



## Some updates on Europe and a small puzzle

Posted by [Heading Out](#) on February 3, 2006 - 1:32am

Topic: [Supply/Production](#)

Tags: [china](#), [coal](#), [europe](#), [gas](#), [lng](#), [russia](#), [ukraine](#) [[list all tags](#)]

While the debate in the United States about what changes the State of the Union message, and its fallout, might have on future energy supply continues, the debate addresses programs and funding that will not come to fruition for some time yet to come. In the meanwhile the world goes on and intervening events may change a lot of minds before those programs become cast in dollars and opportunities. Much more under the fold.

The cold weather has returned to [Moscow](#) but factories are already preparing to gear down as the country goes through what may be the coldest spell in more than 30 years. Fortunately there is now a signed agreement between Russia and [Ukraine](#) which should stabilize gas supplies not only for Ukraine, but also, one hopes for Western Europe, until 2010.

China has [reported](#) that it was able both to reduce oil demand and imports last year, despite its economic growth. Unfortunately some of the additional energy supply was taken up by the use of coal. And the price paid there in human life is higher than here. [Twenty-three miners](#) died in a gas blast in a mine there yesterday. As [here](#) the government is trying to instill a higher regard for safety into those running operations.

Last month, the central government said it would close 5,290 coal mines for safety violations in a campaign to reduce the death toll in the mining industry.

About one-fourth of the 1,200 mines in Shanxi, the country's leading coal-producing province, were targeted to be closed because they lacked proper safety measures, according to a report from the National Development and Reform Commission.

.However the reduction in oil demand in China, and the growth in oil supply reserves in America, given the mild winter, leaves one wondering a little as to the sudden increase in oil production from the [Middle East](#). Schlumberger are reporting an increase in shipping of around 290,000 bd over a four-week period to a level of 25.22 mbd. It is apparently heading both east and west.

Closer to home, and more for the weekend techie crowd, another well has been completed in the [Barnett Shale](#) with production planned for the first quarter of this year, after fracking the wells.

It will be interesting to see, given other well performance around the country, how long production holds up.

And further to my post on supplies of LNG to the United States, it will not all come from Qatar. Some will come from [Nigeria](#), but other potential sources have been [listed](#) (pdf file). Further there is a suggestion that cargoes could be switched on either side of the Atlantic to reduce shipping time and delivery costs.



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