### Distillate glut may cut U.S. refinery summer runs

NEW YORK (Reuters) - U.S. refiners may curb summer activity for the first time in at least 20 years to combat brimming inventories of key transportation and industrial fuels, like diesel and jet fuel, as a slow economy hurts demand.

A glut in these petroleum products, known as distillates, is expected to pressure prices and prompt refiners to cut runs, which could mean foregoing a bump in output and revenue that usually results from operating units near full blast in May through August.

### Mexico finding, expanding deep Gulf oil, gas - exec

HOUSTON (Reuters) - Mexico is having success finding oil and gas in the deep Gulf of Mexico and is ramping up rapidly to expand production, a Pemex executive said Wednesday.

Drilling activity will increase from two wells currently to as many as 10 wells in 2011, and five rigs will be working in deep Mexican waters of the Gulf by 2012, Pemex PEMX.UL exploration and production director Carlos Morales Gil told an Offshore Technology Conference breakfast meeting.

### Chesapeake loses conviction buy spot

Goldman Sachs removed Chesapeake Energy from its Americas conviction buy list, citing the company's underperformance in comparison to other exploration and production, and coal stocks under its coverage.

However, the brokerage maintained a "buy" rating on the natural gas company, and said asset sale news and lower spending in the next three to six months could allow Chesapeake shares to recover.

### PetroChina says it needs $22 bln in financing for 2009
HONG KONG (Reuters) - PetroChina, the world's second-most valuable oil and gas producer after Exxon Mobil, on Wednesday said it would need 150 billion yuan ($21.99 billion) to finance its operations and investment activities in 2009.

PetroChina, Asia's top oil and gas producer, said it expected to pay 84.2 billion yuan in taxes for its refined products in 2009, up 71 billion yuan from the year before, according to documents from its shareholders meeting filed to the Shanghai stock exchange.

Tallying the toll of transportation privatization

Call it a tale of two airports.

In Missouri, a plan to open the nation's first privately developed and operated commercial airport will come to fruition when the built-from-scratch Branson Airport opens on May 11.

In Illinois, a plan to lease Chicago's Midway Airport that was seen as a model for privatization has collapsed in the face of the global credit crunch.

Two airports, two unique approaches and two completely different outcomes. Yet each in its own way may offer insights on how the U.S. funds, builds and manages its transportation infrastructure for years to come.

No Fix for Public Transit

This was the choice faced by New York lawmakers. There were two plans on the table to rescue about eight million public transit riders in the New York City area who, unless something is done quickly, will have to pay much higher fares for sharply curtailed service.

One plan would have taken the long-range approach, shoring up the subway, bus and rail systems to hold down fares and maintain decent service for years to come. The other would be a quick political fix that holds down fare increases for the moment and puts off the hard decisions until later.

It should not come as a surprise to hear that far too many of Albany’s politicians would rather go with the cheap political fix.

Resource scarcity: what does it mean for business?

A new report, launched by Lloyd’s and the International Institute of Strategic Studies last week, advised businesses to assess their vulnerability to the increasing scarcity of resources such as fresh water, food and energy triggered by global warming.
In this, the second of two features marking the launch of the report, we explore what others are saying on resource scarcity—and what it means for business.

**Nate Silver: The End of Car Culture**

![Graph showing the sudden decline in American driving](image)

We are driving a lot less in this country, even less than one would have expected in a bad economy with fluctuating gas prices. The graph above charts 1) actual miles driven per capita in America during each January for the last thirty years and 2) how many miles per capita we could have been expected to drive based on my model, which accounts for changes in population, gas prices, unemployment rates, and other factors. The downward trend last year was stark. Indeed, Americans have rarely cut back on their driving so consistently for so long.

**This is surely one of the signs of the apocalypse:** Americans aren't driving as much as they used to.

**Ford Spending $550 Million To Convert Truck Factory To Build Electric, Small Cars**

Ford (F) says it will spend $550 million to convert a manufacturing facility to build small and electric cars. The current facility is set up for trucks.

