



Drumbeat: January 8, 2010

Posted by [Leanan](#) on January 8, 2010 - 9:12am

Topic: [Miscellaneous](#)

[Exxon's 40% Failure Rate, Hungarian Flop, Lead to XTO Takeover](#)

(Bloomberg) -- Exxon Mobil Corp. seeks more than added reserves with its takeover of XTO Energy Inc. The biggest U.S. oil company also intends to prevent a repeat of exploration flops such as a Hungarian well that struck more water than gas.

Last month's agreement to buy Fort Worth, Texas-based XTO for \$30 billion, Exxon's largest takeover since its 1999 purchase of Mobil Corp., provides growth potential to a company that's failing on four in 10 exploration wells, analysts say. Those setbacks culminated in the Nov. 2 abandonment of a \$75 million effort to crack open a natural-gas field in Hungary.

[Arrest in B.C. pipeline bombings](#)

RCMP have arrested one man and are conducting a massive search of a rural Alberta farm in connection to a series of bombings of B.C. gas pipelines.

Insp. Tim Shields says a man in his 50s or 60s was taken into custody around 8 a.m. this morning on the farm about 25 kilometres east of the B.C.-Alberta boundary.

[Prius No. 1 in Japan Sales as Green Interest Grows](#)

The Toyota Prius is so sought after in Japan it is the first gasoline-electric hybrid vehicle to top annual sales, with buyers willing to wait six months for deliveries of the curvaceous "green" car

...Its success underlines the shift among consumers to embrace green auto technology that appears to go beyond a simple moneysaving response to the ups and downs of gasoline prices.

['Tea-party' protesters in Scottsdale target emission rules](#)

"We stopped debating the science of climate change many years ago," Edison spokesman Jim Owen said. "The science issue is fundamentally settled. Let's get engaged in the solution."

Protesters said the utilities should use their vast financial resources to fight "the lies" that scientists spread about global warming, not embrace new regulations.

[When money doesn't talk](#): review of Drive: The Surprising Truth About What Motivates Us, by Daniel Pink

Pink contends that, provided employees receive a baseline level of compensation, three other factors matter more than money: a sense of autonomy, of mastery over one's labor, and of serving a purpose larger than oneself.

One case in point: the results-only work environment at Best Buy's Richfield, Minn., corporate offices. Beginning in 2008, salaried workers there were allowed to shape their work day, putting in only as many hours as they felt necessary to get their jobs done. Productivity increased by 35% and turnover fell sharply, according to *The Harvard Business Review*.

Hmmm. There may be something in all this -- but the executives at Goldman Sachs aren't exactly busting a gut to adjust. Like others on Wall Street, the banking giant, which is expected to earn \$6 per share in the fourth quarter, argues that fat bonuses are crucial to making its numbers.

Responds Pink, in a now common refrain: That's precisely the attitude that led to the recent financial meltdown, as traders and mortgage brokers focused on short-term rewards that encouraged "cheating, shortcuts, and unethical behavior."

[Drill, baby, drill' could not be reality because of cost, obstacles](#)

A letter to the editor complained that but for the obstructions of liberals, we could produce all the domestic oil we need. Meanwhile, the Lehigh and Northampton county executives are breathing down the neck of the Lehigh Valley International Airport director about the sharp falloff in air traffic. And in the background, we hear the constant whine of the Route 22 Coalition about PennDOT's modest plans.

In all three cases, the complainers believe the fallacy that crude oil is there for the asking. Probably, you believe it too.

What's the reality?

[EPA Gives Shell Preliminary Approval to Drill in Chukchi Sea](#)

The U.S. Environmental Protection Agency gave preliminary approval to Royal Dutch Shell (RDSA) to drill exploratory wells off the coast of Alaska, the company said Thursday, one of the last remaining hurdles facing the company's plans to begin drilling this summer.

[Russia-Belarus oil talks to continue](#)

MINSK, Belarus (AP) -- High-level officials from Belarus were flying to Moscow on Friday to salvage an accord with Russia on oil duties a day after the talks were broken off, heightening diplomatic tensions.

[Gas demand hits record on Thursday](#)

LONDON (Reuters) – Gas demand hit an all-time high on Thursday, shattering the old record set in January 2003, but supplies were still comfortable amid Arctic weather despite a Norwegian gas supply glitch, National Grid said on Friday.

