



## DrumBeat: June 22, 2009

Posted by [Leanan](#) on June 22, 2009 - 10:27am

Topic: [Miscellaneous](#)

### [Global oil and gas E&P spending seen down 15 pct](#)

NEW YORK (Reuters) - Oil and gas producers will cut spending more sharply than expected this year because of the slump in North American natural gas prices, analysts at Barclays Capital said on Monday.

Spending globally on exploration and production is expected to shrink by 15 percent in 2009 from the previous year, compared to the 12 percent drop the companies had expected in December, Barclays' analysts James Crandell and James West said in a report on their semi-annual survey of 402 energy companies.

Energy companies have delayed or canceled many projects as oil prices tumbled from their record highs reached in July 2008. That has erased about half the price in shares of oilfield service providers such as Schlumberger Ltd and Halliburton Co.

### [The day Five Points became a riot zone](#)



Tuesday will mark the 30th anniversary of the nation's first gasoline riots in Levittown.

On a hot Saturday afternoon about 5 p.m. June, 23, 1979, Bristol Township police officer Bob Hairhoger was responding to an accident on New Falls Road near Red Cedar Drive.

What would transpire a few moments later would grab international headlines, result in hundreds of arrests and nearly 200 police officers battling with protesters because of the second Arab oil embargo, which dried up tanks throughout the country.

*Related:* [Could it happen again?](#)

### [Oil falls below \\$67](#)

LONDON (Reuters) -- Oil dropped almost 4% to below \$67 a barrel on Monday as a stronger dollar and weaker European equities outweighed attacks on the oil industry in top African exporter Nigeria.

### [Gas prices end 54-day streak](#)

NEW YORK (CNMoney.com) -- The price of a gallon of gas dipped Monday, snapping a 54-day run-up.

Nationwide, the average price for a gallon of regular unleaded gasoline edged down to \$2.69, shaving just three-tenths of a cent from the previous day's average of \$2.693, according to motorist group AAA.

### [Chavez asks Russian president to help hike oil prices](#)

Venezuela's President has sent Medvedev a letter, asking for Russia's cooperation in raising oil prices to \$100 a barrel.

Chavez insisted in his letter to Medvedev that "big oil-producing countries unite," AP reports.

### [China leads energy spurt](#)

Unprecedented turbulence in world energy markets in 2008 may have overshadowed a less dramatic but perhaps equally profound development in implications for the long term.

For the first time ever, the developing world led by China leapfrogged industrial and developed nations in the consumption of primary energy.

### [Iran gas consumption down amid protests](#)

TEHRAN (UPI) -- The national oil refining company in Iran reports a 5 percent decline in the average consumption rate of gas in the wake of the disputed presidential election.

The National Iranian Oil Refining and Distributing Co. found from June 12 to June 19, the average daily consumption of gasoline fell 850,000 gallons to 15.9 million gallons per day compared with the prior week, the Petroenergy Information Network reports.

### [Iran overtakes Saudi as China's No.1 crude supplier](#)

BEIJING (Reuters) - Iran overtook Saudi Arabia in May as China's top crude supplier, Chinese customs data showed on Monday, but traders said it was partly due to a supply cut from the Saudis.

### [Medvedev to Pursue 'Bigger Mandate,' Energy Deals in Africa](#)

(Bloomberg) -- Russian President Dmitry Medvedev will seek to boost Russia's global influence and vie with China and the U.S. for control of energy and resources during a four- country African tour that begins tomorrow.

### [Peru's Congress Repeals Laws Behind Amazon Clashes](#)

LIMA - Peru's Congress overturned two controversial land laws on Thursday that ignited clashes between police and indigenous protesters in the Amazon rain forest two weeks ago, killing at least 34 people.

The vote to throw out legislative decrees 1090 and 1064 could delay foreign investment in mining and energy projects and may prompt Peru and the United States to reevaluate clauses of their free-trade pact.

### [Gazprom says too early to talk gas cuts](#)

MOSCOW (Reuters) - Russia's Gazprom is very concerned about low gas storage levels in Ukraine and the country's ability to pay its gas bills, but it is too early to talk about cutting supplies in July, the firm said on Monday.

### [Wildcat strikes spread over Lindsey oil refinery sackings](#)

Wildcat strikes spread across Britain today as another 500 contractors walked out in a show of sympathy for workers sacked at the Total oil refinery in Lincolnshire.

An estimated 2,000 workers from refineries, gas plants and nuclear sites failed to turn

up for work today in unofficial industrial action after the French oil giant dismissed 650 contractors last week.

