weakened as the web of conflicts has become more complicated. For investors, traders and producers, talk and even action are no longer sufficient. They need to trust Washington’s willingness and ability to find a durable solution — and that is in very short supply.

Increasing number of supertankers turn away from Persian Gulf

(Bloomberg; Oct. 13) - A growing number of empty supertankers have been turning away from the Persian Gulf as escalating Iranian attacks threaten a critical transfer hub for wartime oil shipments. At least 10 very large crude carriers and several Suezmax vessels approaching the port of Fujairah in the United Arab Emirates have stopped or reversed course recently, according to tanker-tracking data compiled by Bloomberg.

While other vessels are still continuing on their journeys into the region, the retreat of these tankers amid near-daily attacks around the Strait of Hormuz — some near

Fujairah itself — raises fresh concerns over the sustainability of oil flows through the waterway. Fujairah is commonly signaled as an interim destination by vessels ultimately sailing to the Gulf of Oman — where they can collect cargoes via ship-to-ship transfer — or onward into the Persian Gulf. That makes the number of ships heading toward the port a broader indicator of tanker operators' appetite for approaching the waterway.

The shift threatens a key workaround that has helped oil exports recover to near prewar levels. Large crude carriers can wait off Fujairah and in Omani waters outside Hormuz while shuttle tankers make the riskier transit through the strait, bringing out crude and transferring it for delivery to buyers. The system depends on a steady supply of receiving tankers, so a significant retreat from the region by empty VLCCs could slow the flow, tying up the shuttle vessels for longer when tanker availability is already tight.

Asia's refineries profit from disruption to fuels out of Persian Gulf

(Reuters commentary; Oct. 11) - Asian refiners look set to be among the biggest beneficiaries of a sustained recovery in Middle Eastern crude oil exports. Oil exports from the Middle East have largely returned to pre-war levels as tanker movements through the Strait of Hormuz have increased. Total crude oil and condensate exports from the region — excluding Iran — averaged 18.11 million tons a week in September, according to Kpler, compared with a weekly average of around 18.22 million tons during the eight weeks prior to the start of the conflict with Iran at the end of February.

However, Mideast fuel exports remain at less than half of pre-war levels due to damage to regional refineries. That gap works in favor of those who can fill it. Asia holds around 37% of global refining capacity, according to the Energy Institute, and refiners in India, China, South Korea and Singapore are well placed to capture the value from turning crude into gasoline, diesel and jet fuel. The gains are not Asia's alone, as refining margins have climbed in all regions because fuel prices have risen more than crude.

The recovery in Mideast oil supplies should mean that a larger share of the profits and pricing power attached to those barrels will flow to Asia's refining hubs for as long as Gulf refineries are impaired. Before the war, Gulf producers spent years expanding downstream. Saudi Arabia, Kuwait and the United Arab Emirates invested heavily in refining and petrochemical capacity, seeking to capture more value from each barrel and reduce reliance on crude exports. The conflict with Iran has disrupted that strategy.

Renewables gain ground in emerging Asia at the expense of LNG

(Reuters; Oct. 12) - Emerging Asia is losing its appetite for liquefied natural gas to generate power as geopolitical shocks, equipment shortages and cheaper renewables derail projects, disappointing industry hopes the region would drive the next wave of

demand. Countries including Vietnam and the Philippines had planned new LNG import terminals and power plants to meet rising demand and a transition from coal, but the market shocks of Russia's 2022 Ukraine invasion and the ongoing U.S.-Iran war sent prices soaring, exposing the risks of LNG reliance.

Since then, several gas projects in the region have stalled while buildout plans for others have fallen behind targets, with a global gas turbine shortage contributing to the slowdown. With renewable generation costs falling, governments are accelerating their clean-energy deployment to cut import fuel dependency. The International Energy Agency forecast in October that wind and solar energy will contribute 11% of Southeast Asia's energy mix by 2030, up from 5% in 2025.

