



Drumbeat: April 22, 2009

Posted by [Leanan](#) on April 22, 2009 - 10:04am

Topic: [Miscellaneous](#)

[Apache Fires 6% of Employees, Blaming Low Oil Prices](#)

(Bloomberg) -- Apache Corp., the biggest independent U.S. oil company by market value, is reducing the size of its global workforce by 6 percent as tumbling energy prices force producers to slash costs.

Cuts at the Houston-based company are based on its worldwide employee count of 3,639 at the end of last year, Bill Mintz, a company spokesman, said today in a telephone interview.

“Because lower commodity prices mean lower cash flow and capital budgets, we’ve reduced our employee ranks to reflect current activity levels,” Mintz said. “We expect the planned reduction will be substantially completed this week.”

[Chinese demand only hope for oil sector in 2009](#)

China remains the last hope for stimulating oil demand this year, the president of Energy Intelligence (EI), an energy advisor said yesterday.

Thomas Wallin said that instead of speculations and stockpiling of crude by the Chinese government, actual demand for crude is essential for providing support to the fluctuating prices.

[Engineers act to secure future gas supply](#)

Britain has never really had to store gas before because we have had our own ready supply from the North Sea. But production has been declining by around 7pc a year – and exploration activities in the North Sea have plummeted as finance for new projects dries up.

[Electric cars: the infrastructure must come first](#)

Mr Reilly said that a closer look at the range and recharging abilities of the Chinese cars showed they weren't very different from technology elsewhere.

What will make China the leader in electric cars, however, is the infrastructure. Again according to GM, China is already able to absorb the impact of a huge switchover to electric vehicles without much new investment.

[A nuclear power renaissance? Maybe not.](#)

Laguna Niguel, Calif. (Fortune) -- Three new nuclear power plants in the next ten years, max. That was the consensus among the experts attending Tuesday's morning session on nuclear power at Fortune's Brainstorm: Green conference. Maybe five, said one lonely voice. Either way, that's far from the nuclear renaissance we were reading about just a couple of years ago. What happened?

[Scottish Power says Britain needs backup for wind](#)

LONDON (Reuters) - Britain, which aims to install about 30 gigawatts (GW) of wind turbines by 2020, will need to build almost as much backup power generation for calm weather periods, an executive from Scottish Power said on Wednesday.

[Montana Biodiesel Company Fails to Pay Farmers](#)

BILLINGS – A Montana biodiesel company, which has received more than \$1.6 million in grants and loans from the state and a regional economic development corporation, owes farmers in Montana and North Dakota \$1.2 million for crops grown last year.

[Students least informed about environmental science are most optimistic](#)

Will problems associated with environmental issues improve in the next two decades? According to an analysis of student performance on PISA 2006--an international assessment of 15-year-olds--students who are the best informed about environmental science and the geosciences are also the most realistic about the environmental challenges facing the world in the next 20 years. Meanwhile, students who are least informed in these areas are the most wildly optimistic that things will improve.

[Earth Day Special: Energy and Food in a World of Limited Natural Resources](#)

The world is running out of oil and the evidence is mounting. The term most commonly used in the discussions surrounding first the ceiling in oil discoveries and now more recently the ceiling of oil production is Peak Oil. Peak Oil since the mid 1950s has been argued as theory but there are more convincing arguments than just \$4 a gallon gasoline

(last summer) that support what should now be deemed as fact. The chances of finding another large oil reserve fall dramatically each day. Another fact that augments this point is that the largest reserves should be the easiest to find and still a major discovery hasn't happened since Prudhoe Bay in 1969, 40 years ago. Not finding more oil would be well and fine if we simply didn't use it at all but that's currently not the case.

[U.S. May Never Need More Nuclear, Coal Plants, FERC Head Says](#)

(Bloomberg) -- The U.S. may never need to build new nuclear or coal-fired power plants because renewable energy and improved efficiency can meet future power demand, the head of the Federal Energy Regulatory Commission said.

"They're too expensive," Jon Wellinghoff told reporters today at a press conference in Washington hosted by the U.S. Energy Association. "The last price I saw for a nuke was north of \$7,000 a kilowatt. That's more expensive than a solar system."

