



Drumbeat: June 22, 2013

Posted by [Leanan](#) on June 22, 2013 - 10:20am

[Shale gas won't stop peak oil, but could create an economic crisis](#)

Two years ago, following the publication of the EIA April 2011 report a New York Times investigation obtained internal EIA communications showing how senior officials, including industry consultants and federal energy experts privately voiced scepticism about shale gas prospects.

One internal EIA document said oil companies had exaggerated "the appearance of shale gas well profitability" by highlighting performance only from the best wells, and using overly optimistic models for productivity projections over decades. The NYT reported that the EIA often "relies on research from outside consultants with ties to the industry."

The latest EIA shale gas estimates, contracted to ARI, is no exception. ARI, according to the NYT's 2011 article, has "major clients in the oil and gas industry" and the company's president, Vello Kuuskraa, is "a stockholder and board member of Southwestern Energy, an energy company heavily involved in drilling for gas in the Fayetteville shale formation in Arkansas."

[Crude Falls to Two-Week Low as Dollar Rises on Fed](#)

West Texas Intermediate crude fell to a two-week low as the dollar rose on expectations the Federal Reserve will trim its monthly bond purchases in September and on concern that China's cash squeeze may curb its economic growth.

Prices capped the first weekly loss in three as the Dollar Index reached a two-week high. About 44 percent of economists in a Bloomberg survey June 19-20 saw the Fed tapering stimulus, compared with 27 percent June 4-5. China's one-day repurchase rate touched a record yesterday, prompting speculation the central bank was forced to pump liquidity.

[Bakken Boom Cutting West Coast Imports of Crude](#)

The West Coast is bringing in record amounts of crude from the interior of the U.S., cutting the price of foreign supplies and heralding the end of some overseas imports by next year.

California, the world's ninth-largest economy, shipped via rail more oil than ever in February from North Dakota's Bakken formation, while Russian imports to the region slid to 713,000 barrels from a June 2012 record of 6.53 million. The premium for Russia's East Siberia-Pacific Ocean oil has retreated 60 percent against U.S. benchmark West Texas Intermediate since Feb. 20.

[Energy Rigs in U.S. Decline by 12 to 1,759, Baker Hughes Reports](#)

Oil and gas rigs in the U.S. fell by 12 this week to 1,759, according to Baker Hughes Inc.

Oil rigs slipped by eight to 1,405, data posted on Baker Hughes' website show. The gas count decreased by four to 349, the Houston-based field-services company said.

[Cheap gas, big rush](#)

Central Ohio drivers quickly embraced sharply lower gasoline prices the past couple of days, waiting in line at some stations and using other measures to take advantage of the savings.

Dan Hupp popped open the back of his truck and started unloading more than a dozen plastic gas cans at a United Dairy Farmers store in Clintonville, where gas dropped to \$3.299 a gallon yesterday.

The people in cars behind him didn't look pleased about the extra wait while he filled them up, but Hupp didn't care. He wanted to stock up as much as possible. "Buy 100 gallons, it'll last you a few weeks," said Hupp, who's concerned about another sudden spike in prices. Gasoline prices started dropping on Thursday evening at stations across the state, sparking long lines and long waits for bargain fill-ups.

[Indonesia raises fuel prices among world's lowest](#)

JAKARTA, Indonesia (AP) -- Fuel prices increased up to 44 percent across Indonesia early Saturday after the government reduced some of the costly subsidies that have kept pump prices in Southeast Asia's largest economy among the world's lowest.

Long lines of motorbikes and cars snaked around gas stations for hours late Friday as motorists waited to fill up their tanks with cheaper gas before the increase took effect after midnight. The government had ordered stations to stay open to accommodate the crush.

[Jakarta Calm After Subsidized Fuel Prices Are Increased](#)

The streets of Indonesia's capital Jakarta were quiet today after the government raised

fuel prices for the first time since 2008, compared with earlier this week when protests erupted across the country.

[Details on fuel rationing smart card in Egypt to be revealed](#)

Egypt's government will introduce on Saturday a smart card system to reduce the subsidies on fuel.

In July or August the smart card is supposed to take effect, the government announced in May, to ration subsidised fuel per car. Once the card owner depletes their subsidised fuel allotment they must pay market prices.

[Republican lawmakers support petition against Connecticut gas tax hike](#)

Four state Republican lawmakers are taking part in a petition signing campaign to head off the largest gas tax hike in Connecticut history.

State Sens. Joe Markley, Kevin Kelly and Art Linares, along with state Rep. Dave Rutigliano, will be at area gas stations Monday urging customers to sign a petition urging a delay or repeal of the tax, which is scheduled to take effect July 1. The tax increase would add about 4 cents per gallon to the 47 cents per gallon Connecticut charges for gasoline.

[China Fuel Oil Imports Climb to Five-Year High on Iran Supplies](#)

China's fuel oil imports surged to the highest level in five years last month as the country boosted purchases from Iran, customs data show.

