Oil & Gas Financial Journal: A Texas-based Oil Cartel?

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Eric Smith, professor of practice and associate director of the Tulane Energy Institute , contributed a opinion piece to the October 2015 issue of Oil & Gas Journal.

> "I believe that this geopolitical change is not a triumph of free market economics over a cartel or even a latter day manifestation of the efficacy of Adam Smith's "invisible hand." Rather, I believe we will see the emergence of active, direct, regulatory action to ration domestic production. The primary driver will be the need to meet the same response times evinced by the defunct OPEC/Saudi system. That system was famous for the tendency of OPEC members, including Saudi Arabia, to cheat on their allocations. For example, current Saudi production exceeds 10.6 MMb/d."

To read Smith's article in its entirety, visit ogfj.com.

http://www.ogfj.com/articles/print/volume-12/issue-10/features/a-texas-based-oil-cartel.html