



## Drumbeat: April 5, 2010

Posted by [Leanan](#) on April 5, 2010 - 9:25am

Topic: [Miscellaneous](#)

### [Energy Independence Talk Is Just So Much Gas](#)

Nobody ever talks about independence for other products. We don't care about automobile independence, or bottled water independence, or underwear independence. We avoid asserting that those would be worthy goals, for a good reason: Free trade enhances our welfare by allowing us to import products from those who have a comparative advantage producing them.

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nable with current technology; they may not necessarily be economically recoverable under prevailing oil and gas prices.

Despite the warming trend in the Arctic, a discovery of new oil and gas deposits far from existing storage, pipelines, and shipping facilities can not be developed until infrastructure is built to extract and transport the petroleum. For example, a Devon Energy spokesman noted in April 2008 that a 240 million barrel discovery in the Beaufort Sea won't be developed for at least 10 years because the company does not have the infrastructure to transport the oil. Other areas with oil and gas potential, such as offshore east Greenland, may take even longer to develop because they are still covered by substantial summer sea ice that would hinder exploration and development unless more ice melts.

### [Iran says any oil sanctions would hurt West](#)

TEHRAN (Reuters) - A senior Iranian energy official dismissed on Monday any move by the Islamic state's Western foes to impose sanctions on its oil sector, suggesting it would only hurt their own economic growth.

"Any disruption in the supply of crude oil ... will lead to the intensification and prolongation of the economic recession (in consumer countries)," said Hojjatollah Ghanimifard.

### [Pakistan eyes foreign cash for energy](#)

LARKANA, Pakistan (UPI) -- Foreign investors could take advantage of opportunities in the Pakistani energy sector through domestic partnerships, the Pakistani president said.

Pakistani is wrestling with a looming energy crisis that is plunging parts of the country into darkness because of rolling blackouts.

### [Moscow forks over bonus for Venezuelan oil](#)

MOSCOW -- Moscow agreed to pay Caracas \$1 billion in bonuses to tap some of the largest oil fields outside of the Middle East, the Russian prime minister said in Moscow.

"Our partners have said they are ready to expand our partnership in the energy sector," said Prime Minister Vladimir Putin. "If an agreement is reached, Russia will pay Venezuela an additional \$1 billion bonus for oil field development."

### [Dana: will the intrepid explorers run out of gas?](#)

Over the past 15 years, the business has fanned out from the North-East into places like Egypt, Mauritania and Senegal, exploiting North Sea know-how, and building on its admirable record of explorations, then trading in some of its successful discoveries to buy existing assets that were already producing oil.

It has been a high-risk strategy meticulously managed by Cross and his hand-picked team of industry vets in their Carden Place offices in Aberdeen.

The question now is whether this can continue. The oil guru Matt Simmons has pointed out that the world reached the point of maximum production – peak oil – in 2005, and that almost every new discovery is of oil that is much more sour, or gas that is at a higher temperature, higher pressure and more difficult to extract.

The cost of exploration in ever-more hostile environments and deeper waters makes this an extremely risky gamble for investors.

### [Canadian pipeline unaffected by Tesoro explosion](#)

CALGARY, Alberta (Reuters) - Kinder Morgan Energy Partners said on Monday that its Trans Mountain pipeline to Canada's West Coast from Alberta was operating normally after an explosion at Tesoro Corp's Anacortes, Washington, refinery.

The 300,000 barrel a day pipeline feeds the refinery, where a naphtha hydrotreater ignited on Friday, killing five workers. Tesoro has said that crude intake was down to 70 percent.

### [Syria scraps refinery deal with Kuwait's Noor - oilmin](#)

DAMASCUS (Reuters) - The Syrian government has cancelled a deal with Kuwait's Noor Financial to build a 140,000 barrel per day refinery in eastern Syria, Oil Minister Sufian Alao said on Monday.

