Energy Intelligence

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OIL DAILY®

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Record Cash Flow Helps Oxy Advance Strategic Goals

A strong second quarter has enabled Occidental Petroleum to advance several strategic objectives, including paying down debt and accelerating development of oil and gas assets in the Permian Basin.

After achieving its near-term debt-reduction goals in May, Oxy initiated a $3 billion share-buyback program, and on Wednesday signaled plans to increase its dividend in 2023.

It also announced an agreement with Colombian state firm Ecopetrol to enhance the duo's existing joint venture (JV) in the Midland subbasin and expand it into the Delaware subbasin.

Oxy also said it intends to launch a $1.1 billion expansion at an OxyChem plant in Texas after a stellar quarter for the business.

The strong macro environment that has led to record earnings for oil and gas companies comes at an opportune time for Oxy, which is trying to develop multiple business lines while chipping away at the massive debt load that came with its acquisition of Anadarko Petroleum in 2019.

Oxy reported $4.2 billion of free cash flow in the three months to June, the company's highest quarterly tally to date.

Shareholder Returns

CEO Vicki Hollub said during the company's second-quarter earnings call Wednesday that Oxy hit a "significant milestone" during the period and has now paid down more than $8 billion in debt year-to-date, "surpassing our target at a quicker pace than we had originally anticipated."

Its goal now is to get its debt load "to the high teens" by the end of this year, Hollub said.

Oxy intends to buy back $3 billion in shares by year-end and has already repurchased more than $1.1 billion's worth.

Once the debt and share-repurchase goals are complete, Oxy plans to start hiking the divide, although Hollub noted that the dividend is not likely to return to "its prior peak."

"Our efforts to improve the balance sheet remain ongoing, but our deleveraging process has reached a stage where our focus is expanding to go to additional cash flow priorities," she said.

Permian Expansion

In the Permian, Hollub said Oxy and Ecopetrol have agreed to "enhance our JV in the Midland Basin and expand our partnership to cover approximately 20,000 net acres in the Delaware Basin."

On the Midland side, Oxy will "benefit from the opportunity to continue development with an extension to the capital carry" through the first quarter of 2025, when the agreement ends, Hollub said.

On the Delaware side, the deal with Ecopetrol gives Oxy "the opportunity to bring forward the development of high-quality acreage that was further out in our development plans, while benefiting from an additional capital carry of up to 75%."

In exchange, Ecopetrol will gain a percentage of the working interest in the joint venture, although full terms were not disclosed during the conference call.

Oxy and Ecopetrol have been working together in the Permian since they struck an initial $1.5 billion cash-and-carry deal in 2019 covering just shy of 100,000 acres in the Midland basin.

Oxy CFO Robert Peterson said the companies intend to add a rig to the Delaware late this year; production from the subbasin under the JV won't commence until 2023, he said.

Oxy also plans to reallocate about $200 million of its capital budget to the Permian this year, although its overall capex guidance remains unchanged. About half of that is due to "activity adds," the company said, while the other half is due to inflation — a recurring theme among onshore E&Ps this quarter.

Chemicals Buildout

The Houston-based company also announced a planned $1.1 billion expansion of its Battleground chemicals plant in Deer Park, Texas. Oxy will spend about 20% of that in 2023, with the expansion due on line by 2026.

Plans include modernization and expansion of the facility, including a conversion from diaphragm to membrane technology that is expected to improve margins while lowering maintenance capital and emissions intensity.

Battleground is Oxy's largest chlorine and caustic soda production plant. The expansion will increase capacity by about 80%, with incremental annual earnings of $250 million-$350 million.

It is Oxy's first large investment in Battleground since 2017.

The OxyChem business unit reported earnings of $800 million in the second quarter — a record haul for the fourth consecutive quarter.

OCCIDENTAL Q2'22 EARNINGS RESULTS

($ million)	Q2'22	Q2'21	%Chg.	Q1'22
Revenues	$10,735	$6,010	79%	$8,533
Operating Cash Flow	5,329	3,324	60	3,239
Net Income	3,555	-97	NA	4,676
Adjusted Income	3,240	311	942	2,127
Production ('000 boe/d)	1,147	1,203	-5%	1,079

Source: Oxy

Luke Johnson, Houston

Permian Players Raise Capex as Inflation Bites

A slew of Permian Basin operators said this week that they plan on raising capital budgets to counter the effects of rising costs. But they also plan to continue rolling out rich rewards to investors as cash flows balloon.

Devon Energy, for instance, raised its expected 2022 capex by 10% at midpoint to $2.2 billion-$2.4 billion. Meanwhile, Coterra Energy increased capex by 10% above previous guidance to $1.6 - $1.7 billion, largely to combat oilfield inflation.

While those companies also have operations outside the Permian, pure-play Pioneer Natural Resources has also boosted capex 7% to a range of $3.6 billion-3.8 billion. Another pure-play, Diamondback Energy, expects to spend 2% more this year than previously planned.

Inflation, especially in the Permian, continues to bite, with the companies seeing significant cost increases for both fracking and drilling. "We still haven't been able to offset all of the fixed pricing increases we've seen," said Diamondback CEO Travis Stice during his company's Q2 call.

"This takes into account the roughly 10% cost increase we expect on the frack side," noted Stice, who said drilling costs, particularly for rigs, casing, and cement also gone up.

Shareholders First

Like nearly every other independent, the Permian players reported billions of dollars of free cash flow. However, not much of this is expected to go to new production.

Rather, most of it will go to shareholders. Pioneer will return greater than 95% of second-quarter free cash, while Diamondback will return 63%, and committed to returning at least 75% starting in the third quarter.

Coterra, meanwhile, said it had returned roughly 80% of its second-quarter free cash flow to shareholders through a quarterly dividend.

Meanwhile, Devon boosted its variable dividend by 22% and boasted that since its merger with WPX Energy in 2020 the company had cumulatively returned $6.2 billion in only 18 months. “This exceeds more than 100% of the combined market capitalization of the two companies at the time of the merger announcement,” said CEO Rick Muncrief during Devon’s Q2 analysts’ call.

Known Unknowns

Overall, operators expressed cautious optimism about the future, with few as yet willing to stray from plans to keep spending subdued and maintain production at relatively flat levels.

Oil companies in general have been reluctant to grow in the current climate, citing uncertainty around commodity pricing, rising interest rates and demand growth.

“I was thinking last night of Mike Tyson's quote that, ‘everybody has a plan till you get hit in the face.’ We haven't had our last hit in the face in this industry,” Coterra CEO Tom Jorden said Wednesday.

Devon's Muncrief, meanwhile, said the company does not plan to change its returns strategy.

“There will be no shift to our strategy. We will continue to prioritize free cash flow and per-share financial growth, not the pursuit of top-line volume growth.”

