



Drumbeat: May 31, 2013

Posted by [Leanan](#) on May 31, 2013 - 9:07am

[Oil executives tune out the call of the wild Arctic](#)

NY-AALESUND, Norway (Reuters) - The high Arctic, once the irresistible frontier for oil and gas exploration, is quickly losing its appeal as energy firms grow fearful of the financial and public relations risk of working in the pristine icy wilderness.

The Arctic may hold 13 percent of the world's undiscovered oil and 30 percent of its gas, but a series of blunders and failures there are making executives fight shy of such a sensitive area and turn their attention back to more conventional resources and the shale revolution.

The turning point likely came on New Year's eve, when Royal Dutch Shell's drillship ran aground in rough waters off Alaska, setting off a public relations storm that inflicted much pain on the firm, made more acute by how little it had to show for the \$4.5 billion (3 billion pounds) it has spent on the Arctic since 2005.

[WTI Heads for Weekly Drop as Stockpiles Gain Before OPEC Meets](#)

West Texas Intermediate crude headed for a third weekly decline after U.S. stockpiles climbed to the most in more than 80 years. Saudi Arabia's oil minister said in Vienna that prices are reasonable.

Futures retreated 0.8 percent in New York. U.S. crude inventories rose 3 million barrels last week to 397.6 million, the highest level since at least 1931, government data showed. Supplies were projected to drop in a Bloomberg survey. Saudi Oil Minister Ali al-Naimi said today he's comfortable with OPEC's current output target, speaking before the group met to decide its production policy. Kuwait, Venezuela and two other members of the Organization of Petroleum Exporting Countries said they expected the group to keep its output ceiling unchanged.

[BP Sells Fourth Forties Lot: Force Majeure Declared on Usan Oil](#)

BP Plc sold its fourth North Sea Forties crude cargo for loading in June at a higher differential than yesterday. Total SA bought Russian Urals in the Mediterranean at a bigger discount to Dated Brent than the previous trade.

Nigeria has stopped shipments of Usan grade today after a force majeure, a legal clause

that protects a company from liability if it can't fulfill a contract for reasons beyond its control, said two people with knowledge of the matter, who asked not to be identified because they are not authorized to comment publicly.

[U.S.-Europe Diesel Cargoes Seen Climbing as Demand Strengthens](#)

Shipments of diesel to Europe from the U.S. Gulf Coast are poised to rise over the next two weeks on stronger demand for the fuel, a Bloomberg News survey showed.

[Asia Fuel Oil-June-July spreads hit 3-week high](#)

SINGAPORE (Reuters) - Asia's fuel oil market strengthened on Friday with the June-July spreads for both 180-cst and 380-cst stretched to their widest backwardation in three weeks.

The market is gaining strength from a bull play sparked off by Glencore's purchase of front-month spreads, traders said, while physical oil supply remains ample amid slow demand. Chinese independent refiners have turned to PetroChina for crude instead of importing the more expensive fuel oil while June premiums for bunker fuel are down from the previous month, reflecting weak demand.

[Tanker Seizures Seen Boosting Rates as Oil Companies Vet Owners](#)

Increasing seizures of oil tankers will help rates recover from record lows as oil companies and traders have to avoid struggling owners, according to Frontline Ltd., the company led by billionaire John Fredriksen.

[OPEC to Curb Shipments Amid Demand Slump: Oil Movements](#)

The Organization of Petroleum Exporting Countries will reduce crude shipments into mid-June as demand growth slows, tanker tracker Oil Movements said.

The group that supplies about 40 percent of the world's oil will ship 23.91 million barrels a day in the four weeks to June 15, compared with 24.12 million in the previous period to May 18, the researcher said in an e-mailed report. The figures exclude two of OPEC's 12 members, Angola and Ecuador. The organization will meet in Vienna tomorrow to discuss its production target, which is currently 30 million barrels a day.

