



## DrumBeat: April 4, 2008

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Topic: [Miscellaneous](#)

### [Oil reserve site raises ire, Bush policy tested](#)

WASHINGTON (Reuters) - The Bush administration says it favors "environmentally friendly" energy development, but that policy is under attack in a Mississippi town where residents worry a planned emergency oil reserve may drain a river, destroy wetlands and harm Gulf of Mexico fishing areas.

There is fear the Energy Department's plan to carve out underground salt caverns in Richton, Mississippi, to hold some 160 million barrels of crude oil could be the worst environmental disaster to hit the state since Hurricane Katrina.

### [Pressure from the Kremlin may push BP to cede control of Russian oil venture](#)

LONDON: Pressure from the Kremlin on BP's joint venture in Russia, TNK-BP, may before long lead the British oil company to cede control to either Rosneft or Gazprom, the Russian state-owned energy companies.

### [More than 1,000 in Iraq's forces quit Basra fight](#)

BAGHDAD: More than 1,000 Iraqi soldiers and policemen either refused to fight or simply abandoned their posts during the inconclusive assault against Shiite militias in Basra last week, a senior Iraqi government official said Thursday. Iraqi military officials said the group included dozens of officers, including at least two senior field commanders in the battle.

### [Researchers extract methane gas from under permafrost](#)

Mackenzie Delta - Researchers working at the Mallik site in the Mackenzie Delta have successfully extracted methane gas from frozen gas hydrates found beneath hundreds of metres of permafrost.

...Gas hydrates are a potential energy source found in permafrost environments and under the sea floor. They form when water and methane gas come together under

extreme pressure and in a cold environment. The water and gas are frozen together at a molecular level. One cubic metre of gas hydrates contains 164-cubic-metres of methane gas, and 0.8 cubic metres of water.

### [Drought-hit Barcelona to import water by boat from France](#)

Boats will from next month bring fresh water from other parts of Spain and neighbouring France to Barcelona to help the city deal with the region's worst drought in decades, local government officials said Friday.

The boats will supply Spain's second-largest city with enough water to meet Barcelona's consumption needs for five days -- at a cost of 22 million euros (34.4 million dollars).

### [Arctic fantasies need reality check](#)

EDMONTON - Geologist Robert Meneley knows all about visions of fabulous Arctic oil and gas treasure. He tried to make the dreams come true for Panarctic Oils, Petro-Canada and industry partners.

"It was brutal," he said in an interview, recalling lessons taught by polar drilling campaigns he led in the 1970s and '80s. "We never got a good surprise."

### [Marine reserves to reduce fishing area by 20%](#)

Up to 20 per cent of British waters could be closed to activities such as fishing and oil exploration to protect threatened species under a Bill due to be published in draft.

### [Norway imposes investment ban](#)

Norway's vast fund for investing its oil wealth is now barred from owning shares in companies that sell arms to Myanmar, expanding limits imposed last year on direct investments in the Southeast Asia nation's government bonds and 1,200 companies, the finance ministry announced Friday.

However, a statement said a preliminary review suggests there are currently no such companies in the fund's portfolio, making the ban a symbolic one.

### [OPEC's Crude Oil Production Fell 0.3% in March, Survey Shows](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries cut oil production

0.3 percent in March, as Nigerian output dropped to the lowest in almost five years, a Bloomberg News survey showed.

OPEC pumped an average 32.35 million barrels a day last month, down 85,000 barrels from February, according to the survey of oil companies, producers and analysts. February output was revised up by 160,000 barrels a day. Production by the 12 members with quotas, all except Iraq, fell 30,000 barrels to 29.97 million barrels a day.

Nigerian production fell 80,000 barrels to an average 1.96 million barrels a day last month, the biggest decline of any member, the survey showed. It was the lowest output for the West African country since April 2003.

