



Drumbeat: August 21, 2013

Posted by [Leanan](#) on August 21, 2013 - 9:14am

['Worrying' decline in oil and gas production](#)

The sharp decline in production of oil and gas from under British waters is "worrying" industry leaders.

Trade body Oil and Gas UK says there is record investment this year of £13.5bn.

But its annual report on the industry's economic impact highlights the sharp fall in output of 19% during 2011 and 14% in 2012.

It says the industry's latest estimates of the continuing decline suggest a further fall of at least 8.5% during this year, with no recovery next year.

[WTI Drops to One-Week Low on Fed Speculation, Libya Start](#)

West Texas Intermediate crude traded near its lowest in more than a week amid speculation the Federal Reserve will reduce economic stimulus and as Libya prepared to open some oil ports closed by labor unrest.

Futures were little changed after dropping as much as 0.7 percent. The Federal Open Market Committee will publish minutes of a July meeting today, with 65 percent of economists surveyed by Bloomberg News predicting the Fed will taper bond purchases in September. Libya's Zueitina and Hariga terminals are ready to resume exports, the Oil Ministry said yesterday. An Energy Information Administration report today may show U.S. crude stockpiles shrank by 1.5 million barrels last week.

[U.K. North Sea Output May Drop 22% This Year on Maintenance](#)

U.K. North Sea oil and gas production may fall as much as 22 percent this year and take longer to reach previous estimates of higher output, according to the industry trade body.

Oil & Gas U.K. lowered its forecast for daily production in 2013 from its estimate in March to 1.2 million to 1.4 million barrels of oil equivalent, compared with last year's average of 1.54 million barrels. It also pared its earlier estimates for a recovery in production.

[China Diesel Exports Drop as Farm Sector Readies for Demand Peak](#)

China's net diesel exports fell to the lowest level in nine months as the government restricted shipments before demand peaks in the agricultural industry.

Overseas sales of the fuel exceeded imports by 119,181 metric tons in July, according to data e-mailed by the General Administration of Customs in Beijing today. That's equivalent to 28,900 barrels a day, the least since October, when net exports declined to 107,277 tons, Bloomberg calculations show. It's also 2.2 percent less than in June.

[The oil industry hype machine](#)

Prepare yourself for another hype cycle in the U.S. oil and gas industry. The industry says it has found a deposit of oil that may turn out to be the largest in the world. The deep tight oil deposit goes by the name Spraberry/Wolfcamp and is located in West Texas. It's no surprise then that the industry is trotting out the America-as-the-new-Saudi-Arabia theme once again, a theme that many including me have shown to be pure bunkum.

[Cnooc Profit Rises as Oil Output Compensates for Costs](#)

Cnooc Ltd., China's biggest offshore oil and gas explorer, posted a better-than-estimated 7.9 percent increase in first-half profit as rising output helped counter higher costs, including at unit Nexen Inc. The shares advanced the most in 19 months.

[Increase in production and fall in taxes boosts Woodside's profits](#)

Major oil and gas producer Woodside Petroleum says record production has boosted its earnings for the first half of the year despite lower commodity prices.

A 22 per cent increase in production and lower taxes helped Woodside lift its after-tax profits in the first six months of the year to \$965 million.

[Statoil funds expansion, OMV expands output with North Sea deal](#)

OSLO/VIENNA (Reuters) - Norway's Statoil sold stakes in North Sea oil fields to Austria's OMV on Monday, in a \$2.65 billion deal giving the former cash to develop new projects and placing the latter on course to meet ambitious output targets.

The deal, which analysts said came at a comfortable premium, gives OMV a foothold in one of Norway's top new developments and underlines a rebound in North Sea investments driven by new discoveries, high oil prices and better recovery technology.

[Mexico's Looming Oil Battle: Bid to Bring in Foreign Investment Sparks Protests](#)

To get a sense of the deep emotions linked to oil in Mexico, travel up the capital's imperious Reforma Avenue to the towering petroleum monument. Using 14 tons of bronze, the statue portrays huge, muscular oil workers in heroic poses beneath an Amazonian woman, in a style that melds Mexican muralism with Soviet brutalism. An 18-m obelisk above marks the year 1810, when Mexico rebelled against imperial Spain, and the year 1938, when then President Lázaro Cárdenas announced the expropriation of oil from American and British companies, uttering the iconic phrase: "The petroleum is ours." In a country that still smarts from centuries of colonial exploitation, the statue is a giant symbol of a nation finally asserting its sovereignty.