[Gas transit via Ukraine to Europe halved in first quarter](#)

KIEV (Xinhua) -- Ukraine transported 17.6 billion cubic meters of natural gas to Europe in the first quarter, dropped more than 50 percent compared with the same period of last year, the country's fuel and energy ministry said in a statement on Wednesday.

Ukraine sits on the main transit route for Russia's gas exports to Europe, where a quarter of gas needs is supplied by Russia.

[Iran: oil prices to reach \\$60 if OPEC members cooperate](#)

TEHRAN (Xinhua) -- Iranian Oil Minister Gholam Hossein Nozari said oil prices will reach 60 U.S. dollars a barrel if OPEC members cooperate, local Press TV reported Wednesday.

"Cooperation and coordination between OPEC members can raise oil prices to 60 dollars a barrel in the third quarter of 2009," Nozari said in an interview.

[Exelon plans to build solar power plant on Chicago's South Side](#)

Exelon Corp. will unveil on Wednesday plans to build a \$60 million solar power plant on Chicago's South Side, a small step to fighting climate change that leans heavily on government funding due to the high cost of turning sunlight into electricity.

[Kinder mulls sending ethanol on Plantation line](#)

ORLANDO, Florida (Reuters) - U.S. oil products pipeline company Kinder Morgan Energy Partners is exploring sending ethanol on the Louisiana to Virginia Plantation duct as business for the alternative motor fuel expands.

"We are evaluating the Plantation pipeline ... as the next possible pipeline system that can handle ethanol," Jim Lelio, a renewable fuels business development director at the company, told the Alternative Fuels & Vehicles conference in Orlando on Tuesday.

[Why CEOs want carbon laws](#)

Laguna Niguel, Calif. (Fortune) -- What do CEO Bill Ford of Ford Motor, CEO Jim Rogers of Duke Energy and CEO Bruce Usher of carbon trader EcoSecurities have in common? A deep aversion to unpredictability.

That's why Rogers has been begging for carbon legislation for years -- so he can make big investments in renewables. It's why Ford says he wants a gas tax -- so he can invest in smaller cars. And it's why Usher needs a cap and trade bill from Congress -- to jumpstart carbon trading in the U.S. and catalyze big investments in green technologies. Before it's too late.

"Market mechanisms not only work," Usher said during Tuesday's carbon finance session Fortune's Brainstorm: Green conference. "They work incredibly fast."

[President Obama heads to Iowa for Earth Day](#)

DES MOINES — President Obama is expected Wednesday to tout his administration's effort to accelerate the creation of renewable-energy jobs in his first trip as president to Iowa, the nation's No. 2 wind energy producer.

Obama, speaking at a wind turbine tower plant housed in the former Maytag appliance factory in Newton, Iowa, will urge Congress to move forward on legislation to spur that initiative.

[National parks getting \\$750 million](#)

National parks got \$750 million in federal economic stimulus Wednesday to chip into a to-do list that includes repairing historic buildings, constructing trails and increasing renewable energy use from Independence Hall in Philadelphia to Yosemite in California.

"This is probably the most significant investment made in more than a generation," Secretary of the Interior Ken Salazar said in an interview before the Earth Day announcement.

[Mexico oil output falls 7.8 pct in Q1](#)

MEXICO CITY (Reuters) - Mexican oil production fell 7.8 percent in the first quarter of 2009 to 2.667 million barrels per day as output from the aging Cantarell field slid further, state oil company Pemex on Tuesday.

Mexico pumped 2.891 million bpd of crude in the first quarter of 2008, according to the energy ministry.

Pemex said Cantarell produced 787,000 bpd in the first three months of 2009, down 34 percent from the same period in 2008 when the field yielded 1.195 million bpd.

The company has forecast oil production will be between 2.7 and 2.8 million bpd in 2009, but analysts are skeptical the company can step up output sufficiently at other fields to make up for the relentless decline of Cantarell.

[Study suggests western ND oil pipeline to Canada](#)

A new study says building a pipeline from northwestern North Dakota to TransCanada Corp.'s new Keystone pipeline in southern Saskatchewan would be the most efficient way to move the region's oil production.