### [Valero Says Has Time to Replace Crude Oil Lost to Hijackers](#)

(Bloomberg) -- Valero Energy Corp., the largest U.S. independent refiner, said it will replace an estimated 2.5 million barrels of Iraqi crude oil worth more than \$200 million carried by a supertanker that was hijacked yesterday.

### [U.S. EIA likely to revise Louisiana natgas output](#)

WASHINGTON (Reuters) - The U.S. Energy Information Administration said on Monday that changes in its monthly natural gas production report will likely lead to smaller Louisiana natural gas output figures.

### [Total Fires Up 2nd Yemen LNG Train](#)

Total announced that the second train of the Yemen LNG natural gas liquefaction plant has started production. Combined with liquefied natural gas (LNG) production from the first train, commissioned on October 15, 2009, it will enable the Yemen LNG plant to reach its full capacity.

### [Pak resolves to continue Iran gasline project](#)

TEHRAN (Agencies) – Foreign Minister Shah Mehmood Qureshi has underlined Pakistan's firm determination to continue the project for importing gas supplies from Iran irrespective of the US pressures.

"Despite the US conditions for Iran-Pakistan gas pipeline, we will continue this great project," Qureshi said in an exclusive interview with Fars News Agency (FNA) on Sunday.

### [MMS to Prepare EIS for Offshore Leasing Program](#)

The Department of the Interior's Minerals Management Service (MMS) published in the Federal Register a Notice of Intent to prepare an Environmental Impact Statement (EIS) for the proposed 2012-2017 Outer Continental Shelf (OCS) Oil and Gas Leasing Program. The Notice of Intent also opens a public comment period on the scope of the

EIS. The comment period will be open through June 30, 2010.

### [MMS Schedules Public Meetings for Environmental Study](#)

The Department of the Interior's Minerals Management Service (MMS) has scheduled 13 public scoping meetings in seven locations to solicit comments for the development of a programmatic environmental impact statement (PEIS) for future geological and geophysical exploration (G&G) in the Mid- and South-Atlantic OCS.

### [Cameroon to Open Coastal Areas for Oil Exploration](#)

Cameroon will soon begin licensing companies to explore for oil in the Atlantic coastal Bakassi peninsula and nearby Mamfe basin, a senior official in Cameroon's state-run National Hydrocarbons Corp., or SNH, has said.

"Results obtained from the Mamfe basin have since 2009 attracted the interests of oil companies, which want to invest in the area," said Serge Angoua, who heads the department for the promotion of mining at SNH's oil exploration directorate.

### [Syria Puts 8 Onshore Blocks on the Table](#)

Syria has invited international oil companies to explore, develop and produce hydrocarbon from eight blocks, the Syrian ministry of petroleum and mineral resources said in an announcement Monday.

### [Entergy cancels plans to spin off nuclear plants](#)

NEW ORLEANS (AP) -- Power generator Entergy has canceled its plan to spin off five nuclear plants into a separate company.

The plan has encountered opposition since it was announced nearly two years ago, and the decision announced Monday comes after New York regulators rejected the plan last month.

### [The Case for Cleantech: Old Myths and New Realities](#)

I can remember reporting on clean energy myths several years ago, trying to dispel the widespread misinformation being dispersed about a great young industry.

Countless hours were spent researching available data to rebut early dishonest claims like, "There's infinite oil available," or "Clean energy will never be profitable."

I'm glad I did that... Because I'm proven correct, again and again, with each passing day.

### [China Yuan Repegging and Other Non Free Market Trade Imbalance Solutions Are Doomed to Fail](#)

In theory, energy prices could rise so high on account of peak oil, that shipping costs could become a major determining factor for all goods and services.

In regards to the RMB: Given that 99% of economists think the RMB would soar if China floated it, I am not convinced it would.

### [Oil Headed to \\$100-\\$110 Near-Term](#)

Gone are the days of cheap oil.

Gone are the good ol' days when it cost \$10 to fill up my old Chevy Malibu... only to be replaced by an era of \$3+ pump prices across a country ravaged by depress — er, recession.