### [Australia: The flowing arteries of Sir Rod's vision spark fears of a car destiny](#)

THE travel habits of Melburnians will not change in coming decades and, by 2031, the city will remain sprawling and car-dependent with only a fraction of its residents using public transport.

These are the assumptions underscoring Sir Rod Eddington's landmark call for \$18 billion of new transport infrastructure, including a \$9 billion road tunnel between the Eastern Freeway and the western suburbs.

### [Ireland: Finding local solutions for the world's oil crisis](#)

IF Kilkenny is to free itself from oil dependency, it will have to come up with local solutions rather than relying on the government or the EU, a meeting in the city heard this week.

The best results will come if the initiative is taken by residents and businesses rather than just the local authorities.

This is according to Daniel Lerch of the San Francisco-based Post Carbon Institute, who was speaking as part of a day-long conference 'Housing, Planning and Urban Design for a Sustainable Future' in Butler House on Tuesday.

### [In Poland, 'green' fields besieged](#)

STRYSZOW, Poland: Depending on your point of view, Szczepan Master is either an incorrigible Luddite or a visionary. A small farmer, proud of his pure, high-quality products, he works his land the way Polish farmers have for centuries.

He keeps his livestock in a straw-floored "barn" that is part of his house, entered through a kitchen door. He slaughters his own pigs. His wife milks cows by hand. He rejects genetically modified seeds. Instead of spraying his crops, he turns his fields in

winter, preferring a workhorse to a tractor, to let the frost kill off pests residing there.

While traditional farms like his could be dismissed as a nostalgic throwback, they are also increasingly seen as the future - if only they can survive.

Master's way of farming - his way of life - has been badly threatened in the two years since Poland joined the European Union, a victim of sanitary laws and mandates to encourage efficiency and competition that favor mechanized commercial farms, farmers here say.

### [Gas prices rise to new record](#)

NEW YORK - Retail gas prices surged to a new record above \$3.30 a gallon Friday and appear poised to rise further in coming weeks as gasoline supplies tighten.

### [How to win your case for telecommuting](#)

With gas prices soaring toward \$4 a gallon, a solution seems obvious: skip the commute. U.S. drivers travel an average of about 15 miles, one way, to work. Working from home a few days each week would be the quickest route to relief at the pump. It would ease pressure on clogged roadways, too.

But telecommuting appears to be stalled in the driveway.

### [Nuclear plants, gas pipelines also in terror plans of airliner plotter](#)

LONDON: A young British Muslim who became a key organizer in a plot to down trans-Atlantic airliners was also developing plans to cripple nuclear power stations, a European gas pipeline and Britain's electricity grid, a prosecutor told a court Friday.

Assad Sarwar, 27, who had key contacts among Islamists in Pakistan, also wanted to destroy the main exchange for Britain's Internet service providers and target an airport control tower.

### [Kuwait's Asians feel pinch of India rice export ban](#)

KUWAIT: India's decision to ban all rice exports except for premium brand basmati is resonating throughout Kuwait's rice market and has accelerated the pace of inflation in the oil-rich country. The ban will hit Asian expatriates especially hard as they are the largest consumers of non-basmati rice in the country, say market watchers.

## [Land Once Preserved Now Being Farmed](#)

Since the mid-1980s, the U.S. government, in an attempt to reduce the environmental fallout from large-scale farming, has been paying farmers to set aside less-than-ideal land for conservation. The results have been overwhelmingly positive: Soil erosion has been reduced; chemical and fertilizer runoff has eased; habitats for game birds and endangered species have been created and enlarged. The pushback to climate change has been equally noteworthy: In 2007, the lands trapped 50 million metric tons of carbon dioxide, making the Conservation Reserve Program the most effective government-funded defense against greenhouse gases on private lands.

...But dark clouds are forming on the protected fields. Historically, farmers have been eager to participate in the program, and many still are. But as prices for crops have soared, a growing number of farmers have opted to put conservation land back into production. The trend is expected to accelerate—to the grave concern of many observers who caution that years of steady environmental progress could be halted, or even reversed, as buffers and habitats are converted into farmland.