North Dakota officials intend to pitch the \$199 million project next week at a regional oil conference in Regina, Saskatchewan, that is expected to draw more than 900 industry officials, said Lynn Helms, director of the state Department of Mineral Resources.

[Russia's Gazprom buys Chevron oil ops in Italy](#)

MILAN (Reuters) - Gazprom Neft (SIBN.MM), the oil arm of state-controlled gas giant Gazprom (GAZP.MM), extended a Russian push into European refining and marketing on Wednesday by buying Italian oil operations from U.S. oil major Chevron.

Gazprom Neft will buy a plant in Bari, southern Italy, which produces 36,000 tonnes of lubricants a year for cars, trucks and other industrial uses, and fuel marketing and sales operations in Rome, the companies said.

[Mitsui Oil Ex-Manager Pleads Guilty to Faking Accounts in Singapore](#)

The former general manager of Mitsui Oil (Asia) Pte. Ltd. pleaded guilty Tuesday to three of 17 counts of falsifying accounts in a 2006 petroleum trading fiasco that resulted in \$81 million in losses for the company.

[Beyond Fossil Fuels: Alan Hanson on Nuclear Power](#)

What technical obstacles currently most curtail the growth of nuclear fission? What are the prospects for overcoming them in the near future and the longer-term?

In fact, no serious technical obstacles exist that would hamper the expansion of nuclear energy in the U.S. The newest generation of nuclear power plants builds on a foundation of excellence spanning decades and supported by significant improvement in plant efficiency. While the average U.S. nuclear plant in 1980 had a capacity factor of less than 60 percent, today's average is over 90 percent. Generation III+ reactors include safety and efficiency improvements over current models.

[Beyond Fossil Fuels: Barry Cinnamon on Solar Power](#)

What technical obstacles currently most curtail the growth of solar power? What are the prospects for overcoming them in the near future and the longer-term?

Right now, homeowners and business owners interested in solar systems are concerned about two things—performance and reliability—as these factors play an important role in a system's return on investment. From a panel standpoint, the silicon solar panels on the market are just about as efficient as they can be, as the industry has labored intensively over the years to increase energy yield. Yet there are several other system components—we call them part of the balance of system—that can threaten the performance and reliability of a system and decrease the amount of energy harvested. Hardly any time and energy had been spent to improve the racking, wiring and electrical grounding elements.

[Peak People: The Interrelationship between Population Growth and Energy Resources](#)

This paper investigates the link between population growth, energy resources and carrying capacity at a global level, to determine if there might be dependencies and if so, how they could be modelled. Different qualities of energy resources may interact differently with population growth. Finally the implications of a peak in energy resource availability on population growth are examined.

[13 Breathtaking Effects of Cutting Back on Meat](#)

The meat industry contributes to land degradation, climate change, air pollution, water shortage and pollution, and loss of biodiversity.

[Earth Day Food for Thought: Shrinking Your 'Cookprint'](#)

Cookbook author Kate Heyhoe would like you to put down that organic avocado and chew on this morsel for a moment:

When it comes to being green, what you eat is not enough; how you cook it and what you cook with are equally essential to the green equation.

On the first page of her new book, "Cooking Green," Heyhoe tells us right up that "appliances account for 30 percent of our household energy use, and the biggest guzzlers are in the kitchen." (She refers to the oven as the "Humvee of the kitchen.")

[Steven Chu and Hilda Solis: Building the American clean energy economy](#)

Today, people across the country and around the world will celebrate Earth Day, a day dedicated to raising awareness about the plight of our natural resources and taking real action to make a difference.

For decades, while Americans across the country have worked to make a difference in their communities, politicians in both parties in Washington have ignored the energy crisis, imperiling our economy, our security and our planet. Now, we have a unique opportunity to attack the energy crisis head-on and create a comprehensive energy policy that will bolster our economy, end our dependence on foreign oil and reduce the threat of deadly pollution that is devastating our planet.