[Fears for elderly as heating fuel runs out](#)

HOUSEHOLDERS across the Inverness area face running out of heating fuel as snow and ice-covered roads stop deliveries getting through.

Inverness MP Danny Alexander said if the situation persisted there may be a need to look at drawing up emergency plans to deal with the situation.

[Fuel scarcity: Nigeria government admits supply shortage](#)

LAGOS—FOLLOWING the perennial scarcity of petroleum products that is currently rocking the nation and the Nigerian National Petroleum Corporation, NNPC, incessant claims of having enough products to saturate the market, the Federal Government has finally succumbed to pressure and announced that there was a supply shortage of about 53 percent in the system.

This is coming on the heels of the release of N32 billion out of the N72 billion owed marketers by the Federal Government for products importation.

[India: Power, fertiliser ministries oppose OilMin move to raise price of gas](#)

The ministries of power and fertiliser — the two sectors that are key consumers of natural gas — have opposed petroleum ministry's move to hike administered price of gas with a shift to market pricing after three years.

[Shattered Dubai dream echoes across Mideast: Laid off workers leave 'in tears'; remittances dry up, cutting funds to region](#)

As Arabs like Tamimi return to their impoverished homelands, they hit the reality that has long dominated the Middle East — chronic underemployment, low salaries and few prospects.

Arab economies like Egypt's and Jordan's — like much of the developing world — have grown in recent years, helped by a boom in global trade and reforms that loosened government controls on business.

Yet the growth has not yet been enough to wipe out the poverty endemic in many Arab countries or conquer high levels of unemployment. Thus the need for workers to still go elsewhere for work.

Foreign workers who once counted on Dubai as a source of jobs have found few other alternatives. Other Gulf sheikdoms with more oil and gas — like Qatar or the Emirates capital Abu Dhabi — have continued hiring.

[New Mexico utility reaches agreement with groups over renewable energy plan](#)

ALBUQUERQUE, N.M. (AP) — Public Service Co. of New Mexico and environmental and energy groups have reached an agreement the utility says could lead to nearly 80 megawatts more of solar power — enough for 26,000 homes.

The agreement will be the basis for a renewable energy plan PNM will file with the state Public Regulation Commission by Jan. 25.

[Monsanto hopes the grass will be greener with new crop of products](#)

The two biggest new products, which have just been launched, are Roundup Ready 2 Yield soya beans — a second-generation version of Monsanto's herbicide-tolerant soya beans, which the company expects to be planted on between 8 million and 10 million acres this year. The other is SmartStax, a line of herbicide-tolerant and pest-resistant corn, which is expected to be planted on more than 4 million acres.

The two are part of a pipeline of 11 products offering farmers better yields and weed and pest control, as well as nutritional benefits. Others include SDA Omega-3 soya beans, aimed at the consumer nutrition market, and Vistive Gold, which can produce reduced-fat soya bean oil.

[Author and Lecturer James Howard Kunstler Joins ZOOM'D Leadership on the VoiceAmerica](#)

[Talk Radio Network](#)

James Howard Kunstler, author of such books as *The Long Emergency* and *World Made by Hand*, writer about environmental and economic issues for the New York Times Sunday Magazine and Op-Ed page, and seasoned lecturer, joins host John Schmidt on VoiceAmerica's ZOOM'D Leadership on Monday, January 11 at 2 PM Eastern/11 AM Pacific to discuss the challenges posed by the coming permanent oil crisis, climate change, and other currently converging dilemmas.

[Monbiot: This is About More Than Just Climate Change - It's a War Over Decency & Sheer Bloody Selfishness \(Video\)](#)

As George says, once we manage to get on climate change, if we manage to do that (not assured...), right behind it is peak oil, peak water, peak phosphates, biodiversity losses, all sorts of other environmental problems of frankly just as great magnitude. Ultimately it's about recognizing that economic growth, as measured by ever-increasing ecological throughput and consumption of natural resources, cannot go on indefinitely on a finite planet.

[Barbara Fister thinks back on a year of hashtag-worthy highlights](#)

Dennis Baron has written about the risks we run as information access becomes a valuable commodity. As libraries and higher education in general absorb the shock of the financial crisis, it's easy to lose sight of what Richard Heinberg calls "the awesome duty of librarians" to preserve our culture. However, given that the majority of our shrinking budgets is already going toward renting temporary access to the stuff our own scholars create and hand over to corporations, could it be too late?