[Pemex to explore for oil in United States](#)

Mexico's state-owned oil company says it will form a new entity to explore and produce shale gas and deep-water oil in United States territory.

The plan will help Petroleos Mexicanos, known as Pemex, acquire drilling techniques it now lacks for complicated terrain in Mexico, Chief Executive Emilio Lozoya said in an interview with the Wall Street Journal.

[Dempsey: Syrian rebels wouldn't back US interests](#)

WASHINGTON (AP) — The Obama administration is opposed to even limited U.S. military intervention in Syria because it believes rebels fighting the Assad regime wouldn't support American interests if they were to seize power right now, Gen. Martin Dempsey, chairman of the Joint Chiefs of Staff, wrote to a congressman in a letter obtained by The Associated Press.

Effectively ruling out U.S. cruise missile attacks and other options that wouldn't require U.S. troops on the ground, Dempsey said the military is clearly capable of taking out Syrian President Bashar Assad's air force and shifting the balance of the Arab country's 2½-year war back toward the armed opposition. But he said such an approach would plunge the United States deep into another war in the Arab world and offer no strategy for peace in a nation plagued by ethnic rivalries.

[Activists say more than 200 killed in gas attack near Damascus](#)

(Reuters) - Syrian activists accused President Bashar al-Assad's forces of launching a nerve gas attack that killed at least 213 people on Wednesday, in what would, if confirmed, be by far the worst reported use of poison gas in the two-year-old civil war.

Reuters was not able to verify the accounts independently and they were denied by Syrian state television, which said they were disseminated deliberately to distract a

team of United Nations chemical weapons experts which arrived three days ago.

[Qatar sends second shipment of LNG to Egypt](#)

(Reuters) - Qatar has sent its second tanker this month of liquefied natural gas (LNG) to Egypt, struggling to cover its energy needs even before the removal of Islamist President Mohamed Mursi unleashed deadly violence.

Qatar's state news agency said late on Monday the tanker left Ras Laffan terminal on Aug. 9, a week after the first cargo, part of an agreement made with Mursi and his Muslim Brotherhood government, which were backed by Doha.

[Clashes Erupt at Libyan Oil Terminals](#)

Clashes erupted Tuesday at oil terminals that had been closed in Eastern Libya, oil officials said, the latest evidence of mounting tensions in the oil exporting nation, after an unauthorized tanker was blocked from entering another port Monday.

The forced closure of Libya's key oil ports by striking guards and workers, which has more than halved the country's oil production in recent weeks, has helped push oil prices higher, in addition to the crisis in Egypt.

[Turkey urges Iraq to stop militants bombing pipeline](#)

ANKARA (Reuters) - Iraq must take serious steps to stop militants attacking an oil export pipeline running to Turkey, a senior Turkish official said on Wednesday, after two bombs disrupted exports for at least the sixth this month.

The pipeline, running from the Kirkuk oilfields to the Mediterranean port of Ceyhan in Turkey, is one of Iraq's largest crude oil export corridors.

[Insurance cover to refiners for using Iranian oil soon](#)

New Delhi: After Petroleum Ministry agreed to provide funds, the Finance Ministry has initiated the process of setting up of a Rs 2,000-crore fund to provide insurance cover to domestic refineries that process crude oil imported from Iran.

Petroleum Ministry has agreed to provide first tranche of Rs 500 crore from Oil Industry Development Board (OIDB), a senior official in the Finance Ministry said.

[Oil majors eye oil, gas off Arctic Jan Mayen island](#)

(Reuters) - An additional eight oil firms, including majors BP and ConocoPhillips, are interested in the potential oil resources off Jan Mayen island in the Arctic, the Norwegian Petroleum Directorate said on Wednesday.

[Isolated Mashco-Piro Indians appear in Peru](#)

LIMA, Peru (AP) — Members of an Indian tribe that has long lived in voluntary isolation in Peru's southeastern Amazon attempted to make contact with outsiders for a second time since 2011, leading to a tense standoff at a river hamlet.

