



## DrumBeat: March 12, 2009

Posted by [Leanan](#) on March 12, 2009 - 9:02am

Topic: [Miscellaneous](#)

### [OPEC February Production Down 28.07 MMbopd](#)

The 12 members of the Organization of the Petroleum Exporting Countries pumped an average 28.07 million barrels per day (b/d) in February, as the oil producer club continued its efforts to slash oversupply and prevent oil prices falling further, according to a Platts survey of OPEC, oil industry officials and analysts just released. This is down 900,000 b/d down from January's 28.97 million b/d.

### [North Sea Decommissioning Opportunities for UK Firms](#)

THE massive programme to decommission the North Sea's offshore oil and gas fields could provide a US \$20.67 billion (GBP 15 billion) "abandonment jackpot" for British companies which could last almost a century.

### [Venezuela Economy to Shrink 4.1 Percent in 2009, Barclays Says](#)

(Bloomberg) -- Venezuela gross domestic product will shrink 4.1 percent in 2009 as revenue from oil sales plunges by \$50 billion, said Alejandro Grisanti, an economist at Barclays Capital Inc.

### [Corporate Oil Booms in Low-Tax Switzerland](#)

The tidy towns and mountain vistas of Switzerland are an unlikely setting for an oil boom.

Yet a wave of energy companies has in the last few months announced plans to move to Switzerland -- mainly for its appeal as a low-tax corporate domicile that looks relatively likely to stay out of reach of Barack Obama's tax-seeking administration.

### [A risk big oil companies can afford to share](#)

IN HIS 2010 budget, President Obama wants \$31.5 billion from oil companies over the next 10 years with new taxes and by closing tax loopholes. This is a mere \$3.15 billion a year, but the oil execs still say Obama is the creature stealing their black lagoon.

### [Alberta Hands Oil, Gas Cos A Royalty Break](#)

As Alberta's once red-hot energy sector fizzles with the global economic downturn, the province is handing its oil and gas producers a break -- but many say it's not enough.

Last week, the provincial government announced temporary royalty breaks of up to C\$1.5 billion for its beleaguered energy industry, offering low rates and drilling credits for new oil and gas wells to companies struggling with the collapse in commodity prices and tightened credit markets.

### [Energy policy: Down to business](#)

There's no denying the urgency of the threat posed by climate change. But those who condemn private oil companies for their policies would do better to look at their own governments.

### [Coast Guard, ENSCO Work to Recover Sunken Jackup](#)

Coast Guard Marine Safety Unit Galveston personnel continue to work closely with representatives from ENSCO to recover the submerged jackup ENSCO 74.

The ENSCO 74 is submerged approximately 24 feet below the surface of the water, 70 miles southeast of Galveston Island. The ENSCO 74 is an independent leg, jackup that was displaced from South Marsh Island (SM 149) off the coast of Louisiana during Hurricane Ike.

### [Palin's Priorities Unlikely to Advance](#)

Two of Alaska Gov. Sarah Palin's legislative priorities this year appear to have been rejected by the state Legislature, observers say.

The Anchorage Daily News reported Wednesday that the Republican governor's proposal dealing with an in-state natural gas pipeline and consolidating the six Railbelt utilities to pursue the Susitna River dam appear to be dead.

### [Amazon could shrink by 85% due to climate change, scientists say](#)

Global warming will wreck attempts to save the Amazon rainforest, according to a devastating new study which predicts that one-third of its trees will be killed by even modest temperature rises.

### [Paltry Predictions: Why Have Some of the World's Best and Brightest Minds Underestimated How Quickly We're Scorching the Atmosphere?](#)

The underestimation of greenhouse emissions occurred, Field said, because the IPCC failed to include in its scenarios the rapid increase in carbon dioxide from Asia's coal-reliant industrial expansion between 2000 and 2007.

"We were too optimistic," Field said. "There was no decrease in emissions from developed countries and the sharpest increases and overall intensity came from China and India that rely heavily on coal."