[The Religious Left's Prophecies of Doom – by Mark D. Tooley](#)

In their accompanying "foundation document," the bishops warn that the "earth is heating up at an accelerating rate" after "several thousand years of a stable climate." Ostensibly reassuringly, "Learned scientists and experts monitor the changes that impact our very survival" and "are clarifying the measures we must take immediately to save our forests, oceans, air, human and animal ecosystems."

...There is also "the energy crisis as oil reserves run out within two or three decades; the climate crisis as increasing greenhouse gases threaten to scorch the earth and desertification erodes productive land, polar ice melts, fire seasons lengthen, and coastal floods and severe storms increase in number; the bio-diversity crisis as at least one-fifth of all plant and animal species face extinction by 2050."

Christian prelates more attuned to reality, and more prone to thanksgiving, might note that recent decades have in fact rescued hundreds of millions from millennia of poverty in China, India and elsewhere, that average lifespans are increasing almost everywhere, and that world food production is at record highs. Oil reserves have been perpetually

and inaccurately forecast for depletion for the last century, until new discoveries always overthrow this expectation. And neither climate change, nor species extinction, are modern phenomenons.

[Canada's Oil Sands Industry Weighs New Technology](#)

Greenhouse-gas emissions from Canada's oil sands industry are growing even faster than the flow of crude to the U.S., but experts say the only technology able to cut emissions directly is too costly.

Canada's government wants keep a step ahead of regulations that could penalize high emission rates by promoting and funding carbon capture and storage technology as a way to expand the oil sands while also cutting emissions. But experts say oil sands CCS projects are far too expensive, and money would be better spent cutting emissions from other sectors of Canada's economy, such as from coal-fired electric generation and through more efficient transportation.

[Why 'peak oil' collision provides opportunity for bold invention](#)

ONE day, oil production will begin declining. The world's drivers and transport operators and airlines, not to mention fertiliser, plastics and pharmaceutical manufacturers, will file their usual orders — only to be met by suppliers saying: "Um, sorry, we can only meet part of that order."

Imagine the panic. Imagine the shock to markets. And imagine if that moment were to come not in 2130, or even 2030, but in 2013?

The economic uncertainty would eclipse the current recession, the potential for global conflict would shoot upwards, and some predict that we'd face the dark prospect of global oil apartheid, where rich countries might corner supplies — and poor countries would be left lurching, their very survival as states possibly at risk.

For years, those who have raised the spectre of "peak oil" have been derided as cranks and alarmists. But their ranks now include some remarkably conventional figures, and the statistics they use have the most respectable origins.

[U.K.'s National Grid Forecasts Record Gas Demand for Today](#)

(Bloomberg) -- National Grid Plc, manager of the U.K.'s natural-gas network, forecast record gas demand of 460.1 million cubic meters a day, compared with a seasonal norm of 342.8 million.

[Kuwait Sets February Official Price at Five Month Low](#)

(Bloomberg) -- Kuwait Petroleum Corp. cut its February official selling price for crude oil sold to Asia under long-term contracts to the lowest level in five months after declining processing profits reduced demand.

[Russia-Belarus oil talks collapse](#)

(AP:MINSK, Belarus) A delegation from Belarus has left Moscow without reaching agreement with Russia in a dispute on oil duties, though officials on both sides played down the significance of the breakdown on Friday.

[Orlen, Chemiczne of Poland Warned of Possible Gas Cut](#)

(Bloomberg) -- PKN Orlen SA, Poland's largest oil refiner, and Zaklady Chemiczne Police SA, the country's second- largest fertilizer manufacturer, have been warned that their gas supply may be reduced.

[Kuwait Tests Investor Confidence](#)

After Dubai's debt debacle, will Kuwait become the next Gulf state to come under greater international scrutiny? The wealthy state, owner of 10% of the world's oil, is not about to run out of money. But a growing political crisis, exemplified by parliament's demand this week that the state bail out its indebted citizens by buying up \$23 billion of consumer loans, is driving away foreign investment, damaging the country's economic prospects.

[Reliance Raises Offer to Acquire Lyondell, WSJ Says](#)

(Bloomberg) -- Reliance Industries Ltd. increased its offer to buy a stake in LyondellBasell Industries AF, valuing the bankrupt chemicals maker at \$13.5 billion compared with \$12 billion in a November bid, the Wall Street Journal reported, citing unidentified people familiar with the matter.

