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Big Oil Betting on Shale Gas

Oil companies keep placing their bets on shale-gas. They are not snubbing petroleum. They are, however, choosing to diversify and explore for a commodity that they once considered excess and just burned off.

It's an economical play. But it's also a move that recognizes the global pressures to curb carbon emissions and to invest in cleaner burning fuels. It is all coming at a time when Big Oil is reaping record profits from the sale of high-priced gasoline -- money that is getting reinvested into the exploration of shale-gas that is purported to be the next bonanza.

Exxon Mobil Corp. may exemplify the trend. After closing on XTO Energy in June 2010 for around \$31 billion, it is now evaluating additional prospects. According to Bloomberg news, it is considering up to a dozen such purchases worldwide. Since its XTO acquisition, it has spent about \$3 billion to collect shale-gas leases through the United States, which includes parts of Texas, the Southeast and Pennsylvania. That totals 10 trillion cubic feet. The company plans to dig 40,000 wells around the world and that it will double its gas production over the next decade. Williams also says that the company has deep pockets and has no desire to bring in any partners, noting that such a strategy would only dilute the potential earnings on a commodity that is priced relatively low.

Exxon Mobil's business strategy comes atop earlier estimates from the Potential Gas Committee that say that the country's natural gas reserves are 35 percent greater than they were a few years ago. Reserve levels now stand at more than 2,000 trillion cubic feet, it says, which is the most they have been in nearly a half century.

Today, shale-gas is the hot investment. Big Oil, which has had its hands tied here in this country, sees the commodity as a potentially rich vein that can add to its bottom lines over time.

From EnergyBiz Insider

Electricity Pricing Areas – Oct 11, 2011

LMP Zone	Per kWh
Com Ed	\$.03250
PJM	\$.03479

ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
Oct 1 - Oct 31, 2010	\$.02702
Nov 1 - Nov 30	\$.02778
Dec 1 - Dec 31	\$.03545
Jan 1 - Jan 31, 2011	\$.03871
Feb 1 - Feb 28	\$.03581
March 1- Mar 31	\$.03668
April 1 - April 30	\$.03448
May1- May 31	\$.03954
June 1 - June 30	\$.03851
July 1 thru July 31	\$.05170
Aug 1 - Aug 31	\$.04064
Sep 1 - Sep 30	\$.03058
Oct 1 thru Oct10	\$.03145

Weather Today: Sun and clouds mixed. High 78F. Winds SE at 5 to 10 mph. **Tonight:** Partly cloudy this evening followed by mostly cloudy skies and a few showers after midnight. Low around 60F. Winds SE at 5 to 10 mph. Chance of rain 30%. **Wed:** Cloudy with a few showers. High 74F. Winds SSE at 10 to 15 mph. Chance of rain 30%. **Thu:** Thundershowers. Highs in the low 60s and lows in the low 50s. **Fri:** Partly cloudy and windy. Highs in the low 60s and lows in the upper 40s. **Sat:** Sunny. Highs in the low 60s and lows in the upper 40s.

