



## Drumbeat: April 10, 2010

Posted by [Leanan](#) on April 10, 2010 - 9:36am

Topic: [Miscellaneous](#)

### [Mexico regulator slams Pemex Chicontepec plans](#)

MEXICO CITY (Reuters) - Mexico's newly-created oil and gas regulator issued a report that was highly critical of the country's flagship oil project on Friday, calling the Chicontepec development rushed and decades away from profitability.

State oil monopoly Pemex has poured more than \$4.5 billion into Chicontepec in a bid to make the unconventional field a major oil producer. It also aims to offset the decline of Mexico's main oil fields in the shallow waters of the Gulf of Mexico that threatens to turn the country from one of the United States' main crude suppliers into a net oil importer before 2020.

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s are as aware as any that weight is the enemy of fuel economy. However, with pump prices low by international standards, the trade-off between safety and fuel consumption has understandably favoured the former. Adding air-bags, anti-lock brakes, stability control and side-impact beams has saved countless lives, but it has increased vehicle weights disproportionately. Cars and light trucks on American roads today are 30% heavier than they were in the mid-1980s.

### [OPEC Trims Output by 10,000 B/D from Feb - Survey](#)

The 12-member Organization of the Petroleum Exporting Countries' (OPEC) crude oil production output averaged 29.3 million barrels per day (b/d) in March, down 10,000 b/d from February's estimated 29.31 million b/d, according to a just-released Platts survey of OPEC and oil industry officials and analysts.

### [Saudi oil and gas demand to rise: Report](#)

Saudi Arabia will account for 21.51 per cent of the Middle East oil demand by 2014, while providing a dominant 39.35 per cent of supply, according to a new report.

The latest Saudi Arabia Oil & Gas Report forecast published by Companies and Markets.com said on the regional oil use of 8.11 million barrels per day (b/d) in 2001

rose to an estimated 11.38 million b/d in 2009.

### [Pemex To Redevelop Older Fields Using New Technology--Calderon](#)

MEXICO CITY (Dow Jones)-Mexican President Felipe Calderon said Friday that the first incentive-based contracts tendered by state oil monopoly Petroleos Mexicanos, or Pemex, under a 2008 energy reform will be for mature fields that have the potential to produce more oil and gas using new technologies.

### [State-owned China firm competes with U.S. firm for Red Sea energy project](#)

ABU DHABI — Saudi Arabia is preparing to launch an energy exploration project in the Red Sea.

Industry sources said the state-owned Saudi Aramco would issue an award for exploration of the Red Sea by mid-2010.

### [Shell gets key Alaska permit for Beaufort drilling](#)

ANCHORAGE, Alaska (Reuters) - Royal Dutch Shell Plc has been granted a long-awaited federal air-quality permit the oil company needs to conduct exploratory drilling this year in Alaska's Beaufort Sea, government officials said late on Friday.

The U.S. Environmental Protection Agency issued the permit to Shell to cover air pollutants emitted from the drill ship and fleet of support vessels that the company plans to mobilize to drill two exploratory wells on leases 16 to 22 miles offshore from Alaska's northern coast.

### [Russia may lend \\$5-6 bln to Ukraine for nuclear build](#)

MOSCOW (Reuters) - Russia's Prime Minister Vladimir Putin said on Saturday Russia may lend \$5-6 billion to Ukraine to construct two nuclear reactors, while promising to consider a new deal on gas supply prices.

"We discussed co-operation on nuclear energy ... a possibility is to lend \$5-6 billion to construct the third and fourth reactors for Khmel'nitsky Nuclear Power Station," Putin said after a meeting with Ukraine's new Prime Minister Mykola Azarov at Moscow's Vnukovo Airport.

### [BP investors to rebel over big payouts](#)

BP faces a shareholder backlash next week after it 'moved the goalposts' in order to hand its top team multi-million pound payouts.

The energy giant will also be hit by an investor resolution attacking it for failing to be more transparent about its controversial oil sands strategy.

### [Pipeline or pipedream?](#)

The energy crisis Pakistan confronts has proved devastating for the economy and, along with cancelled orders on account of the recession, has brought about a near meltdown. The impact on the daily lives of the populace is no less severe. The figures speak for themselves. The electricity shortage has now reached 4,000MW and nearly 40% of the populace have to make do without electricity. Only 18% of the populace have access to pipeline gas for cooking and heating. Merely by converting from oil to gas piped from Iran our existing power facilities would add 25% more to their power output owing to the enhanced efficiency of generators powered by gas. Hence, Iranian gas is a vital need. Such an agreement should, in fact, have been concluded much earlier, and probably would have been, had our leaders a mite more sense.

