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Oil/Gas News

Oil falls below \$88 per barrel

The price of oil fell below \$88 a barrel Tuesday as the impending reopening of a key pipeline in North America and concerns about slowing economic growth overcame rising Middle East supply risks.

By early afternoon in Europe, benchmark oil for December delivery was down \$1.04 to \$87.61 a barrel in electronic trading on the New York Mercantile Exchange after briefly venturing above \$89 earlier in the day.

The contract fell \$1.32 to finish at \$88.73 per barrel in New York on Monday, reaching a three-week low as a major North American pipeline got set to reopen.

TransCanada is expected to soon restart its 2,100-mile (3,380-kilometer) Keystone pipeline. It was shut last Wednesday after tests showed possible safety issues. The pipeline carries about 590,000 barrels of crude per day from Canada to facilities in the U.S. Midwest.

The ongoing civil war in Syria has shown signs of escalating beyond the country's borders, keeping oil traders nervously eyeing energy supplies. Syria



itself lacks vast oil reserves but a wider conflict could threaten routes through which much of the world's oil is shipped.

Mostly disappointing corporate results have weighed on markets, fueling sustained concerns about economic growth.

"The economic situation remains fairly tentative," analysts at Sudden Financial Research in London said. "We expect some further consolidation with possible correction lower in the oil market, for the short-term."

In London, Brent crude was

down 56 cents to \$108.88 on the ICE Futures exchange.

Investors will also be monitoring fresh information on U.S. stockpiles of crude and refined products.

Data for the week ending Oct. 19 are expected to show a rise of 1.7 million barrels in crude oil stocks and a draw of 1 million barrels in gasoline stocks, according to a survey of analysts by Platts, the energy information arm of McGraw-Hill Cos.

The American Petroleum Institute will release its report on oil stocks later Tuesday, while an update from the Energy Department's Energy Information Administration — the market benchmark — will be out Wednesday.

U.S. crude stocks stood 11 percent above their five-year average, reflecting ample supplies, Platts said.

In other energy futures trading in New York:

— Wholesale gasoline fell 2.35 cents to \$2.6113 per gallon.

— Natural gas rose 1.1 cents to \$3.463 per 1,000 cubic feet.

— Heating oil lost 1.82 cents to \$3.0486 per gallon.

UIL rules *from Page 1*

deal. I want the kids to have to earn that and be proud of it when they make it there."

There will be six conferences in cross country, football, basketball, academics, one-act play, golf, tennis, and track and field.

In other action, the council voted to place the creation of a split conference format for Conference 3A football on a referendum ballot.

If Conference 3A superintendents vote to create a split conference format, the change will go into effect for the 2014-2016 alignment.

The split conference format was previously implemented in Conference 1A and 2A by referendum ballot vote.

In academics, an amendment to add a Chess Puzzle solving competition to A+ Academics for grades 2-8 was unanimously approved by the council.

Chess Puzzle has been conducted as a pilot event for A+ Academics since the spring of 2011.

The following rule changes will go into effect August 1, 2013:

- Adding a fourth playoff team advancing from each district in team sport activities in conferences 2A and 3A.
- Creating a third conference for team tennis and soccer, to be implemented for the 2014-2016 alignment.
- Creating pilot contests in student congress and short film production.

The Commissioner of Education must approve amendments passed by the UIL Legislative Council before they may take effect.

US crude oil production at a glance

A four-year boom in U.S. crude oil production is accelerating. Improved technologies and high oil prices have given drillers the ability and motivation to find and produce oil from geologic formations under several states once thought unreachable.

Here's how U.S. crude production has fared in recent years. Figures are in thousand barrels per day.

- 2008: 5,000 • 2009: 5,353 • 2010: 5,479 • 2011: 5,658
- 2012 (projected): 6,340

The top world oil producers at a glance

A four-year boom in U.S. oil production is accelerating so fast it could help soon make the U.S. the world's top producer of oil and liquid hydrocarbons. The U.S. passed Russia this year, and is now second behind Saudi Arabia.

Here are the top 10 producers through the first half of this year. Figures are in thousand barrels per day.