PERMIAN OPERATORS RAISING GUIDANCE

Company	New Capex (in billions)	Capex % Increase	Production Guidance (boe)	Q2 Shareholder Returns (% of FCF)
Diamondback	$1.82-1.9	2%	1%	63%
Devon	$2.2-2.4	10%	3%	Up to 50%
Pioneer	$3.6-3.8	7%	flat	95%
Coterra	$1.6-1.7	10%	1%	80%

Source: Company Reports

Jeffrey Cavanaugh, New Orleans

Chesapeake to Sell Oily Assets, Go All In on Gas

Chesapeake Energy on Wednesday unveiled plans to exit the US oil market by shedding its Eagle Ford Shale assets in Texas and focusing on serving rapidly growing natural gas markets along the US Gulf Coast.

Until the Eagle Ford assets are sold off, potentially through multiple transactions, the company will shift capital spending away from the Texas shale oil basin while growing its Haynesville Shale gas production in Texas and Louisiana by up to 7% next year.

The strategic shift marks the latest in a series of bold moves made by CEO Nick Dell'Osso since the long-time Chesapeake executive took the helm in October 2021.

Eagle Ford 'Non-Core'

It also solidifies Chesapeake’s dual-basin gas strategy following its $2.2 billion acquisition of Haynesville producer Vine Energy and $2.6 billion purchase of Marcellus Shale producer Chief Oil & Gas.

“Given that we now view our Eagle Ford assets as non-core to our future capital allocation strategy, we are increasing our capital allocation to the Haynesville in the second half of the year and into 2023 to position the asset for returns-driven growth,” Dell’Osso told analysts. “Simply put, we are tightening our strategic focus around our best rock, best operations and lowest emissions footprint to generate the most attractive and sustainable capital returns.”

Chesapeake appears to have been weighing the shift since at least early May after its leaders began discussions with activist fund manager Kimmeridge Energy Management, which had bought 2 million of the company’s shares.

It plans to drop Eagle Ford rigs to three by the end of August before exiting 2022 with two rigs operating there. At the same time, it plans to add two rigs in the Haynesville, bringing the count to six in early August and to seven by year's end.

“We can show a capital allocation model that looks quite attractive with the Eagle Ford in it,” Dell’Osso said. “We know the Eagle Ford is in a position to generate a tremendous amount of free cash flow. But we think we can make it better over time by being focused on just the Haynesville and Marcellus."

'Not a Fire Sale'

Chesapeake did not place a value on its 610,000 net acres in the Eagle Ford, where it expects to produce between 90,000 barrels and 100,000 barrels per day of oil this year, but analysts anticipate the assets to generate billions of dollars in proceeds.

Eagle Ford wells being turned to sales “are pretty heavily weighted toward the fourth quarter,” Dell’Osso noted. “That’s going to give us quite a bit of volume momentum going into 2023, which is a nice time to be thinking about a decision like this.”

But he warned investors that because the holdings span a “wide geography with several subsets of asset characteristics,” its exit from the Eagle Ford could take some time and require several deals. “This just will not be a fire sale.”

Share Buybacks

As for how Chesapeake will use the proceeds, Dell'Osso said share buybacks are the most likely scenario. “We’ve talked in the past that we think scale matters, but we just achieved pretty great scale in our Haynesville and Marcellus assets. So we feel no pressure nor obligation to run out and buy something."

"We’ve also been really clear that if we do consider acquisitions, we have our non-negotiables that are designed to be very protective over accretion and shareholder value creation, and they create a really high bar. And when you have a stock price that you think is undervalued...that raises the bar even higher.”

Everett Wheeler, Washington

Freeport LNG Consent Agreement Signals October Restart

Freeport LNG, offline since suffering an explosion Jun. 8, entered into a consent agreement with the US Pipeline Hazardous Materials Safety Administration (PHMSA) under which the facility could resume "initial operations" — which appear to be equivalent to full operations — in early October.

The agreement "includes certain corrective measures, many of which are currently underway, that Freeport LNG is to take to obtain PHMSA approval for an initial resumption of LNG production from its liquefaction facility," the company said in a statement Wednesday.

The agreement, the text of which was not immediately available, adds some regulatory certainty to a process that as of late June appeared quite daunting, with a complicated list of approvals needed from PHMSA and other federal agencies.

In addition to the repair and replacement of Freeport LNG's physical infrastructure that was damaged in the incident, the company said it is evaluating and advancing initiatives related to training, process safety management, operations and maintenance procedure improvements and facility inspections.

"The obligations under the consent agreement are intended to ensure that Freeport LNG can safely and confidently resume initial LNG production and thereafter ultimately return to full operation of all liquefaction facilities," the company said.

Shifting Timelines

The three-train, 15 million ton per year liquefaction plant in Texas, which at one point was shipping 80% of its output to a supply-stricken Europe, represents about 15% of total US LNG export capacity. The plant's absence from the market caused a significant jump in gas prices abroad and a significant drop in gas prices domestically.

After an initial prediction of a three-week shutdown, Freeport said Jun. 14 that the plant could resume partial operations in about 90 days — or in early September — with full operations not expected until late 2022. Since the end of June, Freeport has been telegraphing an early October ramp-up.

Initial Operations?

What has also apparently changed is the definition of "initial operations," which sound a lot like full operations in the company's announcement.

"Those initial operations are expected to consist of three liquefaction trains, two LNG storage tanks and one LNG loading dock, which the company believes will enable delivery of approximately 2 Bcf per day of LNG, enough to support its existing long-term customer agreements," the company said.

Freeport only has three liquefaction trains and was processing 2 Bcf/d prior to the explosion.

"Freeport LNG continues to believe that it can complete the necessary corrective measures, along with the applicable repair and restoration activities," the company said.

Price Impact

Heightened expectations for Freeport's return could potentially tame worldwide spot LNG prices that soared to nearly $50/MMBtu this week.

Meanwhile, US natural gas futures roared higher after news broke of the consent agreement about 45 minutes before the regular session ended. September gas, which had slumped into the $7.50s, shot as high as $8.48 before settling at $8.266 per million Btu.

The 56-cent gain almost recovered Tuesday's 57.7¢ fall. Whether the contract will rise from here depends on how the market reacts when it has more time to absorb the Freeport news.

The restart is still two months off, so it doesn't yet offset bearish drivers of rising production and an inevitable decline in cooling loads that caused the Nymex slide Tuesday.

Michael Sultan, Washington and Tom Haywood, Houston

Enterprise Boosts Permian Footprint

Midstream and logistics giant Enterprise Product Partners is expanding its gas and natural gas liquids (NGL) capacity in the Permian Basin, the company announced Wednesday.

The firm is adding two natural gas processing plants capable of processing 300 million cubic feet per day each in the Delaware and Midland basins within the Permian. The new plants will also yield over 40,000 barrels per day each in NGLs, Enterprise added.

Given rising NGL output, the company is expanding its Shin Oak NGL pipeline by some 275,000 b/d through partial looping — using parallel lines that employ the same right of way as the existing asset.