## [Risky 'experiment' combats rising cost of corn](#)

BELLVALE, NY — One benefit of dairy farming is the steady stream of cheap manure. But as the cow giveth, so the cow taketh.

To make all that fertilizer — and high-quality milk — Bessie has to eat, and it's never been more expensive to feed a cow.

It's gotten so bad that Al Buckbee's trying an experiment this year. He's growing his own oats and more corn than in the past. He's cutting back on hay he can sell because he'd rather lose revenue than keep paying the steep cost of commodity crops.

## ['The End of Suburbia': After peak oil comes what fresh hell?](#)

There has been a faint chorus of people warning about the end of oil since the 1970s. These days the chorus is getting a bit louder but most folk are still watching the approaching calamity like an enormous tidal wave far off on the horizon. "Look at that . . . It's pretty big, hey? Hmmm, getting closer now. Yep . . . Umm . . . oh S\*\*\*!"

## [Zero-carbon towns are unrealistic, energy assessor claims](#)

A UK energy assessor is warning that zero-carbon towns are wholly unrealistic.

Paul Staley, managing director of Energy Reports and Surveys, says it is not possible to make all homes zero-carbon and that Britain needs to concentrate on existing properties to solve its energy crisis.

### [Electricity theft costs Eskom billions](#)

South Africa's energy crisis is exacerbated by electricity theft, which is also robbing Eskom of revenue.

It was difficult for Eskom to state how much electricity theft was costing it, but non-technical losses - such as billing and metering errors - amounted to R1-billion in the 2006/07 financial year, said Eskom spokesperson Tony Scott on Wednesday.

### [Uganda To Reach Full-Scale Oil Production In 5 Yrs](#)

Uganda expects to reach fully-fledged oil production in the next five years following impressive oil exploration results in the Lake Albert Valley, a senior government official told Dow Jones Newswires Friday.

Kalisa Kabagambe, the permanent secretary at the ministry of energy and minerals, said that Dublin-listed Tullow Oil is in the process of setting up a small oil refinery which will initially produce around 4,000 barrels of oil a day, part of which will be used to run a 50 megawatt thermal plant, as Uganda seeks to ease its power crisis.

Oil output is then expected to keep rising and reach full-scale in the next five years, he added. By that time, Uganda expects to produce between 40,000 and 60,000 barrels of oil a day.

### [Mexico's Calderon says oil data too bleak to ignore](#)

CANCUN, Mexico (Reuters) - President Felipe Calderon said on Thursday that the outlook for Mexico's flagging oil industry was too grim for political bickering to stand in the way of an oil industry reform.

Calderon, whose conservative party lawmakers are battling to persuade opposition parties to back an oil reform proposal that could lower barriers to foreign partners in high-risk areas like deep-sea oil, said the country was losing billions of dollars in lost oil revenues and reserves were still falling.

### [Mexico Senate sees oil reform draft next week](#)

MEXICO CITY (Reuters) - Lawmakers from Mexico's ruling party will have a draft oil reform proposal ready next week with clauses to encourage drilling in deep-water oil fields on the U.S. maritime border, a senior senator said on Thursday.

Sen. Ruben Camarillo, the National Action Party's point man for writing the proposal, told Reuters the party was also "very seriously" considering measures to allow state oil monopoly Pemex to partner with other state firms in deep-sea oil.

### [Petrobras Accused Of Oil Contract Breach In Ecuador](#)

Ecuadorian state oil company Petroecuador said that Petrobras may have breached its contract by selling assets to a third party and that, if so, the Brazilian state energy giant could be stripped of its main Amazon oil concession.

### [Pakistan searches for solution to power shortages](#)

Islamabad - Pakistan's electricity production was nearly 3,000 megawatts short of demand in March. The country made up the difference by turning off lights, and everything else, for several hours a day. Prime Minister Yousuf Raza Gillani after being sworn in March 25 put the "energy crisis" up with terrorism as a top issue to address during his first 100 days in office.

