The Daughtry Times®
Education through Integration™

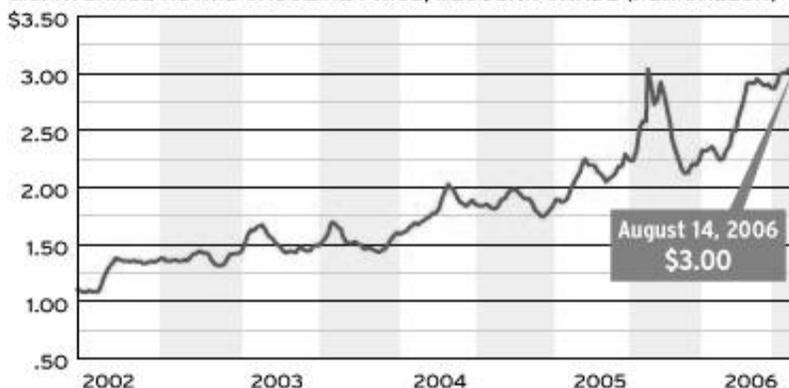# Oil Drops Below $71

Friday, August 18, 2006

LONDON — Oil fell over 2 percent Thursday to its lowest price in nearly two months as *ample* U.S. fuel stockpiles eased investor fears of supply shortages ahead of the U.S. summer driving season drawing to a close. Although prices have fallen for four consecutive sessions, the market is still up 14 percent this year on healthy global demand, geopolitical *tensions* and supply disruptions in key oil-producing countries.

Product	Percent of Total
Finished Motor Gasoline	51.4%
Distillate Fuel Oil	15.3%
Jet Fuel	12.6%
Still Gas	5.4%
Marketable Coke	5.0%
Residual Fuel Oil	3.3%
Liquefied Refinery Gas	2.8%
Asphalt and Road Oil	1.9%
Other Refined Products	1.5%
Lubricants	0.9%

U.S. crude prices have tumbled more than 7 percent, declining in six of the last eight sessions, as a cease-fire took hold in the Middle East and BP said it would shut in only half of its 400,000 barrels-per-day (bpd).
"We've had a raft of *bearish* news. Some of the factors and disruptions that helped drive us to very high levels have been resolved now," said Eoin O'Callaghan.

Gasoline inventories dropped by 2.3 million barrels, but demand eased from the previous week as the summer driving season, which ends in early September, began to wind down. Supplies of natural gas, also used for winter heating, stand at historically high levels for the season. U.S. gas supplies last week rose by 37 billion cubic feet, above forecasts, the federal government said Thursday.

U.S. AVERAGE RETAIL GASOLINE PRICE, REGULAR GRADE (PER GALLON)

August 14, 2006
$3.00

SOURCE: Energy Information Administration   MSNBC

One barrel contains 42 gallons of crude oil. The total volume of products made from crude oil based origins is 48.43 gallons on average - 6.43 gallons greater than the original 42 gallons of crude oil. This represents a "processing gain" due to the additional other petroleum products such as alkylates are added to the refining process to create the final products.

1. What are the measures of central tendency (mean, median, mode, range, and if applicable, outlier) of the table printed above? **Extra Credit** Solve: mean squared + (mode – range) x median.

2. In a complete sentence, explain the primary purposes of utilizing tables and graphs.

3. What is the percent of change between gas prices in early 2002 to August 14, 2006? Explain.

4. In a complete sentence(s), explain precisely what impact the Middle East cease-fire has had upon the oil manufacturing business.

5. Recently, gasoline inventories have decreased by approximately how many more barrels than gallons? What explanation was given for this sudden decline from the previous week?

6. The formula for determining the volume of a cylinder is simply the product of pi, radius squared, and the height and because it is volume, answered in units cubed. Therefore, what is the volume of an oil barrel with the following dimensions: diameter = 34 in, height = 2.75 ft.

7. Using contextual clues underline only, explain the meaning of the italicized words: *ample, tensions, bearish*.

8. In paragraph form, explain five legitimate and educational purposes behind The Daughtry Times.