Imports of the residual fuel, used by power plants and so-called teapot oil refineries, rose 19 percent to 2.83 million tons from a month earlier, according to data e-mailed by the General Administration of Customs in Beijing today. That's the most since May 2008. Shipments from Iran climbed to 526,203 tons in May, the highest since February 2004 when Bloomberg started tracking the data.

[Bashir threatens again to stop oil exports from South Sudan](#)

Sudan's President Omar Hassan al-Bashir on Friday threatened again to stop oil flows across its border with arch-rival South Sudan unless the south stops supporting rebels operating across the shared frontier.

[Norway and Russia agree to joint oil and gas exploration](#)

Norway's Statoil and Russia's Rosneft have signed agreements that will result in their Joint Venture to explore offshore frontier areas in the Sea of Okhotsk and in the Barents Sea.

The companies have also concluded a Heads of Agreement to explore shale oil opportunities in the Samara region.

[CNPC says buys Marathon's Angola oil fields for \\$1.52 bln](#)

(Reuters) - China National Petroleum Corp has agreed to buy Marathon Oil Corp's Angolan offshore oil and gas field for \$1.52 billion, the country's top oil and gas producer said, marking its second major acquisition in Africa.

[Japan consortium, Gazprom to agree to build LNG plant -Nikkei](#)

(Reuters) - A consortium led by Japanese trading house Itochu Corp is likely to agree as early as Saturday to build an LNG plant in Russia with Gazprom , the Nikkei newspaper reported, to meet Japan's growing energy needs.

[Iran blocks cyberattack on oil ministry](#)

Tehran: Iran says it has successfully blocked a cyberattack on a computer network for its oil sector.

A government agency in charge of fighting sabotage said on Saturday in its website, paydarymelli.ir, that the attack hit the networks of the Oil Ministry and the National Iranian Oil Company on Friday.

[Iran Oil Ministry Denies Cyberattack](#)

An Iranian oil ministry official on Saturday denied a report published by a government agency that it had successfully blocked a cyberattack on an oil sector computer network.

Ahmad Tavallaei, head of IT at the National Iranian Oil Company, said in comments posted on the oil ministry's website shana.ir that a technical problem, not a cyberattack, was the reason for a temporary shutdown of the network.

[Ex-Enron CEO Skilling has 10 years lopped off sentence](#)

NEW YORK (CNNMoney) - A federal judge reduced the prison sentence of former Enron chief executive Jeffrey Skilling by 10 years on Friday, closing the book on one of the most spectacular white-collar cases of the last two decades.

[Peruvian 'Jaguar people' make urgent appeal to oil company shareholders](#)

An Amazonian tribe has sent an urgent appeal to shareholders of Canadian-Colombian oil giant Pacific Rubiales to protect the lives of uncontacted Indians in Peru, whose survival is threatened by the company's work on their land.

In an urgent video message Salomon Dunu, a member of the Matsés tribe, said, "Our uncontacted brothers live in the forest, we have heard them many times so we know they exist... Tell the world that the Matsés are firm in our position against the oil company. We do not want it on our land."

[Pipeline opponents call on counties to take up cause](#)

YORK — It remains to be seen if Polk County farmer Jim Carlson can make a difference in when, where or if the Keystone XL pipeline is built, but he's passing up a sizable chunk of easement money to communicate his opposition.

[South Asian crude oil spillage spoiling Goa beaches](#)

Panaji (IANS) South East Asian crude oil, dumped into the Arabian sea by reckless transcontinental ships, are spoiling Goa's beaches, a study by Indian marine scientists has revealed.

The study conducted by the National Institute of Oceanography has fingerprinted the crude, which repeatedly hits the Goan coastline during monsoon in form of sticky, oily tar-balls, and has traced it specifically as South East Asian Crude Oil (SEACO) and not from Bombay High, offshore oilfield located 160 km from Mumbai.

[Fracking: Road to Energy Independence or Road to Ruin?](#)

Some view fracking as a miracle technology that has reduced U.S. dependence on foreign oil and will transform the country from an oil importer to a net exporter. Others see it as a deal with the devil that will pollute the water we drink and the air we breathe.

[Occupy Chevron Protesters' Shale-Permit Claims Denied by Company](#)

Chevron Corp. said it has necessary approvals to begin work on a shale-gas license in Poland after protesters opposed to land being fenced off occupied the site.

"Chevron respects the right of individuals to express their opinions within the law," Grazyna Bukowska, a spokeswoman for the U.S. oil business's Polish subsidiary, said by e-mail. "Our exploration program is progressing."

['Gasland' director says sequel explosive](#)

Movie sequels gotta have bigger and better explosions than the originals, and Josh Fox, the director of "Gasland Part II," said his new film easily tops that bar.

The "flaming faucet" moment in his sequel to 2010 Academy Award nominee "Gasland," which took a critical look at shale gas development and hydraulic fracturing, or "fracking," features a garden hose that blazes like a flamethrower, plus other explosive scenes.

