



## Drumbeat: March 27, 2010

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Topic: [Miscellaneous](#)

### [Pemex Ready to Link Contractor Incentives to Output](#)

(Bloomberg) -- Petroleos Mexicanos, Latin America's largest oil producer, is ready to offer performance- based contracts to reward foreign contractors that produce the most at its fields as it seeks to stem declining output.

The company may offer contracts linking incentives to oil volumes produced and prices, board member Fluvio Ruiz said today in an interview in Mexico City. Pemex's board may approve final drafts for the contracts within "a couple months," Ruiz said.

Mexico is seeking to stem a decline in output and increase discoveries at fields including its \$11.1 billion Chicontepec project, where contractors are paid per well and current output is less than a third of its target of 100,000 barrels a day.

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2009 operators announced 14 deepwater discoveries, 11 of which are in 3,000 ft of water or more. In the timeline below, we lay out some of the key deepwater discoveries addressed later in this report.

### [The Inside Story of the Horse- Drawn Hummer](#)

In Jeremy's post-apocalyptic America, the wealthy will still crave ownership of all things desirable and scarce, but they'll be unable to drive traditional cars because Wall Street's greed will have caused a collapse permanently destroying our economy and ability to buy oil from the Middle East. So what do you do if you still want to lord it over the little people with the ultimate symbol of consumerism gone wrong? You commission your mechanic to convert your Hummer to horse power.

### [Sitting on oil fields, Iraq still short of fuel](#)

BAGHDAD: Anywhere else, it may seem a colourful exaggeration, but not in Iraq.

Baghdadis take pride in saying you can stick a straw in their city's soil and spout an oil well. The reason: Iraq is home to seven of world's 18 'super giant oil fields' — a term for fields that hold 15 billion barrels of oil or more.

Yet in a comedy of sorts, two of Iraq's most powerful ministries have been bickering since long on what is more crucial to import — diesel or petrol.

### [Colorado power plant bill clears another hurdle](#)

A Colorado bill requiring Xcel Energy to reduce emissions at its Front Range coal-fired power plants has passed another vote at the state Capitol.

The Senate Agriculture and Natural Resources voted 5-2 to back the bill on Thursday, sending it to the appropriations committee for another vote.

### [BP closing Maryland solar manufacturing plant](#)

BP will close its solar-panel manufacturing plant in Frederick, the final step in moving its solar business out of the United States to facilities in China, India and other countries.

### [Why are we propping up corn production, again?](#)

And to grow all that corn on that gorgeous land, farmers douse the soil annually with massive amounts of agrichemicals. In terms of synthetic and mined fertilizers, the corn crop sucks in nearly 40 percent of all nitrogen fertilizer applied in the United States, and upwards of 30 percent of phosphorous and potash. (Numbers crunched from USDA data, see table 2). Such voracious use of fertilizers causes all manner of ecological trouble (see our recent series on nitrogen fertilizer, as well as this discussion of the ravages of phosphorous mining).

### [The Polarizing North Pole](#)

Arctic sovereignty arguably encompasses larger implications for Canadian and American projections of their interests. In terms of claiming territory where there is a high probability of finding natural gas and oil, the Beaufort Sea falls within the two countries' EEZs. According to the USGS, the Beaufort Sea area alone is estimated to contain approximately 8.22 billion barrels of oil and 27.64 trillion cubic feet of natural gas. For the United States to continue to satisfy its domestic requirements, it becomes imperative to guarantee the most territory possible by having its maritime border run perpendicular to the coast. As for Canada, splitting the Beaufort Sea along the 141st meridian would provide it with a major economic advantage by allowing it to maintain its energy exporting status. This would be especially important since the United States plans to cut back on oil imports produced from Canada's oil sands in the wake of Canada's new environmental policies. By securing more oil and natural gas from the Beaufort Sea, new American refineries would replace exports that will not be available from Alberta's oil sands.

### [A personal one-child policy?](#)

Even commentators who warn of the evils of overpopulation ... only rarely emphasise the notion that we – rather than those in the developing world – might consider doing less of the populating.

### [Climate author focuses on 'survival'](#)

Catastrophic climate change is already starting to unravel life as we know it, said Bill McKibben, one of the nation's leading and provocative environmental thinkers.

