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## More Support for Crude Oil Prices

An "unlimited strike" at six French oil refineries owned by Total has sparked fears of fuel shortages across the country.

Total accounts for around half of France's petrol station supplies.

Now, the oil workers' union is calling on staff at rival company refineries for support.

Charles Foulard, a senior official with the CGT union, said: "For the past two days, the six refineries have not been delivering a single drop of petrol to consumers and petrol stations. To show our determination, both to the government and to the Total group, we have decided to go to the final phase – that is to say the total stopping of refining of crude oil to show that we are ready to last the course."

The potential widening of the action poses a real threat of fuel shortages at the petrol pumps which is causing consternation on the forecourts.

One angry motorist said: "It is clear that there are people who are not happy. But this system of strikes in France is an illness. Strikers are taking people hostage and I don't think that it will have the desired effect."

The dispute centres around plans to close a Total refinery in Dunkirk with the loss of nearly 1,000 jobs.

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## FEBRUARY MID-MONTH ROUNDUP

February prices have been relatively volatile as markets have responded to oscillations in the weather patterns from cold, to mild, to cold again. With Nymex futures being range bound for the first three weeks of the month, it is hard to tell whether they have really had an impact. Basis in the western markets has also maintained its new-found strength with the San Juan averaging only 20 cents under Henry Hub so far this month, but trading above it on several days. Storage withdrawals have largely been pretty stout and steady. However, with one exception, the reported numbers have been smaller than expected. Still the y-o-y surplus, once over 500 Bcf, now stands at 26.

Here's how the average "Gas Daily" Index prices have run so far for **February 2009**:

SoCal	San Juan	Questar	CIG	Permian	Ventura	HSC	Henry
5.532	5.310	5.224	5.247	5.330	5.723	5.400	5.502



## Market Outlook

Nymex energy futures have largely spent the month locked in a trading range from \$5.29 to \$5.80 per MMBtu. Last months pattern seems set to repeat itself as we are now breaking down headed into the bid week. March Crude Oil settles on Monday on what appears to be a very strong rally off of new recent lows. March NG settles on Wednesday. This is unusual, but caused by the short month. Since mid-December, the price of CL has travelled \$58 per barrel!

After failing to reach the \$6 level, natural gas has struggled to sustain any rally, while remaining in a fairly tight range. Having said that, price action shows that no matter how bearish technicals and fundamentals get, the predisposition of people is to buy this commodity. New lows are always met with hungry buying rather than follow-through selling. Having broken the recent low of \$5.06, the market now has its sites set on \$4.915. However, that'll take breaking the \$5.00 level and that may not prove to be that easy given the psychological importance of large, round numbers. Weather forecasts could also provide support.

## Underground Storage Summary, Week Ending February 12, 2010 (Bcf)

National Total	Last Year	Consuming East	Consuming West	Producing
2,025	1,999	1,030	322	673