### [Senate energy bill's key elements go beyond eastern Gulf of Mexico](#)

Oil and gas trade associations applauded the bill which emerged from the US Senate Energy and Natural Resources Committee on June 17 because it would open parts of the eastern Gulf of Mexico for leasing and development. But the measure contained several other elements which would directly affect the industry.

These included establishing a 30 million bbl refined products stockpile within the Strategic Petroleum Reserve; requiring an inventory of marine resources off the US coast, including seismic surveys on the Outer Continental Shelf; increasing federal guarantees for constructing a natural gas pipeline from Alaska to \$30 billion; requiring Senate confirmation of nominees to be US Minerals Management Service director, and repealing offshore royalty and other incentives in the 2005 Energy Policy Act.

### [Nigerians seize arms amid unrest](#)

LAGOS, Nigeria (UPI) -- Amid growing unrest around the oil-rich Gulf of Guinea in West Africa, Nigerian security authorities have seized a Ukrainian cargo aircraft loaded with 18 crates of weapons and ammunition bound for Equatorial Guinea, the third-largest oil producer in sub-Saharan Africa.

### [Kurt Cobb: Green shoots: An alternative view](#)

I am seeing green shoots everywhere these days. But not in the places in which Wall Street's strident financial cheerleaders and Washington's happy economists are. I am seeing green shoots in the many cracks in the suburban neighborhood roads I now travel daily by bicycle.

### [Nuclear nations rush to lock in uranium deals](#)

TORONTO (Reuters) - A global shift toward nuclear power is prompting countries to rush to lock in long-term access to tight supplies of uranium, and China and India look to be the next players to get in on the action.

### [Set the controls for the heart of the Sun](#)

Here, in an innocuous building similar to a Seventies-style concrete university campus, one of the most important experiments in the history of mankind is taking place. If all

goes well - and things are going very well - it will solve the problem of meeting the world's energy needs. More power will flow into the world's grids than we'll ever need.

### [Water for energy: The bad bet for biofuels](#)

In the ongoing debate about rethinking America's energy future, there has been far too little discussion about water. It takes a tremendous amount of water to produce our energy, no matter how you measure it.

According to the USGS assessment of water use in the United States (done every five years), about half of all freshwater and saline-water withdrawals for 2000 were used for thermoelectric power. Most of this water was derived from surface water and used for once-through cooling at power plants. I will write more about this in the future, and the Pacific Institute continues to work on a wide range of water/energy connections and analysis. Today's Water Number is one little piece of this water/energy puzzle, but a remarkable one.

### [Nissan to make electric cars in U.S.: report](#)

(Reuters) - Nissan Motor Co plans to launch production of electric vehicles and their batteries in the United States to tap low-interest loans for green vehicles, the Nikkei business daily said.

### [Saudi oil production at 12-month low](#)

Saudi Arabia's oil production fell by 320,000 barrels in April to its lowest level this year, according to the latest official figures from the kingdom.

A recent update to the international database maintained by the Joint Oil Data Initiative (JODI), which uses figures submitted by its member countries, showed Saudi crude output at 8.038 million barrels per day (bpd) in April, down from 8.358 million bpd in March.

### [Saudi Arabia - Responding to international crisis](#)

The oil-rich Kingdom amid bleak global outlook is taking concrete steps to defeat the downturn. Whilst not immune from the OECD-wide recession and waning oil prices, the fallout is less severe than elsewhere because the state continues to invest heavily on infrastructure programme to support domestic demand and achieve greater diversification. The future, however, poses stiff policy challenges in terms of providing new jobs and basic services to a blooming population forecast to reach 33m by 2020.

### [Fujairah bunker premium up on low Iran, Iraq exports](#)

DUBAI/SINGAPORE, June 22 (Reuters) - Bunker premiums at the United Arab Emirates' refuelling port of Fujairah have more than doubled since end-May due to lower exports from Iran and Iraq, industry sources said on Monday.

### [WWJD?](#)

Jeff Rubin, that is. When oil is no longer cheap and plentiful, our systems that are fueled by this inexpensive energy source will no longer be viable.

### [Iraq Fires Up Production from Nassiriyah Oil Field](#)

Iraq has started crude oil production from a giant oil field in southern Iraq for the first time, in a bid to increase the country's crude output, an official with the South Oil Co. said Monday.

### [Nigeria: Report Indicts Oil Firms Over Energy Crisis](#)

Nigeria appears to be the focus of an explicit report on the relationship between oil and gas multinationals and their host nations.

Published by the UK-based International Institute for Environment and Development (IIED), the report urges global oil and gas companies to improve energy security for communities in the countries where they operate.