During his first months in office, President Obama already has taken some important first strides toward those goals as part of the American Recovery and Reinvestment Act, which included billions of dollars to be invested in cities and states to strengthen our clean energy industry and help restore America's place at the forefront of the 21st century global economy.

[Pondering the Fate of an Oil Exporter: Squandering One's Inheritance Cheaply](#)

The fate of an oil exporter is to have sold the bulk of one's inheritance cheaply - only to live out the twilight years cramped for income, and worried sick about reserves. Of course, this would be less the case if one had converted the built-up years of oil revenue to new productive capacity in energy. If we consider both the UK and Indonesia in this regard, two oil-exporters who turned net importers this decade, scant evidence exists that such capital investment took place. Perhaps the more solemn fate of an oil exporter is to author a tale of resource *mis*-management.

[Saudi energy contractor Almojil's Q1 profit sinks](#)

RIYADH (Reuters) - Saudi-based Mohammad al-Mojil Group 1310.SE (MMG), a

contractor specializing in oil and gas projects, said net profit fell 96 percent in the first-quarter as several projects hit delays amid depressed energy demand .

[China Resumes Spot LNG Imports After 6-Month Hiatus](#)

(Bloomberg) -- China, the world's second-biggest energy consumer, resumed imports of spot liquefied natural gas cargoes in March after a six-month hiatus as prices of the cleaner-burning fuel tumbled.

[A Platts Data Analysis Shows China's March Oil Demand Almost Flat From Year Ago](#)

HONG KONG (Platts) - China consumed 31.26 million metric tons of crude oil in March, down a minor 0.25% from the corresponding month of 2008, a Platts analysis of official data showed April 22.

However, crude and refined products demand in the world's second-largest oil consuming nation in the first quarter was 4.8% lower versus the corresponding period of 2008, as China registered its slowest quarterly economic growth in almost a decade.

[Cheap Oil Won't Support Investment](#)

Crude oil futures dipped below \$40 per barrel at the beginning of the year, having dropped from record highs over summer 2008. They appear now to have bottomed out, rising to around \$50 per barrel from the second half of March. However, optimism remains predicated on an early--third to fourth quarter 2009--recovery in the world economy. Moreover, levels of demand, stock and surplus capacity suggest that oil market fundamentals remain weak.

OPEC Power. While OPEC's inability to control prices as they rose to record levels was starkly exposed by the organization's lack of spare capacity, it has demonstrated that it can, when it acts decisively and cohesively, support a falling market. OPEC has initiated a series of production cuts: Output remains more than 700,000 b/d above the cartel's stated target of 24.845 million b/d, excluding Iraq.

[Statoil's Arctic Status Threatened as Exxon, Shell Make Bids](#)

(Bloomberg) -- StatoilHydro ASA may see its dominance eroded in Norway's Arctic as Exxon Mobil Corp. and Royal Dutch Shell Plc bid in the country's first frontier oil and natural-gas licensing round for three years.

Norway has offered 28 complete and partial blocks in the Barents Sea off its northern tip and 51 in the Norwegian Sea, which straddles the Arctic Circle. The permits will be awarded "sometime in the spring," said Jon Evang, an Oil Ministry spokesman, without

being more specific.

[India Lures LNG Cargoes as Asia, Europe Cut Imports](#)

(Bloomberg) -- India may rank among the largest markets for spot cargoes of liquefied natural gas this year as Japan, South Korea and Spain slash purchases.

India faces a shortage of 80 million cubic meters of gas a day, or more than half of domestic demand, even as economic growth slows, said Upendra Datta Choubey, chairman of gas distribution monopoly GAIL India Ltd.

[Deepwater-Rig Use Slows on Economy, Oil Prices, Says Transocean](#)

(Bloomberg) -- Demand for deepwater drilling equipment, led by Brazil and India, continues to grow at a slower pace amid the global recession and lower crude oil prices, said Transocean Inc., the world's largest offshore oil driller.

The Geneva-based company is still participating in bids even as the number of tenders has declined, said Deepak Munganahalli, senior vice president for the Asia-Pacific region, at a conference in Singapore today. About 25 deepwater assets will become available within the next two to three years.