"It was assumed that coal would become less important," says Ken Caldeira, also of the Carnegie Institution. What happened, however, is that China and India developed rapidly while rising oil prices pushed wealthy nations to use more coal, which is more CO<sub>2</sub> intensive in its emissions. Scientists at NASA's Goddard Space Science Institute concur that the past five years' sharp increase in atmospheric CO<sub>2</sub> is attributable to the steep rise in global coal use, pushed upward by accelerated Asian economic and industrial development.

### [Federal Climate Change Research Program Should Realign Focus To Both Understand Climate Change and Inform Response Strategies](#)

WASHINGTON -- The federal government's climate change research program should broaden its focus to include research that would support actions needed to cope with climate change-related problems that will impact society, while building on its successful research to improve understanding of the causes and processes of climate change, says a new report from the National Research Council. As the U.S. Climate Change Science Program (CCSP) looks to the future, it should establish a U.S. climate observing system; develop new modeling capabilities for regional- and decadal-scale forecasts; strengthen research on adaptation, mitigation, and vulnerability; initiate a periodic national assessment of climate impacts and responses; and routinely provide policymakers with crucial scientific information, tools, and forecasts.

### [Yergin: Oil users will have more impact on price](#)

The direction oil prices take will depend more on a meeting of world leaders in London next month than on what the Organization of Petroleum Exporting Countries decides this weekend, said Daniel Yergin, chairman of Cambridge Energy Research Associates.

Efforts to boost global growth will be more meaningful to oil markets than whether OPEC decides to cut oil output because prices reflect the economic slowdown, Yergin

said in an interview Wednesday at the Futures Industry Association annual conference in Boca Raton, Fla., where he's scheduled to speak today.

"GDP is going to determine the price," said Yergin, author of a Pulitzer-Prize winning history of oil. "We're now in the Great Recession, and that's what the price reflects."

### [Russian president says Russia keen on fair, stable oil prices](#)

MOSCOW (KUNA) -- Russian President Dmitry Medvedev underscored here on Thursday his country's interest in fair and stable price for oil in world markets.

Medvedev said in a statement carried by Interfax news agency that Russia does not want high nor unjustified prices for oil but at the same time it is interested not to see a serious decline of these prices.

### [Iraq Kurd Region President Slams "Failed" Baghdad Oil Policy](#)

LONDON -(Dow Jones)- The president of Iraq's Kurdistan region, Massoud Barzani, Thursday slammed what he called the "failed" oil policies of the country's central government and said Kurdistan's exports could amount to 1 million barrels a day of oil in three years' time.

### [Ruble Slides Versus Dollar as Alfa Sees 20% Drop, Oil Tumbles](#)

(Bloomberg) -- Russia's ruble plunged the most in almost three weeks against the dollar as Russia's largest privately owned bank forecast a 20 percent depreciation and the price of oil continued to decline.

### [China Industrial-Output Growth Slows as Exports Slide](#)

(Bloomberg) -- China's industrial-production growth slowed in the first two months of the year as exports slid at a record pace. Bank lending jumped as the nation's 4 trillion (\$585 billion) stimulus began to take effect.

Output rose 3.8 percent in January and February from a year earlier, slowing from a 5.7 percent increase in December, the statistics bureau said today. New lending quadrupled in February to 1.07 trillion yuan from a year earlier, the central bank said.

"The export engine has died: China is in a 'help themselves' mode, pump-priming like crazy to increase fixed-asset investment and keep retail spending going," said Joseph Tan, chief Asian economist at Credit Suisse Private Bank in Singapore. "I think they're going to pull it off."

## [World population to reach nine billion by 2050: UN projections](#)

The world population is projected to top nine billion in 2050, up from 6.8 billion this year and seven billion early in 2012, according to UN estimates released Wednesday.

Most of the additional 2.3 billion people will swell the population of the developing world, estimated to soar from 5.6 billion this year to 7.9 billion in 2050, and to spread among the 15-59 age group (1.2 billion) and those 60 or over (1.1 billion), the data showed.

The 2008 Revision of the official UN populations projections forecast minimal change in the population of the more developed nations, which should rise from 1.23 billion to 1.28 billion during the same period.