[Basics of Marcellus Shale drilling detailed](#)

Thousands of feet underground, a formation of shale packed with natural gas has property owners seeing dollar signs.

And while the gas-rich Marcellus Shale formation holds much promise for profits for both gas companies and property owners, how much gas wells will produce and for how long remains to be seen.

[Coal shortages curb India's Dec power output - govt](#)

NEW DELHI (Reuters) - Coal shortages curbed growth in India's overall power generation to an annual 5.45 percent in December, the Central Electricity Authority said in a report.

Generation would have grown 6.5 percent had enough coal been available at plants of NTPC Ltd, the regulator said, adding India produced nearly 63.42 billion kilowatt hours last month, up from 60.14 billion kilowatt hours a year ago.

[China Boosts Coal Supply on Snow Forecast in Beijing](#)

(Bloomberg) -- China's northern province of Shanxi, the nation's largest coal production area, is increasing output of the fuel to meet rising demand after snowstorms cut off supplies to inland power plants.

Coal output has been ramped up in Shanxi since the start of December, the official Xinhua News Agency reported, citing Hou Wenjin, an official with the local coal bureau. Inventories of coal at power plants have fallen as rail-cars carrying coal failed to arrive on time at destinations, putting output of energy-intensive commodities such as steel and aluminum at risk of stoppage.

[RWE, Vattenfall Employees on Call to Keep Germany Lit](#)

(Bloomberg) -- RWE AG and Vattenfall AB have workers on standby for extra shifts to keep German power lines operating as Europe's largest energy consumer faces its biggest snowstorm in decades. Canals used for oil and coal shipments were closed.

[Sudan could plunge into new war: aid agencies](#)

KHARTOUM (AFP) – Sudan, Africa's largest country blessed with oil reserves, could descend into a new war unless the world community takes action to salvage a peace accord that ended one of the continent's longest conflicts five years ago, aid groups have warned.

[Middle East: Atomic agitation](#)

Just over a month ago, a group of veteran US and Israeli diplomats met at Harvard to play out scenarios for one of the most momentous issues facing the world this year – Iran's nuclear programme.

In the simulation, as in real life, the stakes were high. If Iran comes within reach of a nuclear weapon – as Washington and its allies fear – the power map of the Middle East will alter, the rules that have held back atomic proliferation for decades may be damaged beyond repair and the US and Israel will see a bitter foe empowered as never before. Not least, US President Barack Obama will also have failed on a key foreign policy objective.

The result of the Harvard simulation was not promising for the White House. Tehran emerged the victor, ending 2010 closer to the bomb, with a western push for sanctions backfiring, and Russia and China talking to Iran behind their partners' backs.

[Tougher smog standards: New EPA proposal would lower limit to 60-70 parts per billion](#)

Chicago and other urban areas across the U.S. would need to clamp down harder on air pollution under tough smog limits proposed Thursday by the Obama administration, which scrapped a George W. Bush-era rule that ignored the latest scientific advice.

[US scientists demand government ban on mountaintop mining](#)

Mountaintop mining should be banned for causing vast and permanent destruction to US environment and exposing its people to serious health consequences such as birth defects, a new study says today.

An article in the journal *Science*, by a team of 12 ecologists, hydrologists, and engineers, provides the most comprehensive analysis so far of the damage done by the controversial mining practice.

[All sustainable transportation subsidies shouldn't be created equal, experts say](#)

"Subsidies for alternative fuel vehicles, such as PHEVs, are needed in order to move our transportation sector away from petroleum and towards more sustainable technologies and fuels," said Winebrake, who also co-directs the RIT Laboratory for Environmental Computing and Decision Making. "However, blanket subsidies such as those currently in place, are clearly sub-optimal. The administration needs to target its subsidies in areas that maximize social benefit."

Skerlos and Winebrake explain that PHEVs can make the biggest environmental and energy bang for the buck in specific locations. Areas that use low-carbon fuels for electricity production, such as renewable fuels, nuclear power, or natural gas, make more sense than areas that generate electricity from coal.

Second are areas where people drive more, so that the PHEVs displace a greater amount of petroleum.

[GM makes battery for Volt](#)

General Motors made its first mass-produced electric car battery as it gears up to sell the new Chevrolet Volt to the public this year.

