You may be interested in the attached. If you have any questions, do not hesitate to call us at (212) 867-0052.

Presentation by

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to the

API National Field Operations Workshop
Washington, D.C.

November 17, 1992

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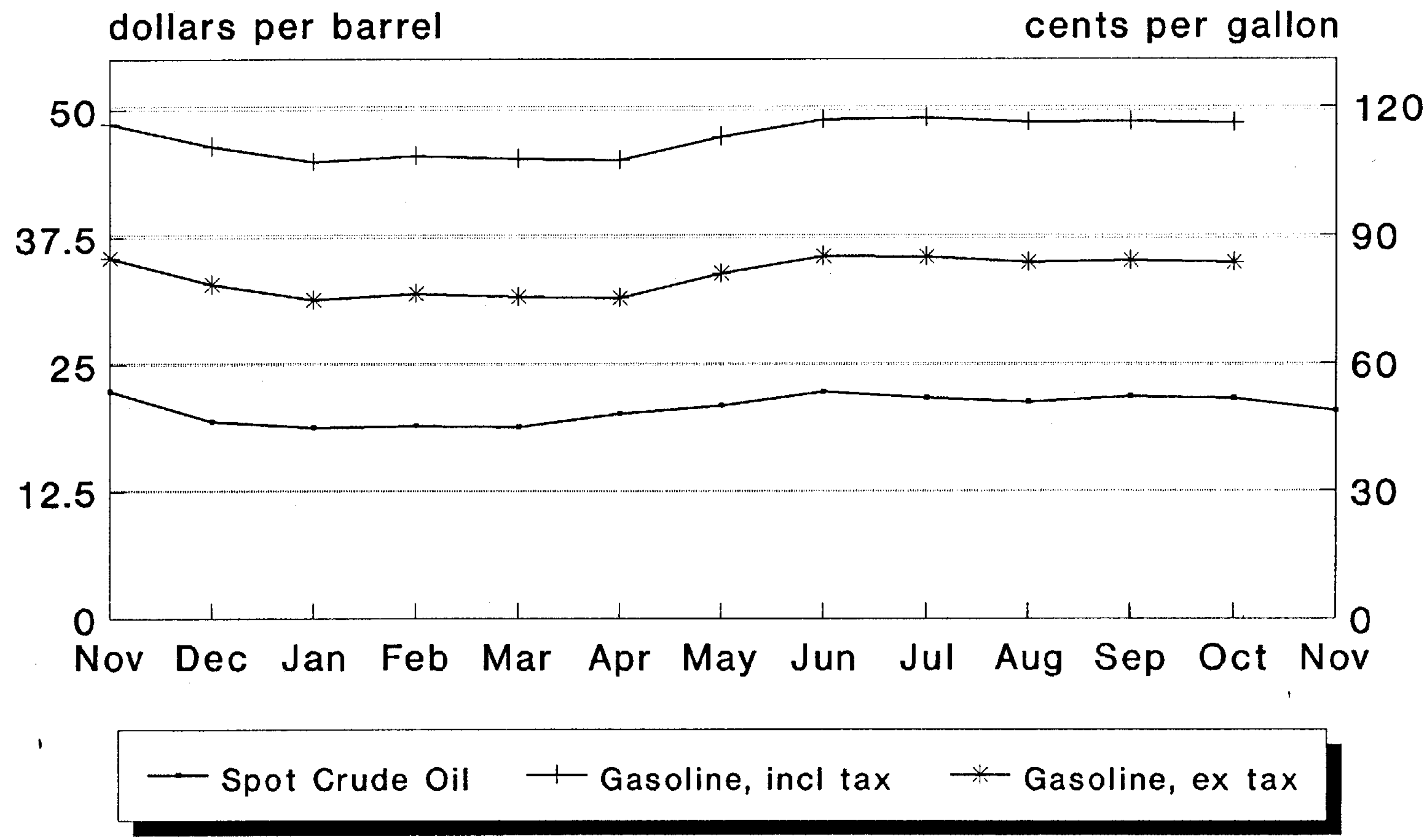
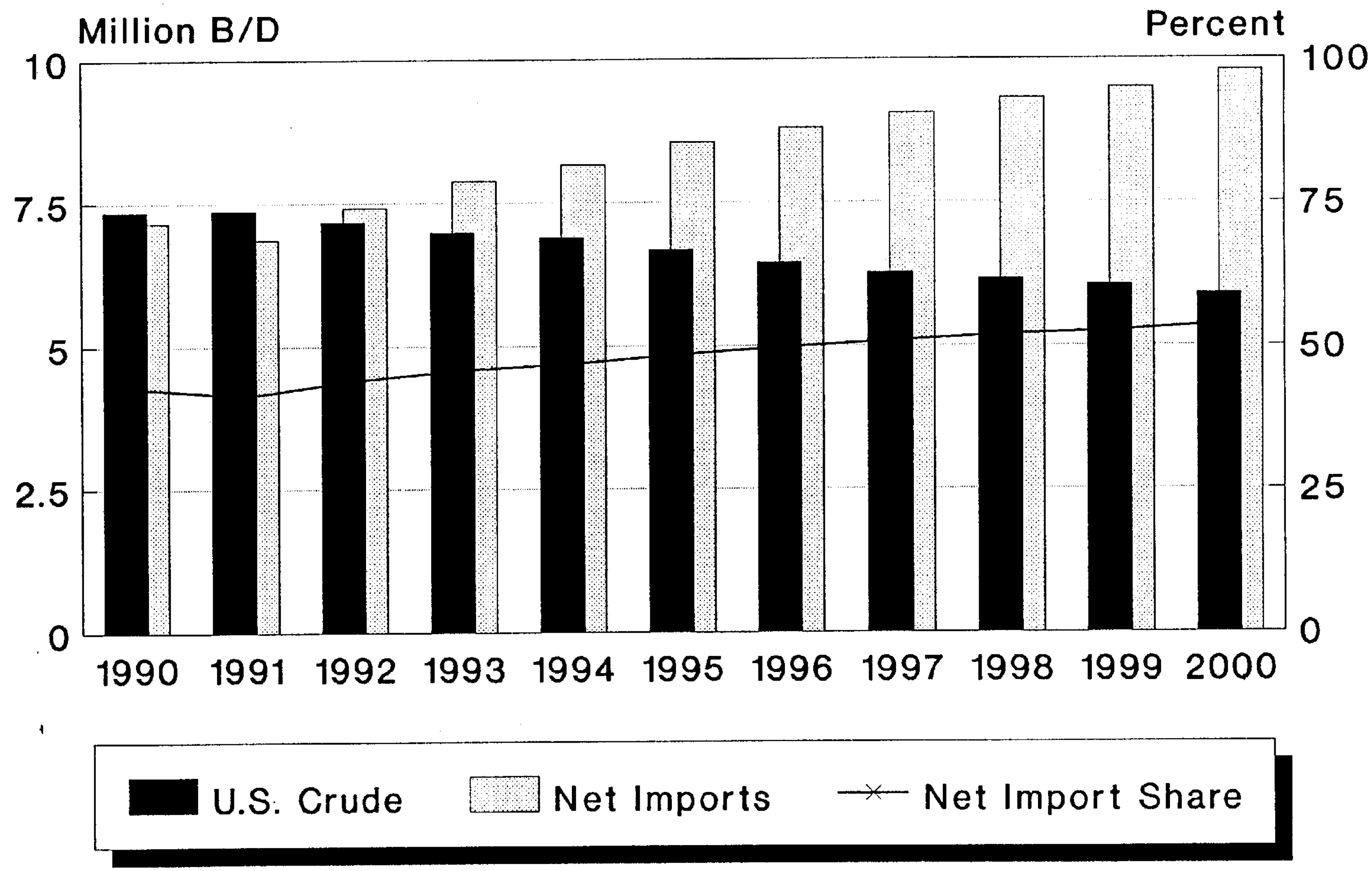
Prices in the Last Year
No News is Good News?