[OPEC Keeps Output Target Unchanged, Content With \\$100 Oil](#)

OPEC kept its production target unchanged for a third consecutive time, signaling that crude prices at about \$100 a barrel are sufficient to buoy members' revenue as the

global economy recovers.

[Iraqi Plan to Boost Oil Production Sets Up OPEC Quota Tussle](#)

Iraq is due to start pumping crude from two of its largest oil fields within weeks, creating a possible obstacle to future efforts by OPEC to curb supplies in the event of a drop in prices.

[Venezuela Says U.S. Shale Won't Hurt OPEC's Heavy Oil](#)

The rising supply of U.S. shale oil doesn't affect exporters of medium and heavy crudes such as Venezuela, the Latin American country's oil minister told reporters before an OPEC meeting tomorrow.

"Shale is a production of light crude and that doesn't affect us as being big producers of medium and heavy crudes," Rafael Ramirez said in Vienna, where ministers from the Organization of Petroleum Exporting Countries are gathering. "We have a big capacity to place our crudes, including the U.S. market."

[Iran Ups Oil Product Export as Sanctions Hurt Crude, Qasemi Says](#)

Iran, holder of the world's fourth-biggest proven crude reserves, is exporting more oil products as western sanctions reduce the amount of crude it ships overseas, the country's oil minister said.

Iranian crude exports have fallen by about 20 percent and most of the volumes have been replaced by products, Oil Minister Rostam Qasemi told reporters today in Vienna, where the Organization of Petroleum Exporting Countries is meeting to determine production policy. He didn't specify a timeframe for the decline in shipments.

[Japan's Iran crude imports fall to 9-mth low in April](#)

TOKYO (Reuters) - Japan's crude imports from Iran fell in April to the lowest in nine months, as refiners cut purchases because of uncertainty over whether sovereign insurance for tankers carrying Iranian oil would be extended beyond March.

The United States and other Western countries slapped tough sanctions on Iran last year to choke off its oil revenue to force Tehran to halt a controversial nuclear programme. As part of those measures, the EU banned insurance coverage for tankers carrying Iranian oil.

[Oil Fields Under Olive Groves Offer Italy Economic Boost](#)

Underneath the groves that make southern Italy the world's second-largest olive oil producer, geologists have found a more lucrative liquid: Europe's biggest onshore crude oil fields.

Basilicata, a mountainous, sparsely populated province that sits in the arch of Italy's boot, holds more than 1 billion barrels, offering the country a weapon to fight a two-year recession. Rome-based Eni SpA and France's Total SA plan to double production raising Italy's output to almost 200,000 barrels a day, making the country Europe's third-largest oil producer behind the U.K. and Norway.

[Plenty of oil but services are the goldmine](#)

"We have not run out of oil," Garry states, referencing previous market concerns over peak oil. "We've proved... that there is plenty of oil left in the world."

In which case, why not invest in oil companies? According to Garry, the chief problem is that most of the oil is owned by national oil companies who don't have the necessary skills base to extract the oil efficiently. Enter Oil Services - a sector presented with a unique opportunity for expansion.

[PetroVietnam Drilling Forecasts 2013 Profit to Increase 29%](#)

PetroVietnam Drilling & Well Services Joint-Stock Co., the country's biggest listed oilfield services provider, forecasts profit this year may rise 29 percent as rates for drilling rigs increase.

[Canada Economy Grows Fastest Since 2011 on Oil Exports](#)

A surge in Canadian oil exports to the U.S. helped propel the country's economy in the first quarter to its fastest growth pace since 2011, even as domestic demand expanded at the slowest rate since the 2009 recession.

[Pittsburgh becomes expat hot spot](#)

NEW YORK (CNNMoney) - Thanks to the shifting nature of the global economy, some once down-and-out cities are seeing an influx of foreign executives and other personnel from international organizations.

Pittsburgh, a former steel powerhouse, has emerged as a hot bed for operations related to the oil and gas boom in western Pennsylvania and eastern Ohio. AIRINC, a provider of cost of living data, put Pittsburgh on its "cities to watch" list in a recent report detailing the top locations requested from the company.