That population would have in fact dipped to 1.15 billion without the projected net migration from developing to developed countries, expected to average 2.4 million persons annually from 2009 to 2050, it noted.

## [Meet the sceptics](#)

In Copenhagen, scientists have been gathering this week to air the latest research on global warming. In Washington, Barack Obama and Congress are working on legislation to curb the burning of greenhouse gases. European government leaders returning from the US talk of how the new administration is giving fresh momentum to efforts for a global climate change treaty. Then there is this gathering, almost ignored by the media, which talks about climate change as a relic from the past: "Global warming: was it ever really a crisis?"

## [Global warming 'will be worse than expected' warns Stern](#)

Politicians have failed to take on board the severe consequences of failing to cut world carbon emissions, Nicholas Stern, the economist who warned the government of the high cost of climate change, said today.

Stern told a meeting of climate change scientists in Copenhagen that the effects of global warming would be worse than he predicted in his seminal 2006 report on the economics of the problem. He said policy-makers needed to think more about the likely impact of severe temperature rises of 6C or more.

## [The Earth's Moment, Unveiled](#)

Friedman is picking up on a theme that people like Bill McKibben and James Kunstler have been touching on for a while. The party is over, and we are standing on the edge of something new and different and very uncertain. What comes next is likely to be some

kind of fundamental change. It might be very, very bad or, if we are smart and fearless and flexible, it might lead to something more sustaining on a wide variety of levels.

...The link Friedman doesn't directly draw in the piece is the one that fascinates me most when I think about science and its context. Over the last 100 years, we rapidly constructed a world-girdling empire of commerce tied together by webs of electromagnetic radiation, information processing machinery, and 10,000 mile long supply chains. In just 100 years, our burgeoning scientific capacity let us burn through 100 million years of stored solar energy in the form of fossil fuels. Now, it seems, the unintended consequences of all that science and its daughter technologies are snapping back on us. What do we do now? What can we do?

### [Oil inches toward \\$43 as inventories rise weighed](#)

SINGAPORE – Oil prices inched toward \$43 a barrel Thursday in Asia after an unexpected rise in U.S. crude inventories, suggesting demand remains poor, sparked a big drop in prices overnight.

### [OPEC heads to Vienna hoping for united front](#)

CAIRO - Flash back to December 17 when OPEC met in Algeria and announced a record 2.2 million barrel per day production cut. The global economy was in shambles, oil demand was in free fall, the price per barrel had just dipped into the \$30s and oil-producing states were complaining about plummeting oil prices.

Three months later, shambles is perhaps too soft a term for the current economic situation. Oil demand is still faltering, and members of the Organization of the Petroleum Exporting Countries are headed for their next meeting Sunday in Austria still complaining about the price of crude, raising the question: What is new?

### [U.S. energy secy worried OPEC may hurt the economy](#)

WASHINGTON (Reuters) - U.S. Energy Secretary Steven Chu said on Wednesday he will speak to OPEC ministers before their meeting this weekend and warn them as they consider another oil production cut that high crude prices will harm the fragile world economy.

### [Triple whammy 'threatens UK E&P'](#)

Low oil prices, high costs and scarce bank lending are seriously affecting oil exploration in the UK North Sea, Steve Jenkins, the chairman of the Oil & Gas Independents' Association (OGIA) told a parliamentary select committee today.



Jenkins said current low oil prices made exploring for more oil in parts of the UK Continental Shelf unattractive, particularly with credit for new projects hard to come by.

"The breakeven in some fields is \$40 a barrel ... It's not economic to develop," Reuters quoted him telling the committee.

### [Pemex Awards \\$687 Million Contract to Schlumberger](#)

(Bloomberg) -- Petroleos Mexicanos, the state-owned oil company, awarded a \$687 million contract to a unit of Schlumberger Ltd. to drill 500 wells at the onshore Chicontepec field in Mexico as it seeks to boost slowing production.

### [Crude oil reserve base likely in Gansu](#)

China may build a strategic crude oil reserve in the northwestern Gansu province as part of the country's plan to add eight new oil stockpiles by 2011, said a local official.