[U.S. engineers to inspect possible leak at Hanford nuclear site](#)

(CNN) -- U.S. inspectors are investigating a possible leak at the Hanford nuclear site after an elevated contamination reading was found in a leak detection pit, Washington Gov. Jay Inslee said Friday.

The elevated reading, however, doesn't pose an immediate public health threat, Inslee said.

[Gone in 90 Seconds: Tesla's Battery-Swapping Magic](#)

Musk presided over an event at Tesla's Los Angeles design studio that he billed as a "title fight" between the Model S and gas-powered cars. In front of an audience of hundreds of Model S owners, Musk unveiled a new type of automated battery-swap system in which machines grab the flat battery pack from the bottom of the Model S and replace it with a brand-new, fully charged one. During a live demonstration, Tesla managed to perform a battery swap on a Model S in 1 minute and 33 seconds, and then a second Model S in 1 minute and 36 seconds. All the while, a Tesla employee was being filmed at a gas station as he refueled a 20-gallon tank in an Audi, taking more than 4 minutes to fill up the car. Musk insisted that Tesla had scoured the city for the fastest gas station to make the test fair.

[Tax Programs to Finance Clean Energy Catch On](#)

Over the years, as Rick Murphy helped expand his family's auto business in Edina, Minn., outside Minneapolis, he wanted to install solar panels to cut the electricity bills, but the upfront cost was too high.

Then a developer, Blue Horizon Energy, made a proposal: Grandview Tire and Auto, using a new loan program, could borrow the \$34,000 to install the system and pay it back over 10 years, but instead of making traditional loan payments, they would be made through his property taxes.

Now, with 117 panels on one of his five stores, he is saving \$3,600 a year and bringing in new customers attracted to the company's green image.

[Cautious optimism at Intersolar renewables fair](#)

A new market that is developing in Germany, however, is the private use of solar panels, which in turns reduces reliance on the electricity grid. For businesses and supermarkets which need a lot of energy every day, it is increasingly worthwhile to have solar panels on the roof, so they can obtain electricity more affordably than from a power company.

[Palm oil firms blamed for Singapore smog](#)

Singapore's smog index hit the critical 400 level on Friday, making it potentially life-threatening to the ill and elderly.

Forest fires in Indonesia, which have cloaked Singapore in record-breaking smog, are raging on palm oil plantations owned by Indonesian, Malaysian and Singaporean companies, environmental group Greenpeace says.

[A Solution for a San Diego Cove's Constant Odor: Bacteria](#)

"Cormorants, gulls, pigeons, pelicans and other animals have fouled the area," Mayor Bob Filner wrote last month in a memo, declaring a state of emergency. "Physical disease and discomfort may result to humans if emergency action is not taken."

City officials believe they finally have a solution: guano-eating bacteria. And so, early each morning this week, workers lowered themselves onto the rocks with ropes and applied a solution made up of seven kinds of bacteria that digest animal feces.

[Mackenzie River, the 'Amazon of North,' under threat](#)

The Mackenzie River and its tributaries function like a gargantuan heat pump, pulling warm water north, and helping to cool the basin, whose ice, snow and permafrost play a crucial role in the global climate.

[Flooding Kills Hundreds in Northern India](#)

RUDRAPRAYAG, India — Flash floods and landslides unleashed by early monsoon rains have killed at least 560 people in northern India and left tens of thousands missing, officials said on Saturday, with the death toll expected to rise significantly.

[Save the hills now](#)

Hydel projects require constant blasting of hills to build dams and tunnels, disturbing the rock structure, which starts rolling down once the top soil is uprooted by rains. The muck fills the rivers and flows down with the water, intensifying the river's rage. Huge diversion of forest cover for these dams also reduces the capability of the local ecology to retain rainwater. And when bumper-to-bumper dams are built, the impact multiplies manifold.

[Study: Gov't losing billions on 'inefficient' tax subsidies that don't curb climate change](#)

As America's debt rises to unsustainable levels, the U.S. government is losing billions every year on energy tax subsidies that do little to combat climate change.

That's according to a tough report released this week by the National Research Council. The non-partisan academic report concluded that current tax policies are a "poor tool" for addressing climate change -- and a costly one.

[Climate change like atom bomb](#)

The planet has been building up temperatures at the rate of four Hiroshima bombs of heat every second, and it's all our fault, say climate scientists.

Hurricane Katrina and superstorm Sandy are just two examples of how extreme weather will intensify, Australia's Climate Action Summit has heard.

[Munich Re, Rio Tinto Face Costs From Less Water, Warming](#)

Corporations from Munich Re to Rio Tinto Group will bear rising costs from pressures on the Earth's environment such as changes in the climate and water shortages, according to a United Nations Environment Program report.

Their success will increasingly hinge on the ability to adapt to a "rapidly" changing environment and to develop goods and services that help reduce the effect of climate change and are less reliant on water and harmful chemicals, the agency said today in a report released at Bloomberg's London office.



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