[U.S. senator McCain pictured with Syrian rebel kidnapper: paper](#)

BEIRUT (Reuters) - U.S. Senator John McCain was photographed during a trip to Syria with a man implicated in the kidnapping by Syrian rebels of 11 Lebanese Shi'ite pilgrims a year ago, a Lebanese newspaper said on Thursday.

McCain, a Republican, has been an outspoken advocate for U.S. military aid to the rebels fighting President Bashar al-Assad and made a short, highly publicised trip to meet rebel commanders in Syria three days ago.

He has insisted that the United States could locate the "right people" to help among rebel ranks infiltrated with radicalised Islamists.

[Could Canada's Oil Sands Become "Stranded Assets"?](#)

The boom in Alberta's oil sands was initially hailed as a hugely promising development for Canada's economy and energy security.

Recently, though, major threats challenging the economic viability of oil sands projects have begun to emerge. The main culprits are spiraling operating costs, depressed pricing for Western Canadian crude oil, and increased competition from shale plays in the U.S.

[Keystone Delay Weighs on Smaller Oil Producers](#)

Growth prospects for smaller oil-sands producers including BlackPearl Resources Inc. and Southern Pacific Resource Corp. are fading as political wrangling over the Keystone XL pipeline and rising U.S. supply slow deals in the Canadian energy industry.

[Why we don't need the Keystone Pipeline](#)

We're producing way more gasoline than we need. The gap between supply and demand is so great, in fact, that the only market oil refiners can find for their product is overseas, where demand is growing (and prices are often much higher).

[Woe is not us: From one new energy revolution \(shale gas\) to another \(fire ice\)](#)

As the shale gas revolution begins to ripple through, reordering the world economy, another fossil fuel revolution is in the offing which will again torpedo most conventional wisdom concerning energy.

So-called "peak oil", the end of petroleum exhausted by expanding consumption and diminishing discoveries, the love story of environmental fanatics, has now gone a glimmering.

[Tesla tripling supercharger network for LA to NY trip](#)

NEW YORK (CNNMoney) = Tesla will be tripling the number of its supercharger stations by the end of June, and by the end of the year, its expansion program will allow Tesla drivers to go from Los Angeles to New York, according to CEO Elon Musk.

[Elon Musk's moment](#)

The SpaceX and Tesla CEO takes a victory lap, builds a nationwide charging network, and alludes to a new mind-blowing form of rapid transit.

[How Is Honda Sweetening the Deal for its Electric Fit?](#)

Honda Motor Co. is struggling to keep up in the electric car foot race, but it hopes its newest deal will help it recover some much-needed ground. Its newest plan of attack? Drop the down payment and pare the lease price for its electric Fit hatchback.

[1930s subway train makes rare uptown trip in NYC](#)

NEW YORK (AP) — Hundreds of lucky New York City commuters got a surprise trip back in time when eight 1930s-era subway cars were briefly returned to service offering woven wicker seats, ceiling fans and rusted metal exteriors.

The cars were pulled out of storage for a one-time trip Thursday to commemorate the reopening of a 3.7-mile stretch of subway tracks in Queens that were badly damaged by Superstorm Sandy seven months ago. They were a far cry from the sleek, air conditioned silver trains people hop aboard each day.

Straphangers who just happened to be in the right place at the right time snapped pictures on their iPhones and gawked at the old-timey ads for Clark bars and Levy's Rye Bread adorning the walls of the train running on the A line.

[European Wind Energy Association: Europe Losing Money Not Overpaying For Wind](#)

How can paying less for energy cost more? When activists advocating their technology start doing math.

The EU paid 406 billion Euros for oil and gas imports in 2012 (1.1 billion Euros per day), 3.2% of its GDP, notes the European Wind Energy Association. If Europeans simply paid more to increase domestic wind power, it would increase Europe's competitiveness, they say. Cheaper fossil fuels undermine Europe by not being cheap enough, the result of increasing fossil fuel import costs.