### [Petrobras to Reel in More Rigs for Offshore Santos Basin](#)

Brazilian state-run energy giant Petrobras (PBR) expects to bring up to four more drilling rigs to a prospect in the offshore Santos Basin in the second half of the year.

The ultra-deepwater rigs will be used to "attack" areas in the subsalt region in the Santos Basin, Petrobras' Mario Carminatti told the local Estado news agency. The Santos Basin is home to the Tupi field, the Western Hemisphere's largest oil discovery in more than 30 years.

### [High rural house prices fuel pub closures](#)

The National Housing Federation (NHF) claims that 650 rural pubs and 400 village shops will be lost over the next 12 months as traditional British village life is plunged



into terminal decline by the lack of affordable housing.

The British Beer and Pub Association (BBPA) estimates that 54 country pubs could close a month if current trends continue.

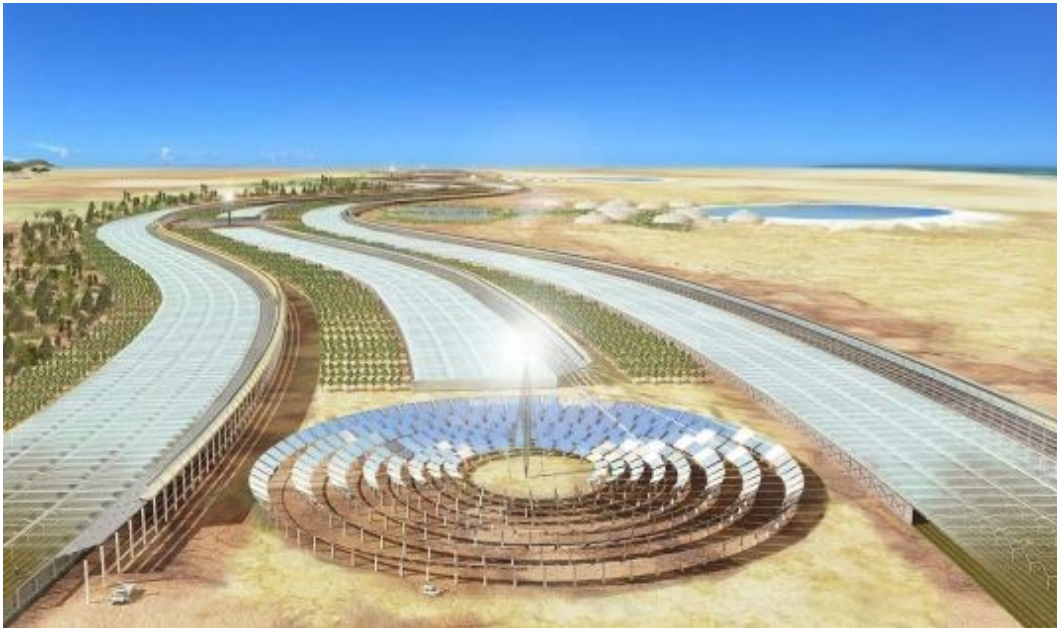
The NHF believes that the mass closures reflect a declining demand for services in villages where local families — the core customer base — had been priced out of the area by an influx of wealthy commuters and second home owners.

### [Wanted: A high-speed freight and passenger rail system](#)

The US has to radically change the way people and cargo are transported.

Gil Carmichael, founding chairman of the board of directors of the Intermodal Transportation Institute at the University of Denver, reflects on what needs to be done by the government in the US to avert future transport crises.

### [World's Largest Solar Project Planned for Saharan Desert](#)



If just 0.3% of the Saharan Desert was used for a concentrating solar plant, it would produce enough power to provide all of Europe with clean renewable energy. That is why 20 blue chip German companies are gathering together next month to discuss plans and investments to create such a massive project. Both the meeting and project are being promoted by the Desertec Foundation, which is proposing to erect 100 GW of concentrating solar power plants throughout Northern Africa.

### [Cardboard homes could solve Africa's housing woes](#)

Hamburg - Building homes out of cardboard may be the way to resolve Africa's housing shortage and recycle precious resources during the 21st century, according to German scientists.

Prototype super-durable cardboard houses have already been built and are resisting the rain and cold weather of northern Germany. Enquiries are coming in from all over the world, and the designer, engineer Gerd Niemoeller, is making appearances on German television news programmes.

### [Solving our energy crisis without destroying North Carolina jobs](#)

The summer months are here and as families plan vacations, our country continues to struggle with high energy costs. That is why Washington Democrats' cap and trade —better known as “cap and tax”— plan is an irresponsible proposal that will do more harm than good. The simple truth behind the Democrats' so-called energy plan is that it raises taxes, kills jobs, and will lead to more government intrusion in our lives.