"As gas project delays mount and supply chains tighten, policymakers are being forced to rethink not only the role of gas in the near term, but also the long-term pathways to achieving their energy transition goals," said Wei Han Tan, Southeast Asia power and renewables analyst at Wood Mackenzie. "Countries will need to look elsewhere to meet rising demand," he said, adding to existing coal fleets and speeding up renewables.

Taiwan ministry says more negotiations needed for Alaska LNG

(Taipei Times; Taiwan; Oct. 14) - Progress is being made in talks to buy liquefied natural gas from an Alaska project, with Taiwan considering an investment of up to US$4.4 billion, the government said after U.S. President Donald Trump on Oct. 13 told a rally in Alaska that Taiwan would buy 30% of the proposed facility’s output. Taiwan’s CPC Corp. would purchase 6 million tonnes of Alaska LNG per year once production begins, in line with a letter of intent signed in March last year, the Ministry of Economic Affairs said.

CPC would also participate in development of the project — involving an 807-mile pipeline — with an investment, the ministry added. Alaska LNG is expected to produce 20 million tonnes annually, although experts have said the plan might not be viable. If operations start on schedule, it could begin supplying LNG to Taiwan as early as 2032, the ministry said in a statement.

“Specific investment arrangements, equity stakes and related terms will be determined through subsequent negotiations and commercial contract procedures,” it said. The ministry did not say whether a binding sale-and-purchase agreement had been signed. The partnership could diversify Taiwan’s LNG supplies, give the nation more flexibility in managing supply and distribution, boost energy security and deepen ties with the U.S., the ministry said. The partnership is based on mutual benefit and shared prosperity, and CPC is continuing to work out details of the purchase and investment, the ministry said.

It will not be easy or fast to bring back Qatar LNG to pre-war norms

(Reuters commentary; Oct. 12) - While Middle Eastern oil exports have rebounded in recent weeks, Qatar's vast liquefied natural gas export facilities remain hobbled. Until a durable resolution of the U.S.-Israeli war with Iran is reached, Gulf shipments will be heavily curtailed, leaving the global LNG market seriously strained. Qatar was the world's second-largest producer of LNG behind the United States. At full production, it accounts for around a fifth of global capacity at nearly 80 million tonnes per year.

The severe hit to Qatari LNG exports has sent shockwaves through global gas markets. The supply cut was partially cushioned by a sharp increase in U.S. exports, which rose by about 14% in 2026 from a year earlier to 123 million tonnes — but the gap in the global LNG market remains large. While QatarEnergy, the country's national energy company, has indicated it will be able to restart production within weeks once Hormuz reopens, LNG importers should not get too optimistic. A deeper look at Qatar's current situation suggests its LNG industry won't be returning to pre-war norms any time soon.

To increase LNG exports, Qatar would first need to raise gas production. And that is where the logistical challenges become quite complex. The raw gas extracted from the North Field contains large volumes of very light oil known as condensate, which must be separated and exported. If condensate cannot be shipped out reliably, Qatar risks quickly running out of storage and could be forced to curb gas production regardless of LNG demand. Similarly, Qatar has limited capacity to store LNG in onshore tanks or on vessels at sea, leaving little room for operational delays if exports are interrupted.

Japan's cabinet approves bill to strengthen energy security

(Reuters; Oct. 13) - Japan's cabinet approved three bills on Oct. 13 to strengthen energy supply security, including measures to offset higher costs of importing crude oil through routes that bypass the Strait of Hormuz, Industry Minister Ryosei Akazawa said. The government plans to submit the bills to parliament in the current session. "Through these three bills, we aim to improve supply security by diversifying sources of crude oil and other fossil fuels and reducing related risks," Akazawa told a press conference.

The bills include measures to diversify crude oil and other fuel procurement, provide transportation insurance support and amend the law governing the Japan Organization for Metals and Energy Security. The procurement diversification bill would create a grant program to compensate importers for higher transportation costs when sourcing crude oil and fuels via alternative routes that avoid certain chokepoints such as the Strait of Hormuz. The scheme would be fully funded by contributions from a broad range of importers, including oil refiners, traders and petrochemical manufacturers.