[Small dams more dangerous to environment than large dams: study](#)

Washington (ANI): Small dams can pose a greater threat to ecosystems and natural landscapes than large dams, a new study has revealed.

Researchers from the Oregon State University in Corvallis who have conducted surveys of habitat loss and damage at several dam sites on the partially protected Nu River in China have found that the environmental harm from small dams was often greater, sometimes by several orders of magnitude than from large dams.

[The Long Emergency, Permaculture, and Towns That Food Saved](#)

This post examines the use of Permaculture principles to harness purposefulness for collaborative planning for resilience and regeneration by examining two communities that are surviving and in some cases thriving by building on the "sense of purpose" that occurs after a disaster or downturn.

[The USDA's Latest Report on Energy Use in Agriculture](#)

It has been just shy of two years since the USDA came out with its last report on energy use in agriculture. The title of this month's new report is, "Agriculture's Supply and Demand for Energy and Energy Products." This time they presented the subject by saying that energy inputs no longer have a linear relationship with agriculture since commodities are now used for the production of biofuels, and that farmers adapt in other ways to rising energy costs.

The agriculture sector in the U.S. uses less than 2 percent of total U.S. energy consumption. However, energy and energy-intensive inputs account for a significant share of agricultural production costs. For example, corn, sorghum, and rice farmers allocated over 30 percent of total production expenditures on energy inputs in 2011.

[Climate change compounds problems for stressed agriculture sector](#)

Climate change will make it even harder to put locally sourced food on our tables if steps are not taken to strengthen the British Columbia (BC) agriculture sector, according to a new report.

[Japan Suspends Some Imports of U.S. Wheat](#)

WASHINGTON — Japan has suspended some imports of wheat from the United States after genetically engineered wheat was found on an Oregon farm.

The Agriculture Department announced the discovery on Wednesday. No genetically

engineered wheat has been approved for American farming.

[Britain's hunger problem grows](#)

LONDON (CNNMoney) - The U.K. economy may be crawling back to growth, but the number of people relying on food handouts is soaring due to welfare cuts and unemployment.

Charities warned Thursday that as many as 500,000 people may be going hungry as benefits are cut or withheld, food becomes more expensive, jobless rates rise and real incomes are squeezed.

[Mt. Everest's filthy secret: It's a dump](#)

Exhausted climbers have left behind a trail of debris — and lots of excrement

The world this week is celebrating the 60th anniversary of the first successful effort to reach the top of the world's highest peak. But environmental activists are using the occasion to call attention to the tons and tons of garbage — and human excrement — that have been left on Mt. Everest's slopes in the decades since Sir Edmund Hillary and his Nepalese Sherpa guide, Tenzing Norgay, made their historic climb. And the picture they are painting isn't pretty.

[Is 'No Fun' Sign Next? California Beach Bonfires May Be Doused](#)

Jefferson Wagner, a former mayor of Malibu known to local residents as Zuma Jay, fondly recalled the days when he would warm up at fire pits all over Southern California after surfing with his friends. They would camp on the beach (now banned), bring their dogs (banned) and set off fireworks on the Fourth of July (banned).

Now 59, Mr. Wagner said that as surfing grew more popular and less countercultural, and beaches grew more crowded, the need to enforce more rules also grew.

[China's plastic bag ban saves 6m tons of oil](#)

BEIJING - A plastic bag ban launched five years ago has cut consumption by at least 67 billion bags, saving an equivalent of 6 million tons of oil, the National Development and Reform Commission (NDRC) said Friday.

Since the ban was implemented, use of plastic bags has dropped by more than two-thirds, said Li Jing, vice-chief of energy-saving and environmental protection department under the NDRC, China's top economic planner.