And we're all left to wonder if the days of triple-digit oil, damning the petrol gods that be, and flipping off gas station attendants may be returning...

### [Peak oil and the end of life as we know it in Northeast](#)

You think things are bad now? Just wait.

We could be inches or minutes away from a global economic crisis that will make the current recession look like fun — the day we realize we're running out of oil.

### [Kunstler: False Spring](#)

One also could not fail to reflect on the recklessness of a nation that placed untold million-dollar bets on the idea that it would be possible to travel anywhere in an automobile from houses like these a few scant years from now. This far along in the tribulations of our time, most Americans still have not heard of peak oil, and the few who have regard it as some figment that Ralph Nader or Al Gore conjured up on an acid trip in a sweat lodge. The more sophisticated among the mentally unwashed are certain that the earth has a creamy nougat center of low-sulfur light crude oil, or they heard that the Bakken formation in Dakota holds more oil than Saudi Arabia, or that the whole US car and truck fleet will be electrified in a year or two, or that we can drill-baby-drill our way to permanent oil abundance, or just that the American can-do spirit will *come up with*

something to keep Happy Motoring alive because we're the greatest! Such grandiosity!

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### [Oil Surges to Highest Level in 17 Months on U.S. Jobs Report](#)

(Bloomberg) -- Crude oil surged to the highest level in 17 months after March data showing employers in the U.S., the world's biggest oil consumer, added the most jobs in three years, bolstering optimism that fuel demand will climb.

Oil increased as much as 1.2 percent after the Labor Department reported that payrolls rose by 162,000 last month. Oil also climbed before a report today that may show service industries in the U.S. expanded in March at the fastest pace since 2007, based on a Bloomberg survey of economists.

### [EIA to make gas data revisions: report](#)

(Reuters) - The U.S. Energy Department is preparing to make large revisions to its U.S. natural-gas production data, the Wall Street Journal reported on Sunday.

### [Saudi Arabia, Abu Dhabi State Suppliers Raise Crude Oil Prices](#)

(Bloomberg) -- Saudi Aramco, the world's largest state-owned oil company, raised official selling prices for light crude grades for customers in the U.S. and Asia for May. Abu Dhabi raised its retroactive March prices on all grades.

### [Iran Set to Reduce Heavy-Oil Prices for Asia After Saudi Cuts](#)

(Bloomberg) -- National Iranian Oil Co. is set to cut official selling prices for heavier grades of crude supplied to Asian refiners to 15-month lows after reductions by Saudi Arabia yesterday.

### [Oil India Has \\$2.5 Billion Cash for Acquisitions](#)

Bloomberg) -- Oil India Ltd., the state explorer that bid for Gulfsands Petroleum Plc, said it has more than \$2.5 billion cash available for acquisitions as it seeks producing assets overseas to help boost the country's energy security.

### [SKorean navy pursuing hijacked tanker off Somalia](#)

SEOUL, South Korea (AP) - Officials say a South Korean navy destroyer is pursuing a supertanker believed to have been hijacked by pirates in the Indian Ocean off Somalia.

The tanker was believed to be carrying more than \$150 million worth of crude oil owned by San Antonio-based Valero Energy Corp.

### [Deadly quake jolts Mexico and California](#)

A liquefied natural gas import terminal operated by Sempra Energy south of Tijuana was not damaged by the quake, a company spokeswoman said.

However, a major highway connecting Mexicali with Tijuana on the Pacific coast was badly damaged by a crack that opened up that was at least three feet deep, according to a Reuters witness.

Vacationers returning from their Easter holidays found themselves snarled in huge traffic jams with many motorists reporting difficulty finding fuel.

"Thank God nothing happened to us. Now we just have to wait until the police let us fuel up," said Maria Lopez, who said she had been waiting four hours for gasoline to allow her to return to Tijuana.

### [Venezuela To Amp Up Oil Output](#)

New consortiums aim to double production by 2016, even in an environment favoring lower-carbon options.