### [Zardari calls for US help to overcome energy crisis](#)

ISLAMABAD: President Asif Ali Zardari on Friday asked the US to assist Pakistan in energy technologies to help the country overcome its energy crisis, hoping that the recently concluded Pak-US strategic dialogue would help translate bilateral relationship between the two countries into a long-term partnership based on respect and trust.

### [Imagining a world without oil: an interview with James Howard Kunstler](#)

In *The Long Emergency*, a book I remember making a small media storm upon its release in 2005, author James Howard Kunstler invites us to imagine a world in which oil supply is highly contested, and eventually, a world in which oil might no longer be readily available at all.

We might be closer to this world than we'd like to think. This February, one of the world's most famous beneficiaries of cheap oil, transportation-tycoon-slash-media-mogul, Richard Branson, the goateed British billionaire, delivered a stern wake-up call to his national government.

### [U.S. Navy holds 6 suspected pirates after battle](#)

DUBAI, United Arab Emirates (AP) — The U.S. Navy is holding six suspected pirates after a sea battle off the Horn of Africa.

It's the third U.S. Navy encounter with pirates in the past 10 days in the violence-plagued waters off Somalia and nearby regions. At least 21 suspected pirates have been captured.

### [Solar-Powered Products in Haiti](#)

Although poverty in Haiti has been amplified by the recent earthquake, the country still has plenty of one thing, and it's free: sunshine. In this, solar companies have seen both a chance to show goodwill and an opportunity to give their businesses a boost.

### ['Green' jobs called catalyst for stronger economy](#)

Trumka, a former coal miner from Pennsylvania, was the keynote speaker at the Industrial and Labor Relations School's Union Days 2010, which has the theme, "Building a Green Collar Movement: Labor and the Environment."

Trumka said, "We're told time and time again that we have to choose between good jobs and good air and clean water. Nothing could be further from the truth. We can't have secure jobs without stable and sustainable sources of energy. We will never have responsible energy and environmental policies without a strong and growing economy. It can't exist."

### [Wind industry: the biggest creator of employment worldwide](#)

"Since 2005, the wind industry has created more jobs than any other industrial sector worldwide". This is just one of many significant findings of the latest World Wind Energy Report 2009, prepared by the Wind Energy Association (WWEA). 550,000 people are currently employed in the sector.

WWEA forecasts that the number of people employed in the wind industry will rise to 670,000 by the end of 2010, and is expected to reach 1 million by 2012. In 2005, 235,000 people were employed in the sector.

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the country from one of the United States' main crude suppliers into a net oil importer before 2020.

However, production levels at Chicontepec have fallen far short of targets despite Pemex drilling hundreds of wells in the area in recent years.

### [U.S. sets tariff of up to 99 percent on imports of Chinese oil field pipes](#)

The Commerce Department imposed penalties Friday of up to 99 percent on imports of oil field pipe from China, the latest in a growing list of duties slapped on Chinese products found to be unfairly priced.

### [Nigerians kidnap three Syrians and Lebanese](#)

LAGOS: Armed men have kidnapped three Syrians and a Lebanese working in the construction sector in Nigeria's oil-rich southern region, killing a policeman in the attack, police said yesterday.

About 10 or more kidnapers, all armed with automatic weapons, fired many rounds. The hoodlums kidnapped four expatriate workers—three Syrians and one Lebanese," said police spokeswoman Rita Abbey.

### [INTERVIEW - Suzlon bullish on China despite cost pressure](#)

BOAO, China (Reuters) - Competition has got tougher for foreign wind power manufacturers in China, but Indian turbine maker Suzlon Energy still expects to increase its market share as it further cuts costs, the company's managing director said.

"By reducing prices we expect Suzlon will get more business in China in the next two or three years," Tulusi Tanti, who is also company chairman, said on the sidelines of the Boao Forum in the southern island province of Hainan.

### [China, Denmark pledge joint efforts to tackle climate change, upgrade ties](#)

BOAO, Hainan (Xinhua) -- China and Denmark Saturday pledged to work closely on fighting climate change and cementing bilateral relations.

The pledge came out of the meeting between Chinese Vice President Xi Jinping and Danish Prime Minister Lars Loekke Rasmussen on the sidelines of the annual session of the Boao Forum for Asia (BFA), a pan-Asian platform for dialogue on key issues affecting Asia and the world.