Executives hinted they have other methods to accommodate rising liquids volumes in the area as well including conversion of other assets. "We now have powerful options as it relates to takeaway for NGLs out of the Permian. We can close those loops to gain a lot of capacity or we can put Seminole back into NGL service or we can do both," said CEO James Teague during a conference call to discuss the projects as well as second quarter earnings with analysts and investors.

Indeed, Enterprise executives said they anticipate Permian liquids output to grow by some 1 million b/d through 2027.

"There's a lot of production growth that we expect coming out of the basin in the next 3 to 5 years so … preserving the value of a potential Seminole conversion for a later decision drove us to make this decision," added vice president for investor relations John Burkhalter.

Enterprise forecasts it will complete the natural gas processing plants in the first quarter of 2024 and the pipeline expansion in the first half of that year.

Corpus Christi vs Houston

Enterprise is heavily involved in exports of US crude, and some executives said that they expect more loadings at Houston in the future. Currently there are more loadings out of Corpus Christi in South Texas than Houston.

“I think there's been a lot more crude exports in Corpus,” said CCO Brent Seacrest. “It's a function of the pipeline capacity that's pointed that direction, minus the local demand there and everything else is going to head to the water … They can load larger ships [there]. They can do it at higher rates.”

But he noted that export capacity is being built out at Houston, including Enterprise’s own Seaport Oil Terminal (SPOT) project. In addition, more pipeline capacity targeting Houston recently came into service.

“I think you've seen some flows change as Wink-to-Webster has started up [and] more barrels are pointed towards Houston … ultimately, I think once SPOT goes forward, that will change the flow patterns for crude oil exports.”

Echoing rhetoric from other midstream players as well as refiners, Enterprise executives said they expect the pull on US petroleum will grow, especially as Russia’s war in Ukraine grinds on and European consumers search for alternatives to Russian supplies.

“Reliable supplies are a vital necessity for world markets, given the disruptions caused by the Russian invasion of Ukraine,” Teague said in a press release announcing the new projects.

Enterprise reported net income of $4.1 billion the second quarter of 2022, up from $1.1 billion the same period last year.

ENTERPRISE PERMIAN NATURAL GAS PROCESSING CAPACITY

Facility	Capacity (Bcf/d)
Existing	
Midland Basin (Midland)	1.00
Orla (Delaware)	0.90
Mentone (Delaware)	0.30
South Eddy (Delaware)	0.20
Waha (Delaware)	0.15
Chaparral (Delaware)	0.05
In-Progress Expansion	
Midland Basin (Midland)	0.30
Announced Expansions	
Mentone (Delaware)	0.30
Plant 7 (Midland)	0.30
Total Future Midland Capacity	**1.60**
Total Future Delaware Capacity	**1.90**
Total Future Permian Capacity	**3.50**

Source: Energy Intelligence, Enterprise website, presentations and press releases

Enterprise Expanding Permian NGL Offtake

Source: Altus Midstream

Frans Koster, New York

Brent Breaks Below $100

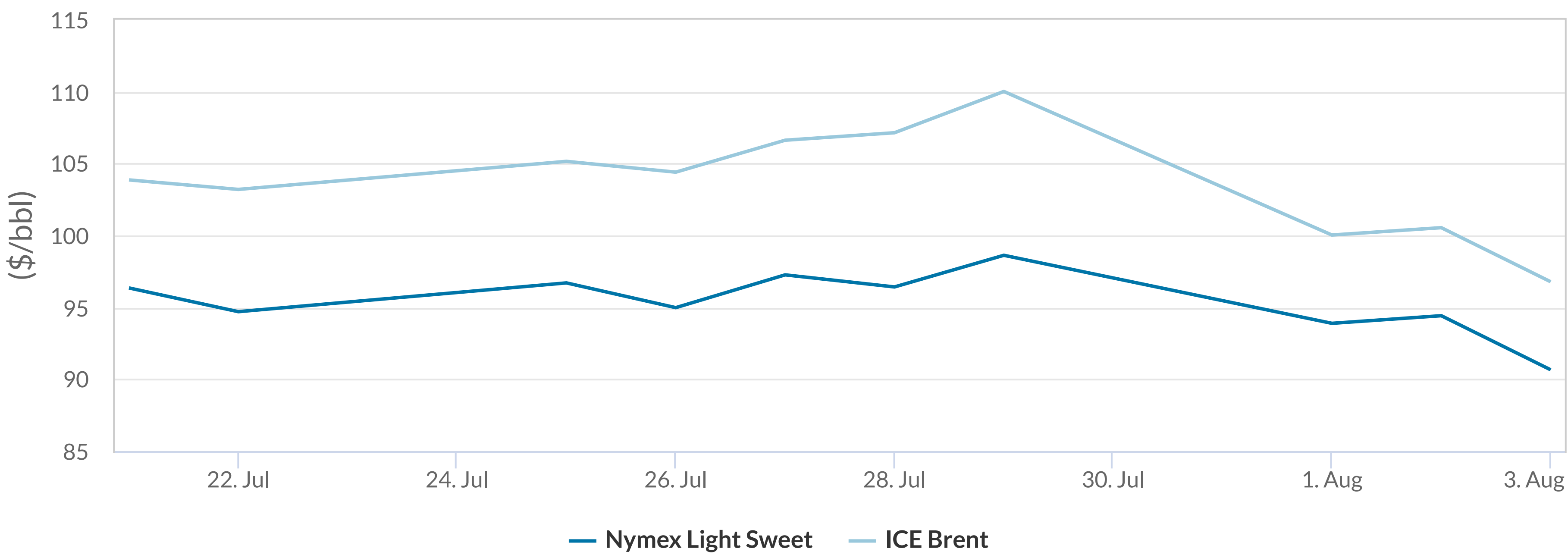
Oil futures sank on Wednesday, with readings on US inventories cutting the legs out from a rally that began after Opec and its allies announced a smaller-than-anticipated bump in production.

In London, Brent crude for October delivery settled $3.76 lower at $96.78 per barrel.

In New York, September West Texas Intermediate (WTI) on Nymex dropped $3.76 as well to close at $90.66/bbl.

ICE BRENT VS. NYMEX WTI FUTURES

Front Month Contracts



September Nymex gasoline plunged 14.45¢, settling at $2.9122 per gallon, while the diesel contract broke the trend and climbed 3.44¢ to end the session at $3.4148/gallon.

The Opec-plus bloc said it would increase crude output by just 100,000 barrels per day to the lower end of the anticipated volume.

“When the proverbial rubber hits the road, the actual production increases will likely be closer to a third [of the 100,000 b/d] as the … increase will be split evenly between each country and only Saudi Arabia and the UAE have any spare capacity," noted Matthew Weller of StoneX. "Stated differently, production quotas aren’t what’s been holding back most Opec-plus countries, so higher quotas will only have a limited impact on supply and demand in the market,”

Oil prices spiked after the news broke, only to retreat a few hours later when data from the US Energy Information Administration (EIA) showed higher crude stocks and a sharp drop in gasoline demand in the world’s largest economy.