"We're going to have to figure out how to stop focusing our economies on growth and start thinking about survival," said McKibben, who helped raise awareness about global warming 21 years ago with his book "The End of Nature."

### [Earth Out of Sync – Rising Temperatures Throwing off Seasonal Timing](#)

The timing of seasonal biological events, otherwise known as phenology, has been tracked in some places for centuries. Japan's much-feted cherry tree blossoming has been carefully recorded since before 1400. The trees showed no clear trend in timing until the early 20th century, when they began to bloom earlier, with a marked advancement since around 1950.

### [The Dawn of a New Epoch?](#)

(PhysOrg.com) -- Geologists from the University of Leicester are among four scientists-including a Nobel prize-winner - who suggest that the Earth has entered a new age of geological time.

The Age of Aquarius? Not quite - It's the Anthropocene Epoch, say the scientists writing in the journal *Environmental Science & Technology*. (web issue March 29; print issue April 1)

### [Scientists Call for 'Climate Intervention' Research With 'Humility.'](#)

PACIFIC GROVE, CALIFORNIA—An international group of scientists, ethicists, and governance experts meeting here this week has agreed that research into large-scale modification of the planet is "indispensable" given the "threats" posed by climate change.

"It is thus important to initiate further research in the natural and social sciences to

better understand and communicate whether alternative strategies to moderate future climate change are, or are not, viable, appropriate, and ethical," declares a statement by the organizing committee released today at the close of the conference. "Further discussions [on geoengineering] must involve government and civil society."

## [Dark Optimism](#)

**DARK OPTIMISM** How do we handle Peak Oil AND climate change? Shaun Chamberlin from UK Transition Towns, energy writer Kurt Cobb, plus Richard Heinberg on renewable hope, with Lester Brown.

You know we are going to run out of civilization's life-blood: fossil fuels. And if we burn what's left, the climate will tip into a mass extinction event. Meanwhile, barking madness seems to be the only growth industry. Is it time for more pills, booze, or end-time religion?

## ["Soul of a Citizen": Barack Obama, Vaclav Havel and When Small Steps Yield Unforeseen Fruits](#)

I once went for a run in Fort Worth, Texas, in a grassy park along a riverbank. Coming upon a man shaking a tree, I hesitated, then stopped and asked, "What are you doing?"

"It's a pecan tree," he said. "If I shake it enough, the nuts will come down. I can't know exactly when they'll fall or how many. But the more I shake it, the more I'll get."

This seems an apt metaphor for social involvement. Often our efforts may yield few clear or immediate results. Our victories will almost always be partial, as the health care bill exemplifies. But we need to draw enough strength from our initial steps to help us persevere. "You have to begin with small groups," said Modjesca Simkins, a veteran South Carolina civil rights activist told me when she was eighty four. "But you reach the people who matter. They reach others. Like the Bible says, leaven in the lump, like yeast in the dough. It rises somewhere else. "

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output is less than a third of its target of 100,000 barrels a day.

### [Oil Declines on Lower-Than-Forecast GDP Gain, Demand Skepticism](#)

(Bloomberg) -- Crude oil fell for a third day after a government report that the U.S. economy strengthened less than forecast, raising concern that growth in fuel demand may slow.

Oil dropped 0.7 percent as the Commerce Department said fourth-quarter gross domestic product expanded at a 5.6 percent annual rate, less than analysts estimated in a Bloomberg News survey. Gasoline demand is 0.1 percent lower than a year ago, according to the Energy Department.

"There's growing skepticism as to the strength and sustainability of the economy," said Mike Fitzpatrick, vice president of energy at MF Global in New York.

### [Natural Gas Futures Fall to Six-Month Low as Rig Count Advances](#)

(Bloomberg) -- Natural gas fell to a six-month low in New York on surplus fuel inventories, a rising rig count and mild weather that is expected to cut demand.

The U.S. added two natural gas rigs, bringing the count to 941, up 16 percent from a year earlier, Baker Hughes Inc. said today on its Web site. The increase in gas rigs was the 13th in a row. During that time, 190 rigs have been added.