## [Tipping Point Not Likely for Arctic Sea Ice](#)

A late-winter expansion of Arctic sea ice is a good example of ice-forming dynamics that could keep the Arctic from hitting a “tipping point” in the near future.

Some scientists have predicted that rising temperatures could create a runaway feedback loop in the Arctic. Sunlight-reflecting ice sheets would give way to sunlight-absorbing water, driving up temperatures and melting even more ice. The Arctic climate would change so dramatically that winter ice couldn't form again, producing planet-wide ripples in weather patterns.

But some research suggests that other, previously underappreciated forces may stabilize the melt before it's complete. The Arctic will soon be ice-free in summer, and winter ice will decline, but it won't suddenly become permanently ice-free.

“Everyone thought there would be a tipping point,” said Dirk Notz, a Max Planck Institute climate scientist. “But that's too simple.”

## [Agricultural Apocalypse 2010](#)

When a large segment of the population is facing a drastic cut in income in the face of escalating food prices we have a catastrophic problem in the making. Today we have the simultaneous events of income deflation and food inflation; two high-speed express trains coming down that tracks at each other, a financial crisis colliding with staggering crop losses, which are cutting deeply into available planetary food reserves. Prices of food are again beginning to soar again just as millions are losing the ability to afford a reasonable diet, though little of this is being observed or reported. But soon even the blind will see.

## [China Boosts Oil Imports 29%, Remains Net Fuel Buyer](#)

(Bloomberg) -- China, the world's second-biggest energy consumer, increased March crude oil imports by 29 percent from a year earlier and remained a net importer of fuel as the country's economic recovery drove demand.

Crude imports reached 21.1 million metric tons, or 4.98 million barrels a day, preliminary data released by the General Administration of Customs showed today. Net imports were 20.8 million tons, second only to December's record 20.9 million tons.

Exports of Chinese-made goods rose 24.3 percent in March, spurring fuel consumption by factories. China may post a new all-time high for crude imports this year as a resurgent economy drives fuel-demand growth, an estimate from China National Petroleum Corp. showed on Feb. 4.



## [Oil, Gasoline Decline on Signals That Fuel Supplies Will Climb](#)

(Bloomberg) -- Crude oil fell to a one-week low and gasoline declined on speculation that U.S. stockpiles of the fuel will surge as refineries bolster processing rates.

U.S. plants operated at 84.5 percent of capacity last week, the highest level since October, the Energy Department said on April 7. Futures climbed earlier today as the dollar slipped on signals that Greece, Europe's most indebted nation, will get a bailout to avert a default.

## [Oil May Fall as U.S. Inventories Gain, Survey Shows](#)

(Bloomberg) -- Crude oil may decline next week as rising U.S. inventories and prices near an 18-month high curb fuel demand, a Bloomberg News survey showed.

Twenty of 40 analysts, or 50 percent, forecast oil will drop through April 16. Twelve respondents, or 30 percent, predicted that futures will increase and eight said the contract will be little changed. Last week, 45 percent of analysts said there would be a decrease in prices.

## [The North scrapes bottom](#)

Now people are leaving, businesses are looking for work elsewhere, and both executives and leaders warn that the NWT could find itself severely pinched in the years to come. A push to create a diamond-polishing industry has largely failed, with only a few remaining polishers left in Yellowknife. Efforts to boost tourism have similarly floundered.

Many have lost hope that the Mackenzie Valley natural gas pipeline, which was seen as the territory's ticket to self-sufficiency, will be built any time soon.

As for the dwindling diamonds, both Diavik and BHP Billiton's Ekati, the other big mine, officially will stay open for another decade. But executives privately worry that operations will be scaled back as early as 2016.

"I would draw the analogy to harvesting an animal," says Bob Gannicott, the chairman and chief executive officer of Harry Winston Diamond Corp., the luxury retailer that owns a 40-per-cent stake of Diavik. (The 60 per cent owned by mining giant Rio Tinto PLC.) "We've already had the T-bone steak and we've already had the prime rib roast of this particular animal. We now have to move on to the hamburger and the chuck steak."

## [Iran will not beg to avoid sanctions: Ahmadinejad](#)

(Reuters) - Iran's president said on Thursday he would not plead with opponents of

Tehran's nuclear program in order to avoid sanctions as Russia and the United States said new measures might be necessary.