But things will get worse before they get better, Gillani warned, with power outages increasing through June when air conditioners are turned on to beat the heat.

### [Fuel crisis hits Bali, Indonesia](#)

JAKARTA (Xinhua) -- Fuel shortage has been hitting Indonesia's resort island of Bali over the last few days, causing an unusual view in which many empty-tanked vehicles are left unattended on streets.

Motorists have left their cars and motorcycles with empty tanks on streets as many fuel outlets they came by no longer had gasoline or diesel fuel stocks, national Antara news agency reported Friday.

### [Gazprom In Talks To Gain Control Over TNK-BP](#)

Russia's OAO Gazprom is in talks with TNK-BP, half owned by U.K. oil major BP PLC, to gain a 51% stake in the joint venture, the RBK Daily said Friday, citing two unnamed sources.

### [Italian political hopeful wants to build nuke power plants in Montenegro, Albania](#)

Giulio Tremonti - the man who analysts say has the inside track to become Italy's

economy minister should his centre-right party win the country's parliamentary election slated for April 13 and 14 – says that nuclear power plants should be built in Montenegro and Albania to help solve Italy's power shortage. Analysts believe Tremonti's party has a very good chance to come to power 10 days hence.

### [Smaller, less-thirsty, cheaper cars enjoy big sales boom](#)

The smallest, cheapest, cars are the biggest, brightest spot in the dreary auto market, reflecting continuing buyer flight to fuel economy and lower prices.

Sales of all types of small cars in March were at year-ago levels, Autodata says – a big success in an industry that sold 12% fewer vehicles overall than in March 2007. The small-car segment was the only one not showing a loss.

Within that group, the so-called lower small cars, the smallest and lowest-priced, boomed. Sales were up nearly 27% from last year. "And last year was a strong year," notes Tom Libby at Power Information Network, a unit of consultant J.D. Power and Associates.

### [Iceland: Don't Step on My Blue Suede Shoes](#)

"It's funny how Icelanders will accept anything. When the welfare of their children and old relatives is at stake, they just mumble something in protest and that's it. But when it comes to their cars, all hell breaks loose."

That is so true. Like Elvis cared for his blue suede shoes more than anything, Icelanders love their cars. They love being able to drive their shiny new SUVs and monster jeeps wherever they need to go (rarely outside city limits), even the shortest of distances. They may hardly be able to afford the monthly down payment of the car loan they took or all the gasoline these status symbols require, but who cares? Many considered such cars an absolute necessity.

### [LUKOIL slashes 2008 oil output forecast](#)

ST PETERSBURG, Russia (Reuters) - Russian oil major LUKOIL plans to increase oil production by 1.8-2.0 percent this year without acquisitions, its chief executive Vagit Alekperov told reporters on Friday.

Russia's second largest oil producer has previously said its output would rise by around 5 percent this year. Alekperov also declined to comment on market rumours the firm was close to buying a refinery in Italy.

### [Shell Extinguishes Nigerian Oil Pipeline Fire; Export Isn't Cut](#)



(Bloomberg) -- Royal Dutch Shell Plc, Europe's biggest oil company, extinguished a fire on a pipeline that pumps oil to the Bonny export terminal in Nigeria.

The fire was extinguished yesterday, Rainer Winzenried, a spokesman for Shell, said by phone today. Exports from the Bonny terminal were not disrupted and the company doesn't plan to announce force majeure on its supplies, he said.

### [Petrofac Wins Syrian Gas Contract From Petro-Canada](#)

(Bloomberg) -- Petrofac Ltd., the U.K. oil and gas services provider with projects in the Middle East, the North Sea and Kazakhstan, won a \$477 million contract from Petro-Canada to build a natural-gas treatment plant in Syria.