The insurance bill would allow the government to cover part of insurance payouts for oil tankers and other vessels carrying petroleum products and liquefied natural gas if foreign reinsurers are unable to provide coverage due to heightened geopolitical tensions, an industry ministry official said. The JOGMEC amendments would allow the state-backed agency to invest in infrastructure needed to secure alternative supply routes, including pipelines.

Tanzania says it is close to agreements on LNG project investment

(Reuters; Oct. 13) - Tanzania expects to finalize agreements on major investment projects in the coming months, including a $42 billion LNG development that officials hope will underpin industrialization, Finance Minister Khamis Mussa Omar told Reuters. The liquefied natural gas project — led by Equinor and Shell — is part of a broader effort to establish East Africa as a major energy hub, alongside Uganda's planned first oil exports via the Tanzanian port of Tanga in early 2027.

It is expected to unlock 47.13 trillion cubic feet of natural gas reserves. ExxonMobil, Pavilion Energy, Medco Energi and state-owned Tanzania Petroleum Development Corp. are also partners. Officials had expected the LNG agreement to be signed before June. "It's almost there," Omar said. Equinor and Shell did not respond to a request for comment. While most LNG will be exported, part of the production will be for the domestic market. Tanzania is seeking more international investment in projects that are set to generate revenue and help finance themselves, he said.

EU commission proposes one-year delay to methane emissions rules

(Reuters; Oct. 14) - The European Commission proposed a one-year delay to the EU's methane emissions rules for oil and gas imports on Oct. 14, after pressure from governments including France and the United States. The rules, due to take effect on Jan. 1, 2027, would have required foreign oil and gas suppliers to the EU to monitor and report methane emissions, a potent greenhouse gas.

Under the proposed changes, the rules would not come into force in 2028. Importers of oil and gas would have until May 31, 2029, to prove that their oil, gas and coal imports from the previous year complied with methane monitoring and reporting rules equivalent to those of the EU — meaning that their foreign suppliers would need to provide the information. "This one-year postponement of the import-related provisions is designed to help avoid additional pressures on the security of supply of imported fossil fuels in the current geopolitical context," the commission said in a statement.

The world-first EU law was designed to tackle methane emissions, which leach into the atmosphere from leaky oil and gas infrastructure around the world. But the law has

faced growing political pressure after the Iran war disrupted global energy supplies and heightened concerns about fuel availability this winter. The United States, Europe's biggest liquefied natural gas supplier, warned the EU in June that the methane law could disrupt fuel deliveries, a stance backed by oil and gas producers.

China steps up competition with South Korea for LNG carrier orders

(Business Korea; Oct. 6) - Fierce competition is unfolding between South Korea and China in the market to build large liquefied natural gas carriers, which represent high value-added vessels. As China initiates a pursuit by putting forward a volume offensive through shipyard expansion and the ultra-upsizing of vessels, the South Korean shipbuilding industry is stepping up to maintain its lead in the market by increasing operational efficiency and advancing gas-processing technologies.

According to Clarkson Research, a U.K. shipbuilding and shipping market analysis agency, a total of 82 large LNG carriers have been ordered worldwide from January of this year to today. Among these, South Korean shipyards won orders for 44 vessels, recording a 53.7% market share. Chinese shipyards accounted for 42.7%, winning orders for 35 vessels. The gap between the two countries has narrowed substantially from last year, when South Korea won orders for 32 vessels and China for three.

China is expanding its foundation for building LNG carriers. Currently, there are five Chinese shipyards with a history of building large LNG carriers, including Hudong-Zhonghua Shipbuilding, Jiangnan Shipyard, Dalian Shipbuilding Industry, China Merchants Heavy Industry and Yangzijiang Shipbuilding. In addition, Hengli Heavy Industry has recently been pushing to enter the LNG carrier market. Hengli Heavy Industry is known to be building two large LNG carriers using the so-called “build-first, sell-later” method, where vessels are constructed first and then sold to shipowners.