### [Russian official says global powers will clash over Arctic](#)

A top Russian government official on Friday warned that the race for Arctic energy riches would lead to clashes between global powers and said Russia needed to speed up exploration in the region.

"Our neighbours are engaged in researching technologies to build ice-class vessels and are investing efforts in building drilling platforms for the Arctic," Deputy Prime Minister Sergei Ivanov said, quoted by Interfax news agency.

"This leaves no doubt that in the coming years this region will become a place where the global interest of many states will clash," Ivanov told a meeting of maritime officials in the northern city of Arkhangelsk.

### [Oil falls to near \\$68 as optimism](#)

Oil prices fell to near \$68 a barrel Monday on concerns over a weak U.S. economy and the dollar's rise, which tends to pull investors away from commodities.

### [Why the rising oil price isn't bad news for stocks](#)

There have been occasions, such as 1973, where the unprecedented oil price spike coincided with a recession and had devastating economic consequences. And there are of course companies and sectors such as airlines, which are leveraged to the oil price. But for the most part a rising oil price tells you that, actually, things are going rather well.



## [\\$80 dollar oil could trigger a new recession](#)

With the 'green shoots' of recovery more numerous by the day, dark warnings of a new spike in oil prices are also multiplying. Saudi Oil Minister al-Naimi has warned that under-investment in oil capacity may lead to a return to \$150/barrel oil, "or even worse".

[New research](#) [PDF] by Wall Street energy business analysts, Douglas-Westwood, suggests that when oil consumption costs exceed 4% of US GDP, recession almost always occurs. And in general, a sustained rise in the oil price of 50% or more has always been followed by a recession.

## [Energy Stocks Will Surge When the Recession Ends: John Dorfman](#)

(Bloomberg) -- The U.S. produced about 88 percent more oil in 1970 than it does today. Production has been declining for 39 years since hitting that level.

When will world oil production peak? Many energy experts believe it already may be happening or will within four years.

One of them is Matthew Simmons, head of Houston-based Simmons & Co., an investment bank specializing in the energy market. His 2006 book, "Twilight in the Desert," popularized the idea that Saudi Arabia has less oil than widely supposed -- and that therefore the world has less of the fuel than we think.

## [GCC nations to reap windfalls if oil prices rise: Goldman](#)

(Reuters) - Gulf Cooperation Council (GCC) countries and Russia could enjoy large windfalls if oil prices rose to as much as \$63 per barrel this year and \$90 next year, Goldman Sachs analysts said, adding they saw brighter prospects for the Gulf Arab nations when compared with Russia. Goldman's commodities research analysts have raised their oil price forecasts to \$63/bbl from \$50.5/bbl for 2009, and expect prices to reach \$90/bbl in 2010, given intensifying supply constraints in the hydrocarbon sector and a likely return of demand.

## [Nigeria output takes a dip](#)

Nigerian oil production including condensates and natural gas liquids was estimated at 1.68 million barrels per day in the first quarter, the central bank said in a quarterly economic report released today.

## [China refines more crude oil in May, hits record high](#)

BEIJING (Xinhua) -- China refined a record 31.19 million tonnes of crude oil in May, up 10.7 percent over the same month last year, according to the China Petroleum and Chemical Industry Association (CPCIA).

The CPCIA on Monday released figures that showed refined oil output, including gasoline, diesel and kerosene, totaled 19.34 million tonnes, an increase of 16.7 percent over the same period last year.

Market analysts attributed the increases to surging demand as the domestic economy rebounded from its slowdown.

### [Gazprom in crisis](#)

Gazprom, only a year ago poised to become the world's most valuable company, is in somewhat of a crisis.

Because of the financial crisis, the state-controlled Russian energy giant, in 2008 worth roughly \$350 billion, has shrunk by nearly two-thirds to \$120 billion, the Moscow Times reports.

### [Sacked oil workers torch letters at Total refinery](#)

LONDON (AFP) – Hundreds of workers at a Total refinery near Grimsby on Monday set fire to their dismissal notices in a mass protest at the French oil giant's decision to sack them for participating in a strike.

Around 300 angry protestors gathered outside the Lindsey oil refinery at Immingham in North Lincolnshire, where they set fire to their letters of dismissal and lobbed them into a burning dustbin to rousing cheers.

### [UAE says opposes interference in Iran](#)

DUBAI, June 22 (Reuters) - The United Arab Emirates, a Gulf energy producer, said on Monday that instability in Iran was not in the region's best interests and described foreign interference there as unacceptable.