### [An Energy Policy that Makes Cents \(and Sense\)](#)

Advocates of the peak oil theory, such as myself, have a patriotic duty to propose solutions to the challenges of addressing peak oil. Before the policy is unveiled, there is first need for some discussion.

### [Iran Can Be Thanked for Easing of Violence in Iraq: Interview](#)

(Bloomberg) -- U.S. Vice President Dick Cheney, on an unannounced trip to Iraq last month, said the 30,000 extra U.S. soldiers sent there last year had brought about ``dramatic improvements in the security situation."

Actually, says Gilles Kepel, Iran is behind the easing of violence. Kepel, head of Middle East studies at Sciences Po in Paris, writes in the just published ``Terreur et Martyre" that the U.S. and al-Qaeda have both lost the war on terror, and that Iran pulls the strings -- in Iraq anyway.

### [Ratepayers could pay billions for wind-power lines](#)

AUSTIN — Building new transmission lines so wind-power turbines can connect to the state power grid could cost ratepayers as much as about \$6.4 billion, according to the Electric Reliability Council of Texas.

ERCOT, which operates the power grid, filed a study with the Public Utility Commission on Wednesday explaining five scenarios of wind growth and the transmission equipment to handle it.

### [DOE faulted on pick of law firm for nuclear waste dump project](#)

WASHINGTON: The Energy Department did not fully document its rationale for awarding a \$100 million contract to a law firm with a conflict of interest for work on a national nuclear waste dump in Nevada, the agency's inspector general said Thursday.

### [British Airways puts bill for T5 chaos last week at £16m](#)

BA's downbeat outlook comes as the scalps claimed by the unprecedented price of jet fuel start to pile up. So far, only marginal carriers have been caught out. ATA Airlines, an American carrier, filed for bankruptcy yesterday, just days after Aloha Airlines collapsed. Vueling, a Spanish low-cost carrier launched by Apax Partners that has lost 80 per cent of its market value amid rising losses, may merge with Iberia's Clickair. Alitalia, Italy's state-owned basket case, is facing bankruptcy after Air France-KLM withdrew its takeover offer after talks with unions broke down.

### [Northwest raises fuel surcharges, freezes pilot hiring](#)

MINNEAPOLIS (AP) — Fuel isn't getting any cheaper, so Northwest Airlines Corp. is going to make flying a little more expensive.

Northwest has raised prices on international flights, plans to freeze new hiring of pilots and flight attendants, and will cut its domestic schedule by 5% beginning in September.

### [Why are we going back to coal?](#)

It is energy supply that will determine how quickly Britain goes green. Rather than trying to herd millions of individual consumers into taking tiny steps, the Government could change energy supply with one stroke of the pen. But the pen seems to be doodling wildly at the margins of the page.

### [Coal power policy under attack from top scientists](#)

Britain's leading scientists have told ministers that plans for a new generation of coal power stations pose an unacceptable climate risk, unless greater efforts are made to trap and store the carbon pollution they produce.

### [Fight against global warming need not dent growth: IMF](#)

WASHINGTON (AFP) - The International Monetary Fund on Thursday said it was possible to fight global warming without negatively impacting economic growth.

## [Nations inch towards new climate deal](#)

BANGKOK (AFP) - More than 160 nations are working Friday to clear the initial hurdle in drafting an ambitious new treaty on global warming, expected for the first time to consider rising emissions from planes and ships.

## [Turner talks of global change, cannibalism](#)

ATLANTA (UPI) -- Unchecked global warming and an exploding population could result in cannibalism, controversial U.S. former media mogul Ted Turner says.

If global warming isn't stemmed, "we'll be 8 degrees hotter in 30 or 40 years and basically none of the crops will grow," Turner said during PBS' "Charlie Rose."

"Most of the people will have died and the rest of us will be cannibals," said Turner, 69. "Civilization will have broken down. The few people left will be living in a failed state ... living conditions will be intolerable."



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