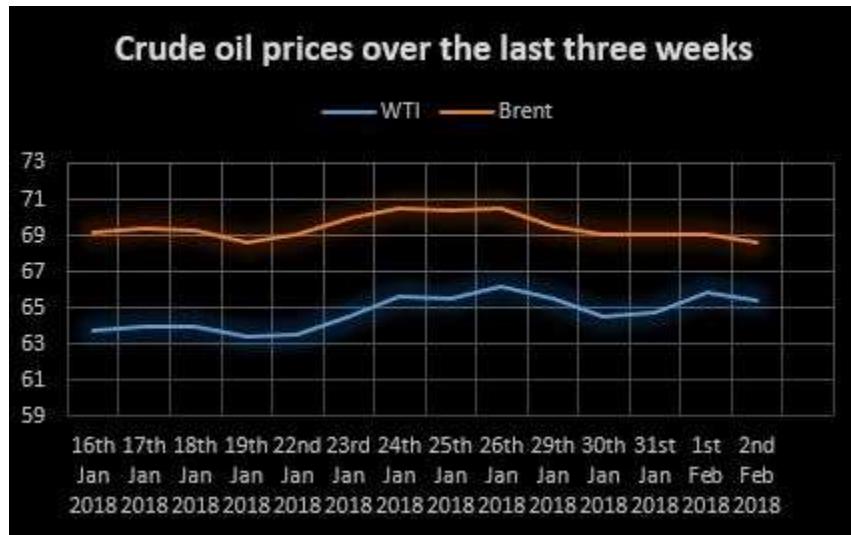
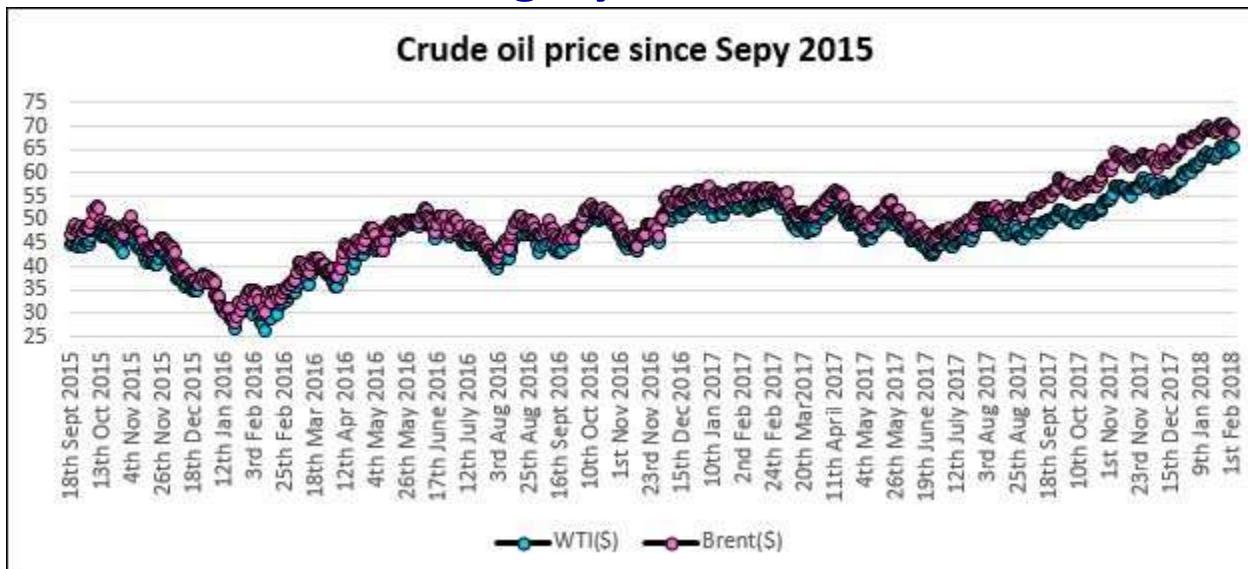


[www.chopraseismic.com](http://www.chopraseismic.com)  
**Calgary, Canada**



- The oil price varied between \$64.5 and \$65.8 this week, where the contributing factors have been the strong oil demand, the weak US dollar, and the rising rig count. According to Baker Hughes data, US drillers added 12 rigs to their overall tally of 759 in the week to January 26, the biggest increase in 10 months.
- Goldman Sachs as well as other leading Wall Street banks have all reiterated their revised outlooks suggesting that the crude prices will see a boost, considering the decline in excess inventories, OPEC compliance of their production cuts and the collapsing Venezuelan production. Goldman Sachs has said that Brent will reach \$75 per barrel over the next 3 months, and \$82.50

over the next 6 months. In the longer term, the rising US shale oil production, the end of OPEC's oil cuts eventually, and greater production from non-OPEC members could all bring down the price to \$60 level. With the higher crude prices, oil companies are expected to increase investment in 2018, and consequently the revenue for rig companies should rise.