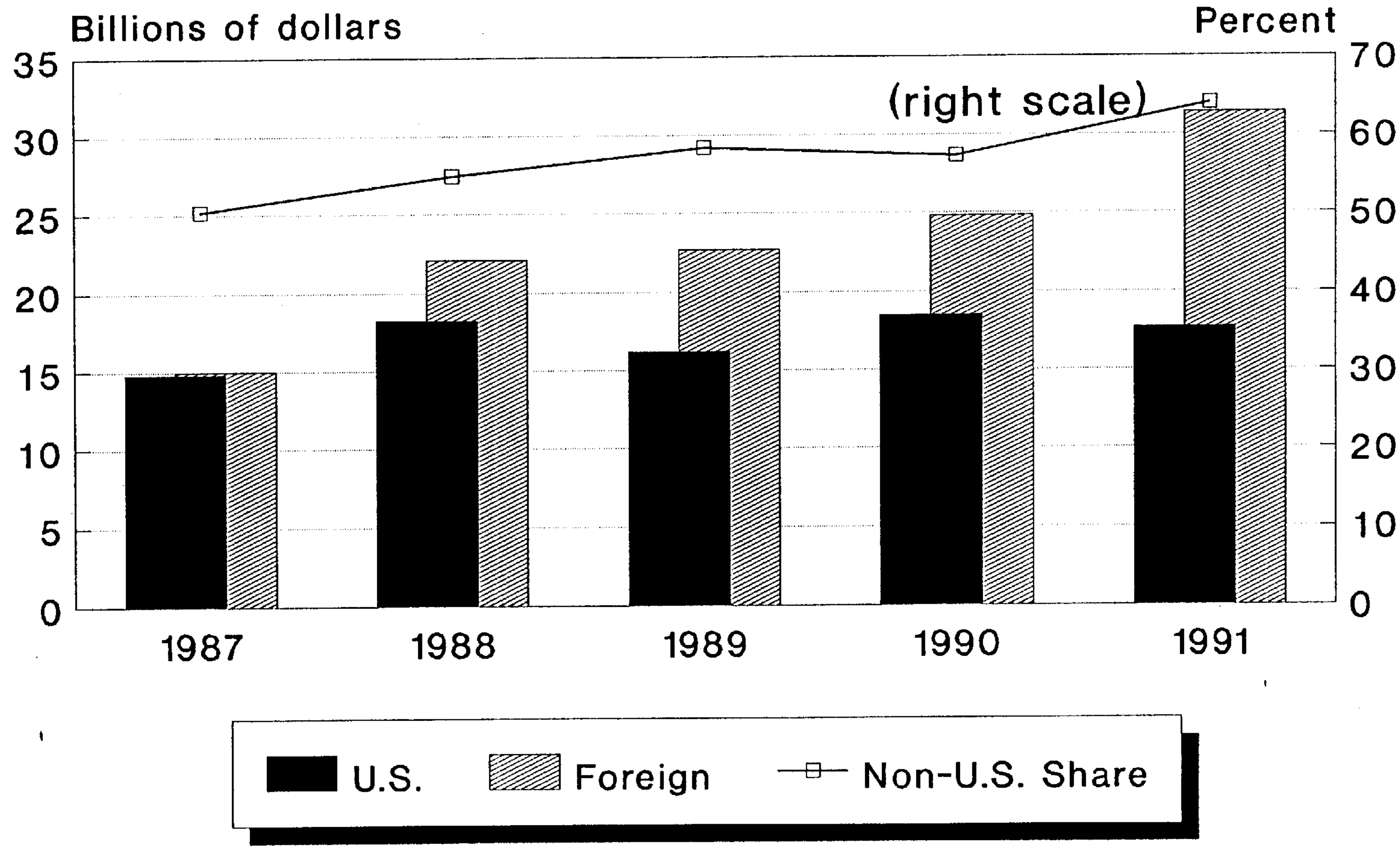
Gasoline prices for regular unleaded at the pump; crude oil at Cushing