In its weekly report, the EIA showed commercial crude stocks in the US swelled 4.5 million bbl to 426.6 million bbl in the week ended Jul. 29. Strategic stocks fell 4.7 million bbl to 469.9 million bbl.

Higher imports, lower exports and a dip in refinery throughputs helped inform the build. While domestic production remained flat for the week at 12 million b/d, EIA data show net crude imports rose 2.2 million b/d to 7.3 million b/d as exports backed off the prior week’s record high by just over 1 million b/d.

Refiners, meanwhile, processed 174,000 fewer b/d of crude, leaving throughputs at roughly 15.9 million b/d. Portions of the US downstream are undergoing maintenance during the third and fourth quarters.

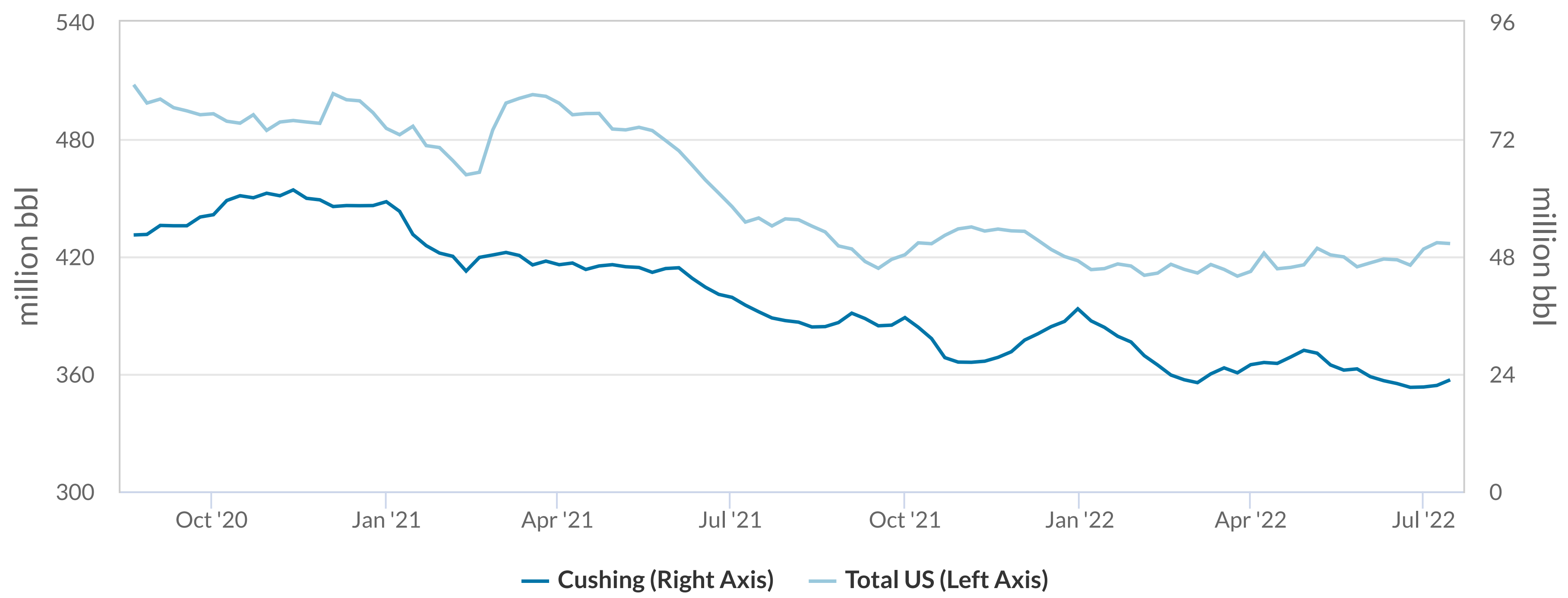
Inventories of gasoline were up 200,000 bbl at 225.3 million bbl, and preliminary demand readings put consumption of the fuel at 8.5 million b/d, down 704,000 b/d from the week prior.

Indeed, this week’s data marked the third time in a month that US gasoline demand has trended below summer 2020 levels, some analysts noted.

“The demand outlook might be much worse than everyone was thinking as US gasoline demand fell 7.1%, despite lower prices and this still being peak summer vacationing time,” said Edward Moya of Oanda.

Stocks of distillate fuel oils such as diesel and heating oil, meanwhile, dropped 2.4 million bbl to 109.3 million bbl.

US & CUSHING CRUDE OIL STOCKS



Source: EIA

Frans Koster, New York

US Petroleum Data - Week Ending Aug. 29, 2022

CRUDE OIL: STOCKS

(million bbl)	Current Week	Prev. Week
Padd 1 (East Coast)	7.5	7.5
Padd 2 (Midwest)	107.8	104.3
Cushing, OK	24.5	23.5
Padd 3 (Gulf Coast)	237.7	239.3
Padd 4 (Rockies)	23.7	23.6
Padd 5 (West Coast)	49.9	47.4
Total US	**426.6**	**422.1**

CRUDE OIL: IMPORTS

('000 b/d)	Current Week	Prev. Week
Padd 1 (East Coast)	891	542
Padd 2 (Midwest)	2,685	2,634
Padd 3 (Gulf Coast)	1,651	1,502
Padd 4 (Rockies)	445	459
Padd 5 (West Coast)	1,670	1,027
Total US	**7,342**	**6,164**

PRODUCTS: TOTAL US STOCKS

(million bbl)	Current Week	Prev. Week
Total Motor Gas	225.3	225.1
Kerosene Jet Fuel	41.6	40.1
Total Distillate Fuel Oil	109.3	111.7
Residual Fuel Oil	28.2	29.3
Unfinished Oils	86.2	87.8

PRODUCTS: REFINER & BLENDER OUTPUT

('000 b/d)	Current Week	Prev. Week
Total Fin. Motor Gas	9,702	9,515
Total Kero Jet Fuel	1,732	1,762
Total Distillate Fuel Oil	4,933	5,009
Residual Fuel Oil	164	211

US REFINERY INPUTS AND UTILIZATION

('000 b/d)	Gross Inputs	Oil Inputs	Utilization
Padd 1 (East Coast)	803	772	98.2%
Padd 2 (Midwest)	3,647	3,669	86.9%
Padd 3 (Gulf Coast)	9,153	8,845	95.3%
Padd 4 (Rockies)	587	586	88.6%
Padd 5 (West Coast)	2,130	1,981	80.1%
Total US	**16,320**	**15,853**	**91.0%**
Prev. Wk.	**16,540**	**16,027**	**92.2%**

Source: US Energy Information Administration

IN BRIEF

CNOOC Cleared to Drill Off Mexico

The Mexican government said Tuesday that it had granted permission for China National Offshore Oil Corp. (CNOOC) to begin drilling at the deepwater Ameyali Sur-1EXP exploratory well in the Gulf of Mexico.

