



Petroleum Operations Brief

From the rack to the real world.

Monday, October 19, 2026

Developments October 15-19, 2026: diesel futures climb, SPR crude offer, Mountain West dyed-diesel patchwork

PP-OPS-2026-10-19 | Verified: Oct 19, 2026, 6:51 AM MT | Edition 1

QUESTION THE HYPE. KEEP IT FLOWING.

SOURCED. NOT SOLD.

Bottom line

Diesel futures and crude both rose hard in the week ending October 16, and AAA's national diesel average was back up to \$6.3224/gal on October 18, so expect Tuesday's EIA number to move higher. DOE's new Strategic Petroleum Reserve offer is up to 17 million barrels of sour crude, not finished diesel, and bids are due Wednesday. Dyed-diesel relief across the Mountain West and Plains now ends on four different dates, and the IRS still has not issued its payment-postponement or Form 720 guidance. Two dated items land this week: the reformatted EIA weekly report on October 21 and the EPA Texas and Arctic Alaska diesel waiver expiration on October 24.

1. PRICING: CRUDE AND DIESEL FUTURES RALLY INTO THE TUESDAY EIA PRINT

What changed: Front-month Brent settled at \$109.86/bbl on Friday, October 16, up 4.9% on the week, and WTI settled at \$101.41/bbl, up 10.4% on the week and its highest close since September 17. November ULSD futures settled at \$4.8991/gal, up \$0.0535/gal on the day and 3.4% for the week, while gasoline futures fell 1.8% for the week (both as reported from exchange settlements). Reported drivers: an October 15 drone strike that shut a main crude unit at Russia's Ryazan refinery, a missile intercepted near Saudi Arabia's Yanbu port, and Hormuz flows of about 11.62 million b/d versus a 17.15 million b/d baseline. Iran's Revolutionary Guard claimed on October 17-18 that two loaded tankers hit mines in the Strait of Hormuz; that claim has not been independently confirmed. At the pump, AAA's national diesel average was \$6.3224/gal on October 18, up about \$0.0450/gal from a week earlier and below the September 22 record of \$6.5276/gal. GasBuddy put Colorado's statewide diesel average at a record \$6.3100/gal on October 13. EIA's latest official figures are still the October 12 observation (released October 14): U.S. diesel \$6.1790/gal and Rocky Mountain (PADD 4) diesel \$6.3020/gal. The next EIA release is Tuesday, October 20, carrying the October 19 observation.

Why it matters: Interpretation: Diesel futures rose while gasoline futures fell, so the pressure is concentrated in the product that tank wagon, bulk and cardlock volume depends on. Surcharges and cost-plus contracts that reset off Tuesday's EIA number will probably step up again. The Colorado retail record is consistent with the widening PADD 4 premium in EIA's October 12 data. Fixed-price and capped tank-wagon and cardlock programs written in September are now underwater at current replacement cost.

Action: Reprice open fixed and capped offers against today's rack, not last week's. After the Tuesday release, load the October 19 values and confirm the surcharge jobs picked them up. Review credit limits for high-volume diesel accounts, since the same gallons now carry more dollars of receivable exposure. Do not price off the Hormuz mine reports until they are confirmed.

Sources

<https://financefeeds.com/brent-crude-oil-price-110-week-ahead-highest-settle-since-may-bull-115-bear-100/><https://energynewsbeat.co/crude-oil/hormuz-mines-russian-refinery-fires-and-a-25-gas-gap-what-moved-your-fuel-bill-this-week/><https://www.koaa.com/news/local-news/colorado-diesel-prices-hit-a-record-6-31-per-gallon-according-to-gasbuddy><https://www.eia.gov/petroleum/gasdiesel/>

2. SUPPLY: DOE OFFERS 17 MILLION SPR BARRELS, BUT IT IS SOUR CRUDE, NOT DIESEL

What changed: On Friday, October 16, DOE issued a request for proposals to lend (exchange) up to 17 million barrels of SPR crude, described in reports as sour crude, under the 172-million-barrel U.S. commitment to the IEA's March collective action. As reported, questions are due 4:00 p.m. CT today (October 19) and bids are due 11:00 a.m. CT Wednesday, October 21. Borrowers return the crude later with premium barrels. DOE's June offer of 40 million barrels drew takers for only about 500,000 barrels. Reported SPR inventory is about 283 million barrels, falling to roughly 266 million if the full volume is taken. Limitation: DOE's own announcement for this RFP was not found on energy.gov at verification, so the details above come from Reuters and trade-press summaries of it.

Why it matters: Interpretation: This is crude delivered from Gulf Coast SPR sites to refiners. It does nothing for distillate cracking capacity, the actual bottleneck, and adds no identifiable barrels at Rocky Mountain racks. The weak uptake of the June offer suggests refiners have little need for more sour crude at a premium.