### [Pemex standing short on crude, seeks help against long odds](#)

Mexican Energy Minister Georgina Kessel said on March 31 that Petroleos Mexicanos needs help from international oil companies. The occasion was the International Energy Forum in Cancun. The Mexican oil fields under consideration for development are much more difficult to access today. This means that collaboration with other companies on an international level is required. Easy oil is running out. Rex Tillerson, CEO of ExxonMobil said his company was sharing its views with Mexican authorities.



## [New Tesoro CEO Faces State, Federal Probes After Refinery Blast](#)

(Bloomberg) -- Gregory Goff will take over as Tesoro Corp.'s chief executive May 1 to face a wave of state and federal investigations following the worst industrial accident in the oil refiner's history.

## [Canada Oil Sands Are Still a Gamble](#)

Energy investors are showing their short memories, Breakingviews says. The stampede to the initial public offering of Athabasca Oil Sands is a tribute to the allure of Canada's extra-heavy oil. Last week Athabasca priced at the high end of its range and raised \$1.35 billion, twice its goal.

Yet, the publication says, it was only two years ago the sector was hit hard by the economy. Greater bullying of private oil companies by governments around the world makes it all too easy to forget the risks of another price slump, Breakingviews suggests.

## [Baker Hughes Opens New Operations Base in Saudi Arabia](#)

Baker Hughes significantly strengthened its Middle East capabilities with the opening of a new operations center in Dhahran, Saudi Arabia. The 100,000-square-meter facility, which houses laboratories, offices, repair and maintenance operations and a remote collaboration center, is part of Baker Hughes' expansion plans for the Kingdom of Saudi Arabia, a key growth market for the company.

## [Fujairah quietly carving its niche](#)

FUJAIRAH // Fujairah's rise as an export and trading hub for oil is a watershed moment for an economy whose abiding theme has been to make do with less.

When international companies were scouring the Trucial States for oil 50 years ago, Fujairah came up short, and the emirate's leaders turned to two simple resources they did have: mountainous terrain, and deep, still coastal waters near the world's main East-West shipping lanes.

## [Fujairah fuels up to expand oil hub](#)

FUJAIRAH // The world's second-largest pit-stop venue for international shipping will more than double in size in three years as Fujairah undergoes a transformation into an oil hub to rival Singapore and Rotterdam.



The business of supplying and trading fuel is the quieter side of an oil industry that dominates Middle Eastern economies. Gulf states are big exporters of crude oil but many also import fuel oil, a viscous product of the refining process used in shipping and power stations. Much of that fuel oil is stored, blended and re-exported from Fujairah.

### [Colorado oil-and-gas rules no longer hot-button issue in governor race](#)

The political controversy over new oil and gas drilling rules, which dominated the gubernatorial campaign a few months ago, has fizzled, as the Democrat vying to replace Gov. Bill Ritter has signaled a more conciliatory stance toward the industry.

### [Kennedy calls on Utahns to 'protect creation'](#)

Utah's close ties to Christianity should lend itself to better care of the environment, said Robert F. Kennedy Jr.

The Utah Museum of Natural History hosted "The Nature of Things 2010" lecture at Kingsbury Hall on Wednesday night, featuring environmental activist and nephew of former President John F. Kennedy. Kennedy spoke to a full house about sustainability and discussed how natural resources influence health, jobs and our character as Americans. With the audience often erupting in applause, Kennedy gave ideas as to how people can become energy dependent while making the world a better place.

### [Unserious About Iran](#)

Obama is acting as if he believes a nuclear Tehran is inevitable.

### [Truckers tackle hard economic road](#)

Trucking tends to be a bellwether for the economy, carrying about 90 per cent of all goods sold in Britain. But while barriers to entry are few, margins – already as low as 2 to 3 per cent – have deteriorated further during the past year.

During the recession, many smaller owner-driver operations parked up their vehicles or got out of the business altogether.