Located off the coast of the Mexican state of Tamaulipas, the geological targets of the well are located in the Upper Wilcox, Lower Wilcox and Upper Cretaceous formations, a release from Mexico's National Hydrocarbons Commission said.

The approval sees drilling starting in September to a total depth of roughly 3,814 meters, with a prospective resource estimated at around 250 million boe. The program contemplates a total of 45 days for completion.

The probability of geological success is rated at 41.7%.

CNOOC captured its blocks in Mexico's first deepwater round in 2016, making it a top investor in the Perdido Fold Belt. But it saw disappointing results last year at its Ameyali-1EXP wildcat and the Xakpun-1EXP well, where it had partnered with Shell.

Michael Deibert, Washington

EIA: US Crude Output Stays Flat

Crude oil production in the US stayed flat last week at 12.1 million b/d, according to estimates from the US Energy Information Administration (EIA), after jumping by roughly 200,000 b/d the week prior.

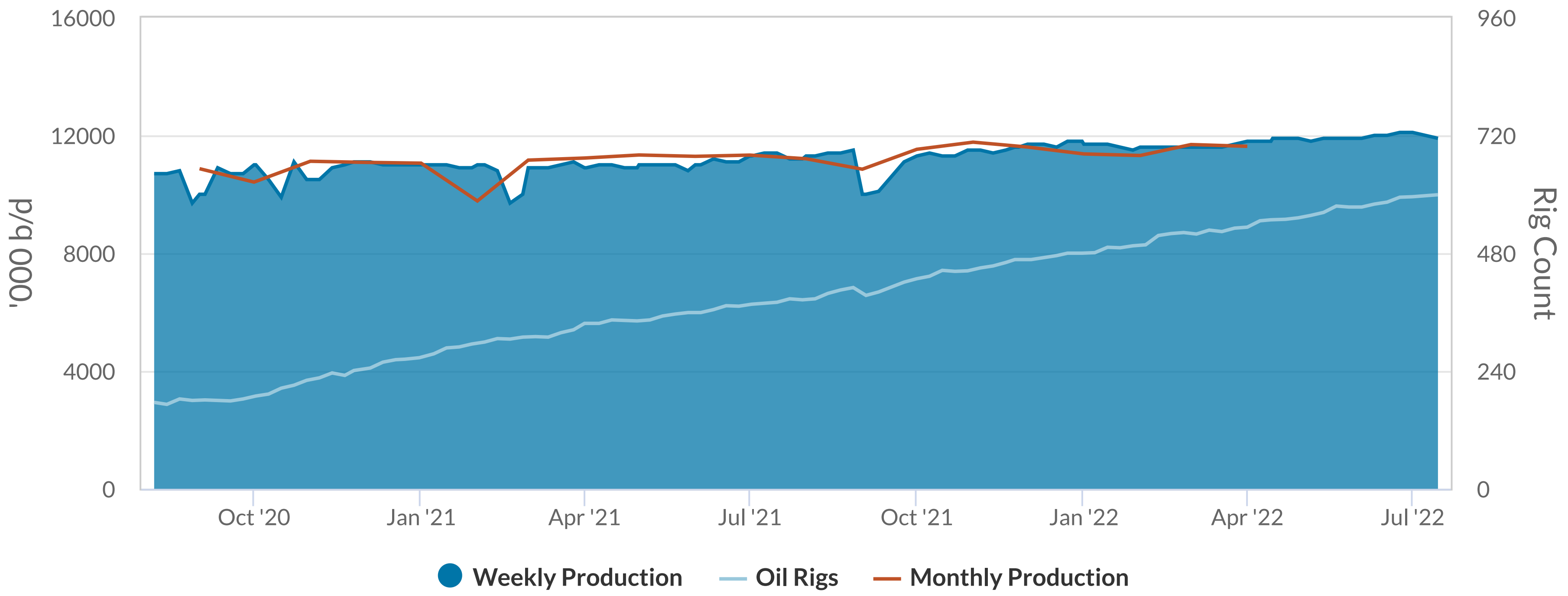
The EIA's *Weekly Petroleum Status Report*, published Wednesday, showed that US crude output remained relatively level, as average lower 48 production stayed at 11.7 million b/d while Alaska production climbed by just 3,000 b/d to 436,000 b/d.

The agency rounds its weekly estimates of US crude production as well as output from the lower 48 states, which includes major shale plays as well as the US Gulf of Mexico, to the nearest 100,000 b/d. The report follows data last week from the EIA showing US crude oil production slipped for a second straight month in May, largely due to a sharp downturn in offshore volumes.

The EIA's latest *Petroleum Supply Monthly* showed that US crude output fell by about 57,000 b/d from April to average just under 11.6 million b/d in May.

However, US crude output is expected to continue gradually growing. In its most recent *Short-Term Energy Outlook*, the EIA said it sees US crude output rising to 12.2 million b/d in September and 12.5 million b/d by the end of the year.

LATEST EIA CRUDE OIL PRODUCTION DATA



Source: Energy Information Administration, Baker Hughes

Staff Reports

Shell, Chevron Invest in Novel Hydrogen Startup

Large oil and gas players Shell and Chevron have joined an early funding round for a Canadian startup offering a novel approach to producing emissions-free hydrogen through methane pyrolysis.

Aurora Hydrogen, formed in 2021, this week announced the closing of a $10 million Series A round, saying the funds will be used to build and operate a 200 kilogram/day hydrogen production plant for field trials in Edmonton, Alberta, by 2023.

Aurora's proprietary approach uses a "microwave pyrolysis" process to produce hydrogen from natural gas, yielding a solid byproduct known as carbon black instead of gaseous CO2 emissions. The "highly scalable" process uses 80% less electricity than electrolysis (so-called "green hydrogen") and does not require water as a feedstock, Aurora says.

"We are producing low-cost hydrogen at the point of use, at the exact scale required, and without generating any CO2," said Aurora CEO Andrew Gillis. "We use existing energy pipelines and distribution systems to move the energy, then produce hydrogen where it's needed, eliminating the need for any new costly hydrogen transportation infrastructure."

Investment fund Energy Innovation Capital (EIC) led the Series A round. Other participants included Shell Ventures, Chevron Technology Ventures, Williams and the George Kaiser Family Foundation. The Natural Sciences and Engineering Research Council of Canada provided additional funding for Aurora earlier this year, the company said.

The "syndicate" comprising Shell, Chevron and Williams "provides Aurora a powerful commercialization platform with global reach," EIC managing director Christopher Smith said.

Luke Johnson, Houston

Manchin Outlines Energy Permitting Wish List

US Senator Joe Manchin is outlining a list of policy priorities he'd like to see included in a permitting reform bill, part of a deal reportedly brokered with Democratic leadership in exchange for his support on the package of clean energy measures housed in the Inflation Reduction Act.

