



Cottonwood Co-op Oil Co.

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DOE Inventory:

Crude stocks rose more than expected on higher imports while gasoline showed a surprise fall on both API and DOE reports.

All Values in Bbls	CRUDE	GASOLINE	DISTILLATES
DOE	↑ 2.3 million	↓ 1.3 million	↓ 1.0 million
API	↑ 4.7 million	↓ 1.2 million	↓ 1.0 million
Expectations	↓ 200,000	↑ 1.3 million	↓ 900,000

Refinery Utilization: Down 0.8% to 77.7% capacity; expectations were a drop of 0.1%.

4-Week Average Demands: Gasoline: 8.6 million bpd down 0.5% from last year
Distillates: 3.7 million bpd down 9.1% from last year

Weekly Demands: Gasoline: 8.613 million bpd down from 8.619 million bpd last week
Distillates: 3.659 million bpd down from 3.725 million bpd last week

Imports: Gasoline: 926,000 bpd up from 823,000 bpd last week
Distillates: 438,000 bpd down from 658,000 bpd last week
Crude: 8.426million bpd down from 7.841 million bpd last week

For current prices for your petroleum needs, give myself a call at (507) 828-0164. If you would like to receive this newsletter via email, please contact me to sign up.

Closing Market News:

Crude Oil and Heating Oil both closed somewhat softer today but losses were limited by the strength showed in gasoline demonstrated by the unexpected draw in today's DOE inventory report.

NYMEX			Distillate Basis				UNL Basis			
Contract:	Close	Change	Market	Close	Change	Net Move	Market	Close	Change	Net Move
March HO	\$2.0194	(0.0123)	Group	(0.0475)	(0.0065)	(0.0185)	Group	(0.0850)	(0.0150)	+0.0030
March RB	\$2.0362	+0.0183	Chicago	(0.0175)	+0.0000	(0.0120)	Chicago	(0.0775)	(0.0065)	+0.0115
March Crude	\$76.98	(0.25)	Gulf	(0.0125)	+0.0050	(0.0070)	Gulf	(0.0400)	+0.0000	+0.0180

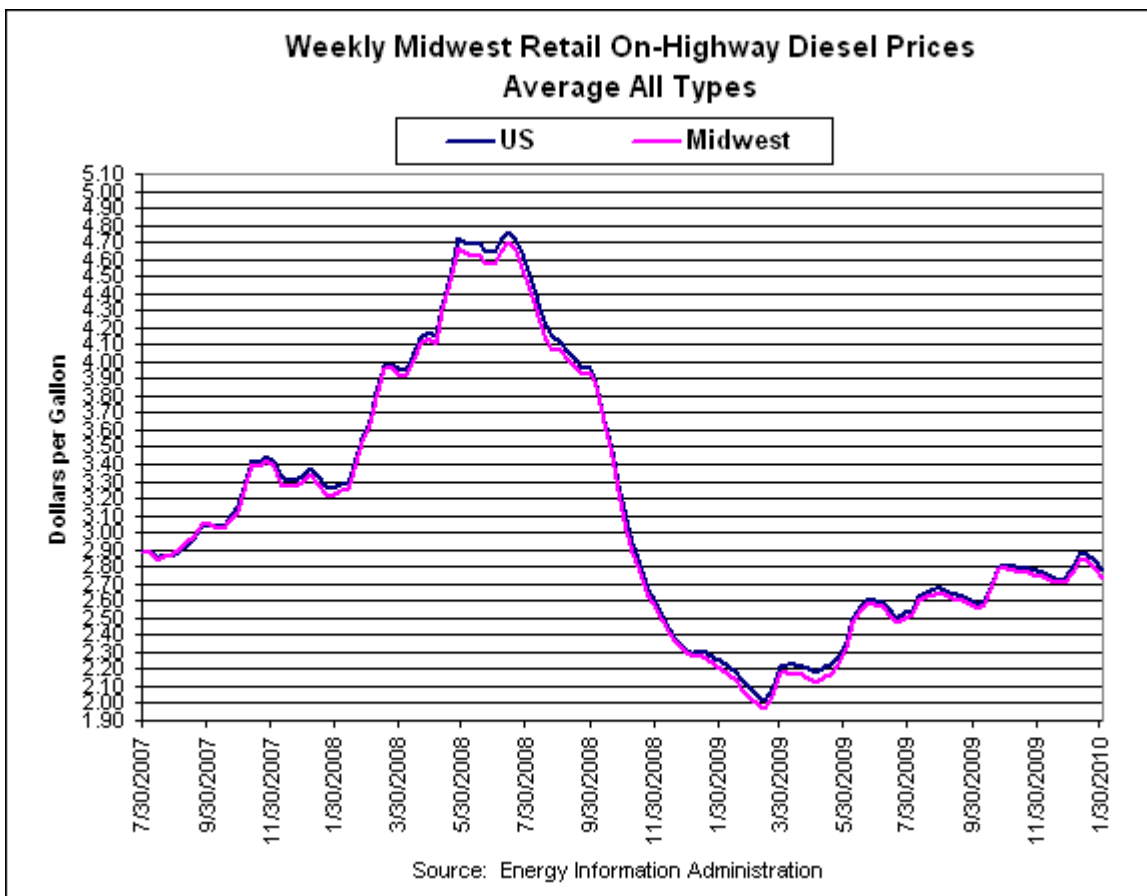
Market Outlook:

The DOE report released this morning showed a 1.3 million bbl draw for gasoline stocks. This number was bullish relative to expectations. While RBOB gained on the day, crude and heat were not strong enough to follow its lead. Domestic Refinery utilization dropped a point to 77.7% which is the lowest non hurricane related capacity since 1990.

Geo-politically, the energy markets are keeping a close eye on Iran. The world's fifth largest oil exporter said it had launched a rocket capable of carrying a satellite. The U.S. considers this launch a provocative act that could be demonstrating nuclear capabilities of Iran.

According to the Australian Bureau of Meteorology, El Nino may fade by this June. This event would increase the probability of storm activity leading to more hurricanes in the Atlantic and Gulf of Mexico which is home to about 27% of U.S' oil production. El Nino is credited with making the 2009 hurricane season the least active in the last 12 years. The phenomenon is also thought to be causing an extraordinary number of Giant Squid appearing on the California shoreline.

The U.S. dollar rebounded today against a basket of major currencies which makes commodities priced in dollars more expensive for those holding other currencies. On Wall Street, the U.S stock market was weaker today largely due to disappointing results in transport companies.



Note: Chart is from Energy Information Administration



- Do you have water and sludge in your storage tank?
- Is your fuel getting dark?
- Are you plugging filters and injectors?
- Losing horsepower?
- Exhausting excessive black smoke?

Do any of these issues apply to you?

For tank cleaning, water removal, fuel conditioning, catalytic treatment and ongoing fuel quality maintenance.

- Removes fuel contaminants: Water; Fungus and bacteria growth; Sludge
- No wasted fuel – All returned
- Provides a video recording (CD) of entire cleaning verifying fuel quality and tank integrity
- Reduces maintenance costs – filters, etc.

CENEX Total Protection Plan Warranty

If you have any new or used piece of equipment, including irrigation engines, please give me a call to find out if you are eligible to take advantage of this great offer.

What makes this the Best Warranty in agriculture?

- Covers new equipment up to 10 years or 10,000 hours and used equipment up to 8 years or 8,000 hours
- Covers a wide variety of equipment
- Extends protection above and beyond equipment manufacturer's warranty
- Has no deductible
- Requires no operator "burden of proof"
- Includes periodic maintenance reminders to help keep your equipment in top condition
- Helps avoid downtime through LubeScan™ fluid sample report that provides insight into internal equipment condition
- Transfers to purchasers of your equipment
- Provides all this protection for just \$299 (new equipment) and \$399 (used equipment)
- Includes periodic money savings coupons for Cenex products



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