**Review: 'Tar Sands' by Andrew Nikiforuk**
If you’ve been following energy news with a discerning eye, then you already know better than to buy into all the hype about the Canadian tar sands. Far from being a panacea for declining supplies of conventional oil, the sands could never contribute more than a proverbial drop in the bucket to daily world oil production. And even achieving this modest rate of production would require such staggering quantities of water, natural gas and boreal forestland as to leave Alberta resembling “a third-rate golf course in the Sudan” before the bulk of the sands’ 175 billion barrels had ever been produced.

The Sudanese-golf-course quote comes from Andrew Nikiforuk’s new book *Tar Sands*, a powerful, eloquent litany of horrors associated with North America’s frenzied dash toward tar sands bitumen as its next fuel of choice. An investigative journalist of formidable caliber, Nikiforuk illustrates how the tar sands’ woeful inability to sustain our cheap-oil-addicted lifestyle is only one in a long list of reasons why their unchecked exploitation must be stopped immediately.

**Russia exports 21.5 bln cu m of gas, 55 mln tons of oil in 1Q09**

MOSCOW (RIA Novosti) - Russia exported 21.5 billion cubic meters of gas worth $7 billion, and over 55 million metric tons of oil to the tune of $16.5 billion in the first quarter of 2009, the Federal Customs Service said on Wednesday.

Gas exports to non-CIS countries plummeted by 61% in January-March 2009 to 18.6 billion cubic meters year-on-year, while gas exports to former Soviet republics totaled 2.9 bln cu m, down 49.8% against the first three months of 2008.

**Transocean profits dip**

Transocean reported a drop in quarterly profit today as the world’s largest offshore drilling contractor was pinched by weaker industry activity with oil and gas prices half that of a year before.

**OTC: Aramco pursues 70% oil recovery rate**

HOUSTON -- Saudi Aramco wants to improve its oil recovery rate to 70% from 50% over the next 20 years by focusing on enhanced oil recovery (EOR) techniques and other new technologies, said Amin H. Nasser, Aramco senior vice-president, exploration and production.

Nasser told delegates May 4 at the Offshore Technology Conference in Houston that the company wants to expand its resources from 742 billion bbl to 900 billion bbl to address the world’s future energy needs. "In the most optimistic scenario, world oil demand is placed at 125 million b/d and this would require 15-40 million b/d of additional capacity and compensation for declining fields."
Saudi oil output will stay at 8 mln bpd - spokesman

HOUSTON (Reuters) - Saudi Arabian oil output is now 8 million barrels per day and there are no immediate expectations of a cut, a spokesman for Aramco's senior vice president of exploration and production said Tuesday.

Saudi oil capacity at 12.5 mln bpd by June 30 - exec

HOUSTON (Reuters) - Saudi Arabia will meet an end-of-June target for raising its oil output capacity to 12.5 million barrels per day (bpd), a Saudi Aramco executive said Tuesday.

Amin Nasser, Saudi Aramco's senior vice president for exploration and production, made the prediction to Reuters on the sidelines of the Offshore Technology Conference.

Saudi aims to double spot jet fuel supply

DUBAI/SINGAPORE: Saudi Arabia will double its monthly spot aviation fuel supply available for exports starting in May due to lower domestic consumption, industry sources said yesterday.

The world's top oil exporter which typically sells around 550,000 barrels of spot aviation fuel monthly, was likely to boost supply for spot sales to 1.1 million barrels monthly starting in May, traders said.

Venezuela May Pass Law to Seize Oil Services Cos

Venezuelan lawmakers are ready to support a law that would allow President Hugo Chavez to seize the assets of all oil-services companies, giving the state greater control over the industry.

Members of Venezuela's National Assembly may approve in a first reading the law proposal Tuesday that would declare of "public interest" all goods and services related to primary hydrocarbon activities, a needed step before expropriation.

Foreign Oil Majors Drilling in Brazil Despite Oil Prices

Foreign oil companies continue prospecting for crude at Brazilian concessions, including the key BM-S-22 block in the Santos Basin, despite a steep decline in oil prices and daunting costs.
A series of high-profile oil discoveries in the past few years has made Brazil one of the world's most exciting oil frontiers. Last week, state-run energy giant Petroleo Brasileiro SA (PBR), or Petrobras, pumped the first crude from a Santos Basin sub-salt well at the Tupi field.