Details of the permitting bill have not yet been released, but the understanding is that it would be advanced as part of separate legislation later this year.

According to a list floated this week from Manchin's office, Manchin is seeking a host of changes to federal permitting regimes to ease approvals for oil and gas projects, though Democrats have a vested interest in advancing legislation to smooth obstacles for renewables buildout.

The list includes changes that would require the White House to:

- Designate at least 25 high-priority energy infrastructure projects, balancing critical minerals, nuclear, hydrogen, fossil fuels, electric transmission, renewables and carbon capture;
- Take measures to limit the ability of environmental organizations to challenge pipelines and other energy projects in court;
- Compel federal agencies to approve the embattled Mountain Valley natural gas pipeline, a longheld priority of Manchin's;
- Ease roadblocks to transmission buildout.

Bridget DiCosmo, Washington

DATA SNAPSHOT

Oil and Gas Prices, Aug 3, 2022

CRUDE OIL FUTURES

($/bbl)	Chg.	1st Mth.	2nd Mth.
ICE Brent	-3.76	96.78	95.20
Nymex Light Sweet	-3.76	90.66	89.74
DME Oman	-3.44	97.00	93.30
ICE Murban	-3.59	97.40	94.31

All data are produced by Energy Intelligence in cooperation with Refinitiv.

INTERNATIONAL SPOT CRUDES

($/bbl)	Chg.	Price	Prior Close
Brent (Dated)	-4.68	101.82	106.50
Dubai	+0.20	98.35	98.15
Forties	-4.16	105.99	110.15
Bonny Light	-2.66	112.69	115.35
Urals	-2.66	74.74	77.40
Opec Basket*			104.86

*Opec price assessed.

NORTH AMERICAN SPOT CRUDES

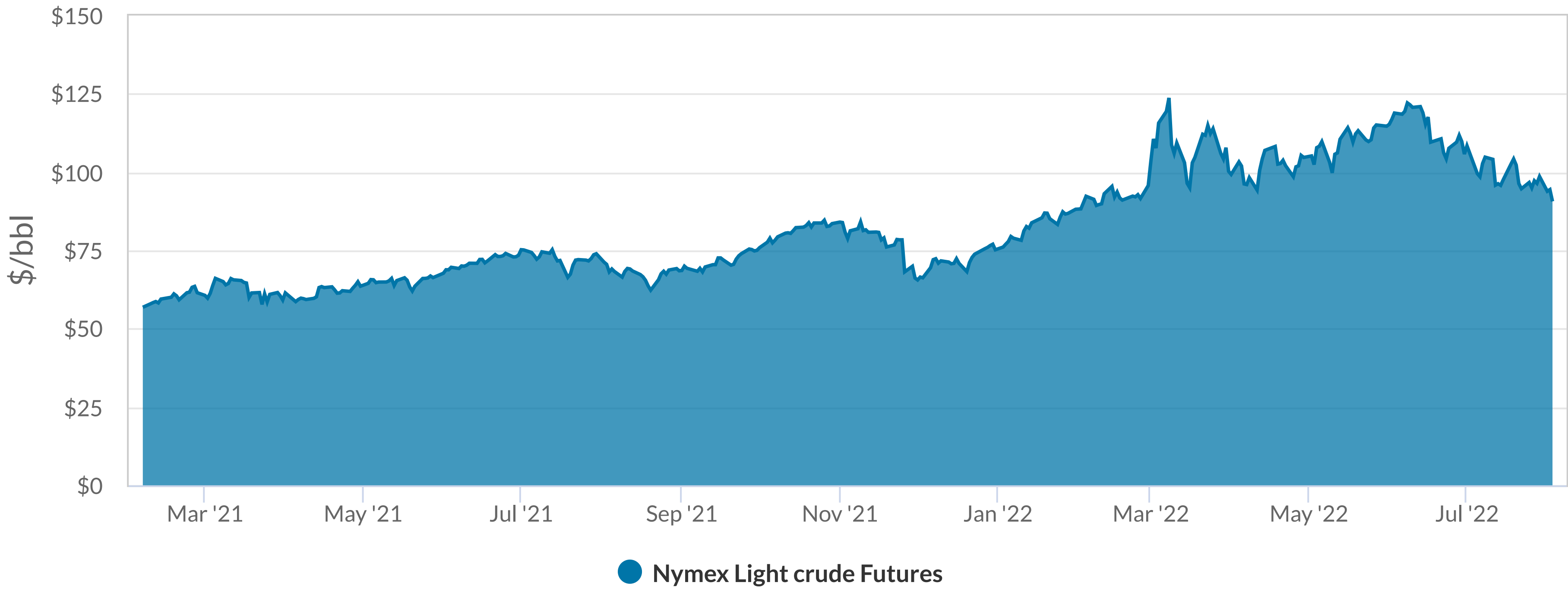
($/bbl)	Chg.	Price	Prior Close
WTI (Cushing)	-3.89	93.25	97.14
WTS (Midland)	-3.59	95.00	98.59
LLS	-3.79	95.90	99.69
Mars	-4.54	92.25	96.79
Bakken	-3.89	97.00	100.89

NORTH AMERICAN SPOT CRUDES

($/bbl)	Chg.	Price	Prior Close
WTI (Cushing)	-3.89	93.25	97.14
WTS (Midland)	-3.59	95.00	98.59
LLS	-3.79	95.90	99.69
Mars	-4.54	92.25	96.79
Bakken	-3.89	97.00	100.89

