

Post 19th September, 2015

Some of the news items for this week are as follows:

1. The monthly report from OPEC released Sept.14, mentions a few points that seem reasonable.
 - a. The economic slowdown in China is bound to translate into a lower global oil demand going into next year.
 - b. The US oil production is showing signs of slowing down, but to what extent this happens will be seen in the coming months. The forecast for US shale oil is about 100,000 bpd less than the present levels.
 - c. Next year, OPEC expects the demand for its crude oil to be an average of 30.31 mb/d, which is about 190,000 bpd more than the demand last month.
 - d. Also, in 2016, the growth in demand from non-member countries will increase by 160,000 bpd, which is much less than the growth of 880,000 bpd in 2015.
 - e. As per the secondary sources cited by the report, OPEC pumped 31.54 mb/d in August which is 13,000 b/d more than its production in July.
 - f. There will still be surplus oil in the market next year.
2. The production in shale wells declines rapidly compared with conventional wells and so more wells have to be drilled continuously to maintain the production. Even in the conventional oil fields the production declines after a period of time and world-wide there are many such fields. This factor should be included when adding up production and oil demand in the next few years. It gains significance as will slashed exploration and production budgets for oil companies, not much investment may be made to arrest the decline rates in many oil fields.
3. The recently held SPE Offshore Europe 2015 show in Aberdeen, which was attended by 55,947 delegates drawn from 104 countries, and where 1535 global organizations from 44 countries exhibited, has sent out a message that the oil and gas industry has a future for many years to come. It has also voiced the need to attract and encourage the next generation of talent into our industry.
4. The present downturn that the oil and gas industry is going through has prompted layoffs and cost-cutting measures that has been reported since November 2014. Another interesting development that has come to the fore is that the chief financial officers (CFO) of some companies are stepping down. In Houston alone, three CFOs resigned in a one-week period. These are the people responsible for making strategic moves and position the companies in suitable operational orientations so that they can weather the storm. However, these positions are demanding and entail a lot of stress. While each move by an individual CFO could have a situation-specific reason, many such moves are to avoid getting into a situation where the blame for poor performance of the company could be

directed towards them. Another shift that has been seen in the last little while is that many CFOs are retiring in their late 50s, rather than the early to mid-60s noticed earlier.

These news items while interesting don't make big headlines.

So much of all this for the present.

In Calgary, the weather is gradually changing, as the two summer months of July and August give way to the fall. The first indications of this are somewhat cooler winds and the changing colour of the leaves. Below are a couple of pictures from close to where we live, to give you an idea of what I am saying here. I clicked these while on for my morning walk today.



For the lighter side, I have an interesting observation to share with you this week.

We usually talk of dogs having a strong sense of smell, and that is why they are used for sniffing out drugs by the enforcement squads. But surprisingly, polar bears have a sense of smell that is

even stronger. They can smell a fish or a seal below the ice at a distance of a few hundred meters. But talking about humans, you may have come across instances where females may have demonstrated a better sense of smell. Even in smell tests conducted by medical agencies, this has been found true. But till now there was no explanation for this. I recently stumbled across a link that talked about the results of a Brazilian research study conducted to understand why males and females differ in their perception evaluation of odours. They found that women have on an average higher number of cells than men in the first area of the brain that controls smell.

When a bottle of perfume is sprayed in a room, or some fresh coffee is brewed in your office, your nose picks up the odour by way of sensory signals and transmits it to the part of the brain called olfactory bulb. This bulb processes that information and communicates it to other parts of your brain and thus helps identify and respond to smell accordingly.

By using a machine that measures the number of cells in a given area of the brain, the researchers examined post-mortem brains from 7 men and 11 women, all neurologically healthy at the time of death, and above 55 years of age. They found that women on an average have 43% more cells than men in their olfactory bulbs. If neurons were counted specifically, the difference was found to be 50%.

Our women friends were probably aware of this, but could certainly feel happy with the results of this new research study.

Check out the complete details of this research study at the following link:

<http://www.dailymail.co.uk/sciencetech/article-2822672/Women-really-better-sense-smell-men-Study-finds-female-brain-50-olfactory-cells.html>

So much for this week!

Till the next post, stay safe and happy!