Oil Supply and Dependency: Production down, Imports up



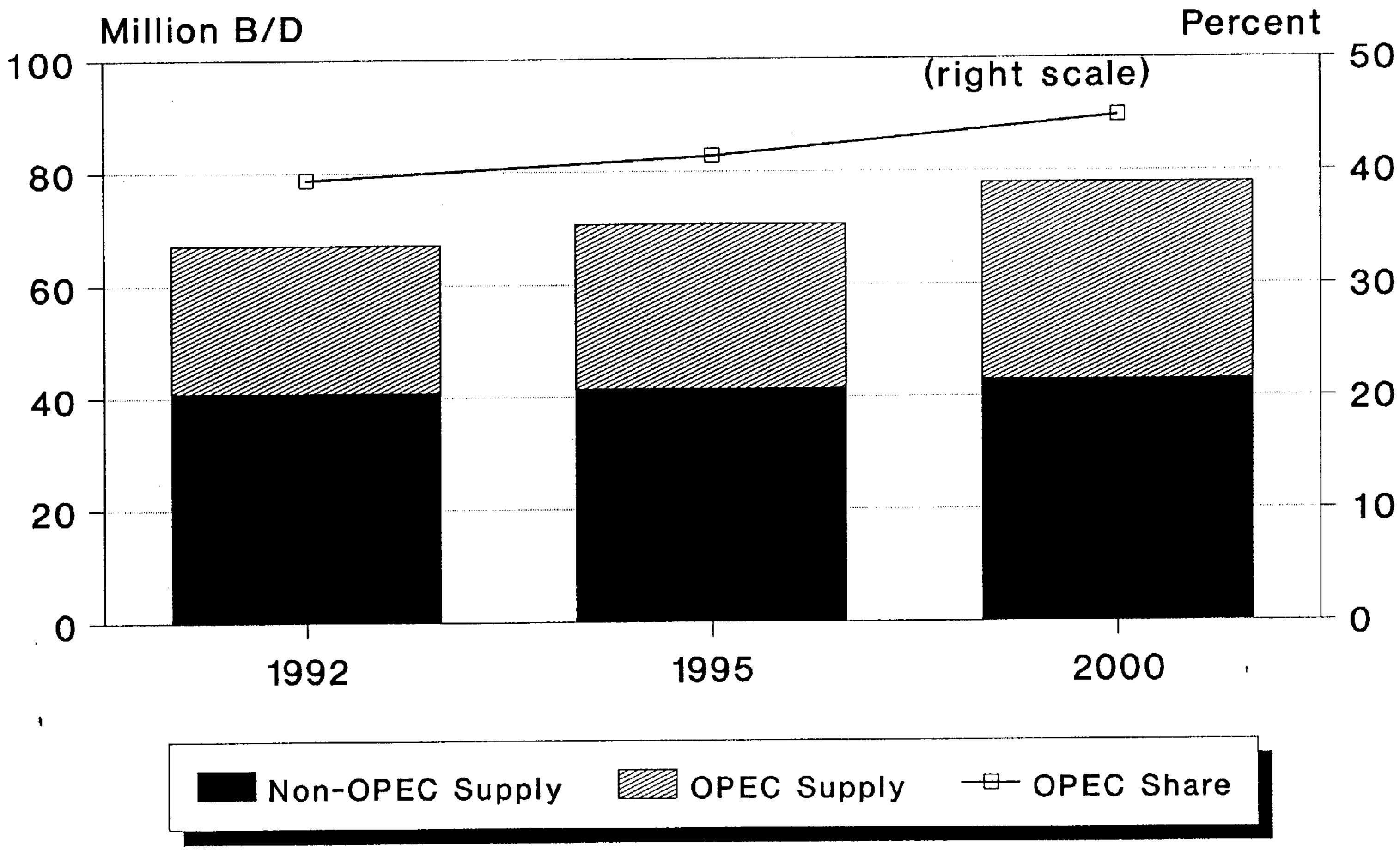
Source: DOE/EIA

Upstream Expenditures, 1987-1991: Moving Abroad



Source: Arthur Anderson data for 241 companies