"That's a very small number," Munganahalli said at Sea Asia 2009. "Even last month there were significant fixtures in Brazil."

[Enel May Sell Stake in Renewable Unit By Year-End](#)

(Bloomberg) -- Enel SpA may sell a minority stake in its renewable energy unit by the end of the year, as Europe's most indebted utility seeks to reduce borrowing.

[The "Flight of the Phoenix" Revisited](#)

For the *Phoenix* survivors, the critical resource was water, with about 12 days of supply left to complete their reconstruction. For our country, the critical resource is oil. And just as the *Phoenix* survivors rebuilt their plane, our task is to rebuild our energy system. But the *Phoenix* survivors mode of transportation was still a plane, just as our energy system will continue to utilize oil.

Whatever the ultimate mix of energy resources turns out to be, this re-creation will be very difficult, and will take time -- and at least some failure of the other options -- before the activists get on board. One can only hope our country will exhibit the same ingenuity, tenacity and success in solving our energy crisis that the survivors of the

Phoenix did.

[Transitioning Somerville](#)

Many foolish myths are woven through the popular culture that saturates our every waking hour: The future will be richer than the present. This ever-growing wealth will trickle down to uplift the poor. The things we buy will make us as happy as the people in television commercials seem to be, and if they don't, there must be something wrong with us. Our rugged individualism makes cooperating with neighbors and resolving our conflicts unnecessary.

Yet our own history reveals these myths to be lies that serve the consumption-driven economy that has produced our deepening national distress. My parents suffered during the Great Depression. They knew that things are not always better for the next generation.

[It's 2009. Do You Know Where Your Soul Is?](#)

Carnival is over. Commerce has been overheating markets and climates ... the sooty skies of the industrial revolution have changed scale and location, but now melt ice caps and make the seas boil in the time of technological revolution. Capitalism is on trial; globalization is, once again, in the dock. We used to say that all we wanted for the rest of the world was what we had for ourselves. Then we found out that if every living soul on the planet had a fridge and a house and an S.U.V., we would choke on our own exhaust.

Lent is upon us whether we asked for it or not. And with it, we hope, comes a chance at redemption. But redemption is not just a spiritual term, it's an economic concept. At the turn of the millennium, the debt cancellation campaign, inspired by the Jewish concept of Jubilee, aimed to give the poorest countries a fresh start. Thirty-four million more children in Africa are now in school in large part because their governments used money freed up by debt relief. This redemption was not an end to economic slavery, but it was a more hopeful beginning for *many*. And to the many, not the lucky few, is surely where any soul-searching must lead us.

[Eating can be energy-efficient, too](#)

With Americans looking to reduce their "carbon footprints," food seems an obvious place to start.

Choosing a diet with a smaller carbon footprint means choosing foods that are processed in ways that emit less carbon dioxide — a heat-trapping "greenhouse" gas — into the atmosphere. In general, experts say, it breaks down to these guidelines:

['Natural patterns' of farming touted in documentary](#)

SWOOPE, Va. — The white metal sign over the desk at Polyface Farm reads, "Joel Salatin: Lunatic Farmer."

Salatin is proud of that label. "I'm a third-generation lunatic," he boasts while standing in his lush, green central Virginia fields. Brown chickens strut and peck around his feet. "I don't do anything like average farmers do," he says.

What the 52-year-old farmer does is let his cows feed on grass instead of corn or grain. He moves his cows to new fields daily. Flocks of chickens scratch around open fields, spreading cow droppings, eating flies and larvae, and laying eggs in the Salatin-built eggmobile. Hogs forage in the woods or in a pasture house where they root through cow manure, wood chips and corn. The resulting compost gets spread back over the fields, fertilizing the grass for the cattle. That completes the cycle.

"It's completely counter to current agricultural wisdom," he says. Current agricultural practices often encourage using technology — petroleum-based fertilizers, hormones and antibiotics — to spur growth and reduce costs as much as possible.

[Switch to renewable energy could save £13bn a year](#)

Britain could save up to £12.6bn a year in imports of fossil fuels such as oil, gas and coal by 2020 if it embarks on a large- scale programme of energy efficiency and renewable technologies including wind power and biomass, a study showed yesterday.

