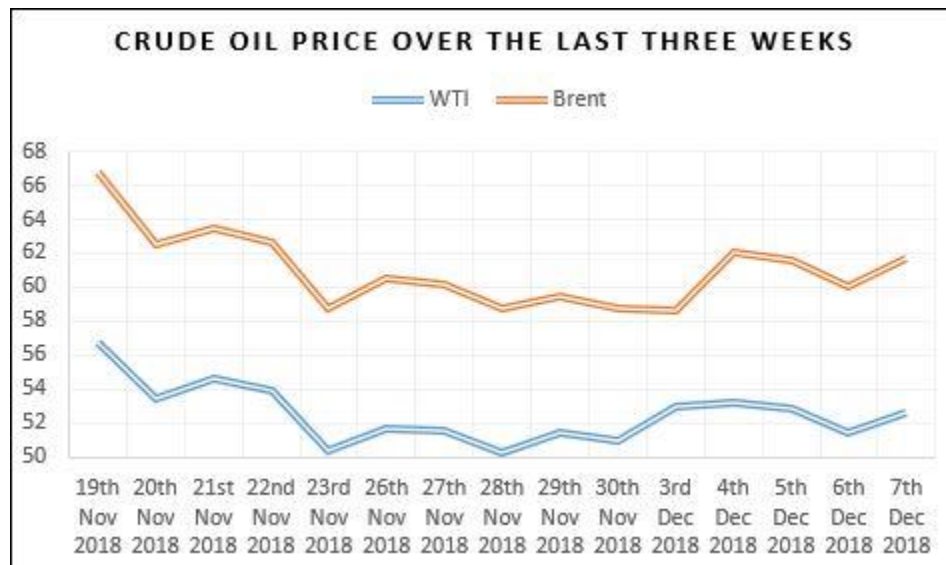
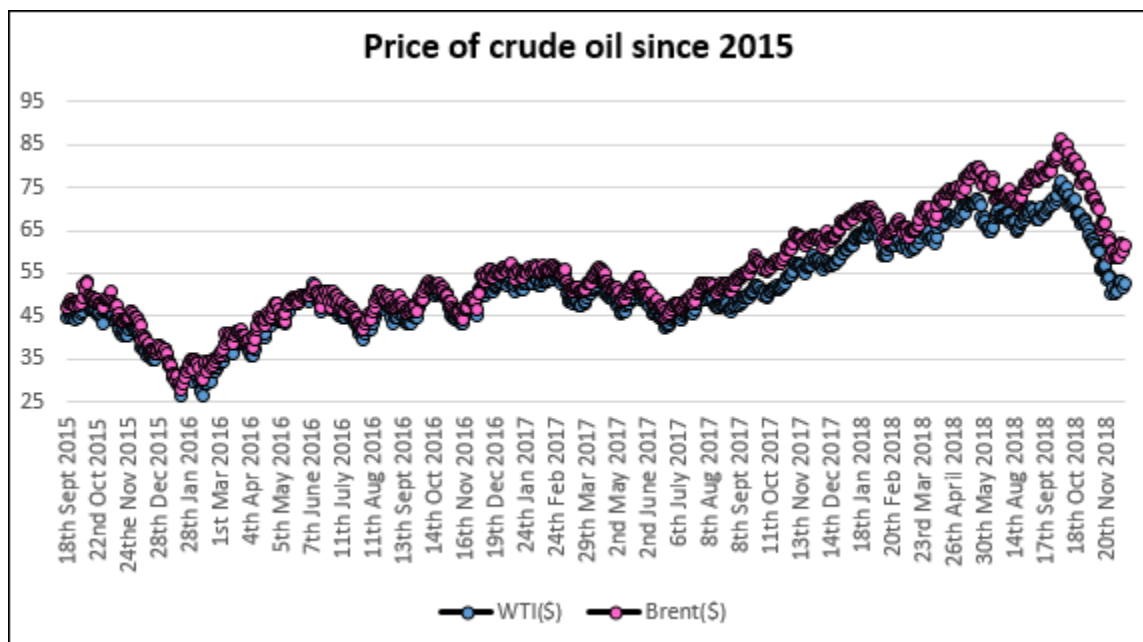


www.choprarseismic.com
Calgary, Canada



- The price of crude oil surged 5% to \$52.95 on Monday, after the US and China agreed to a 90-day truce in their trade war, which has weighed heavily on global trade. Though crude oil is not likely to face import tariffs, but the global trade was likely to lead to economic slowdown. Earlier, the crude price looked up as Russian President Putin announced last week on the sidelines of the G20 meet in Argentina that his country along with Saudi Arabia would agree to extend the OPEC deal into 2019. It was expected that an agreement would be reached at the OPEC meeting on Thursday to cut production, but OPEC members are still debating on how much the production should be

scaled back. The Saudi Energy Minister said earlier this week that a 1 mb/d reduction in output should be enough and ‘certainly we don’t want to shock the market’. Oil prices fell after this statement. Saudi Arabia’s proposal (to cut production by 1 mb/d) is not being shared enthusiastically by other members. Russia would be ready to scale back its production by 150,000 b/d, which leaves Saudi Arabia to shoulder much of the burden. Similarly, Iran under sanctions from the US will not participate in the production cuts.

