

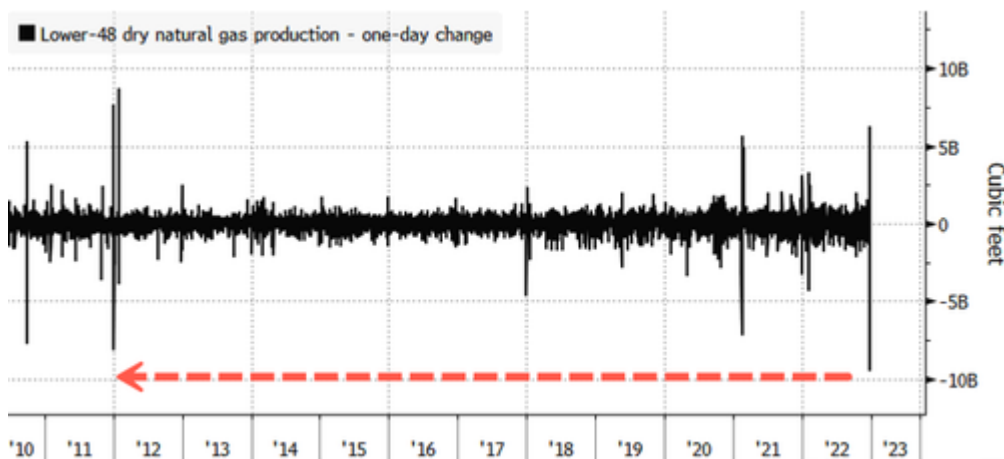


NatGas Production Collapses As Deep Freeze Paralyzes US

Description

An arctic blast gripped the eastern half of the US, knocked out power, and slashed energy production. Sub-freezing temperatures resulted in one of the most significant one-day natural gas production declines on Friday.

BloombergNEF reported NatGas supplies across the Lower 48 states fell 10 billion cubic feet, or 10%, from the previous day as a deep freeze across top-producing regions, including Texas, experienced freeze-offs that froze liquids in pipes and forced wells to shutter.



The arctic air has also disrupted exports of liquefied natural gas from the Gulf Coast.

Subfreezing temperatures and high winds through Dec. 26 may cause delays or suspension to pilot services for the Sabine-Neches Waterway in Texas, according to notices from Moran Shipping. The waterway services the Sabine Pass terminal, the largest US LNG export facility.

Pilots for the port of Corpus Christi, who are responsible for docking vessels in the southern Texas region, have suspended boarding vessels due to the cold, according to Moran. That

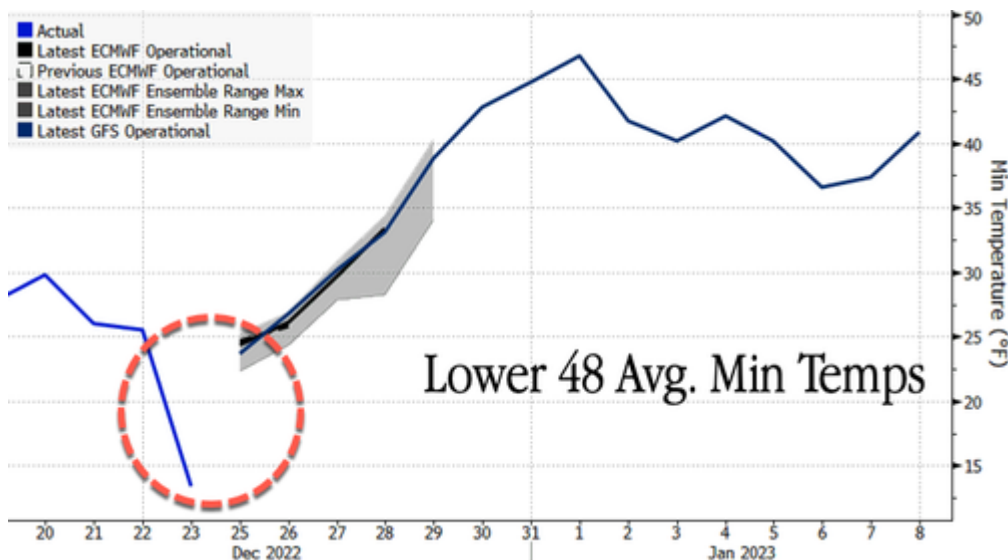
may affect ship traffic to the Corpus Christi LNG export facility.

Cheniere Energy Inc., operator of the Sabine Pass and Corpus Christi terminals, said that it always prepares for and responds to extreme weather to safely manage operations. The company didn't comment on the current operations of the facilities. —[Bloomberg](#)

There have also been reports that 1.5 million barrels of daily refining capacity along the Gulf Coast were halted due to freezing temperatures. Production losses will lead to higher energy costs.

Knocked out were TotalEnergies, Motiva Enterprises and Marathon Petroleum facilities outside Houston. Cold weather also disrupted Exxon Mobil, LyondellBasell and Valero Energy plants in Texas that produce gasoline, diesel and jet fuel. —Reuters

The cold snap will remain in place for the next several days. Average temperatures across the US on Christmas could be the coldest in decades — if not, records could be broken. Average low temps tonight will be well below freezing nationwide.



Meanwhile, domestic demand for NatGas is soaring as heating demand surges. What could possibly go wrong as supplies are being curtailed?

by Tyler Durden

Category

1. Economy-Business-Fin/Invest
2. Main

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