**Total Profit Declines 35% on Lower Crude Prices**

(Bloomberg) -- Total SA, Europe's third-largest oil producer, said first-quarter earnings declined 35 percent as the global recession eroded energy demand, causing crude prices to drop and production to fall.

Profit excluding changes in inventories and the value of a stake in Sanofi-Aventis SA fell to 2.1 billion euros ($2.79 billion) from 3.25 billion euros a year earlier, the Paris-based company said today in a statement. That beat the 2 billion-euro median estimate of analysts surveyed by Bloomberg News. Net income dropped 36 percent to 2.3 billion euros.

**Why Are There So Many More Energy Experts than Energy Billionaires?**

There are many energy experts. They make a lot of predictions. If only half of those predictions were correct, these experts would be among the richest people in the world. All they need do is act on their advice. Why, then, are there so many energy experts and so few energy billionaires?

The simple and correct response is that most energy experts are wrong most of the time on most topics. Their forecasting record is far worse than that of weather forecasters. The very few experts who get the trends and inflexion points right at least half the time don't talk about their predictions: they act on them by betting risk capital and building organizational capability and by so doing, become billionaires. As the axiom has it, "Those who can, do; those who can't, teach." The vast majority of energy experts teach because they cannot do.

**Shell call to avoid energy crunch**

A TAX on carbon emissions would address the failure of the market to reflect the full economic cost of energy use, Shell Australia chairman Russell Caplan said yesterday.

In a speech to the Netherlands and American Chambers of Commerce in Melbourne, Mr Caplan said he supported the government's proposed carbon emissions trading scheme as an example of leadership in setting clear rules for markets to operate.
Eastern Europe could face a new energy crisis in the coming winter, facing shortages of gas and oil, according to Russian Deputy Prime-Minister Igor Sechin. Sechin, who came forward with the warning at a meeting with European Union Energy Commissioner Andris Piebalgs Monday, said the problem lay with Ukraine.

Shortages may come about if the Russian neighbor does not stock-up on enough natural gas, Sechin said, warning that Ukrainian gas infrastructure may not be sufficient in any case.

**Kenya: Deathly nightmare for fuel tankers**

"I recall driving peacefully at night in the company of my turn boy. Then all of a sudden there was a maddening flash from the opposite direction and I rammed into an oncoming canter truck head on," he recalls.

He then remembers being cruelly dragged out of his damaged lorry and being hurled to the ground.

"At first I expected they would take me to hospital. Then they started raining blows on me. They frisked my pockets and took all the valuables," Ibrahim painfully recalls shaking his head in anger.

The six gangsters, who were armed with crude weapons, then started emptying the 40,000 litres of oil in his tanker.

"They abandoned the mission after realising I was ferrying factory oil, also know as black oil. This has limited use and has no ready market. They, however, stole all the wheels and spanners," he adds.

**Nepal: Consequence of Rolling Blackouts**

As we know, the country is facing one of the worst rolling blackouts problems ever. The time on rolling blackouts had gone up to 16 hours a day, severely crippling the normal and daily economic activities of the people. According to the recent NEA (Nepal Electricity Authority) report for load shedding improvement, there is a generating capacity deficit of about 41%, which means the system peak load is about 300 MW higher than the firm generating capacity in the dry season. Due to this, the government has declared a state of emergency to deal with such severe energy crisis. The poor water levels in the reservoirs of several hydropower plants are blamed for this consequence. Hence, if there are no immediate measures taken by the government, the situation will further deteriorate. Even though NEA claims that there will be a surplus power after 5 years, there is a very little validity to the statement and it looks like the problem will continue easily for next 10 years, if not more.
ERITREA: Reaping the wind

ASSAB, 5 May 2009 (IRIN) - The old fisherman leaned heavily on his walking stick and sighed. For the first time in 50 years, the sea, the winds and the weather in Edi village, in the Southern Red Sea Region of Eritrea – his trusted allies in making a living - are baffling him.

"It is getting hotter and hotter every year; the hot period is starting later now and we have to go deeper and deeper into the sea to find fish," he told IRIN. "The sea is everything to us – we do not understand what is happening."

Energy bill to include plan offering cash for gas guzzlers

President Obama and key House Democrats agreed Tuesday to include a "cash for clunkers" program in the major energy bill being written in Congress, but they ended a White House meeting without reaching agreement on thornier issues -- including how to reduce the economic impact of curbing greenhouse gas emissions.