ICE BRENT CRUDE FUTURES

NYMEX LIGHT CRUDE FUTURES



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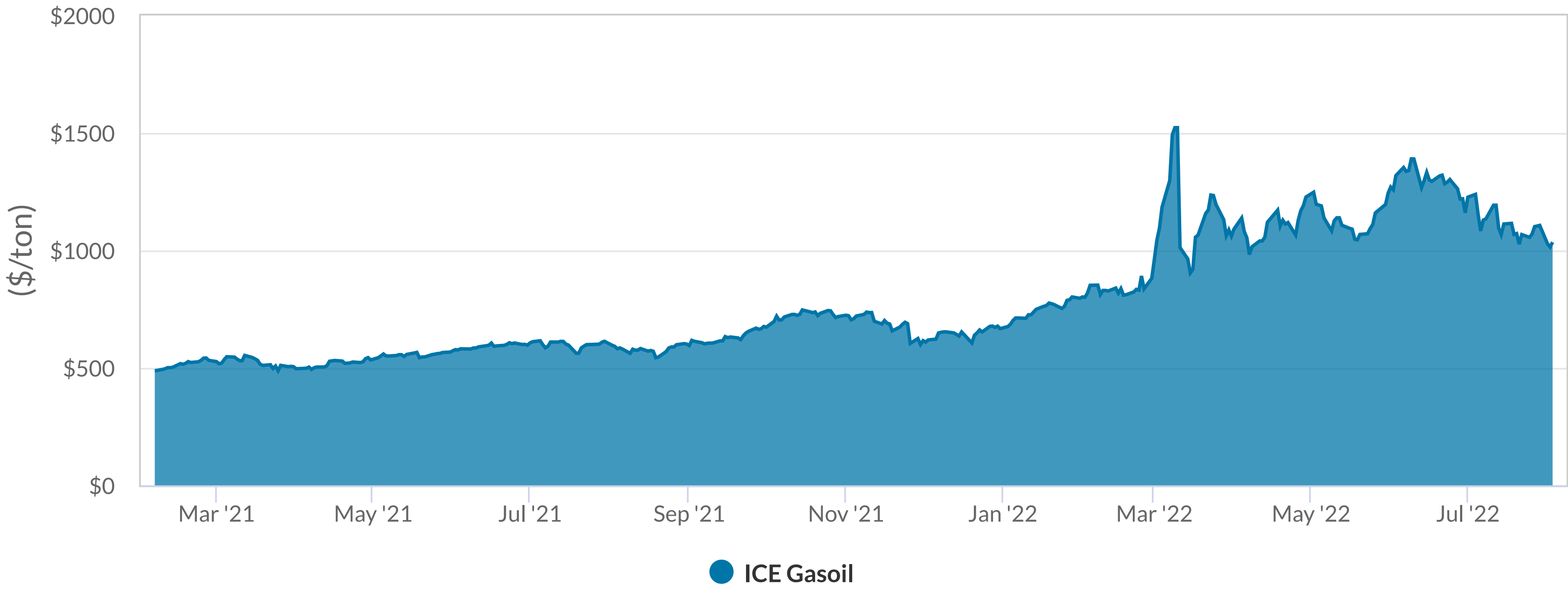
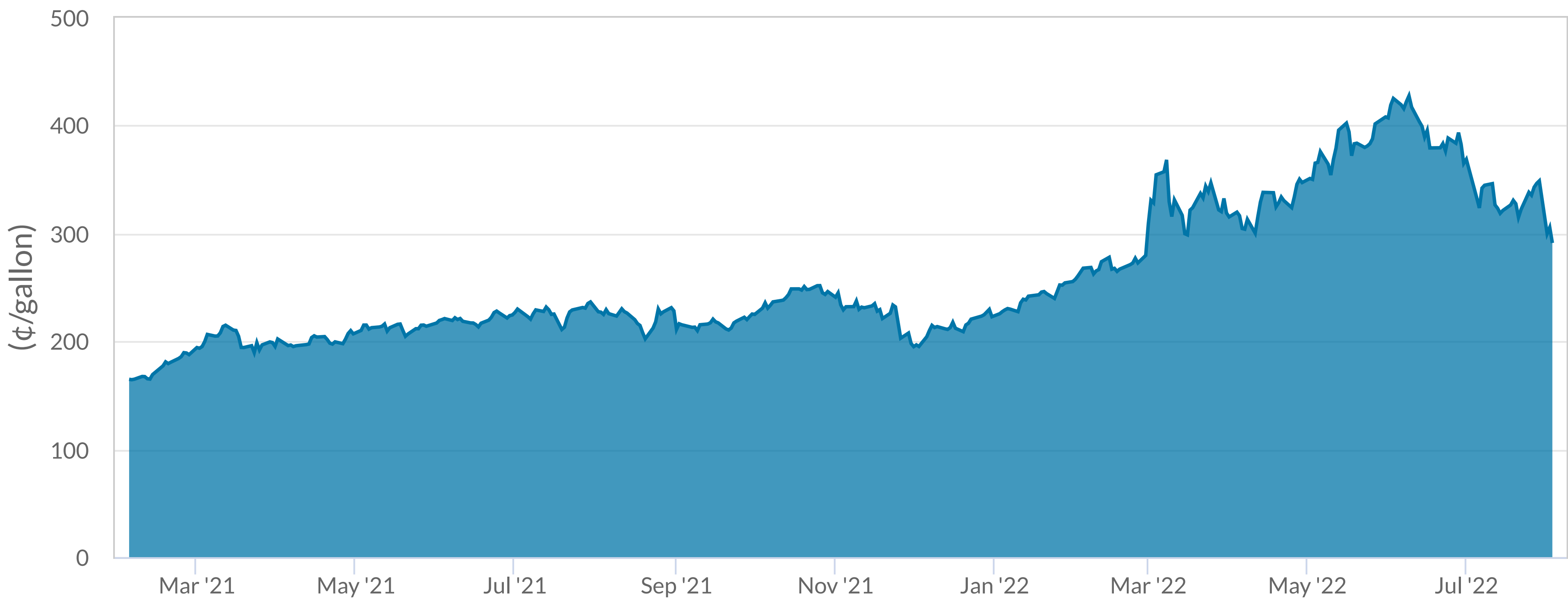
REFINED PRODUCT FUTURES

Nymex	Chg.	1st Mth.	2nd Mth.
Gasoline (¢/gal)	-14.45	291.22	266.44
ULSD Diesel (¢/gal)	+3.44	341.48	336.91
ICE			
Gasoil ($/ton)	+20.50	1035.00	1015.50
Gasoil (¢/gal)	+6.54	330.33	324.11