OPEC's Share Grows, But Slowly



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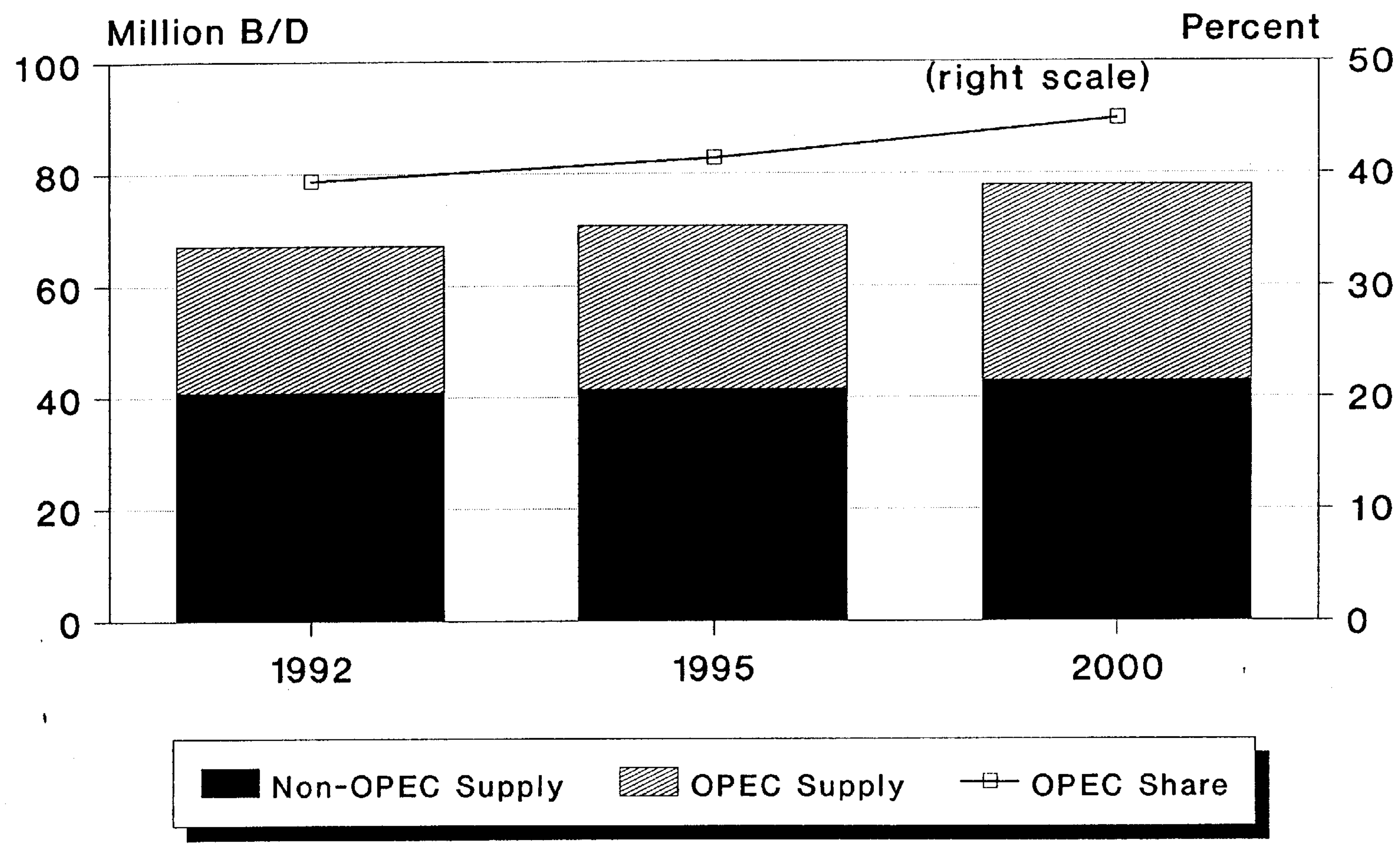
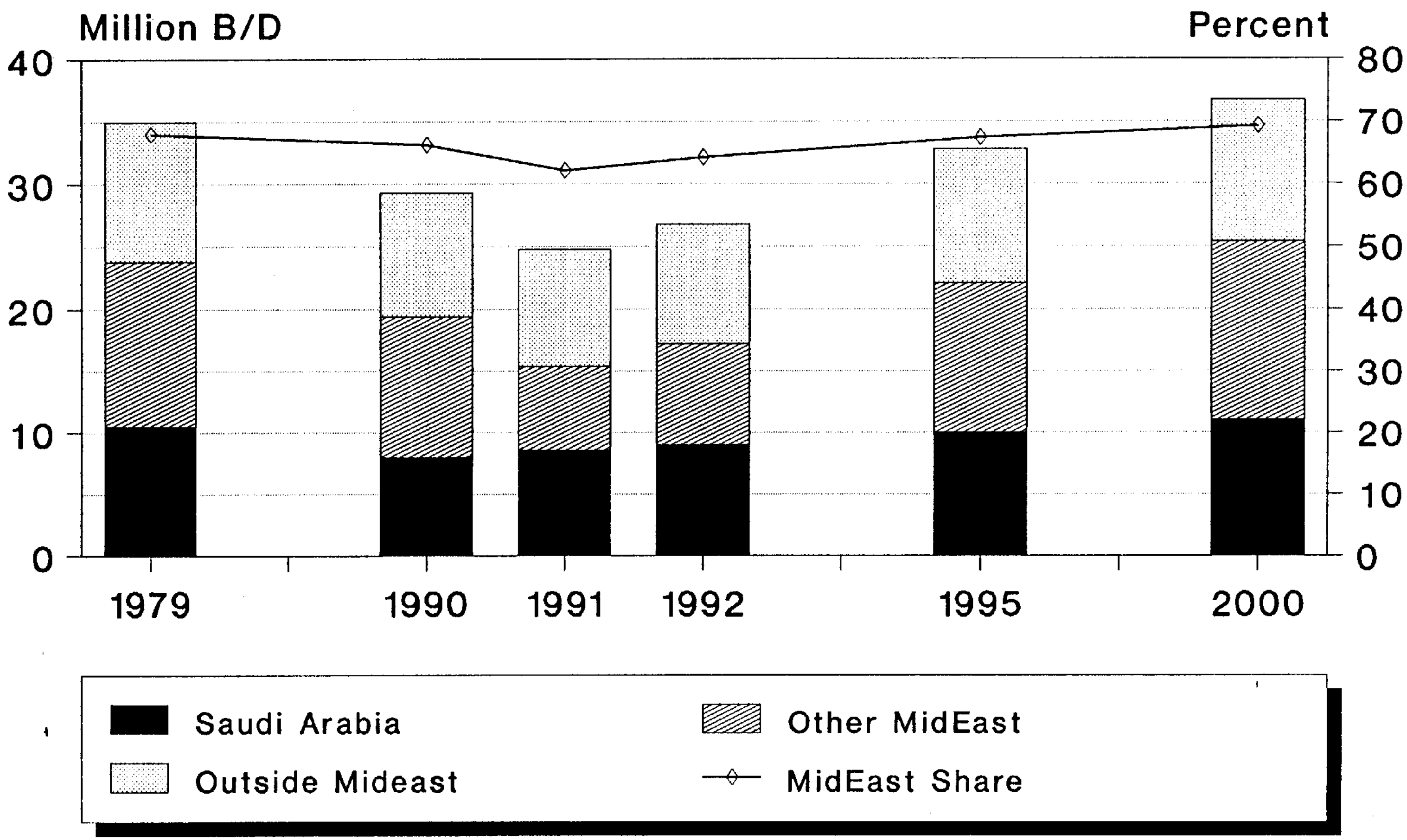
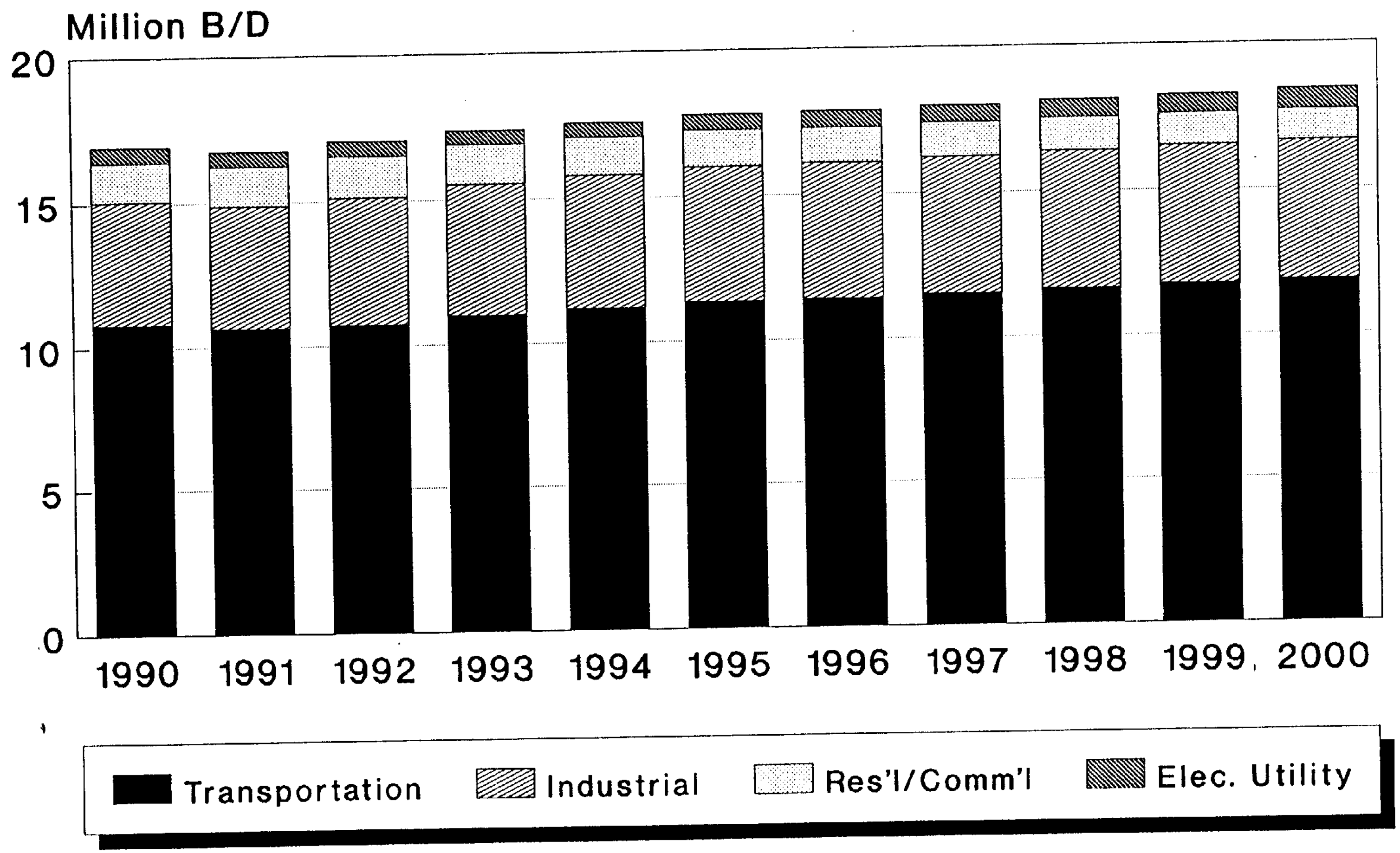