- Alberta Premier, Rachel Notley has announced an 8.7% temporary crude production cut in the province, which is approximately 325,000 b/d. Alberta is currently producing 190,000 b/d and bitumen more than can be shipped by pipelines, rail or other means, and the excess oil is going to reach a record high storage, which stands at 35 million barrels. Due to the transport bottleneck, the Western Canadian Select (WCS) has been selling at a discount to WTI that is \$30 to \$50, and this price differential peaked to \$52 in October. The crude price for Canadian crude strengthened after the announcement. Within the province, a major player, CNRL (Canadian Natural Resources Limited) has slashed its capital budget for 2019 by \$1 billion CDN from its 2018 forecast, due to pipeline shortage. It however remains flexible to invest \$700 million CDN more, should market prices improve.
- The Trump administration will be allowing seismic prospecting for oil and gas in the Atlantic waters, despite protests from environmentalists that loud air guns could harm whales, dolphins and other animals. Before conducting the work, the data acquisition companies must get permits from the Interior Department’s Bureau of Ocean Energy Management (BOEM). This decision comes after several decades as previous successive administrations have always turned down such requests.
- Qatar has decided to quit its membership with OPEC after 57 years with the organization. Announcing its surprise decision, Qatar’s Minister of State for External Affairs, Saad Al-Kaabi said his country would like to focus on its gas potential, as it did not want to put effort and resources in an organization where it is a small player and has no say in what happens. Qatar produces 600,000 b/d of crude oil but is the world’s biggest exporter of LNG with a production of 77 million tonnes per year. The country plans to increase its LNG production to 110 million tonnes by 2024. The Minister said this was a strategic decision, which is in the interest of the country in the long term.
- The US turned into a net exporter of oil last week, as its crude imports showed a drop and a rise in its exports (211,000 b/d). Surpassing Saudi Arabia and Russia, the US crude oil production now stands over 12 mb/d, per the EIA. The US refineries consume over 17 mb/d, and out of this 7mb/d is being imported from all over the world.

So much for the industry news this week.

For the lighter side this week

I have always been impressed by the number of abstracts submitted by Chinese authors at Conventions. These abstracts and presentations outnumber all other submitted abstracts put together.

Only recently a friend sent me a link (copied below) that explained the reason for it, and so am sharing it here.

<https://www.technologyreview.com/s/608266/the-truth-about-chinas-cash-for-publication-policy/>

Chinese scientists that publish their research work in prestigious Western journals are given cash rewards. Such cash rewards range from US\$30 to US\$165,000 for a single paper published in journals indexed in the Web of Science. These conclusions are based on an investigation of some 168 cash-per-publication policies from Chinese Universities.

A publication in journals with high impact factors such as *Science* and *Nature* carry the highest reward. In 2016, the reward for a paper published in these journals was US\$44,000 to US\$165,000. Though these rewards for publication in *Science* and *Nature* are negotiable at some Chinese universities, but the average cash rewards in other Western journals have been found to be between US\$1,000 to US\$2,000, usually paid to the lead author of the paper.

Such rewards have been increasing over the last 10 years in China, and likewise we see a drastic increase in the submission of abstracts at North American Conventions (SEG, AAPG, URTEC, etc.).

There may be a debate around the journal impact factor being a metric for the quality of papers published, but the Chinese cash rewards adopt it.

Interestingly, the idea of cash rewards for publishing was first introduced by the Department of physics at Nanjing University around 1990 and rewarding researchers US\$25 for each published paper. This amount got bumped up to US\$120 by the mid-1990s. For sure the idea of financial rewards paid off, as Nanjing University topped the list of Chinese universities, publishing the most papers in journals indexed by the Web of Science for seven years in a row. This idea was then adopted by other universities and research institutions. At present, all universities in China have cash reward policies for publishing.

Today, China produces the second largest scientific papers after the US. Behind all this progress, one may gauge the Chinese government's emphasis on putting science and technology at the forefront of the country's development. It has helped encourage researchers to carry out world class research and publish it.

I hope you find these interesting.

So much for this week! Till the next post, stay safe and happy!