Action: Do not treat this as diesel relief in supplier conversations or forward quotes. Check DOE's award announcement after October 21 for the volume actually taken; a small uptake is the more telling number.

Sources

<https://energynow.com/2026/10/us-solicits-exchange-of-up-to-17-million-barrels-of-oil-from-strategic-reserve/>
<https://oilprice.com/Latest-Energy-News/World-News/US-Offers-Another-17-Million-SPR-Barrels-as-Fuel-Crisis-Deepens.amp.html>
<https://www.energy.gov/hgeo/opr/articles/energy-department-issues-rfp-advance-president-trumps-172-million-barrel>

3. DYED DIESEL: MOUNTAIN WEST AND PLAINS RELIEF NOW ENDS ON FOUR DIFFERENT DATES

What changed: Transport Topics compiled the state orders on October 16. As reported: Colorado (Gov. Polis, October 9) directs state officers not to inspect or cite dyed diesel on highways through December 31. Nebraska (two orders, September 24) lets highway-registered vehicles hold, sell or use untaxed dyed diesel without state penalties through December 23. Montana (October 9) allows dyed fuel only in qualifying commercial vehicles of at least 10,001 lb in agricultural or timber operations through November 23. Idaho (October 9) pauses discretionary dyed-fuel inspections for farmers and ranchers through November 8. Wyoming, Utah, New Mexico and Kansas were not covered. IFTA's executive director said the federal order does not override state laws that ban highway use, and state permission does not necessarily exempt the fuel from state tax. Rechecked: IRS IR-2026-122 (October 14) still says guidance on payment postponement under IRC 7508A and on Form 720 treatment is forthcoming. Federal penalty relief runs October 1 through December 31; payment of the \$0.2440/gal federal tax is not yet formally deferred.

Why it matters: Interpretation: A tank wagon or cardlock customer who fuels dyed in Colorado and runs into Wyoming, Utah or Kansas is exposed there. Montana and Idaho relief is narrow and limited to farm and timber use, not general fleet use. A single company-wide dyed-diesel policy will not be right in every state you serve.

Action: Write the dyed-diesel policy by state and channel, with each state's end date. Cardlock operators near state lines should post signage and decide whether dyed product stays restricted to off-road card profiles. Keep tagging dyed gallons that may go to road use under their own ERP product or tax code, so any state or federal tax that comes due later can be calculated. Hold Form 720 changes until the IRS guidance is published.

Sources

<https://www.ttnews.com/articles/dyed-diesel-relief-states>
<https://nbcmontana.com/news/local/montana-temporarily-allows-commercial-vehicle-use-of-dyed-fuel>
<https://www.irs.gov/newsroom/irs-provides-dyed-diesel-fuel-relief-related-to-excite-tax-following-president-trumps-executive-order>

4. FLEET: FMCSA'S DATAQS REFORMS ARE LIVE IN ALL 50 STATES

What changed: In a press release dated October 16, FMCSA said all 50 states, D.C. and the territories now run the reformed DataQs review process for challenging inspection, violation and crash records (CCJ reports the announcement was made October 15). As reported: an issuing officer can no longer decide challenges to their own work; reviews go through three stages (initial review, reconsideration by independent subject-matter experts, final review by a senior official or panel); states must open a request within one week, decide the initial review within 21 days and reconsideration within 21 days of appeal, and finish final review within 45 days; and states must give more detailed reasons for denials. The burden of proof stays entirely on the requester, and states may reject requests without minimal factual or legal support.

Why it matters: CSA scores feed into insurance renewals, shipper and terminal vetting, and FMCSA intervention. Hazmat carriers face tighter intervention thresholds. A wrongly coded violation or a not-preventable crash left on the record raises costs for two years. Interpretation: The new process is worth using now, but only for challenges backed by documents.

Action: Pull your carrier profile and list inspections and crashes from the last 24 months you believe are wrong. For each one, gather the evidence (ELD logs, repair orders, police reports, dashcam video) before filing. Track state response times against the 21- and 45-day deadlines.

Sources

<https://www.fmcsa.dot.gov/newsroom/press-releases>

<https://www.ccjdigital.com/regulations/safety-compliance/article/15837652/fmcsas-dataqs-reforms-officially-in-effect>

5. AUTOMATION: EIA'S REFORMATTED WEEKLY REPORT ARRIVES WEDNESDAY

What changed: Carried forward because the deadline is this week. EIA's WPSR page still says that starting October 21, Tables 11 and 12 (weekly spot prices) are discontinued and spot prices move to daily publication, Table 14 (retail gasoline and diesel prices) is dropped, and the Appendices are discontinued, with Appendix C (Northeast reserves) moving to HTML Table 4A. October 21 is a regular release at 10:30 a.m. ET (8:30 a.m. MT). The Tuesday retail price series is unchanged. AI and dispatch: no petroleum-specific dispatch, ERP or AI release with verified capabilities and a concrete operator impact was found for October 15-19.