The number of heavy goods vehicle drivers claiming jobseekers allowance more than trebled between August and January, while the number of insolvencies has doubled in the past 12 months, says the Freight Transport Association. Two-thirds of trucking companies froze pay in the past year while 65 per cent have made redundancies.

Jo Tanner, FTA director of communications, says the industry is "struggling to survive".

The 1p a litre increase in fuel duty on April 1 will have a further detrimental impact, truckers say. While the government agreed to stagger the annual 3 per cent rise in last month's budget, it removed the biofuel differential, adding up to a further 1.5p to the price of a litre of diesel. "It's a case of giving with one hand and taking with the other," says Ms Tanner. "We've been sold a dud."

### [Pakistan: Loadshedding at its worst](#)

LOADSHEDDING disrupted the life of millions of people from all strata of society and the last one week was truly gruesome across the country in general and in the provincial metropolis in particular.

Students, patients, commuters, workers in public and private organisations, shop owners, industrialists badly suffered throughout the last week as the Pakistan Electric Power Company (Pepco) and its Distribution Companies DISCOs, especially Lesco, had been completely unaware as to how much forced power outages were being carried out by the National Power Control Center (NPCC), Islamabad.

### [Q&A with Energy Secretary Steven Chu](#)

SAN JOSE, Calif. - Energy Secretary Steven Chu, a vocal advocate for alternative energy and nuclear power, was in Silicon Valley recently to talk about the role of clean energy in combating global climate change. He also discussed the stiff competition the United States faces from China, which is moving quickly to close down inefficient coal plants as well as nurturing its fast-growing wind and solar industries.

### [Kurt Cobb: Faith-based economics in two graphs](#)

It took a French newspaper to unearth information put out by the U. S. government more than one year ago that provides a worrisome projection for world oil supplies from an agency that for years said such supplies would be no problem for the foreseeable future. Glen Sweetnam of the U. S. Energy Information Administration acknowledged in an interview that total liquid fuel supplies could actually fall between 2011 and 2015 "if the investment [in new capacity] is not there."

While this report has been circulating on peak oil sites in the last week, it is a graph which accompanied Sweetnam's 2009 presentation (PDF) which I found particularly illustrative. (See below.) It reveals in stark relief the dangers of running the world using the ideas of what I call faith-based economics.

### [Olympic gold medalist Björn Ferry our new Peak Oil ambassador](#)

One of the articles on the morning news on TV4 on Holy Saturday was a visit to the home of Sweden's Winter Olympics gold medalist in biathlon Björn Ferry [website in Swedish] and his wife Heidi Andersson who is world champion in armwrestling. During the discussion with Lasse Bengtsson, Heidi described how Björn, despite having a great sense of humour, also often discussed more serious matters. When asked what Björn liked to discuss the answer was, to my amazement, "what will happen when the oil declines". Then Björn said that he personally is thinking ahead and planning for a future with less oil. Could it be so that one of Sweden's most popular sportsmen knows about Peak Oil?

### [Ohio firm converts Chevrolet Equinox to electric power](#)

An Ohio company that converts cars to electric power is showing off its redo of a Chevrolet Equinox at the New York Auto Show.

The company, Advanced Mechanical Products, is offering test rides at the show in the electric Equinox, with plans to start selling them. It is taking orders and plans to start deliveries this summer.

### [Electric cars will get more popular - Shell CEO](#)

SANTA BARBARA, Calif. (Reuters) - Royal Dutch Shell Plc expects electricity-powered vehicles to account for as much as 40 percent of the worldwide car market by 2050, Chief Executive Peter Voser said on Thursday.

Voser, speaking at The Wall Street Journal's ECO:nomics conference in Santa Barbara, said technological improvements and increases in the cost of producing gasoline will give a boost to vehicles that run on alternative power.

"We think between now and 2050, we will go from 1 billion cars to 2 billion cars worldwide," he said. "We think by 2050, roughly 40 percent of those 2 billion cars will be electric."