Indian factories, smelters hit by power blackouts, rising energy costs

(Bloomberg; Oct. 12) - Indian factories, smelters and households are being hit by blackouts and rising energy costs as the impact of plunging coal stockpiles at the country’s power stations ripples through the economy. The weakest monsoon since 2015 has curbed hydropower output, while hotter-than-normal weather has buoyed demand for air conditioning and farm irrigation. That’s seen coal-fired power stations, which supply about two-thirds of India’s electricity, rapidly burn through their inventories.

Smaller factories, farmers and households are facing power cuts as demand outweighs supply on the grid. Meanwhile, large industrial customers — smelters, chemicals and paper plants — can’t get enough fuel to produce electricity themselves due to state-owned miner Coal India prioritizing deliveries to grid-connected generators. Small steel

mills in the state of Chhattisgarh are facing outages of 10 to 12 hours a day, forcing plants to reduce output, said an official at the Chhattisgarh Mini Steel Plant Association. The power shortage highlights the increasing role that extreme weather is having on India's economy, with the weak monsoon driven by a record El Niño. It also shows how the country's continued reliance on fossil fuels is limiting its ability to respond to a changing climate. Feedstock supplies at almost half of India's coal-fired plants had fallen to less than 25% of required levels as of Oct. 10, according to the power ministry.

Critics say Australia's gas reservation policy is too weak

(Australian Broadcasting Corp.; Oct. 11) - A giant LNG plant blamed by critics for driving up Australia's East Coast gas prices could largely or totally escape a federal program designed to protect local buyers, observers warn. The government last month released a draft plan to force exporters to set aside up to 20% of their production for the domestic market in a bid to force gas prices down. But analysts and industry players say it's full of loopholes that will allow some exporters to reduce or even eliminate their exposure.

They point to Gladstone LNG, a plant on Curtis Island in Queensland, operated by Adelaide-based Santos, as the exporter most likely to benefit. An ABC investigation revealed GLNG had sucked up and exported the equivalent of 20% of eastern Australia's domestic gas demand over the past 10 years. This was because the venture built an LNG plant with a capacity of liquefying 7.8 million tonnes a year despite not having nearly enough gas of its own to fill it.

The other two Queensland projects — run by Shell and Australia's Origin along with U.S. firm ConocoPhillips — had overwhelmingly been supplying the local market in net terms. Under the draft policy, the Australian Energy Regulator would be able to reduce an exporter's supply obligation below 20%, while the minister could cut it to zero. Critics say the draft, unlike earlier versions, allows Gladstone LNG to count contract extensions as "existing contracts" exempt from the obligation. Crucially, this would allow GLNG to extend a supply agreement with South Korea's KOGAS for five years from 2030.

Permian oil field thefts on the rise

(Fortune; Oct. 11) - The spike in oil prices since the Iran war began this year has attracted more thieves, and they are increasingly professional criminals. West Texas Intermediate crude is up 60% so far this year, and fuel prices have risen even more as global refining capacity has fallen due to the Mideast and Russia-Ukraine wars. While oil theft has long been a part of the industry, the problem has become prevalent enough for the Dallas Fed to ask about in its quarterly surveys.

The latest one showed that nearly half of firms that are primarily focused in the Permian Basin said their operations have been impacted by theft in oil fields. By contrast, 86% of firms operating mostly outside the Permian said they were not impacted. The Permian is the epicenter of the shale revolution that has transformed the U.S. into an energy superpower. It stretches across West Texas and southeastern New Mexico — and is dotted with drilling rigs, pipelines, trucks and other infrastructure necessities.

That's made the Permian a target-rich environment. According to the Dallas Fed survey, 32% of executives who were hit by oil theft said it had increased slightly over the past 12 months. Nearly half of the oil executives (47%) said the most common form of theft was targeted and organized, while 42% described it as opportunistic petty theft. Still, the losses were relatively minimal, with 84% saying the financial impact was low. Howard County Sheriff Stan Parker said in May that his county, near the Midland-Odessa oil hub, sees "probably over 1,000, 1,500 barrels of oil reported stolen every month."