### [What Can We Learn from an Oil Legend's Portfolio?](#)

T. Boone Pickens is the quintessential Texas oilman: outspoken, complex and savvy. He began his career as a "wildcatter," drilling in areas not known to contain oil, and eventually formed Mesa Petroleum in 1956, which would grow to be one of the largest independent oil producers in the world before being acquired by a private equity group and renamed Pioneer Natural Resources. During the course of his career, Pickens initiated headline-grabbing takeovers and amassed a fortune of about \$3 billion.

And whether it's his decidedly conservative political views, his calls for increased production of wind energy and the promotion of natural gas as an alternative to fossil fuels through the "Pickens Plan," or his belief in "peak oil," which claims that world oil production will soon cross the point of no return and begin declining, Pickens is not without his detractors. But one thing is for certain: The man knows oil. At 81, Pickens may have retired from the day-to-day operations of oil exploration, but when he speaks about energy, people listen.

## [Venezuela 'Super Well' Shows More Gas, Chavez Says](#)

(Bloomberg) -- Venezuelan President Hugo Chavez said the South American nation discovered a "super well" that shows an offshore field holds almost twice as much natural gas as originally estimated.

The field may hold as much as 14 trillion cubic feet of natural gas, more than the previously reported 8 trillion cubic feet, Chavez said today on state television, without identifying the gas deposit.

## [Remember Y2K?](#)

Then January 1, 2000, arrived. Nothing of consequence happened. "A few reactors in Japan temporarily lost the ability to monitor their safety equipment; some Australian bus-ticket machines failed to operate; in Delaware, 150 racetrack slot machines stopped working" (Globe & Mail, Jan. 2/10). The world carried on as before, people dismissively shrugged their shoulders and called Y2K a false alarm. But the truth is a cautionary tale worth remembering.

Unbeknownst to most people, the warnings did set in motion a frenzy of corrective activity. Hundreds of billions of dollars were spent around the world to re write old programs or to purchase new equipment. Information technology was energized and experienced a boom in profits. Businesses and governments that bought new computers found that the gain in efficiency quickly paid for their investment. Soaring profits for manufacturers resulted in more research and better products, advancing the technology and the economy as a whole. Not only was a very real disaster averted but the solution brought innumerable benefits.

The environmental warnings we are receiving these days are a mirror of the Y2K event. And in almost every case, the call is for prevention, for taking early action before the problems escalate into crises that cause irreparable ecological damage and incur outrageously expensive costs in dollars, social disruption and human suffering -- if, indeed, the problems can even be solved should we wait too long before attending to them.

## [Doom and gloom or dimness and despondency?](#)

"The world is coming to a catastrophic end!"

How does that statement make you feel?!

Let's try "Certain elements of our society are likely to be placed under major stress and perhaps stop functioning optimally." Feel different about that prediction? Two totally different sentences that could have the same meaning, but certainly do not produce the same emotional response within one. Language is our primary communication method and how we use it determines how well our message gets across.

## [Will We Ever Know How Much Oil Is Left?](#)

For as long as my father can remember, he claims people have been crying and screaming about peak oil production. He doesn't seem to believe oil is anything but an infinite resource. I disagree. Unfortunately, neither I nor he nor anyone else on this planet seems to actually know how much oil is truly left in the ground. If we did know, we'd probably have more stable gas prices.

But do we really want to spend what could be limited time trying to figure it out? Or should we just assume we're on the fast track to emptying our oil reserves?

## [How China's Stealing Iraq Oil](#)

There are some pretty obvious truths in the energy world today.

The first is that G7 countries have topped out in their oil needs and are switching to alternative energy sources.

The second truth is that most oil demand growth will come from emerging markets such as India, Brazil, and China. They are building roads and car companies, along with their GDP.

The wild card in this scenario is *supply*.

All over the world, easy-to-acquire oil located in sand domes such as the famous Ghawar field in Saudi Arabia has been running out.

## [U.S. EPA Proposes to Veto Arch Coal's Permit for Mine](#)

(Bloomberg) -- The Environmental Protection Agency proposed to veto Arch Coal Inc.'s permit to fill streams and valleys with debris from a mountaintop mine in West Virginia.

Arch Coal, the second-largest U.S. coal company by output, may lose the right to mine the Spruce No. 1 site in Logan County if the proposal is adopted. The mountaintop-removal mining operations, originally permitted in 2007, would bury more than seven miles of streams and threaten 2,278 acres of forests, the EPA said today in a statement.