Why it matters: Any surcharge calculator, pricing sheet or ERP import that reads retail prices from WPSR Table 14, or spot prices from Tables 11 and 12, can silently return a blank or carry last week's value forward in a week when prices are rising.

Action: Today: finish reprinting those pulls to the Gasoline and Diesel Fuel Update or the EIA API series, and to EIA's daily spot data. Wednesday after 8:30 a.m. MT: confirm each job captured the new value.

Sources

<https://www.eia.gov/petroleum/supply/weekly/>

https://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm

RECHECKED: NO MATERIAL CHANGE

- Russian diesel: On October 16 the President signed an order putting the Sanctioning Russia and Iran Act into effect while waiving its tariffs and most of its sanctions, with no end date. OFAC General License 135 (October 9) authorizes Russian-origin diesel imports until 12:01 a.m. EDT April 7, 2027. No contract, buyer, vessel or arrival has been confirmed. The legality of the import path under the 2022 import ban is disputed. <https://energynewsbeat.co/diesel/two-russia-waivers-in-a-week-and-no-drop-at-the-diesel-pump/>
- EPA diesel waivers: The Texas and Arctic Alaska waivers still expire October 24. No extension posted; EPA's page was last updated October 9. <https://www.epa.gov/gasoline-standards/fuel-waivers>

- Diesel export ban: No order published. The President said October 2 the U.S. would hold off. Unchanged. <https://www.ttnews.com/articles/trump-no-diesel-export-ban>

UPCOMING OPERATIONAL DATES

- Oct 19 (Mon), 4:00 p.m. CT: questions due on the DOE 17-million-barrel SPR RFP (as reported).
- Oct 20 (Tue): EIA retail gasoline and diesel prices, October 19 observation. <https://www.eia.gov/petroleum/gasdiesel/schedule.php>
- Oct 21 (Wed), 10:30 a.m. ET: first WPSR without Tables 11, 12 and 14. 11:00 a.m. CT: SPR exchange bids due (as reported). <https://www.eia.gov/petroleum/supply/weekly/schedule.php>
- Oct 24 (Sat): EPA Texas and Arctic Alaska diesel waivers expire unless renewed. <https://www.epa.gov/gasoline-standards/fuel-waivers>
- Oct 28: PHMSA HM-241 (ASME Section XII for cargo tanks) takes effect. <https://www.federalregister.gov/documents/2026/09/28/2026-19741/hazardous-materials-incorporation-of-asm-e-code-section-xii-and-the-national-board-inspection-code>
- Nov 8: Idaho dyed-fuel inspection pause ends (as reported). Nov 23: Montana ag and timber dyed-fuel order ends (as reported). <https://www.ttnews.com/articles/dyed-diesel-relief-states>
- Nov 27: Volvo and Mack trailer-braking recall owner letters due (NHTSA 26V619 / 26V620). <https://static.nhtsa.gov/odi/rcl/2026/RCLRPT-26V619-8062.pdf>
- Dec 16, 11:59 p.m.: FMCSA HOS waiver for gasoline and diesel transport ends. <https://www.fmcsa.dot.gov/mission/hours-service-waiver-transportation-gasoline-and-diesel-fuel>
- Dec 23: Nebraska dyed-diesel relief ends (as reported). Dec 31: IRS federal penalty relief and Colorado's enforcement pause end.

PRIORITIZED FOLLOW-UP

1. Today: Finish repointing automated EIA pulls off WPSR Tables 11, 12 and 14 before Wednesday's release.
2. Before quoting this week: Reprice open fixed and capped tank-wagon and cardlock offers against current rack, and review credit limits on large diesel accounts.
3. This week: Issue a state-by-state dyed-diesel policy with each state's end date, and brief CSRs, drivers and cardlock staff.
4. Oct 20-21: Load the October 19 EIA values, then confirm surcharge jobs ran correctly after the new WPSR format.
5. Within 30 days: Review your carrier profile and file documented DataQs challenges under the new process.
6. Ongoing: Watch irs.gov for 7508A and Form 720 guidance, and DOE for the SPR award volume after October 21.

DEEPER READING

- Transport Topics: dyed diesel relief leaves carriers with state-by-state rules: <https://www.ttnews.com/articles/dyed-diesel-relief-states>
- CCJ: FMCSA's DataQs reforms officially in effect: <https://www.ccjdigital.com/regulations/safety-compliance/article/15837652/fmcsas-dataqs-reforms-officially-in-effect>
- EIA WPSR page and October 21 change notice: <https://www.eia.gov/petroleum/supply/weekly/>

Also from Pipeline Punks: the Compliance Deadline Radar (rules and dates). Sign up or pick your briefs at

<https://briefs.pipelinepunks.com/signup>

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