- Saudi Arabia, 11,619; United States, 10,855; Russia, 10,343; China, 4,312; Canada, 3,865; Iran, 3,825; United Arab Emirates, 3,029; Mexico, 2,942; Iraq, 2,816; Kuwait, 2,802

Vineyard owners: Wine, fracking don't mix

The vineyards of New York's Finger Lakes region make money producing fine Rieslings and inviting tourists to sip white wine by the water's edge. Now winery owners are worried about the prospect of a grittier kind of economic development: gas drilling.

Some grape growers fear that if shale gas drilling — or fracking — is allowed in the region, it will threaten the Finger Lakes' reputation for pristine beauty. They worry about traffic and pollution.

The natural gas industry says those fears are unfounded.

US may become world's top oil producer

NEW YORK (AP) — U.S. oil output is surging so fast that the United States could soon overtake Saudi Arabia as the world's biggest producer.

Driven by high prices and new drilling methods, U.S. production of crude and other liquid hydrocarbons is on track to rise 7 percent this year to an average of 10.9 million barrels per day. This will be the fourth straight year of crude increases and the biggest single-year gain since 1951.

The boom has surprised even the experts.

"Five years ago, if I or anyone had predicted today's production growth, people would have thought we were crazy," says Jim Burkhard, head of oil markets research at IHS CERA, an energy consulting firm.

The Energy Department forecasts that U.S. production of crude and other liquid hydrocarbons, which includes biofuels, will average 11.4 million barrels per day next year. That would be a record for the U.S. and just below Saudi Arabia's output of 11.6 million barrels. Citibank forecasts U.S. production could reach 13 million to 15 million barrels per day by 2020, helping to make North America "the new Middle East."

The last year the U.S. was the world's largest producer was 2002, after the Saudis drastically cut production because of low oil prices in the aftermath of 9/11. Since then, the Saudis and the Russians have been the

world leaders.

The United States will still need to import lots of oil in the years ahead. Americans use 18.7 million barrels per day. But thanks to the growth in domestic production and the improving fuel efficiency of the nation's cars and trucks, imports could fall by half by the end of the decade.

The increase in production hasn't translated to cheaper gasoline at the pump, and prices are expected to stay relatively high for the next few years because of growing demand for oil in developing nations and political instability in the Middle East and North Africa.

Still, producing more oil domestically, and importing less, gives the economy a significant boost.

The companies profiting range from independent drillers to large international oil companies such as Royal Dutch Shell, which increasingly see the U.S. as one of the most promising places to drill. Exxon-Mobil agreed last month to spend \$1.6 billion to increase its U.S. oil holdings.

Increased drilling is driving economic growth in states such as North Dakota, Oklahoma, Wyoming, Montana and Texas, all of which have unemployment rates far below the national average of 7.8 percent. North Dakota is at 3 percent; Oklahoma, 5.2.

Businesses that serve the oil industry, such as steel companies that supply drilling

pipe and railroads that transport oil, aren't the only ones benefiting. Homebuilders, auto dealers and retailers in energy-producing states are also getting a lift.

IHS says the oil and gas drilling boom, which already supports 1.7 million jobs, will lead to the creation of 1.3 million jobs across the U.S. economy by the end of the decade.

"It's the most important change to the economy since the advent of personal computers pushed up productivity in the 1990s," says economist Philip Verleger, a visiting fellow at the Peterson Institute of International Economics.

The major factor driving domestic production higher is a newfound ability to squeeze oil out of rock once thought too difficult and expensive to tap. Drillers have learned to drill horizontally into long, thin seams of shale and other rock that holds oil, instead of searching for rare underground pools of hydrocarbons that have accumulated over millions of years.

To free the oil and gas from the rock, drillers crack it open by pumping water, sand and chemicals into the ground at high pressure, a process is known as hydraulic fracturing, or "fracking."

While expanded use of the method has unlocked enormous reserves of oil and gas, it has also raised concerns that contaminated water produced in the process could leak into drinking water.

Brownfield Regional Medical Center

FALL FESTIVAL 2012

Saturday, October 27th

6:30 - 8:30 PM

Wear Your Costumes

- 2 Tattoo Booths**
- Duck Pond Booth**
- Grab Bag Booth**
- Photo Props (Bring your Camera)**
- Balloons for the first 300 kids**
- Popcorn or Pickle (50¢ each)**
- Cake Walk (\$1.00)**
- Candy**

For Ages 10 and Under

Supplies are limited.