- The Permian Basin in West Texas and New Mexico is buzzing with activity these days. ExxonMobil is the most active operator, and has decided to triple its total daily oil production to over 600,000 boe by 2025. It has already doubled its footage drilled per day on horizontal wells in the Permian since 2014, and reduced per foot drilling costs by about 70%. With the increased production, the company will be able to provide low cost supply and feedstocks to its downstream and chemical operations in Baytown, Beaumont and Mt. Belvieu, Texas and Baton Rouge in Louisiana. Recently, ExxonMobil also acquired a crude oil terminal in Wink, Texas, where it can handle Permian crude oil and condensate from Delaware Basin, and transport to Gulf Coast refineries and marine export terminals. Chevron plans to invest \$3.3 billion in the region and expects production rising by at least 50% by early 2020s.
- Over the last three years, there has been a slump in the Bakken shale-oil production, which is spread over North Dakota, Montana in the US, and Saskatchewan in Canada. But now, it has started looking up, thanks to better technology implementation and efficiency. A well that would take 80 days to drill back in 2014 is now being drilled in 10 days. In the first half of 2018, the Bakken output is expected to exceed the December 2014 record production of 1.23 mb/d. It has dropped to 942,000 b/d in December 2016.
- The US Congress approval of the tax reforms last month could mean a \$200 billion boost in asset values for explorers. Per Wood Mackenzie Ltd, a 'lower corporate tax rate, reduced pass-through rates for partnerships, and accelerated expensing of capital costs could mean a post-tax increase of 19% or \$190.4 billion for explorers with profitable assets'. With this, the increased profitability of valuable proven onshore and deep water plays could drive more international capital towards the US. Some companies can take advantage of the tax reforms, and write off as much as \$4 billion in American tax assets.
- According to Bloomberg data, the US crude stockpiles increased last week by 900,000 barrels to 412.5 mb, after 10 consecutive weeks of decline. If the US does not export crude the increased production in the country will get added to its stockpiles, which in turn will reduce the price of the barrel. The US production has crossed the 10 mb/d mark for the first time in 4 decades. As per the IEA, the explosive' US growth in oil output would push it past Saudi Arabia and Russia in 2018. The US EIA has said recently that the US production forecast is expected to average 10.3 mb/d in 2018, and 10.9 mb/d in 2019.

So much for the industry news this week.

## ***On the lighter side***

### **Traits of an arrogant individual**

We all have come across an arrogant person in our lives, be it a colleague at work, or a politician, or a sports player, a successful executive or an individual who has amassed lot of wealth through whatever means. Such individuals outshine others and tend to dominate. The above list can also include those individuals who use the glimpse of their tongue to their advantage to get ahead of the crowd. All the time such individuals wait for an opportunity to get ahead of their opponents. It is their personal trait and I am not sure if there is anything one can do to help such people, except make them realize somehow of their actions. They might come around themselves by realizing what they are doing, but such cases are rare.

But sometimes, people who are very creative and confident about their work, come across as arrogant. Such individuals are very clear about what they are talking about; they may not agree with any suggestions, or criticism of their work, but they will emit signals that show that they are confident. For example, if they do commit a mistake, they might promptly accept it. I do not think I would blame such people, as they stand above others due to the clarity and confidence in their work. Such people command regard, respect and authority because of that. I would also go as far as saying, others should try and distinguish the ‘arrogance of confidence’, from ‘arrogance of smartness or opportunism’. But I would also hasten to add that the ‘arrogance of confidence’ should not be coming from overconfidence, as then it goes over to the other category, which will make them unpopular.

Many arrogant individuals are seen to be loners, as all they care about is getting ahead, rather than be approachable, friendly, and what is usually referred to as being peoples’ person.

The confidence I talk about above is the genuine confidence that might come from the craft that the individual has perfected, rather than false confidence that is adopted to garner praise from others, or an offensive display of their image, pretending to be someone they are not.

It is therefore important to distinguish between ‘arrogance of confidence’ from the other one.

Can one be confident without being arrogant? Yes, stop saying ‘I am the best’, and get on more with ‘I am good’.

I hope you find this information interesting. So much for this post!

Till the next post, stay safe and happy!