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SHALE OIL & GAS NEWSLETTER

Meeting the Inherent Challenges of the Shale Oil & Gas Plays,
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Report: Shale to Drive Heavy-Duty Equipment Growth; Study: Unconventional O&G Adds \$238 Billion to GDP

NOTE: This Shale Oil and Gas Newsletter from Luber-finer is a quick read on the shale oil and gas market as it pertains to opportunities or "need to know" news related to Luber-finer products. If you have news to share, please send an email (with a link) to Darren Wight at [dwight@deanhouston.com](mailto:dwright@deanhouston.com).

Shale Oil & Gas To Pace HD Equipment Growth in U.S.

Demand for heavy-duty oilfield equipment in the United States will grow at about the world average, paced by the continued expansion of shale gas production, along with steady growth in crude-oil production, which has been spurred in recent years by a boom in shale oil recovery, according to the "World Oilfield Equipment" report that was released in December by The Freedonia Group, an energy-industry market-research firm.

The report predicts that North American oilfield equipment demand will reach \$43.2 billion in 2016, or nearly 40% of the predicted \$109 billion global demand for heavy-duty oilfield equipment.

For comparison, North American equipment demand stood at \$28.7 billion in 2011, an average annual growth rate of 4.8%. To reach \$43.2 billion in 2016, the average annual growth rate will need to be 3.7%.

See full story: <http://bit.ly/VPJFK9>
SOURCE: *Impeller.net*

Study: Unconventional Oil & Gas Adds \$238 Billion To 2012 GDP

A recent state-by-state study conducted by HIS, a global research company that studies worldwide energy markets, estimates that unconventional oil and gas production in the Lower 48 states will have contributed \$238 billion to the United States' gross domestic product (GDP) in 2012. Additionally, unconventional oil and gas production was expected to contribute a total of \$63 billion in federal, state and local tax revenues in 2012.

The study was a follow-up to an earlier IHS national-level study that showed unconventional oil and gas production will support nearly 3 million jobs by the end of the decade.

Thirty-two states in the Lower 48 currently do not have unconventional oil and gas production operations, but by 2020 they will be contributing nearly 500,000 jobs through businesses that sell goods and services to the 16 states that do have production operations. Chief among these ancillary businesses are heavy-duty equipment manufacturers and suppliers.

"The unconventional oil and gas revolution is having a bigger impact across the country...than is generally recognized," said Daniel Yergin, IHS Vice Chairman.

Full story: <http://bit.ly/T1qhgQ>
SOURCE: *Oil & Gas Journal*

Upcoming Industry Events

JANUARY/FEBRUARY/MARCH

Heavy-Duty Aftermarket Week 2013 (HDAW '13)

Las Vegas, NV – January 21-24

Winter NAPE

Houston, TX – February 5-8

ATA Technology & Maintenance Council

Nashville, TN – March 11-14

Complete list at

www.luberfinerenergy.com

Featured Product



New Luber-finer Time Release Technology (TRT™) – TRT™ filters

are a breakthrough in oil management systems. Luber-finer TRT™ filters help your fleet extend oil-change intervals by impeding oil degradation found in modern diesel engines. **Calculate your TRT maintenance costs at** www.luberfiner.com.

Upcoming Luber-finer Ads

Amer. Oil & Gas Reporter	Feb
Gas Oil & Mining Contractor	Feb
Oil Gas & Petrochem Equip	Feb
Oil & Gas Product News	Feb

Luber-finer Exhibiting At HDAW Trade Show In Las Vegas, NV

Each year, the Heavy-Duty Aftermarket Week (HDAW) Trade Show provides attendees with opportunities to listen, learn and gain knowledge regarding the industry's best practices.

Recognizing the importance of this annual event, Luber-finer has announced that it will be exhibiting as part of FRAM Heavy Duty by FRAM Filtration at HDAW '13, which will be held from Jan. 21-24 at the Convention Event Center at The Mirage Hotel and Casino in Las Vegas, NV.