### [Fuel Leak Threatening Great Barrier Reef](#)

HONG KONG — Salvage experts and a tugboat crew struggled on Monday to save a large Chinese freighter that slammed into the Great Barrier Reef off Australia over the weekend, trying to prevent the vessel from breaking apart as some of the 1,075 tons of engine fuel in its tanks began oozing from the hull, threatening the world's largest collection of coral.

### [The Toxic Side of Being Literally Green](#)

Kermit was correct, being green really is tough, so tough that the color itself fails dismally. The cruel truth is that most forms of the color green, the most powerful symbol of sustainable design, aren't ecologically responsible, and can be damaging to the environment.

"Ironic, isn't it?" said Michael Braungart, the German chemist who co-wrote "Cradle to Cradle," the best-selling sustainable design book, and co-founded the U.S. design consultancy McDonough Braungart Design Chemistry. "The color green can never be green, because of the way it is made. It's impossible to dye plastic green or to print green ink on paper without contaminating them."

### [The World Bank and the Four Horsemen of Climate Change: Apocalypse Now?](#)

South Africa has one of the planet's most energy-intensive economies and Eskom plans a five-year, \$50 billion dollar expansion to increase capacity. Its Kendal plant is already the largest coal-fired power station in the world. If approved, over \$3 billion of the Bank loan will go toward constructing 4800 MW Medupi, the first so-called super-critical clean coal plant in Africa and the fourth largest coal-fired power plant in the world that, as advertised, will use "some of the most efficient, lowest-emission coal-fired technology available."

### [Peering into the future of science in U.S.](#)

Another high priority is energy, and directly coupled to that, carbon emissions and global warming. They're really inseparable. The strong priority is increased funding in all research related to energy, particularly renewables and energy efficiency.

### [Climate-change skeptics have it wrong, memo to minister says](#)

OTTAWA — Canadian scientists from six different federal departments have shot down a recent controversy that raised doubts about whether humans are causing global warming and have urged the government to base its climate-change policies on peer-reviewed research.

### [Up in the Air](#)

No one has ever offered a plausible account of why thousands of scientists at hundreds of universities in dozens of countries would bother to engineer a climate hoax. Nor has anyone been able to explain why Mother Nature would keep playing along; despite what it might have felt like in the Northeast these past few months, globally it was one of the warmest winters on record.

### [Science historian discusses challenge of communicating climate science](#)

In the last year, global warming skeptics seem to have redoubled their efforts to challenge the consensus that climate change is both real and caused by humans.

But this kind of pushback to “inconvenient” scientific conclusions should not come as a surprise, according to Naomi Oreskes, a science historian at the University of California in San Diego and co-author of book “Merchants of Doubt: How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Global Warming,” which will be released in late May.

“What's great about this book is that it explains the paradox that as the science has gotten stronger, the challenges have gotten more clear,” said Oreskes, who is scheduled to give a lecture Monday at the Conference on World Affairs. Her talk — “Communicating climate science: Why is this so hard?” — is sponsored by the National Center for Atmospheric Research.

### [How Congress can get a smart climate-change bill passed](#)

OPPONENTS OF health-care reform like to point out that it will reshape one-sixth of the U.S. economy. But there's another big legislative push, overshadowed by health care, that would directly affect an even larger chunk: the effort to pass a climate-change bill.

### [Arctic thaw frees overlooked greenhouse gas: study](#)

OSLO - Thawing permafrost can release nitrous oxide, also known as laughing gas, a contributor to climate change that has been largely overlooked in the Arctic, a study showed on Sunday.

The report in the journal Nature Geoscience indicated that emissions of the gas surged under certain conditions from melting permafrost that underlies about 25 percent of land in the Northern Hemisphere.

Emissions of the gas measured from thawing wetlands in Zackenberg in eastern Greenland leapt 20 times to levels found in tropical forests, which are among the main natural sources of the heat-trapping gas.



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