The report, carried out by Edinburgh-based consultants Delta EE for the Renewable Energy Association (REA), is the first attempt to quantify the economic benefits to Britain of a move to energy efficiency and sustainability, rather than just the costs. The figure for savings is close to 1% of GDP at current levels.

[Wal-Mart to double amount of solar energy use](#)

For months, Wal-Mart has defied the economic slump by posting relatively healthy earnings even as other retailers got pummeled.

Now, it's offering a bright spot in a wobbly renewable energy market.

Wal-Mart plans to announce for Earth Day on Wednesday that it will as much as double the size of its solar-power initiative in the next 18 months by putting rooftop solar arrays on 10 to 20 stores and distribution centers in California. The retail giant early this month finished installing solar setups at 18 Wal-Mart and Sam's Club stores and two warehouses in California and Hawaii.

[City Plans to Make Older Buildings Refit to Save Energy](#)

Elected leaders in New York City will propose a suite of laws and other initiatives on Wednesday aimed at reducing energy consumption and related emissions of greenhouse gases by requiring owners of thousands of older buildings to upgrade everything from boilers to light bulbs.

[Bright unveils 'Idea' hybrid-electric car](#)

Anderson-based Bright unveiled its 100 miles-per-gallon vehicle, the "Idea," on Tuesday in the nation's capital, just in time for Earth Day.

"The promise of plug-in vehicles and smart-grid technology is not a dream, it is achievable today, here in America," said Bright President and CEO John Waters. "Working with great companies and the most experienced team in the industry, Bright Automotive believes the Idea can be at the center of a new energy paradigm."

[EPA proposes mercury cutbacks at cement plants](#)

TRAVERSE CITY, Mich. – The Obama administration proposed sharp reductions Tuesday in airborne pollution from America's 99 cement plants, including first-ever limits on mercury from older kilns.

The rules also would lead to steep cuts in emissions of other toxins, including hydrochloric acid, hydrocarbons, soot and sulfur dioxide, according to the Environmental Protection Agency.

[U.S. Prices Carbon Dioxide at More Than \\$13 a Ton in Draft Plan](#)

(Bloomberg) -- A proposed law to limit U.S. greenhouse gas emissions would price carbon dioxide permits in a range of \$13 to \$26 a metric ton by 2015, according to a preliminary government analysis.

Permit prices would nearly double if the U.S. banned greenhouse gas reduction projects in developing countries from selling so-called "offsets" to domestic industry, the Environmental Protection Agency said in a report late yesterday.

[New York touts climate-saving plan to lock away CO₂](#)

NEW YORK (AFP) – Scientists in New York have touted an experimental plan to lock carbon dioxide gasses underground and prevent big polluters like China and the United

States from wrecking the world's climate.

The idea, called carbon capture and sequestration, or CCS, is at the cutting edge of attempts to dramatically reduce CO₂ spewed by industrial plants into the atmosphere.

The technology exists, but is little tested and a group of energy companies, academics and state officials hope to make New York one of the field's trail blazers.

[House climate hearings put Obama team on hot seat](#)

WASHINGTON – Top members of President Barack Obama's energy and environmental team are weighing in on a bill that would curb the emissions blamed for global warming and transform how the nation produces and uses energy.

Energy Secretary Steven Chu and Environmental Protection Agency Administrator Lisa Jackson, along with Transportation Secretary Ray LaHood, were to spend part of their Earth Day before a House energy panel Wednesday. Their appearance comes less than a week after the Obama administration took steps to regulate greenhouse gases without the help of Congress.

[Atmospheric CO₂ and Methane Still Building](#)

The National Oceanic and Atmospheric Administration is reporting that the concentrations of carbon dioxide and methane, the two most important greenhouse gases released through human activities, rose in 2008.

The agency's preliminary summary of greenhouse gas trends consolidates data from 60 monitoring stations around the world. A variety of factors shapes how much of these two gases remains in the atmosphere after they are emitted, which is one reason the global economic recession hasn't become evident in the data yet, N.O.A.A. researchers said.



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