Authorities are unsure what provoked the three-day encounter but say the Mashco-Piro may be upset by illegal logging in their territory as well as drug smugglers who pass through. Oil and gas exploration also affects the region.

[TransCanada says Keystone XL's southern leg over 90% complete](#)

TransCanada Corp said on Tuesday its 700,000 barrel per day Gulf Coast pipeline project is now over 90 percent complete and the company expects the line to be in service by the end of 2013.

TransCanada spokesman Shawn Howard said testing and commissioning activities were underway on the line which runs from Cushing, Oklahoma, to Nederland, Texas, and is the southern leg of the controversial Keystone XL project.

[BP puts Louisiana justice on trial](#)

BP's increasingly bad-tempered spat with the U.S. federal court, claims administrators and legal community in New Orleans over oil-spill compensation payments suggests the company has given up trying to win the case locally.

Instead, BP seems to be focused on getting it before a regional or national tribunal as quickly as possible in the hope of a more sympathetic hearing.

[Gulf Spill Sampling Questioned](#)

An analysis of water, sediment and seafood samples taken in 2010 during and after the oil spill in the Gulf of Mexico has found higher contamination levels in some cases than previous studies by federal agencies did, casting doubt on some of the earlier sampling methods.

[Let N.Y. take lead in frack ban](#)

While claiming that the gas currently being fracked will lead to "energy independence" for the U.S., the reality is that Obama stands ready to approve building enormous liquefied natural gas export facilities on our coasts to ship the gas overseas to China and Europe, where it can bring five times the price. For many of us who supported the president, it is devastating to watch him lead us down this destructive path instead of aggressively building a renewable energy infrastructure and economy.

[California Considers If PG&E Penalty Is Worth Bankruptcy](#)

California regulators must weigh whether a \$2.25 billion penalty for safety lapses is worth potentially pushing PG&E Corp., the state's largest utility, into bankruptcy for the second time in 12 years.

PG&E expects the California Public Utilities Commission to decide by the end of this year on a punishment for a September 2010 natural gas pipeline explosion that killed eight people. Imposing the staff's proposed penalty may force the company into bankruptcy if it can't sell enough shares to pay for it, Chairman and Chief Executive Officer Tony Earley said in an interview yesterday at Bloomberg headquarters in New York.

[Japan's nuclear crisis deepens, China expresses 'shock](#)

(Reuters) - Japan's nuclear crisis escalated to its worst level since a massive earthquake and tsunami crippled the Fukushima plant more than two years ago, with the country's nuclear watchdog saying it feared more storage tanks were leaking contaminated water.

The U.N.'s International Atomic Energy Agency (IAEA) said on Wednesday it viewed the situation at Fukushima "seriously" and was ready to help if called upon, while nearby China said it was "shocked" to hear contaminated water was still leaking from the plant, and urged Japan to provide information "in a timely, thorough and accurate way".

[Japan Watchdog as Tepco Doubter Warns of More Leaks at Fukushima](#)

Japan's nuclear watchdog ratcheted up concern about more leaks of highly radioactive water from hundreds of storage tanks at the Fukushima atomic plant, after today raising the severity ranking of a spill this week.

The leak of 300 tons of water from a storage tank on Aug. 19 was ranked as a "serious incident," Japan's Nuclear Regulation Authority said at a meeting today.

[Tepco caused suicide, wife tells court](#)

A lawsuit opened Wednesday against Tokyo Electric Power Co., with a Filipino woman

from Fukushima Prefecture seeking about ¥126 million in damages over the death of her Japanese husband, who committed suicide when his business faltered after the Fukushima nuclear crisis started.

[Coming Full Circle in Energy, to Nuclear](#)

While nuclear power also ranked high in President Carter's speech, it proved no match against cheap coal and gas — especially after the force of American public opinion, scarred by visions of Three Mile Island and Ukraine's Chernobyl disaster, contributed to delays and regulatory hurdles that made building a new nuclear power plant prohibitively more expensive.

Today, the world is staring at a similar inflection point in energy policy. Glowing wood fires are now understood to be a problem, spewing heat-trapping carbon dioxide into the atmosphere. Most scientists see coal — what James Schlesinger, the nation's first energy secretary, called America's "black hope" — as one of the biggest threats to the world's climate.