The "clunkers" program would offer federal payments to consumers who scrapped older gas-guzzling vehicles and bought new, more environmentally friendly ones to replace them. Similar programs have enjoyed some success in Europe.

Rep. John D. Dingell (D-Mich.), a longtime champion of the auto industry, said the plan would "result in hundreds of thousands of new vehicles being purchased across the country."

Oil rises above $54 on economic recovery optimism

Oil prices remained above $54 a barrel Wednesday as comments by the U.S. central bank chief stoked investor optimism that economic growth and crude demand may pick up by the end of the year.

A report showing a fall in U.S. stocks of oil and gasoline also helped sustain prices.

East Timor Says It Won’t Approve Woodside LNG Plan

(Bloomberg) -- The East Timor government said it doesn’t intend to approve plans that Woodside Petroleum Ltd., Australia’s second-largest oil and gas producer, has said it will put forward to develop the Sunrise field in the Timor Sea.

Progress on the natural gas project has stalled, the Pacific nation said in an e-mailed statement today. Woodside’s partners in the venture include Royal Dutch Shell Plc and ConocoPhillips.
Chevron Announces First Oil from Tahiti Field in Gulf of Mexico

SAN RAMON, Calif.--(BUSINESS WIRE)--Chevron Corporation has announced that it has started crude oil production from its Tahiti Field, the deepest producing field in the Gulf of Mexico. First oil from Tahiti was achieved on May 5, 2009. Daily production is expected to ramp up to approximately 125,000 barrels of crude oil and 70 million cubic feet of natural gas before the end of the year.

Eni Resumes Normal Exports of Nigeria’s Brass Crude

(Bloomberg) -- Eni SpA, Italy’s biggest energy company, resumed normal deliveries of Nigeria’s Brass River crude oil after night-time loading was suspended in April because of security concerns.

Nigerian National Petroleum Corp. yesterday told exporters of Brass River crude that Eni, operator of the local terminal, had revoked its declaration of “force majeure” on shipments, according to three people familiar with the announcement who declined to be identified because of company policy.

Canada racing Alaska on gas pipe

The race to finish the Northwest Territories’ Mackenzie gas pipeline before Alaska is heating up.

The territorial government says it is trying to streamline the regulatory process by ensuring requirements are in place by the end of this year to ensure industry is not mired by bureaucratic red tape.

Heritage Oil Has ‘Major’ Find at Miran West in Iraq

(Bloomberg) -- Heritage Oil Ltd., a U.K.-based explorer, said it has made a “major” oil discovery in the Miran West structure of the Kurdistan Region of Iraq, driving the stock to the highest since it began trading.

The estimated oil-in-place at Miran West is between 2.3 billion and 4.2 billion barrels, St. Helier, Jersey-based Heritage said in a statement distributed by the Regulatory News Service. The recovery factor is likely to be between 50 percent and 70 percent due to the fractured nature of the reservoirs.

Shell to sell most French fuel stations
PARIS (Reuters) - Royal Dutch Shell plans to sell 70 percent of its French fuel stations and cut by a third its 1,200 person work force in France, French newspaper Les Echos reported in its Wednesday edition.

The Anglo-Dutch oil major will divest 240 out of the 340 stations it owns in France, Les Echos said in an advance copy of its front page received by Reuters late on Tuesday.

Canadian pleads guilty in "Toronto 18" bomb plot

TORONTO – A Canadian man has pleaded guilty to his role in an alleged plan to bomb nuclear power plants and a building housing Canada’s spy service.

Cnooc Parent, Datong Plan $4.4 Billion Coal-to-Gas Project

(Bloomberg) -- China National Offshore Oil Corp., the country’s biggest offshore petroleum explorer, and Datong Coal Mine Group Co. plan to invest 30 billion yuan ($4.4 billion) in a plant that will turn coal into gas and electricity.

China National Offshore’s New Energy subsidiary, Datong Coal and the city government of Datong agreed on the joint project in the northern province of Shanxi at the end of last month, the parent of Hong Kong-listed Cnooc Ltd. said in a May 4 statement on its Web site.

