

Major Boost of Oil Exports in US

Contributed by Tom McGregor
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Feeling optimistic GOP presidential nominee Mitt Romney will get elected to the White House, oil companies are applying for permits to export crude produced in the U.S. and Canada, as disclosed by Reuters, despite the New York Times leading an "Occupy Keystone XL Pipeline" tree huggers' protest in East Texas.

According to the Houston Chronicle, "BP already has gotten government approval for exports, and Shell Oil has applied for a permit to do the same. While the exports are tiny, they are being touted as a sign that the U.S. is stepping closer to energy independence. In fact, something quite different is going on."

The U.S. exported an average of approximately 47,000 barrels daily to Canada last year, which is less than half of 1 percent of our oil imports. Crude exports had risen in July to 77,000 barrels, the second-highest volume recorded by the U.S. Energy Information Administration. Increasing production from Bakken Shale in North Dakota and the Eagle Ford Shale in South Texas has caused a glut of light sweet crude, since a lack of pipeline capacity makes it difficult to push that oil into refineries, and many U.S. refineries have been calibrated to process heavier crude from other countries.

As reported by the Houston Chronicle, "the result has been a price disparity that's persisted for several years between West Texas intermediate crude and Brent crude, which is the benchmark for the world price. What a difference running about \$20 a barrel, exports are becoming a profitable alternative."

To read the entire article from the Houston Chronicle, link here: Tmcgregordallas@yahoo.com