



Can we really relax?

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Topic: [Supply/Production](#)

Well it's certainly a creative way of solving a couple of problems. Apparently there is some suggestion out there that the excess inventory of recreational vehicles be sent to the Hurricane zone, to act as temporary housing. (Which would also get them out of use as major gas users perhaps?) From [Reuters](#)

Senate Budget Committee Chairman Judd Gregg, a New Hampshire Republican, said he had heard reports that recreational vehicle dealerships in his state were being told to transfer their gasoline-guzzling inventories to the federal government. "I would hope that before we buy up all the Winnebagos in America and send them to the Gulf Coast (for temporary housing) that we would be thinking about the cost of that and ... whether that's the best way to proceed," Gregg said on the Senate floor.

For those of us fortunate enough to have escaped that disaster, the DoE is pointing out that prices will be considerably higher this winter, but that have also explained that the 30 mb release from the SPR will be a sale, and on top of the loans. [Reuters](#)

The Bush administration has loaned some 12.6 million barrels of crude from the nation's emergency oil stockpile to six refiners, including Exxon Mobil.

The Energy Department is also accepting bids for 30 million barrels of crude oil from energy companies that want to buy oil directly from the government. President George W. Bush ordered the sale from the Strategic Petroleum Reserve as part of a massive 60 million barrel release of crude and gasoline from the United States and other member nations of the International Energy Agency.

Even though the major Colonial and Plantation pipelines that supply the East Coast with gasoline are running again, it will still be difficult to provide them with gasoline if major oil refineries that make the motor fuel aren't operating, the EIA said.

It is going to be hard to tell the overall effects, since the increase in prices, certainly around here, has had a salutary effect on the discretionary driving that folk are doing. This seems to be reflected in the immediate reduction in demand. [From Bloomberg](#)

Crude oil supplies dropped 6.5 million barrels to 315 million last week, the Energy Department reported today. Stockpiles were expected to fall 7.7 million barrels, according to a Bloomberg survey. Members of the International Energy Agency have agreed to release about 2 million barrels of oil and petroleum products a day to ease shortages. Half of the barrels will come from the U.S. Strategic Petroleum Reserve.

``Crude supplies were down but nowhere near as much as they were expected to be,"

said Kyle Cooper, an analyst with Citigroup Inc. in Houston. ``We are going to be getting SPR oil and imports so crude-oil inventories will be in good shape."

I remain bemused that with the loss of 1 mbd of Gulf production plus the losses in natural gas, that we are continually being reassured that there is "no problem." Is this going to be another one of those "surprises" that "no-one saw coming", when we run into problems later in the winter, or early next year?

Technorati Tags: peak oil, oil, Katrina,



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