OPEC Capacity:
It Always Comes Back to the Middle East

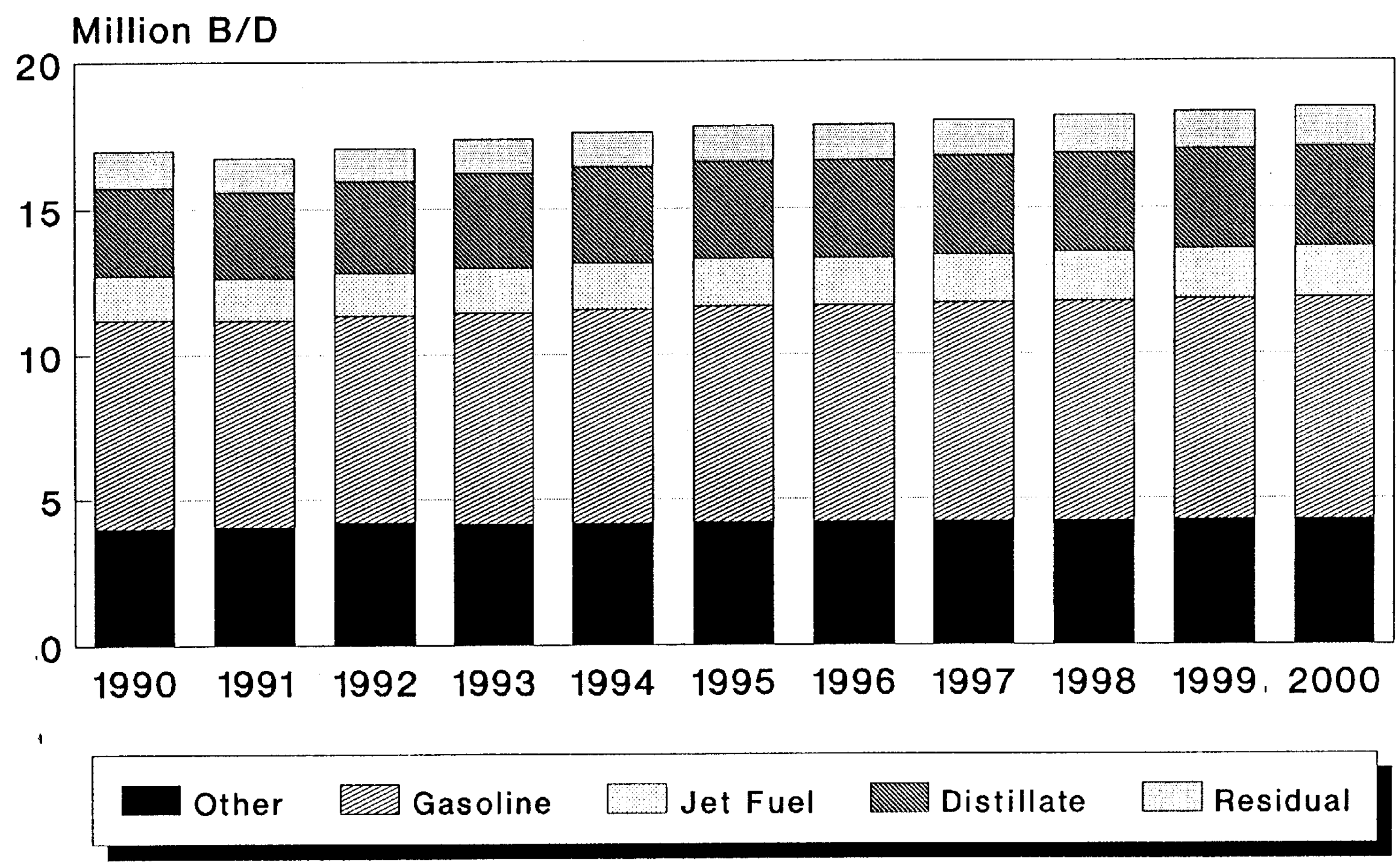


Petroleum Demand by Sector
Transportation dominates; heating falls



