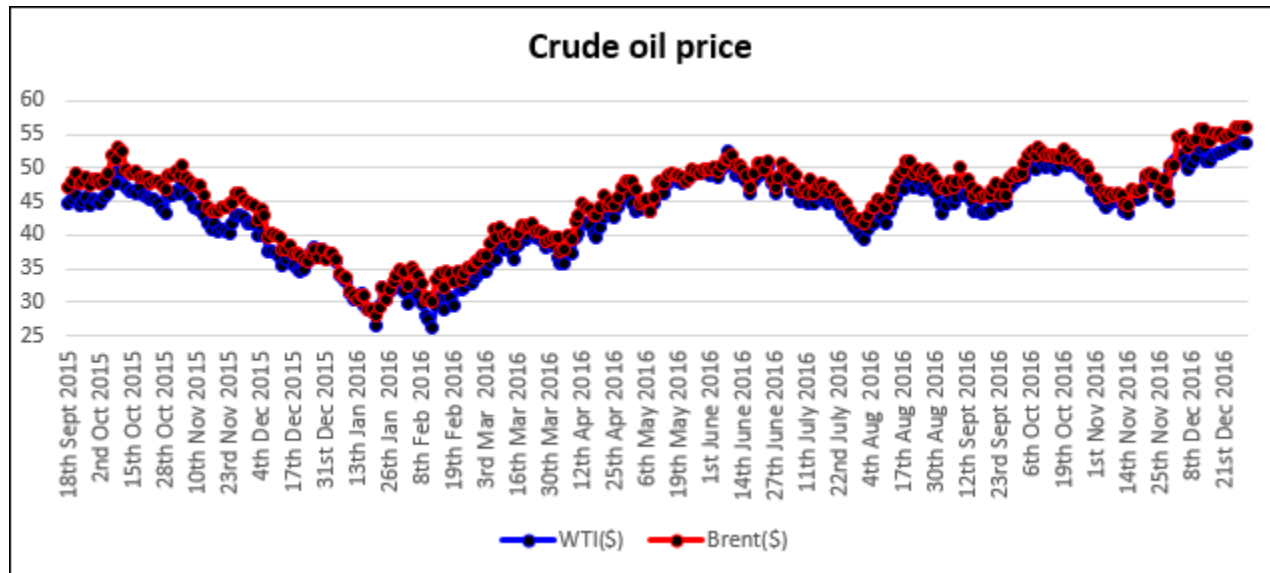


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Calgary, Canada

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



- According to EIA, the US stockpiles rose by 614,000 barrels last week. This news made the crude oil price (WTI) dip somewhat this week.
- With the price of crude oil hovering around \$53 a barrel, the activity in the US shale patch has been ramping up. According to Baker Hughes data, the number of rigs in the US targeting crude oil rose by 13 to 523 for the week ending Dec 23<sup>rd</sup>, which is an addition of 207 rigs since the number of rigs hit a low on May 27 this year. Most of the rigs have been added in the Permian Basin, where oil explorers can make money at the present crude oil price. With the oil prices between \$50 and \$55, the US could add 300,000 to 500,000 b/d by the end of 2017, according to award winning author, Daniel Yergin.
- The US produces 8.8 mb/d, and half of this amount comes from shale. As the price of crude goes up to \$60, another 500,000 b/d could get added to this amount, and with \$70, this number could swell up to 1 mb/d. This is a real concern for the OPEC/non-OPEC producers agreed to production cuts. Even though the number of drilling rigs have increased in the Permian Basin, the shale producing companies are cautious and waiting for the OPEC/non-OPEC commitments to translate into higher crude prices, before they increase their own development budgets. Another factor that may encourage US oil and gas production is the imposition of tariff on imports being considered by the US President-elect, Donald Trump. Any tax on imported goods but not on exports will spur US production.
- It is interesting to note that:

- a) The US crude production at 8.8 mb/d is coming with a third of the number of rigs that were operating at the peak time.
- b) OPEC's oil revenues slumped to \$518 billion in 2015, from \$956 billion in 2014, and in 2016 the figure could be much lower.
- c) As the economy of most OPEC nations runs on oil revenue, these nations have been eating into their cash reserves or have been in a real tight financial situation.
- d) According to IMF's recent assessment, the budget deficits of eight OPEC members may not get eliminated at \$58 price of crude oil. It needs to get to \$62.

Besides this, there are other possibilities that may increase the oil flow into the market and let the crude oil price slide. Strict compliance to production cuts by OPEC and some non-OPEC producers, Nigeria and Libya not adding substantial amounts of production and US shale production not getting to significant levels. All these are quite probable and will decide the price of crude oil in 2017, as well as the state of our industry.

So much for the industry news this week.

#### *For the lighter side this week*

At this time we are nearing the finishing line for 2016, and are looking forward towards the dawn of a new year that will hopefully bring better and enjoyable time for us. In my blog post at time last year, I had written about the New Year Resolutions that we all make. We stick with some and we lose sight of others. I have decided to not repeat those, but rather delve into something different.

Most working people have their pet styles for performing their jobs. Those who have completed 5 or 10 years of experience have a particular thought process, or a pattern in which the work is performed. Such patterns make sure the work that an individual is hired to perform is completed in the required time frame. If there are hiccups during this work time, they are somehow overcome. This way, day-in and day-out, life goes on. If gets monotonous after a while in that individuals keep working so as not to lose in any way, as at the end of each year, the boss has to give an assessment on the whole year's performance, which may be followed by a raise in salary or a possible promotion. If you did not lose on anything during the year, you get your assessment as you expect, and this way life goes on.

There is however, another approach to your work-life cycle that is different from the work-not-to-lose philosophy. It is practiced by people who wish to rise in life by getting on a fast track. Their philosophy is 'pay to-win' and always operate in a creative mode.

Such people are more confident, effective and stand out from the crowd. Every step they take to deviate in their work life pattern has a creative overtone. As an example, when they keep hitting a brick wall, they realize that it is not perseverance to keep hitting it. Rather they would step back, reflect, and then take a different route. Of course, it takes courage and resilience to stay in that mode. Employers respect such employees, and try and come up with or adopt ways to encourage further creativity for such employees.

On a slightly different note, to give you an idea about the latest trends in this regard, as people remain busy with their work routines, at times they tend to cancel preventive care appointments due to workplace pressures. Some companies are trying to make it simpler for their employees to take care of their health, and offer paid 'unsick days'. These are days when the employees can go to their doctors for

checkups, etc. Healthier and happier employees will be more productive, which is good for the business. These are healthy trends.

I hope you will find this interesting.

*Did you know?*

I recently stumbled on an old news link that reported on PM Modi's visit to Canada some time back, and found some interesting comparisons which I show below.

1. Canada is three times bigger than India in terms of land area.
2. India gets twice more rainfall than Canada.
3. Land use in terms of cultivation in India (47.87%) is 11 times more than Canada (4.3%).
4. There are 12 times more people above 65 years of age in India (62 million), than in Canada (5 million).
5. The active personnel in the Indian Armed Forces (1.3 million) is double that of Canada (68,250).
6. There are 12 cities in India that are larger than Toronto (Kanpur, Lucknow, Jaipur, Pune, Surat, Kolkata, Chennai, Ahmedabad, Hyderabad, Bangalore, Delhi and Mumbai)
7. There are roughly 5 times more speakers in India (125 million) than in Canada (28 million).
8. There are 2 official languages in Canada (English and French) and 22 in India.

For more details, check out the following link:

<http://news.nationalpost.com/news/canada/modi-and-india-by-the-numbers-742427> 😊

***I wish all the readers of my blog, a very happy and a prosperous New Year.***