## [Of Water, Electricity and the Time of Day](#)

A California study suggests that if people are trained to use less water in the late afternoons, electricity savings result -- and overall water usage falls.

### [Insulation nation: Cutting the cost of cosy](#)

COSY isn't it?" says Amanda James. We are in the kitchen of a modest terraced house in Sheffield, in the north of England, and James is part of a city council team overseeing the regeneration of this down-at-heel neighbourhood. Apart from looking a little smarter than the other houses on the street, there is not much to distinguish it from its neighbours. The difference will only start to show when the heating bills come in: though gas and electricity prices have soared, this is one property that will still be cheap to keep warm.

The achievement is particularly striking as this is the kind of house that used to be considered beyond help. There are millions like it up and down the UK, many dating from the late 19th century. The walls are solid, just one brick thick, so there is no cavity to fill with heat-insulating foam. The roof space is part of the living area, so there is no simple loft insulation to be done. Even so, by the time the builders had finished insulating the walls and roof, and cutting out draughts, this humble abode had been transformed into an A-rated energy-efficient success story, dubbed the Eco-terrace.

### [Report: 'Smart' meters have security holes](#)

(AP) -- Computer-security researchers say new "smart" meters that are designed to help deliver electricity more efficiently also have flaws that could let hackers tamper with the power grid in previously impossible ways.

At the very least, the vulnerabilities open the door for attackers to jack up strangers' power bills. These flaws also could get hackers a key step closer to exploiting one of the most dangerous capabilities of the new technology, which is the ability to remotely turn someone else's power on and off.

### [High School Gardening — for Credit](#)

Starting this week at Princeton Public High School, students can take gym class in the garden.

"I think it's strangely enjoyable," said Tim Vasseur, a Princeton sophomore, shovel in hand. "It's definitely not easy to do or anything like that."

Advocates for greener schools believe this is the first time public school students will receive physical education credit for garden work. The idea was conceived by Matt Wilkinson, a physical education teacher and a former wrestling coach who also has a background in horticulture.

### [Landmarks go dark, millions unplug for Earth Hour](#)

The white-shelled roof of the Sydney Opera House fell dark today, one of the first landmarks to turn out the lights in an hour-long gesture to be repeated by millions of people around the world who are calling for a binding pact to cut greenhouse gas emissions.

### [Taxing CO2 Emissions at Europe's Borders](#)

Is the time approaching when the European Union will impose greenhouse gas controls on products and services imported from parts of the world that lack such regulations?

President Nicolas Sarkozy of France seems to hope so.

### [Can Animation Help Stop Climate Change?](#)

British filmmaker Simon Robson has assembled a crack international team of animators to make a collaborative, web-based film that advocates for collective online action as a way to solve the climate crisis.

### [In Canada, TV Goes Deep on Climate](#)

A rare thing: five hours of television on climate modeling, science, politics, media coverage and more.

### [California Climate Law Would Add Jobs, Study Suggests](#)

California's climate change law won't decimate the state's economy and will help increase job growth modestly over the next 10 years, according to a state air control group study released this week.

The California Air Resources Board, tasked with monitoring state air pollution levels, projects the law will add 10,000 new jobs to the state by 2020.

### [Secretary of the Navy to Headline Climate, Energy Conference](#)

As each year passes, signs of global climate change become increasingly evident – average temperature is rising; the polar ice caps are melting as are glaciers in the Arctic, Andes, and Himalayas; permafrost is thawing; sea levels are rising. The potential human implications of these changes are substantial – increased frequency and intensity of severe weather, disruptions in food and water supplies, and forced population

migrations, to name a few. At the same time, there is evidence that we've reached a peak in petroleum production, the growing cost of which will provide economic incentive to shift to alternative fuels.

The effects of many of these changes will be felt first in the maritime arena – through increased access to the Arctic region and more frequent need to provide humanitarian assistance or respond to regional destabilization. In the years before these effects become truly serious, we need to start thinking about what we'll want our future naval forces to be able to do and how they might best be organized and equipped to carry out those tasks. This symposium on Climate and Energy Imperatives for Future Naval Forces advances that cause.



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