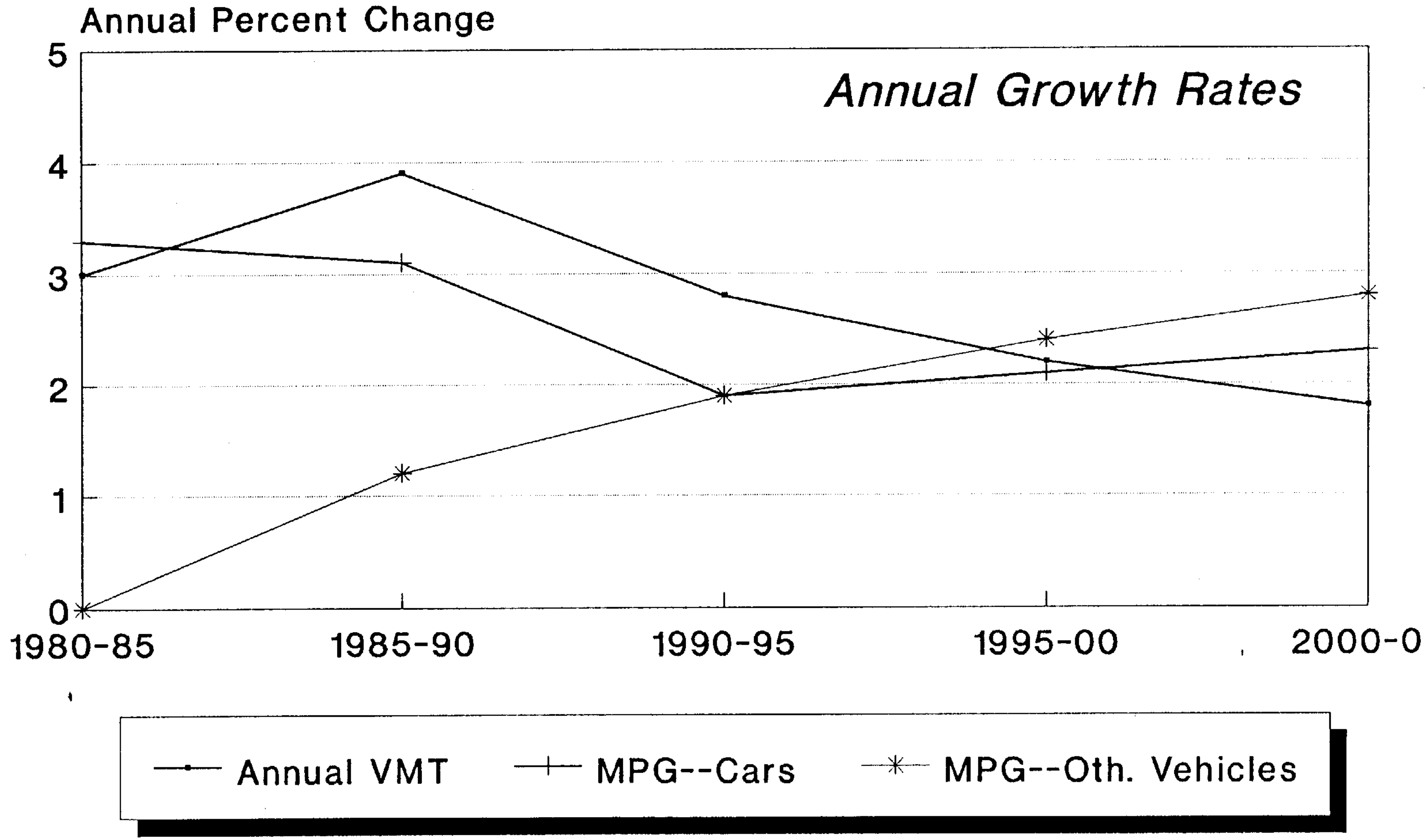
Source: DOE/EIA

Petroleum Demand by Product: Watch the Transportation Fuels



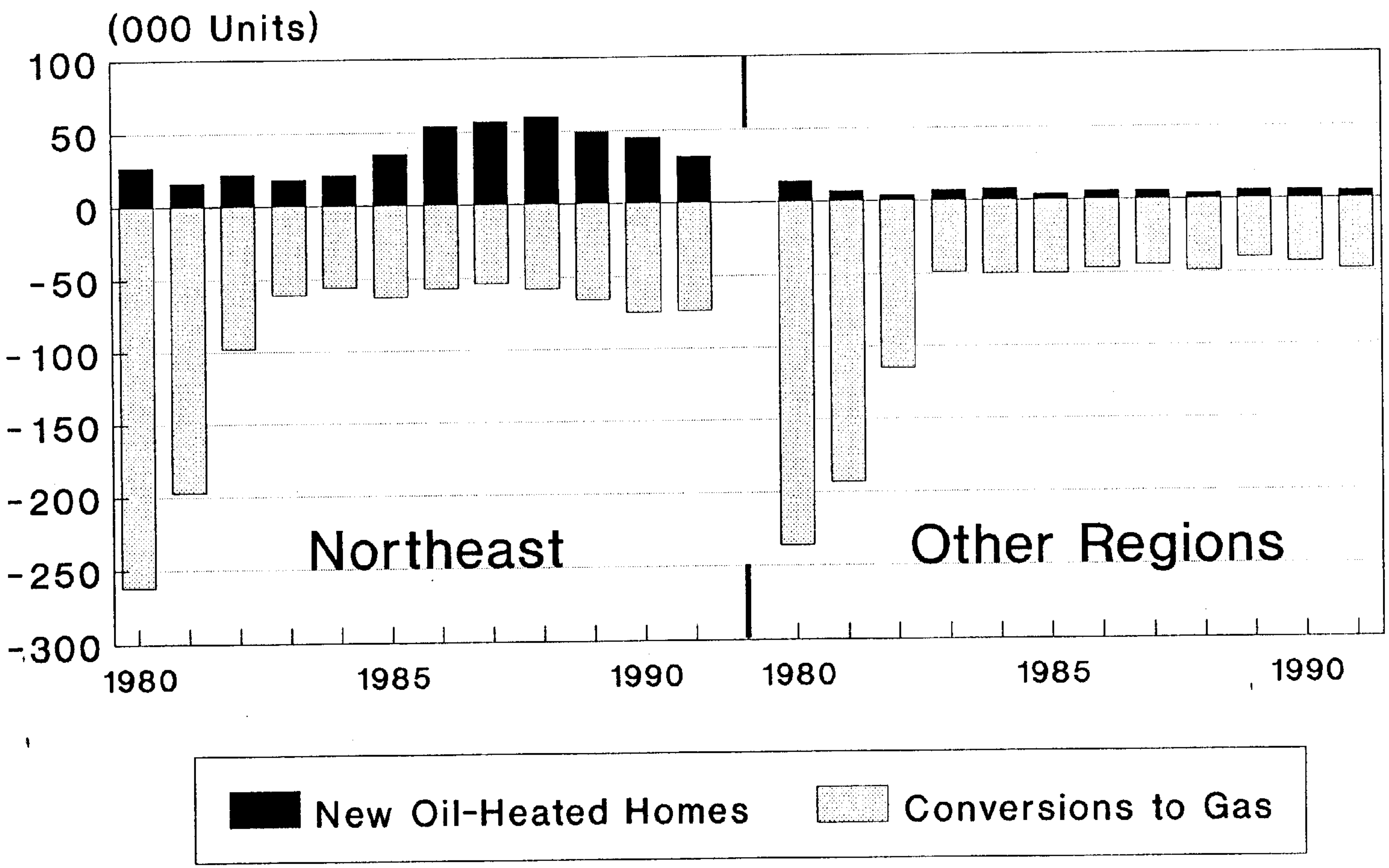
Source: DOE/EIA