[European Officials Move to Curb Overfishing](#)

PARIS — The European Union on Thursday agreed to an overhaul of the region's fisheries policy, a deal intended to make commercial fishing more sustainable.

[Massachusetts: State Sues Over Cod Limits](#)

Attorney General Martha Coakley filed a lawsuit on Thursday against the National Oceanic and Atmospheric Administration in an effort to block federal rules that severely limit the amount of cod New England fishermen are allowed to catch annually.

[California native fish could disappear with climate change](#)

Climate change could be the final blow for many of California's native fish species, pushing them to extinction with extended drought, warmer water temperatures and altered stream flow.

The authors of a new study published online in the journal PLOS ONE used 20 metrics - including species population trends, physiological tolerance to temperature increase and ability to disperse -- to gauge the vulnerability of native fishes to climate change.

The results: 82% of 121 native species were deemed highly vulnerable.

[Big firms should report environmental impact - UN panel](#)

UNITED NATIONS/OSLO (Reuters) - Big companies should report their impact on the environment in addition to their earnings under a U.N. plan to boost economic growth and ease poverty by 2030, according to recommendations by a panel of world leaders released on Thursday.

Slowing climate change and protecting the environment should be at the core of global development, said the 27-member panel, led by British Prime Minister David Cameron, Indonesian President Susilo Bambang Yudhoyono and Liberian President Ellen Johnson Sirleaf.

[Why shale gas could be the saviour of Britain's environmental targets](#)

THE debate around shale gas has been dominated by the economic benefits of production and the perceived risks of hydraulic fracturing. But we shouldn't lose sight of the wider environmental picture. Developing shale gas in this country can benefit the natural world in several ways.

[EU: US climate plan could put 2°C goal at risk](#)

A proposal by the US for nations to set their own greenhouse gas reduction targets could put the goal of limiting warming to 2°C at risk.

That was the warning from the EU's chief climate negotiator Artur Runge-Metzger ahead of a meeting of governments in Bonn starting June 3.

[EU greenhouse gas emissions lowest to date](#)

COPENHAGEN, Denmark (AP) — The EU's environmental agency says the 27-nation bloc's greenhouse emissions in 2011 were the lowest since it began monitoring them in 1990.

The European Environment Agency says greenhouse gas emissions dropped 3.3 percent compared to 2010, and were 18.4 percent below 1990 levels. It cited a milder winter in 2011 as the main reason for the drop.

[Winter's deathly grip slips in Australia](#)

The researchers analysed Australian Bureau of Statistics mortality data across the past 40 years to track seasonal shifts in when older Australians die.

They conclude the influence of climate change is already detectable in the modern Australian mortality record, pointing to results that suggest less people are dying in the Australian winter thanks to the trend toward warmer weather.

[Cities not waiting for next superstorm to hit: Column](#)

State and local governments around the country have developed aggressive plans to stem climate change and prepare for its consequences. Hoboken is developing a comprehensive sustainability plan and the four southeast Florida counties of Broward, Miami-Dade, Monroe and Palm Beach joined together four years ago to form a climate compact.

But to make significant progress, we need a partnership with the federal government. We shouldn't have to wait for the next Hurricane Sandy for Congress to take action.

[Tokyo Prepares for a Once-in-200-Year Flood to Top Sandy](#)

Tokyo, the world's most populated metropolis, is building defenses for the possibility of a flood in the next 200 years that could dwarf the damage superstorm Sandy wrought on the U.S. East Coast.

Japan's capital, flanked by rivers to the east and west, as well as running through it, faces 33 trillion yen (\$322 billion) in damages should the banks break on the Arakawa River that bisects Tokyo, according to government estimates. That's more than five times the \$60.2 billion aid package for Sandy that slammed into the U.S. northeast last October.

"Japan hasn't prepared enough," said Toru Sueoka, president of the Japanese Geotechnical Society, an organization of engineers, consultants and researchers. "Weather patterns have changed and we are getting unusual conditions. We need upgrades or else our cities won't be able to cope with floods."



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