ICE GASOIL FUTURES



NYMEX GASOLINE FUTURES



US SPOT REFINED PRODUCTS

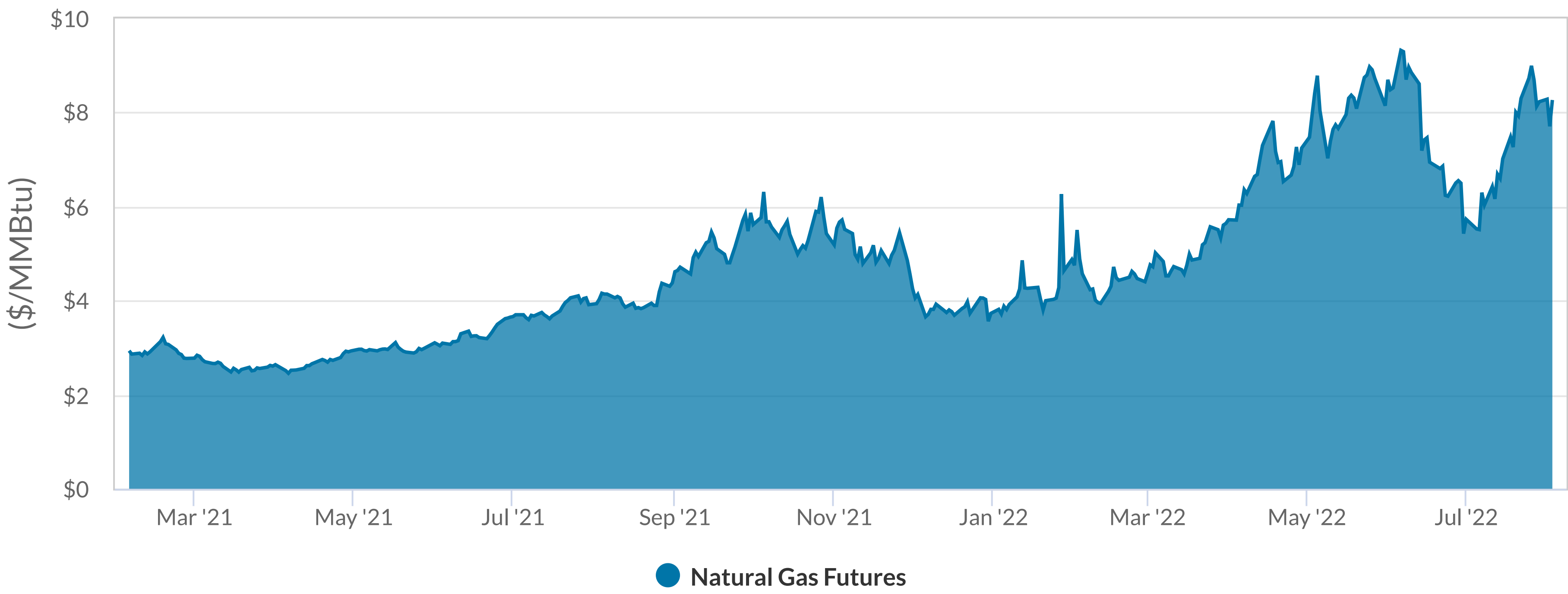
New York (¢/gal)	Chg.	Price	Prior Close
Regular Gasoline	-5.20	319.81	325.01
No.2 Heating Oil	-1.46	333.01	334.47
No.2 ULSD Diesel	+0.79	345.01	344.22
No.6 Oil 0.3% *			104.13
No.6 Oil 1% *			94.11
No.6 Oil 3% *			90.91
Gulf Coast (¢/gal)			
Regular Gasoline	-4.70	279.31	284.01
No.2 ULSD Diesel	+3.29	336.26	332.97
No.6 Oil 0.7% *			100.51
No.6 Oil 1% *			100.51
No.6 Oil 3% *			87.56

*Price in $/bbl. Percentages refer to sulfur content.

INTERNATIONAL SPOT REFINED PRODUCTS

Rotterdam ($/ton)	Chg.	Price	Prior Close
Regular Gasoline	-32.00	961.00	993.00
ULSD Diesel	+12.75	1036.50	1023.75
Singapore ($/bbl)			
Gasoil	-0.54	124.60	125.14
Jet/Kerosene	-0.42	123.64	124.06
VLSFO Fuel Oil ($/ton)	-37.81	710.80	748.61
HSFO Fuel Oil 180 ($/ton)	-6.82	503.08	509.90

NYMEX NATURAL GAS FUTURES



Refinitiv

NATURAL GAS PRICES

($/MMBtu)	Chg.	Price
Henry Hub, Nymex	+0.56	8.27
Henry Hub, Spot	-0.11	7.81
Transco Zone 6 - NY	+0.75	8.20
Chicago Citygate	-0.02	7.52
Rockies (Opal)	+0.01	7.43
Southern Calif. Citygate	+0.27	9.38
AECO Hub (Canada)	-0.35	3.79
Dutch TTF (euro/MWh)	-4.75	199.25
UK NBP Spot (p/th)	+23.00	287.00

US/Canada spot prices from Natural Gas Week

Equity Markets, Aug. 3, 2022

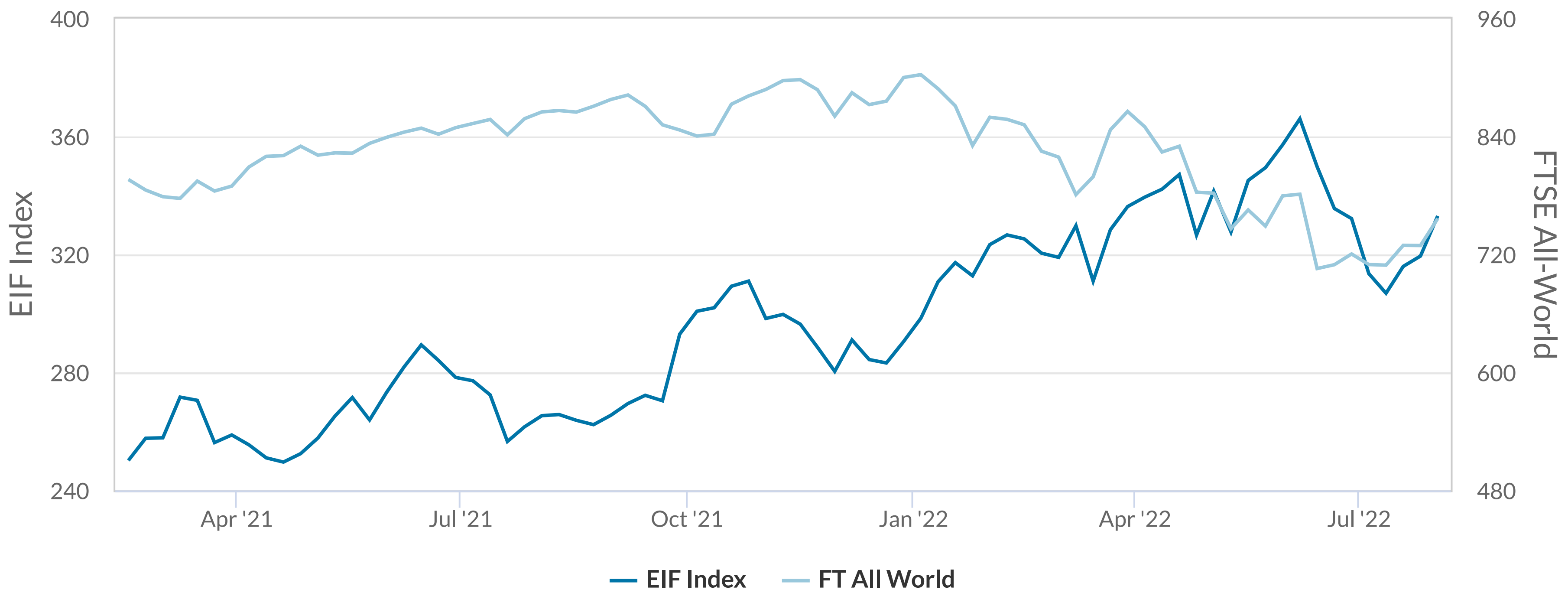
All data are produced by Energy Intelligence in cooperation with Refinitiv.

EQUITY MARKET INDEXES

	Chg.	Index	YTD %Chg.
EIF Global*	-1.56	333.07	+15.44
S&P 500	+63.98	4,155.17	-13.31
FTSE All-World*	-6.11	756.56	-16.05

*Index for previous day

EIF INDEX



EIF Global Oil and Gas Index of 21 traded equities