

Oil Producers Worldwide Seeking to Make Up for Pandemic-Induced Losses - Texas Regulator

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SAN ANTONIO, November 13 (Sputnik) - Oil and gas producers around the world are seeking a return in their production investments following loss of profits caused by the novel coronavirus disease pandemic, Texas oil regulator Jim Wright told Sputnik.

"I think that that shows not only OPEC [Organization of the Petroleum Exporting Countries], but the rest of the people that produce oil and gas throughout the world are really looking at return on their investment," Wright said on the margins of the US-Mexico Natural Gas Forum regarding the lack of increased oil production around the world.

As gasoline prices increase in the United States, President Joe Biden has been trying to convince OPEC to increase oil production but his request has been rejected. Meanwhile, he refuses to tap into the US Strategic Petroleum Reserve claiming it would have a minimal effect on prices at the pump.

"We had a big push 15 years ago. We went out and we drilled... which was a lot of capital required from investors and I think investors are now saying, 'Hey, I want to start seeing a better return,' which is where I think market sustainability needs to be, but it needs to be relevant on what people can afford," Wright said.

The national average for a gallon of regular gasoline in the United States is \$3.41, according to the American Automobile Association.

Nearly two years since the start of the pandemic, pent-up demand has created an oil supply crisis which has sent crude prices skyrocketing from below \$49 per barrel at the end of last year to above \$80 at present, according to the West Texas Intermediate benchmark.

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