Petroleum Transportation Fuel Slowing Use and Efficiency Gains



VMT: Vehicle Miles Travelled Annually

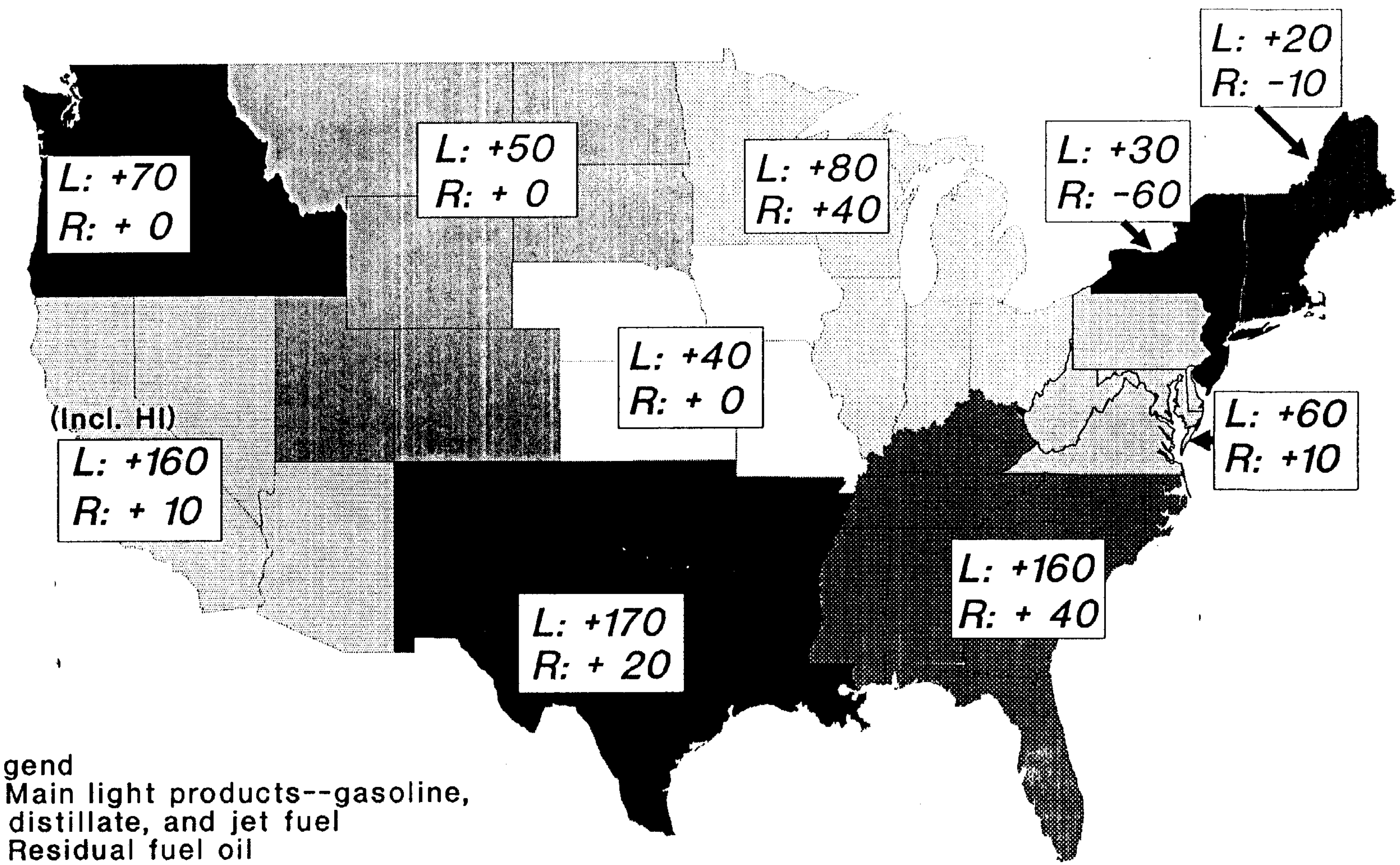
Oil Heat's Net: Construction v. Conversion