Cuomo sends letter to Chevron seeking assurances over liability in $27B Ecuadorean lawsuit

NEW YORK (AP) — New York Attorney General Andrew Cuomo has sent a letter to the Chevron Corp., questioning whether executives have been upfront with shareholders about the company's potential liability for decades of pollution in the jungles of Ecuador.

For years, the nation’s second-largest oil company has been fighting a lawsuit filed on behalf of tens of thousands of residents of the Amazon rain forest over environmental damage and alleged cancer deaths they blame on oil spills and water contamination.

Australia seeks $18 m over toxic oil spill

SYDNEY (AFP) – Australia will seek more than 18 million US dollars in compensation from a Hong Kong-based shipping company over a massive toxic oil spill during a wild storm, officials said.

We have the energy for a green future
For the best part of a decade, Britain has had no energy policy to speak of. As a result, we are grossly unprepared for the decade ahead, during which much of Britain's current electricity-generating capacity is due to be closed down and we will move from being a net exporter of oil and gas to importing 80% of our supplies from overseas. All this while we face stringent binding targets for renewable energy and the reduction of our greenhouse gas emissions.

**Archer Daniels Midland 3Q profit tumbles**

ST. LOUIS – Archer Daniels Midland Co., a major corn and soybean processor and ethanol maker, said Tuesday its fiscal third-quarter profit tumbled an unexpectedly sharp 98 percent due to a drop in sales along with an unexpected tax payment and a loss on equity investments.

**New energy for alternative power projects**

CTED Senior Policy Analyst Mark Anderson said the funds are meant for three things: renewable energy production and research, weatherization for low-income households and energy efficiency projects on public lands and structures.

Anderson said CTED wants to devote much of the money to long-term renewable energy programs, with only a portion going to one-time projects in low-income weatherization and similar efforts.

**Administration addressing ethanol, climate change**

WASHINGTON – The Obama administration renewed its commitment Tuesday to speed up investments in ethanol and other biofuels while seeking to deflect some environmentalists' claims that huge increases in corn ethanol use will hinder the fight against global warming.

**U.S. raises the bar for ethanol producers**

OTTAWA and TORONTO – The corn-based ethanol industry will have to substantially reduce its emissions of greenhouse gases in order to play a leading role in the U.S. drive to boost the use of renewable transportation fuels.

In releasing new regulations yesterday, the U.S. Environmental Protection Agency said much corn-based ethanol is worse than gasoline - at least in the short term - in producing greenhouse gas emissions when agricultural practices are factored in.
Celebs use star power to spotlight environmental issues

Celebrities "have a bigger megaphone than we would ever have or ever be able to buy," said Julia Bovey, spokeswoman for the Natural Resources Defense Council, which counts DiCaprio, Redford and James Taylor among its trustees. "When we have celebrities getting attention for their work talk about what we do and why it matters, we're able to reach hundreds of thousands, or even millions."

Stars can even sway lawmakers to hold a hearing on an issue that may have otherwise never occurred, Bovey said. And stars say they hear stories through their travels that they can then relay to policymakers.

Global Warming Threatens Tibet Railway

BEIJING (Reuters) - China's controversial railway to the remote and restless mountainous region of Tibet could be threatened by global warming, which may melt the permafrost on which the tracks are built, state media said on Wednesday.

Mercury Levels In Arctic Seals May Be Linked To Global Warming

ScienceDaily — Researchers in Canada are reporting for the first time that high mercury levels in certain Arctic seals appear to be linked to vanishing sea ice caused by global warming. Their study provides new insight into the impact of climate change on Arctic marine life.

Population and Climate Change Solutions

Positive initiatives to slow global population growth -- such as empowering women and girls -- can play a significant role in addressing rising pollution levels worldwide, says population and climate change expert Kathleen Mogelgaard.

"Slower population growth would have significant benefits in addressing climate change," writes Mogelgaard, senior program manager for population and climate change at the research institute Population Action International. These include a reduction in fossil fuel-related emissions and reduced stress on forests and other natural resources that absorb carbon dioxide. And we already know of positive interventions to bring down birth rates around the world, continues Mogelgaard: "expanding education, especially for the world's girls; enhancing economic opportunities for women; and providing access to voluntary reproductive health and family planning services, so that women and men can freely decide the number and timing of their children."

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