But even as the consensus among experts builds that coal and other fossil fuels must be sharply reduced and eventually removed from the energy matrix, there is no agreement on what sources of energy could feasibly take their place, and how to get from here to there.

[Time to Stop Stalling on Nuclear Waste](#)

A federal appeals court has given the Nuclear Regulatory Commission a well-justified rebuke for "flouting the law" when it stopped analyzing the safety of the proposed nuclear waste site at Yucca Mountain in Nevada, some 100 miles northwest of Las Vegas. The commission engaged in some questionable maneuvers aimed at preventing the Yucca site from ever opening, thus carrying out pledges to scuttle the facility made by President Obama, while campaigning for the presidency in 2008, and Senator Harry Reid, a Democrat of Nevada and the majority leader, who has ferociously opposed the site for years.

[Chart: Car-ownership costs per state](#)

Your car may drive the same no matter where you live. But the costs are different matter altogether. The price of everything from gasoline to muffler repairs varies wildly across the country. Here are the average costs of repairs, insurance premiums, gasoline and taxes and fees in all 50 states, according to Bankrate's first Car Cost Index. The costs are ranked from highest to lowest.

[Ford revises C-Max mileage claims, offers rebates to owners](#)

Ford of Canada will revise 2013 fuel consumption labels for its C-Max hybrid crossover, after Ford's recent testing indicated that the gas-electric hybrid didn't achieve its stated

figures; the company will also compensate Canadian C-Max owners up to \$895.

[Tesla: Our crash test score is better than perfect](#)

NEW YORK (CNMoney) - The Tesla Motors Model S electric car recently earned the highest possible rating of five stars in government crash tests.

But that announcement wasn't good enough for the image-conscious company and its charismatic founder, Elon Musk.

In fact, Tesla said Monday -- 11 days after the test results were announced -- that the Model S earned the highest crash test scores of any car ever tested.

[A Gasoline-Powered Tesla](#)

Tesla could sell many thousands of its cars, but based on the trend of demand for electric cars, the company will need to add a gasoline-powered engine.

[Vestas Replaces CEO With Runevad as Losses Widen](#)

Vestas Wind Systems A/S, the Danish turbine maker that's been unprofitable for two years, replaced its chief executive officer after a worse-than-expected loss.

Anders Runevad, from Ericsson AB, will take over on Sept. 1 from Ditlev Engel, who has been at Vestas since 2005, the turbine maker said. Its two-year turnaround program "continues according to plan" even as second-quarter margins narrowed. Vestas rose the most in three months in Copenhagen trading.

[With Proposed Rail Expansion, Northwest Confronts Its Clean Image](#)

SPOKANE, Wash. — The Pacific Northwest's sense of itself can sometimes seem green to the point of parody: a medium-roast blend of piney peaks and urban cool, populated by residents who look descended from lumberjacks or fishermen.

Now, plans by the energy industry to move increasing amounts of coal and oil through the region by rail, bound for Asia, are pulling at all the threads of that self-portrait.

[Your 12-Hour Road Trip Would Have Taken Six Weeks in 1800](#)

These maps, published in 1932 in the *Atlas of the Historical Geography of the United States* and available through the David Rumsey Historical Map Collection, illustrate how arduous travel was in the country's early history. In 1800, a journey from New York to

Chicago would have taken an intrepid traveler roughly six weeks; travel times beyond the Mississippi River aren't even charted. Three decades later, the trip dropped to three weeks in length and by the mid-19th century, the New York–Chicago journey via railroad took two days. And the introduction of regional airlines in the 1920s made it possible to travel 1,000 or more miles in a single day.

[Baa! O'Hare turns to goats to clear airfield brush](#)

O'Hare is one of the largest airports in the world and takes its environmental initiatives to serious and sometimes quirky heights. It has acres of green roofs, including one atop an air traffic control facility, to reduce storm water runoff and lower the urban heat island effect of the airport's massive concrete expanse. The airport has even turned over a wooded patch of land to 1 million bees living in 28 beehives that produce honey sold in the terminals and help replenish declining bee populations.