### [Analysis: Russia and Iran may trade oil](#)

The seismic cracks produced in the Western economic structures amid the greatest recession since the Great Depression are reverberating far beyond the major financial centers of Wall Street and the City of London as nations consider how to protect their economies from further contraction. New ideas and concepts are receiving a far more sympathetic hearing as countries scramble to halt their economies' decline.

### [Oil company re-lets push Persian Gulf-East below w40](#)

The rush of re-let vessels from oil companies accompanied by a dip in demand for crude have pushed the Worldscale rate for a Persian Gulf-Far East voyage on double-hulled very large crude carriers below the key 40-point level, shipping sources said Thursday.

### [PetroChina Dalian Refinery Exports First RON 97 Gasoline Cargo](#)

(Bloomberg) -- PetroChina Co.'s biggest refinery, in northern China's Dalian city, exported RON 97 gasoline for the first time after domestic consumption dropped.

The plant shipped 34,000 metric tons, or one cargo, of RON 97 unleaded gasoline to Singapore this month, parent China National Petroleum Corp. said in a statement on its Web site today. The fuel's quality was adjusted to meet overseas requirements, it said.

## [The oil cycle: The wheels are turning again](#)

The global oil market is a beast. According to the International Energy Agency, demand for oil stands at about 85 million barrels per day. Driven by high demand growth, there is a fear of imminent shortage — that the world will begin to run out of oil.

Such a shortage could be amplified by the substantial and growing demand from the two Asian giants, China and India.

But there is a contrary view: Oil could actually rise faster than it falls over the next decade.

## [Oil Output Capacity to Fall in Short Term: Expert](#)

DUBAI – Oil output capacity will likely decrease worldwide over the next few years as producers curtail their investments in response to lower crude prices, a regional energy specialist said on Wednesday.

Any shrinkage in production capacity could nudge oil prices higher. Adil Toubia, a senior partner in Energy Capital Group, said he could foresee an increase in prices to between \$55 and \$60 a barrel by the end of this year.

## [Babcock Infrastructure Resumes Queensland Coal-Vessel Loading](#)

(Bloomberg) -- Babcock & Brown Infrastructure Group, owner of Australia's second-biggest coal-export terminal, resumed loading ships today at the Dalrymple Bay port in Queensland after a stoppage caused by a tropical cyclone.

“The first vessel has berthed this morning, with the second about to berth, so we are back to loading ships,” Greg Smith, general manager of operations at the unit of Babcock Infrastructure that owns the port, said today by e-mail. Rail deliveries of the coal to the port, south of Mackay, remain disrupted after a train accident earlier in the week.

## [Foreign minister urges international co-operation in changing Arctic](#)

WHITEHORSE — Foreign Minister Lawrence Cannon says Canada will staunchly defend its sovereignty over Arctic lands and waters but urges international co-operation to deal with changes being brought by global warming.

## [5,000 oil wells face closure](#)

Almost 5,000 platform wells and subsea wells in the North Sea will have to be



decommissioned, most of them over the next 15 years, UK Oil & Gas said.

A report commissioned by the industry body estimated there would be a £15bn market for the services needed to "abandon" 3,725 platform wells and 910 subsea wells.

### [Gas company pursues eminent domain for pipeline](#)

WEST WHITELAND — Williams Transco, the natural gas giant who has a project to replace a seven-mile section of their pipeline in the county, has started condemnation proceedings against 36 property owners who have not accepted offers made for their land.

### [Oilsands companies after human waste dumped in river](#)

CALGARY — Oilsands giant Suncor Energy and two of its contractors will appear in court next month to face accusations of dumping improperly treated human waste in the Athabasca River and falsifying reports

### [Experts: Force big oil firms produce biofuel](#)

MALAYSIA must force major oil firms to produce biofuel if the once-vaunted biodiesel industry is to have any future, industry experts told a conference today.

### [Interior Department Announces New Focus on Global Warming & Renewable Energy](#)

Interior Department Secretary Ken Salazar today announced that the agency will increasingly focus on advancing clean, renewable energy and addressing global warming. Secretary Salazar announced the formation of an energy and climate change task force to advance the Interior Department's renewable energy agenda.