Sources: U.S. Department of Commerce; American Gas Association

EIA's Regional Demand Forecast: Where's the growth? The Sunbelt

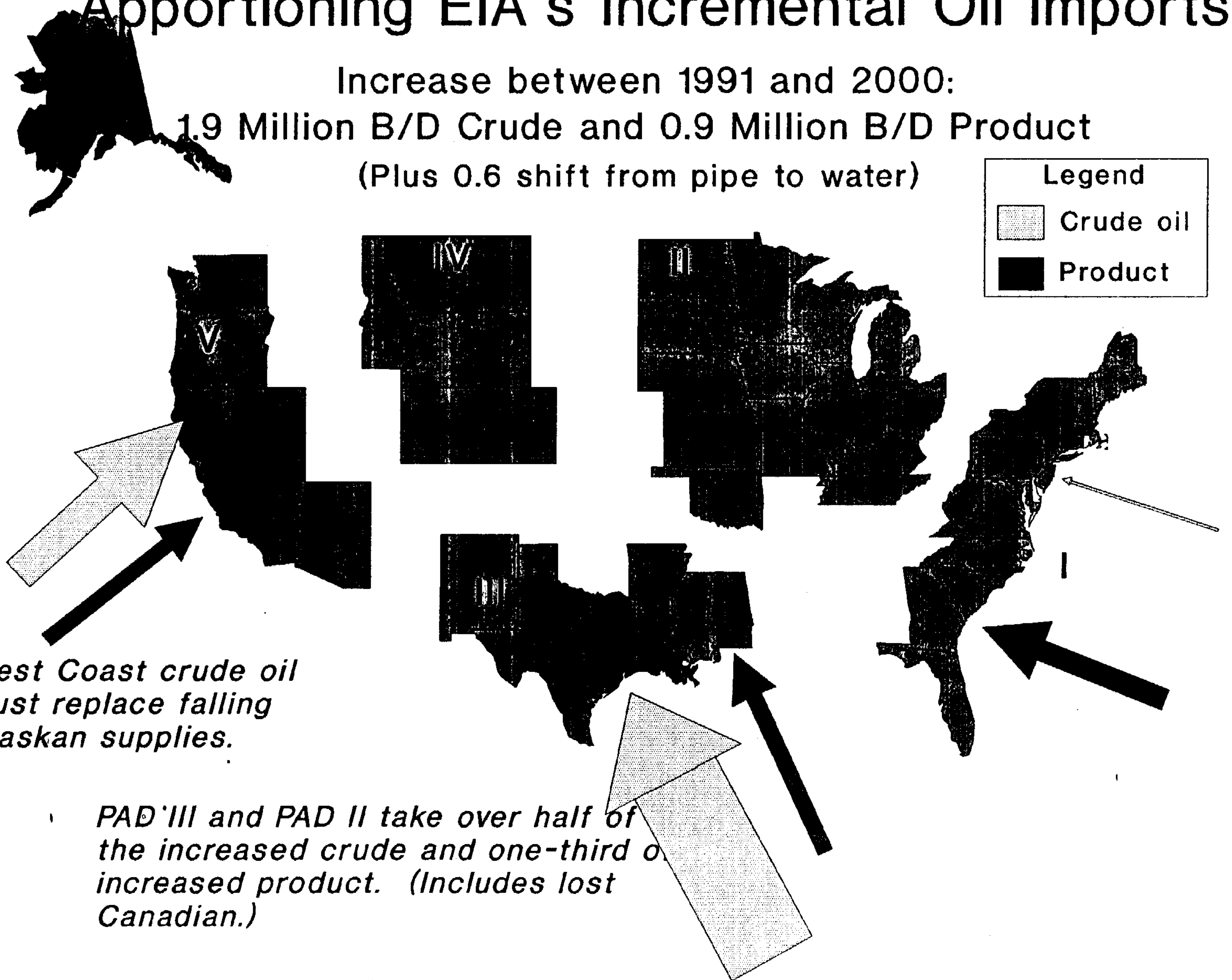
(Changes between 1991 and 1995, in Th. B/D)



Legend
L: Main light products--gasoline, distillate, and jet fuel
R: Residual fuel oil

Apportioning EIA's Incremental Oil Imports

Increase between 1991 and 2000:
1.9 Million B/D Crude and 0.9 Million B/D Product
(Plus 0.6 shift from pipe to water)

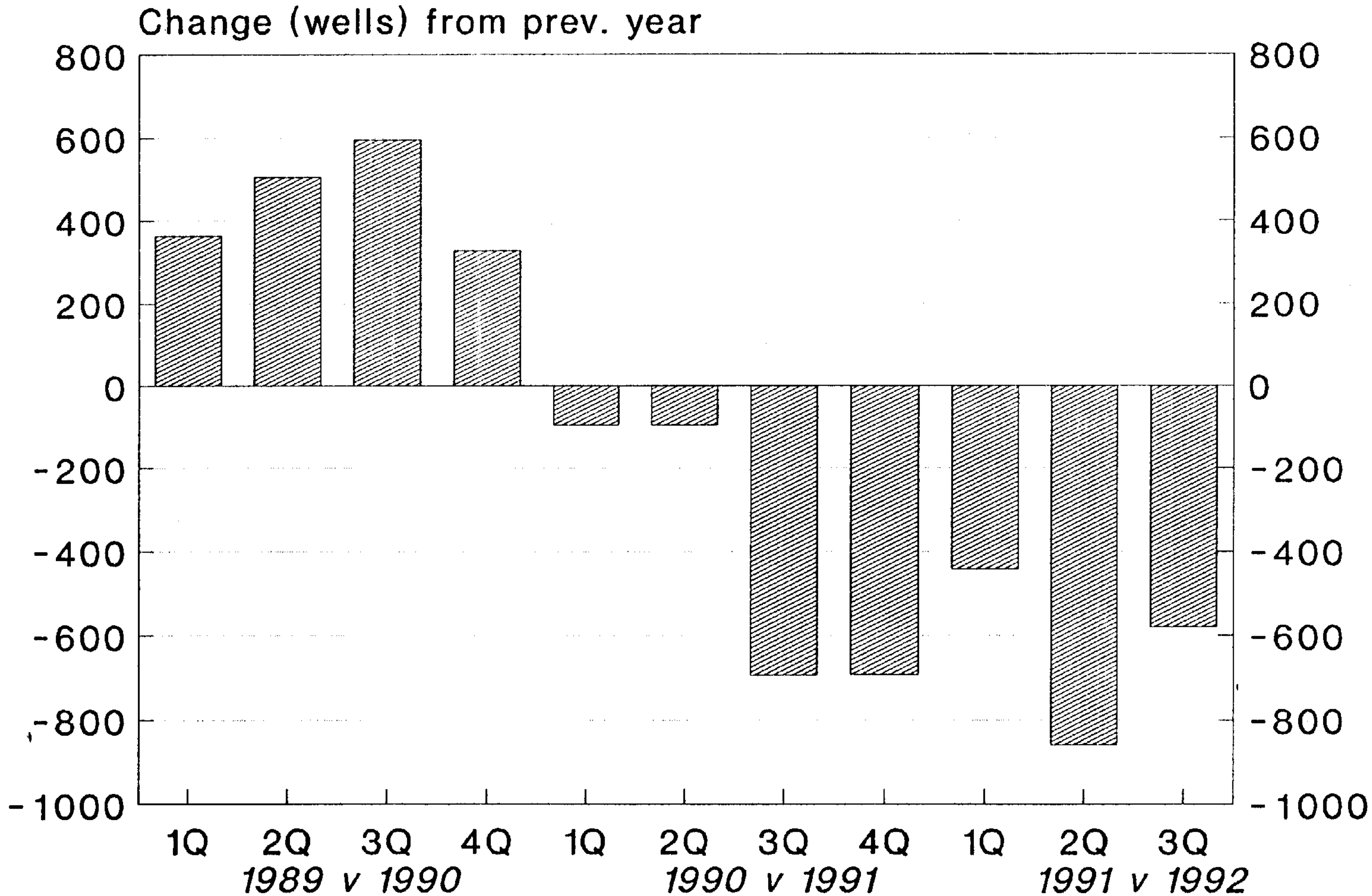


West Coast crude oil must replace falling Alaskan supplies.

PAD III and PAD II take over half of the increased crude and one-third of increased product. (Includes lost Canadian.)

Arrow width reflects volume.

Drilling Completions: Gas Collapsed



Source: API estimated completions