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Anadarko CEO: 'I can't really give you a bull case' for natural gas

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The Woodlands-based Anadarko Petroleum Corp. (NYSE: APC) is officially done with dry gas, according to its top executive.

Or at least, it's done with dry gas production, which denotes natural gas produced without condensate or other hydrocarbon liquids. CEO [Al Walker](#) said the company has divested all of its gas-only acreage over the course of its recent asset sales.

"When I look at natural gas in the U.S. I can't really give you a bull case," Walker said.

The company will always be a part of the natural gas industry, because wet natural gas is produced alongside much of its crude oil operations, Walker said, but its gas marketing activities are now a secondary part of the business.

Walker was speaking at the [International Petroleum Summit](#) on May 17, a conference put on by the Association of International Petroleum Negotiators. The talk was just a day before the Trump administration sent a letter to Congress kicking off a 90-day window ahead of a renegotiation of the NAFTA trade deal, which reduces or eliminates many regulatory and financial hurdles for trade between Canada, Mexico and the U.S.

Walker said at the time that he didn't think it likely that the U.S. would "disturb NAFTA in a way that will affect natural gas prices." But he also said that if the trade flows of natural gas to Mexico are slowed or stopped, natural gas prices would likely stay suppressed.

President [Donald Trump](#) took a strong negative stance on NAFTA during his campaign and since, though the administration has backed off of its original intentions to leave the deal entirely.



COURTESY

Al Walker is the chairman, president and CEO of Anadarko Petroleum Corp.

"The U.S. working with Canada and Mexico need to be one energy market," Walker said. "I'm hopeful that our administration recognizes that as they are thinking about changes to NAFTA."

Further downstream from natural gas coming out of the ground, Walker said he also doesn't see a near future in which there's a lot of greenfield development of liquefied natural gas assets, though brownfield developments — those that take place at existing facilities — are certainly possible.

LNG exports will see pull from rising demand in markets that can use it to generate electricity, though, Walker said.

There are a number of U.S. companies, including some based in or near Houston, that are developing facilities to export LNG. Some of the most prominent are Cheniere Energy Inc.'s (NYSE MKT: LNG) [Sabine Pass and Corpus Christi facilities](#), Tellurian Inc.'s (Nasdaq: TEL) [Driftwood LNG terminal](#) and NextDecade LLC's [Rio Grande LNG terminal](#).

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