Full story: <http://bit.ly/YLOlpx>
SOURCE: HDAW

EIA: Shale Oil Production To Drive Increased U.S. Crude-Oil Output

In December, the U.S. Department of Energy's Energy Information Administration (EIA) in its *Annual Energy Outlook 2013* reference case, predicted that U.S. crude-oil production will rise sharply over the next decade.

More specifically, the reference case projects that production of crude oil that is found in tight oil plays will average 234,000 barrels per day from 2011 through 2019. After 2020, EIA projections show production declining gradually as producers more to less productive or less profitable drilling areas.

Full story: <http://bit.ly/WtRFiv>
SOURCE: *HDT/TruckingInfo.com*

Report: Engine Problems Open Door For Aftermarket Suppliers

In a recent report, J.D. Power and Associates found that 46% of owners of one-year-old heavy-duty trucks experienced some type of engine-related problem, up from 42% in 2011. This creates increased business opportunities for suppliers of aftermarket parts, such as filters.

Full story: <http://bit.ly/13hEC11>
SOURCE: *HDT/TruckingInfo.com*

December Class 8 Truck Orders Marginally Higher Than November

On Jan. 8, FTR Associates released preliminary data showing that December 2012 Class 8 truck orders stood at 20,836 units, which was 6% higher than November 2012, but a 30% drop from December 2011.

While the orders were historically low for December, there was a silver lining: the total amount of orders received in the final three months of 2012 were much higher than the orders received in the April-September 2012 period.

"This confirms our forecast for a weaker start to 2013," said Eric Starks, President of FTR. "We would expect to see some better numbers in January."

Full story: <http://bit.ly/ZseoOq>
SOURCE: *Bulk Transporter*

GreenHunter Water Adds Oil & Gas Rolling-Stock Equipment

GreenHunter Water LLC has ordered new rolling-stock equipment assets that will be used to service oil and gas operators in the Marcellus and Utica Shale plays in Pennsylvania, Ohio and West Virginia.

The new equipment, which will be fully operational by the end of 2013's first quarter, consists of three Peterbilt 388 trucks with 100-barrel non-code vacuum tanks and three Peterbilt 388 trucks with 100-barrel code hazmat-certified vacuum tanks.

Full story: <http://bit.ly/VHTmKW>
SOURCE: *Bulk Transporter*

Revised Hours-Of-Service Regs Will Affect Fleet Operations

On Dec. 27, 2011, the Federal Motor Carrier Safety Administration issued its final ruling on revisions to the hours-of-service (HOS) rules, which regulate work-time of commercial-vehicle operators. These new rules will go into full effect on July 1, 2013.

Full story: <http://bit.ly/XkOBIn>
SOURCE: *Work Truck Magazine*

FleetPride Acquires Assets Of Drake Supply Company

In December, FleetPride, inc., the nation's largest retailer of heavy-duty truck and trailer parts, acquired the assets of Drake Supply Company. Drake Supply services Southern California with six locations, which brings the total number of FleetPride locations in the state to 28.

The acquisition expands FleetPride's reach into key markets of Southern California, including railyards, the Port of Los Angeles and the Inland Empire. Recent reports of expanded shale oil and gas exploration and production activity in the state will also present additional business opportunities for FleetPride.

Full story: <http://bit.ly/VPN2ks>
SOURCE: *HDT/TruckingInfo.com*

Confidence In Equipment Leasing And Finance Falls In December

According to a December report from the Equipment Leasing & Finance Foundation, confidence in the equipment finance market declined from November to December, with December's rating standing at 48.5 compared to 49.0 in November.

The report indicates that the decline reflects industry concerns regarding the impact of fiscal issues on capital expenditures, despite an overall sense of optimism in the equipment finance industry.

Full story: <http://bit.ly/WtTyMD>
SOURCE: *Fleet Owner*

Services Group Predicts Steady Canadian Drilling Activity In 2013

In its annual forecast, the Petroleum Services Association of Canada predicts that annual drilling activity will ramp up in the latter part of 2013 and that a total of 11,400 wells will be drilled during the year, an increase from 2012's expected tally of 11,250. In total, 87% of 2013's drilling activity will consist of oil wells.

Full story: <http://bit.ly/Rf1C4f>
SOURCE: *Calgary Herald*