### [Natural gas potential assessed in Eastern Mediterranean](#)

An estimated 122 trillion cubic feet (tcf) (mean estimate) of undiscovered, technically recoverable natural gas are in the Levant Basin Province, located in the Eastern Mediterranean region.

Technically recoverable resources are those producible using currently available technology and industry practices.

This is the first U.S. Geological Survey assessment of this basin to identify potentially extractable resources.

### [West Virginia Mine Death Toll at 29, Worst Since 1970](#)

(Bloomberg) -- Search teams found the final four victims of the worst U.S. mining disaster in 40 years, after an explosion at a West Virginia coal mine earlier this week that had already claimed 25 lives and injured two other workers.

The April 5 disaster at Massey Energy Co.'s Upper Big Branch mine in Montcoal, West Virginia, was the worst since 1970, when a Kentucky explosion killed 38 miners.

### [Massey's Blankenship Fought Regulators, Town, Maid as Coal CEO](#)

(Bloomberg) -- Don Blankenship, chief executive officer of Massey Energy Co., has fought with mine regulators, unions, residents of his town and even his personal maid.

His company regularly appeals fines for safety infractions. He has personally gone into mines to persuade workers to abandon union organizing efforts. Massey is fighting lawsuits that claim it contaminated groundwater in Blankenship's town. A maid supplied by a company she claimed was a Massey unit was forced to fight all the way to West Virginia's highest court to collect unemployment benefits.

### [Russia gas price lowering to allow Ukraine save \\$4 bln annually - PM](#)

KIEV (Itar-Tass) - The lowering of prices on imported natural gas for Ukraine will allow the country to save about 4 billion US dollar annually, Ukrainian Prime Minister Nikolai Azarov said on Friday in a television show of the Inter channel.

"The issue of the gas price is vitally important for us. If we fail to agree with Russia we



will face very serious difficulties,” the government head noted. In his view, with the preservation of the current gas prices the country in 2010 will not be able to reach the targeted GDP growth volume of 3.7 percent, and the economy will again be in recess.

### [BP oil sands resolution gains support](#)

CALGARY -- A number of money management firms from around the world, including 35 in North America, have thrown their support behind a lobby group's shareholder resolution asking BP plc to provide more information regarding their oil sands operations.

Canadian, Australian, and Swedish funds are now backing the campaign launched by U.S. and British money managers.

### [Stranded Chinese Ship Remains on Australian Reef, Xinhua Says](#)

(Bloomberg) -- The Chinese coal ship grounded on a reef off the coast of northeast Australia will remain there for a few more days before being refloated, the Xinhua news agency reported, citing Queensland state Premier Anna Bligh.

### [Great Barrier Reef at Risk as Coal-Ship Traffic May Jump 67%](#)

(Bloomberg) -- The corals, whales and giant clams of Australia's Great Barrier Reef are in the path of a "coal highway" to China that may see shipments jump 67 percent by 2016, increasing the threat of an ecological disaster after a coal carrier ran aground last week.

### [After Peak Oil, Are We Heading Towards Social Collapse?](#)

What exactly are the implications? In *Life After Growth*, Richard Heinberg, Senior Fellow-in-Residence at Post Carbon Institute, states, "In effect, we have to create a desirable 'new normal' that fits the constraints imposed by depleting natural resources. Maintaining the 'old normal' is not an option; if we do not find new goals for ourselves and plan our transition from a growth-based economy to a healthy equilibrium economy, we will by default create a much less desirable 'new normal' whose emergence we are already beginning to see in the forms of persistent high unemployment, a widening gap between rich and poor, and ever more frequent and worsening financial and environmental crises—all of which translate to profound distress for individuals, families, and communities."

In other words, we collectively have to stop our delusions about perpetual economic growth and find another way to live from this point forward. We need to stop pretending that all is well because our myopic view of life shows no oil or other major shortfalls in

the very near future. If we do not face up to the truth, the repercussions are clear.

### [Bill McKibben issues an urgent call to action](#)

Among the obvious moves people can make are planting a backyard garden and supporting a local farmer or farmers' market. But McKibben also urges people to think about big steps rather than small ones: "Think commodities that really count: food, energy and culture. Those are what we need to re-localize." (Not completely, he adds — world music and curry powder are okay — but we do have to "reverse the trajectory we've been on.")

### [Coal barons to \(finally\) testify before Congress](#)

Well now isn't *this* interesting.

Throughout the seemingly endless battle over climate-change legislation, not once have the folks behind the biggest source of climate pollution -- coal executives -- been asked to publicly account for their industry's role. Now it looks like they will.