Iran has accused Britain and the United States of interfering to provoke street protests against the re-election last week of its hardline president, Mahmoud Ahmadinejad.

### [Iran's Revolutionary Guards Say They'll Help Crush Protests](#)

(Bloomberg) -- Iran's Revolutionary Guards said the security forces will crush further protests over the disputed presidential vote, as the country's elections supervisory body acknowledged some balloting discrepancies.

"The saboteurs must stop their actions" or face "the decisive and revolutionary action of the children of the nation in the Revolutionary Guards, the Basij, and other security and military forces, to put an end to the chaos," the state-run Mehr news agency cited the Revolutionary Guards as saying today in a statement.

### [Fight On The Cape Tests The Winds Of Offshore Power](#)

CAPE COD, Mass. — In the Northeast, it is not easy to get approval for a wind turbine that is proposed for a ridgeline or other landscape. But perhaps the biggest wind power battle in the region has been over a stretch of open ocean off the shores of Cape Cod. The Cape Wind project recently received all of its state permits and is awaiting federal approval. The Cape's fight over what could be the country's first off-shore wind farm is framing the debate in other places.

### [Rekindling Wood Energy in America](#)

If not properly crafted, new renewable electricity policies will waste biomass energy.

### [New Zealand: Group to tackle energy issues](#)

The transition town movement is a grassroots initiative which aims to tackle the twin challenges of peak oil and climate change by building local resilience, reconnecting the community and strengthening the local economy.

Over the next 12 months "Transition Timaru" will be raising awareness about the issues, starting with a film night on June 29.

### [Canada: Moncton urged to plan ahead](#)

If you believe a lot of people who have been studying the issue, the point at which worldwide oil production peaks is not an unfortunate milestone coming in the next few decades, but actually a point in our history that hit in late 2005 or early 2006.

That's why Tim Moerman, a planner with the Greater Moncton Planning District Commission who has been a leading early voice in sounding the alarm in speeches and lectures in various parts of North America, took the time last Monday to share a bit of what he knows with the folks in the building where he goes to work each day -- Moncton city hall.

### [Change coming to Edmonton suburbs?](#)

In the 1950s and 1960s, issues such as peak oil and climate change were pretty much unheard of and suburbs developed primarily as residential neighbourhoods, while the so-called “main streets” that characterized the more urban neighbourhoods disappeared, as people opted to commute to their work, shopping and leisure.

And the preferred mode of transportation for the suburbanites, of course, remained private automobiles.

Today, in spite of our numerous advances, it sometimes feels like little has changed — the city continues to sprawl outwards, and the vast majority of commutes are made in cars.

But that might finally be changing.

### [Australia: Group mixed about budget](#)

“For example, the budget funds travel behaviour change programs but on the other hand Council continues to splurge on major road projects, and this continues to mean car use is so much easier than public transport instead of vice versa,” Mrs McGaw explained.

“Given transport emissions accounting for the largest proportion of household emissions and peak oil now upon us, it’s time to help the community realise we need every last dollar used for things like public transport” she said.

### [Hurtling towards calamity](#)

If a giant meteorite were assessed by scientists to be hurtling through space in our general direction with a one in one thousand chance of slamming into our planet we'd be making frantic preparations. The probability might be low but the consequence so severe that people the world over would be pulling out all stops to ensure their own, their nation's and mankind's survival. Imagine the scurry if the probability of collision was one in 100.

The chances of climate change seriously affecting the world and man's capacity to feed and water himself within the lifetime of people alive now is much higher than one in 100. And the consequences for everyone would be severe, even for those who find themselves fortuitously in a valley of plenty. Yet preparations are at best relaxed.

### [Vt. farmers cut cows' emissions by altering diets](#)

COVENTRY, Vt. – Vermont dairy farmers Tim Maikshilo and Kristen Dellert, mindful of shrinking their carbon footprint, have changed their cows' diet to reduce the amount of gas the animals burp — dairy cows' contribution to global warming.

Coventry Valley Farm is one of 15 Vermont farms working with Stonyfield Farm Inc., whose yogurt is made with their organic milk, to reduce the cows' intestinal methane by feeding them flaxseed, alfalfa, and grasses high in Omega 3 fatty acids. The gas cows belch is the dairy industry's biggest greenhouse gas contributor, research shows, most of it emitted from the front and not the back end of the cow.

### [Earth's coastlines after sea-level rise, 4000 AD](#)



*Predicted effects on US coastline at 2 metres sea level rise (red) and 25 meters sea level rise (yellow).*

Even if we could freeze-frame the atmosphere as it is today, sea levels would still rise by 25 metres, says the latest study into the effects of climate change on melting ice sheets.



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