[Green in a red state: North Dakota's only Sierra Club staffer](#)

North Dakota's only Sierra Club staffer, Wayde Schafer, and his children stood atop a towering butte two decades ago and watched in the distance as a nodding donkey pump sucked oil from underground in an otherwise untouched area of western North Dakota's Badlands.

For Schafer, the lone oil well near Theodore Roosevelt National Park marked the decline of North Dakota's wide-open spaces and its clean water, air and land. And it was then that Schafer — a piano tuner by trade — pursued a path in professional environmentalism.

[Europe Set to Impose Sanctions on Faroe Islands Over Herring](#)

PARIS — The European Commission said on Tuesday that it was enacting tough trade sanctions against the Faroe Islands after the tiny North Atlantic territory unilaterally increased its herring quota.

The European fisheries commissioner, Maria Damanaki, said in a statement that the European Union was banning the import of herring and mackerel caught in waters under Faroese control, as well as products made from those fish, which make up the greatest part of the territory's exports. In addition, Faroese vessels will be prohibited from unloading their herring and mackerel catches at European Union ports.

[Looming Helium Shortage Raises Alarms](#)

The United States is the global leader in helium production, producing about 75 percent of the world's helium. About half of that is stored outside Amarillo, Texas, in the country's Federal Helium Reserve, a vast subterranean complex of storage reservoirs and pipelines that extend to natural-gas fields as far away as Kansas.

But the looming helium shortage is actually the government's fault, according to *Science* magazine. The U.S. Bureau of Land Management (BLM), which manages the Federal Helium Reserve, sells off helium at below-market rates, encouraging waste and discouraging the development of new sources.

[Climate Disinformation Continues to Harm U.S. Communities](#)

Scientists already see that people are suffering from the heat-trapping emissions in the atmosphere. But when I talk to people about this, many don't always accept the science. It's likely because Americans have heard so many conflicting messages about climate change online or in the media. That's no mistake. The fossil fuel industry borrowed a political playbook from the tobacco industry before them: when scientists discover that your products are risky, attack the science.

[Coal Foe Named to FERC Is Latest Obama Pick Drawing Ire](#)

President Barack Obama's nominee to head a little-known energy commission has become the latest appointee drawn into the contentious debate over climate change.

The nomination of Ron Binz to be chairman of the U.S. Federal Energy Regulatory Commission has sparked enough opposition that environmentalists have hired a public-relations firm to aid his Senate confirmation. Binz has drawn the ire of coal-industry interests for advocating policies that mining companies said encouraged the conversion of power plants to natural gas when he served as Colorado's top utility regulator.

[Coastal flooding could cost cities \\$60 billion by 2050, study says](#)

Coastal flooding could cost big cities more than \$60 billion a year by mid-century, with losses jumping even more dramatically if nothing is done to counter rising sea levels and subsiding land, a new study has found.

A team of researchers analyzed data on flood exposure in 136 of the world's largest coastal cities to project steep increases in economic losses, from an estimated \$6 billion a year in 2005 to \$52 billion by 2050 based on changes in population, economic growth and urbanization.

[The Changing Climate For Flood Insurance](#)

On July 6, 2012, President Obama signed into law the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters), putting in place long-overdue reforms. Among the most important reforms is the phasing-out of certain subsidies that flood-prone properties have received for decades, properties that are increasingly at risk due to rising sea levels and the greater flooding along U.S. rivers thanks to a rapidly warming

climate.

Understandably, there is pushback from some who may pay more for flood insurance, which is provided and generously subsidized through the federal government's National Flood Insurance Program (NFIP). But it's important to understand the impact of those subsidies, the shortcomings of the NFIP in general, and why climate change makes it more important than ever to make substantial reforms.

[Climate Panel Cites Near Certainty on Warming](#)

An international panel of scientists has found with near certainty that human activity is the cause of most of the temperature increases of recent decades, and warns that sea levels could conceivably rise by more than three feet by the end of the century if emissions continue at a runaway pace.

The scientists, whose findings are reported in a draft summary of the next big United Nations climate report, largely dismiss a recent slowdown in the pace of warming, which is often cited by climate change doubters, attributing it most likely to short-term factors.

The report emphasizes that the basic facts about future climate change are more established than ever, justifying the rise in global concern. It also reiterates that the consequences of escalating emissions are likely to be profound.



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