### [China Economy Needs to Be More Energy Efficient, Official Says](#)

(Bloomberg) -- China needs to become more energy and resource efficient after being the world's biggest emitter of carbon and sulfur dioxides last year, said Zhang Xiaoqiang, vice chairman of the nation's economic planning agency.

China will cut energy and resource intensity by promoting technical innovation and encouraging investments by energy- efficient foreign companies, Zhang said today at the Boao Forum for Asia. The nation accounted for 8 percent of the world economy in 2009, while using 18 percent of global energy, 44 percent of steel and 53 percent of cement, he said.

### [Electricity price rises a concern to industry](#)

Manufacturing companies will meet Ontario energy ministry officials next week to voice increased concern about rising electricity prices after 184 renewable power contracts were awarded this week.

### [South Korea and Japan streets ahead in smart transport](#)

For more than a decade, South Korea and Japan have been rolling out their world-

leading ITS, pouring money and political capital into ideas beyond the carpool lane.

Drivers race through expressway toll gates as their wireless wallet pays the fee, while GPS updates in half of South Korea's 17 million registered cars tell them how many minutes delay they can expect and how to take a faster route. Public buses are fitted with shrieking dashboard road-nannies that help drivers stay on schedule. Millions of passengers seamlessly transfer using the ubiquitous T-Money travel card, finding their next bus or subway train on up-to-the minute electronic schedules.

"Our transportation life in Korea has much improved -- and our quality of life as well," Kee Yeon Hwang, the director of the Korea Transport Institute (KOTI), the South Korean government's official research arm for transportation, told CNN.

### [Food Groups Clash Over Compost Sludge](#)

Alice Waters, a pioneering chef and the matriarch of the sustainable food movement, has become an unlikely target in a battle being waged by food activists in San Francisco over a city program that converts sewage sludge into gardening compost.

Several nonprofit groups want the city to stop distributing its "biosolids compost," which contains solid waste that is treated and removed during wastewater processing, because they say it can contain potentially harmful substances like heavy metals, pharmaceuticals and flame retardants and should not be used on gardens and agricultural land.

### [If All Chinese Had Wheels](#) (Dennis Pirages and Paul Ehrlich)

I believe this article is as timely today as when it was published 38 years ago. Nothing but the numbers has changed.

### [Cellulosic ethanol: Expanding options, identifying obstacles](#)

Agricultural Research Service (ARS) scientists are figuring out how to turn wheat straw into ethanol "gold," and learning more about the bacteria that can "infect" ethanol plants and interfere with fuel production.

### [Reversal on Fuel Cells in California](#)

The administrative law judge, Dorothy J. Duda, found the \$43 million cost of the projects, which would be financed by the utilities' customers, to be excessive.

"It is unreasonable to spend three times the price paid to renewable generation for the proposed Fuel Cell Projects, which are nonrenewable and fueled by natural gas," she

wrote in a proposed ruling. "In addition, the applications do not satisfactorily address how full ratepayer funding of utility-owned fuel-cell generation would enhance private market investment and market transformation of the fuel-cell industry."

But on Thursday, commissioners adopted an alternative proposal by the president of the California Public Utilities Commission, Michael R. Peevey, that lowered the total cost of the fuel-cell projects to \$39.4 million, plus \$18 million for operation and maintenance costs and \$26 million in fuel costs over 10 years.

### [Does Paul Krugman Vastly Understate the Economic Argument for Climate Action?](#)

He ultimately concludes that it is "the nonnegligible probability of utter disaster that should dominate our policy analysis."

But that falls into the trap that we've been encountering continuously in the discussion of climate change and planetary boundaries, the trap of downplaying the potential consequences in order to appear more reasonable in an American debate that's been distorted out of any relationship to reality.

### [Bolivia, Ecuador denied climate funds](#)

You can decide to boycott the Copenhagen Accord -- but that comes at a price. For Bolivia, that's \$3 million; for Ecuador, it's \$2.5 million.

...After reassessing the budget, State has decided to deny both Bolivia and Ecuador climate assistance. Since all these funding decisions are subject to congressional concurrence, the process is not complete, but it clearly reflects administration policy.

"There's funding that was agreed to as part of the Copenhagen Accord, and as a general matter, the U.S. is going to use its funds to go to countries that have indicated an interest to be part of the Accord," said U.S. special climate envoy Todd Stern in an interview. He added this policy test was "not categorical," so some nations that declined to sign on could still obtain circumstances.



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