### [Reinventing Collapse](#) (audio)

Dmitry Orlov says that the US should be looking to its old enemy - the Soviet Union for lessons on how to deal with the global financial crisis. He says the coming upheaval presents a plethora of opportunities for reinvention - if it's handled right.

### [Suburbia R.I.P.](#)

The downturn has accomplished what a generation of designers and planners could not: it has turned back the tide of suburban sprawl. In the wake of the foreclosure crisis

many new subdivisions are left half built and more established suburbs face abandonment. Cul-de-sac neighborhoods once filled with the sound of backyard barbecues and playing children are falling silent. Communities like Elk Grove, Calif., and Windy Ridge, N.C., are slowly turning into ghost towns with overgrown lawns, vacant strip malls and squatters camping in empty homes. In Cleveland alone, one of every 13 houses is now vacant, according to an article published Sunday in *The New York Times* magazine.

The demand for suburban homes may never recover, given the long-term prospects of energy costs for commuting and heating, and the prohibitive inefficiencies of low-density construction. The whole suburban idea was founded on disposable spending and the promise of cheap gas. Without them, it may wither. A study by the Metropolitan Institute at Virginia Tech predicts that by 2025 there will be as many as 22 million unwanted large-lot homes in suburban areas.

### [Carbon tax only way to keep planet cool: Hansen](#)

COPENHAGEN (AFP) — Greenhouse gas emissions must be cut more quickly and deeply than thought only two years ago to avoid dire consequences, and a straight-up carbon tax is the only realistic way to do it, top climate scientist James Hansen said in an interview.

### [If we can't stop change, we must adapt](#)

Today's meeting of climate change scientists in Copenhagen shows that mitigation alone is not the answer.

### [Senator says Obama driven on climate](#)

WASHINGTON (AFP) — One of the US Senate's top campaigners against global warming on Wednesday sought to ease international concerns, vowing President Barack Obama was committed to action on climate change.

### [Bush May Have Set Back 'Clean Coal' Efforts by 10 Years, Report Says](#)

The Bush administration's decision to halt production of an experimental power plant that would capture and store carbon dioxide emissions underground may have set back "clean coal" technology in the United States by as much as a decade, according to a congressional report released at a hearing yesterday.

### [California panel urges 'immediate action' to protect from rising sea levels](#)

Global warming is projected to cause ocean levels to rise 55 inches or more by the end of the century. Report recommends phased abandonment of coastal areas and moving state infrastructure inland.

### [California Sea-Level Rise May Threaten \\$100 Billion of Property](#)

(Bloomberg) -- The California dream, which has led 30 million people to make their homes near its 2,000 miles of coastline, may sour as global warming triggers rising sea levels during coming decades.

A gain of 1.4 meters (5 feet) possible by the end of the century might flood almost \$100 billion worth of property, from luxury homes to 330 hazardous-waste sites, the Pacific Institute estimated in new research done with state energy officials. The San Francisco Bay area would be most affected, the report said.

### [Science Back Into EPA Assessment of Climate Change Threat](#)

U.S. EPA has added dozens of scientific accounts about global warming threats to a key document that is expected to help drive federal regulations for curbing U.S. emissions of greenhouse gases, according to an agency draft [PDF] obtained by Greenwire.

Twenty-eight EPA scientists, engineers and other career employees are now working on a nearly 2-year-old "technical support document" that synthesizes climate research on everything from melting sea ice to forest fires and air pollution.

### [When the ice melts, it is too late](#)

On the day-to-day timescale that humans normally deal with, climate change appears to be a slow process that takes place over decades and centuries. This generates a common misconception: if things get really bad, we can quickly change our behaviour and set it all right again.

This is a fallacy, rather like the idea that we can alter the course of a supertanker minutes before it collides with an iceberg. The climate responds slowly because it has an in-built resistance to change – which is why 200 years of vast fossil-fuel emissions have taken so long to produce an effect, and why any delay now in curbing carbon dioxide emissions will only store up bigger problems for the future.



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