The lithium-ion battery was made at GM's Brownstown Battery Pack Assembly Plant in Michigan that will produce the batteries for the Volt assembly line in Detroit. Regular production at both facilities is expected to begin in the fourth quarter.

[Will Google Energy Power Its Data Centers?](#)

Google isn't saying how it will use any green energy it generates or purchases, but the company's vast, power-hungry data center network could be the primary beneficiary. Google has shown an intense focus on energy efficiency in the design and operation of its data centers, and has also invested in renewable energy, primarily through its Google.org non-profit arm.

[RWE, Centrica Win U.K. Wind Permits in Biggest Offshore Program](#)

(Bloomberg) -- RWE AG, Statoil ASA and Centrica Plc won licenses in Britain's \$120 billion offshore wind program, the world's biggest, as the nation plans deep-water turbines to meet emission targets and help avert an energy shortfall.

[The Future of Phosphorous](#)

I spent a couple of days this week at Arizona State University, a hotbed of science involving emerging technologies and sustainability. Among the scientists I met was James Elser, a biologist who runs the School of Life Sciences. We chatted about space and the origins of life for a while, and then he handed me a two-page white paper that addresses his current obsession: phosphorous. We're wasting it and need to figure out soon how to recycle it, lest famine or worse ensues, he said. Phosphorous, Elser told me, "is the biggest problem you've never heard of."

[Can the aviation industry ever be green?](#)

Cutting emissions on the scale required to meet carbon targets means big changes in either how, or how much, we fly. Roger East sees an industry in need of radical innovation and asks, can it go fast – and far – enough?

[Green Strategy](#)

Economists at the green end of the spectrum often remind us GDP is not a very good measure of economic welfare if damage is being done to the environment. In the first place, people will suffer various forms of distress. The recent floods in the west and south of Ireland were a dramatic example of this.

In the second place, the environmental damage may well reduce the prospects for economic growth in the future. Flooding, for example, could damage the fertility of the soil. The exhaustion of non-renewable energy – peak oil – is probably the most dramatic way in which future growth will be compromised. Statisticians are working on how to adjust conventional measures of GDP to allow for environmental damage and overuse of natural resources, but such adjustments are not yet much in evidence.

[The global financial crisis and the relevance of Marx: A review of Chris Harman's *Zombie Capitalism*](#)

The early years of the 21st century began with the delusion that capitalism had reached a new level of almost permanent stability. Only a few years later, however, the credit crunch of 2007 and the subsequent crash of 2008 exposed the reality of global instability. These events were triggered by so-called 'innovation' in the financial sector, which Harman deals with in the chapter on "Financialisation and the Bubbles that Burst."

In the final part of the book, he looks at the "new limits of capital" which activists are increasingly forcing onto the agenda of mainstream politics: peak oil, global food shortages, and climate change.

[India Will Meet Its Copenhagen Climate Commitment, Ramesh Says](#)

(Bloomberg) -- India will include its proposal to limit greenhouse gases through 2020 in the Copenhagen climate- change agreement, meeting a pledge made last month, the environment minister said.

The fourth-biggest polluter from burning fossil fuels will submit its plan to be part of the international declaration and can carry it out without needing funds from richer nations, Jairam Ramesh said in an interview in New Delhi.

[Half Of Money Managers Ignore Climate Risks: Survey](#)

WASHINGTON - Nearly half of global money managers are making investment decisions without factoring in risks or opportunities associated with climate change, according to a survey released on Wednesday by a coalition of environmentalists and investors.

A related report recommended that money managers and institutional investors do

climate risk assessments on all investments and encourage the U.S. Securities and Exchange Commission to encourage full disclosure of climate risks.

['Climate change resistant crops' move nearer after gene breakthrough](#)

Crops resistant to climate change have come a step closer after British scientists discovered the key gene which allows plants to react to temperatures around them.

[Doubt global warming? The planet won't tell a lie](#)

One doesn't need to measure thousands of temperatures to find conclusive evidence that the planet is warming. The earth does the averaging for us. Many physical and biological characteristics show that the earth is warming and has been for decades.

[Climate change: A civil rights issue for blacks](#)

Climate change is more than an environmental issue. It is a human rights and economic justice issue. Why? Because though climate change impacts all of us, different nations, and different communities within nations, experience the effects of climate change in varying ways, some worse than others.



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