



## Drumbeat: April 30, 2010

Posted by [Leanan](#) on April 30, 2010 - 10:00am

Topic: [Miscellaneous](#)

### [Putin stuns Ukraine with surprise gas deal](#)

SOCHI, Russia (Reuters) - Russia offered on Friday to merge gas giant Gazprom with Ukraine's state energy firm Naftogaz, to a furious outcry from Ukraine's opposition accusing Moscow of trying to destroy Ukraine's independence.

Since the election in February of Kremlin ally Viktor Yanukovich as Ukraine's president, ties with Moscow have rapidly improved with accords on gas pricing and a lease extension for a key Russian naval base in Ukraine's Crimea.

But Prime Minister Vladimir Putin's proposal was Russia's boldest move yet and would allow Moscow to control its gas transit to Europe. Ukraine's opposition leader Yulia Tymoshenko said the deal was part of "a plan to destroy Ukraine."

### [U.S. natgas rig count resumes climb, up 2 at 958](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States rose by two this week to 958, according to a report on Friday by oil services firm Baker Hughes in Houston.

It was the 17th climb in 18 weeks, after a one-week reprieve when the rig count declined 17 last week.

### [Scenarios: Impact of oil spill on U.S. climate bill](#)

(Reuters) - A massive oil spill in the Gulf of Mexico is unfolding just as the U.S. Senate was on the verge of considering climate change legislation that included an expansion of offshore oil drilling.

### [CEOs: Gulf oil spill 'a real setback' for industry](#)

OKLAHOMA CITY (AP) -- The massive oil spill in the Gulf of Mexico will significantly

set back industry efforts to increase offshore drilling, the CEOs of two Oklahoma City-based independent energy companies said Friday.

### [Current oil prices sustainable: Al-Naimi](#)

(MENAFN - Arab News) Minister of Petroleum and Mineral Resources Ali Al-Naimi warned on Wednesday that politically motivated policies in major oil consuming countries to reduce oil imports or push new forms of energy could put the world's energy security at risk.

The minister added that he thinks today's oil prices are at "more sustainable levels".

He also repeated his support for current prices, which, at nearly \$83 a barrel, are slightly above the \$70-\$80 band that he has said is ideal for producers and consumers.

### [Saudi Arabia to Cut Heavy Crude Price as Fuel Oil Profit Falls](#)

(Bloomberg) -- Saudi Arabian Oil Co., the world's biggest crude exporter, may lower the official selling price of its June-loading Arab Heavy grade as processing profits for refiners producing fuel oil have declined.

Arab Heavy, the densest grade, may be cut by 20 cents a barrel from the May price, according to the median estimate of a survey of nine refiners from South Korea, Japan, Taiwan, India, Singapore and China. The company, known as Saudi Aramco, is expected to issue prices next week. Arab Light, Aramco's largest export type, may increase by 10 cents a barrel, the survey found.

Refiners are facing an oversupply of fuel oil in Asia after 4 million metric tons of imports from Europe swamped the region in April. Another 3 million tons are expected in May. Refiners with a limited ability to upgrade the product into higher-value fuels may suffer losses buying heavier crudes.

### [Conoco restarts Wilhelmshaven refinery after 6 months](#)

TORONTO (Reuters) - ConocoPhillips restarted its 260,000 barrel per day refinery in Wilhelmshaven, Germany after a 6-month shutdown because of poor profit margins, the company said Friday.

### [Nigerian militant group claims attack on Royal Dutch Shell pipeline; oil company denies attack](#)

LAGOS, Nigeria (AP) — A militant group claimed Friday to have attacked an oil pipeline in Nigeria that is operated by a subsidiary of Royal Dutch Shell PLC, which said no such assault took place.

### [Russia, Ukraine to Meet on Gas Merger; Gazprom Ready for Swaps](#)

(Bloomberg) -- Russian and Ukrainian government officials will meet after the May holidays to discuss merging their state energy companies, OAO Gazprom Chief Executive Officer Alexei Miller told reporters today in Sochi.

Gazprom is ready to consider asset swaps with NAK Naftogaz Ukrainy, Miller said.

### [PCB, other sports authorities urged not to organise night matches to conserve electricity](#)

Lahore (ANI): In wake of the severe power crisis in the country, the Pakistan Cricket Board (PCB) and other sports authorities have been urged not to organise matches under artificial lights.

### [UK: Anger as delivery problems cause county fuel shortage](#)

AN angry Thurso businessman has claimed a fuel shortage in Caithness this week could have a negative impact on the county's tourism.

The supply problem - or "near miss" as described by Far North MSP Jamie Stone - has also been raised in the Scottish Parliament.

### [BP CEO says will pay oil spill claims](#)

LONDON (Reuters) - BP Plc will compensate all those affected by an oil spill from one of its wells in the Gulf of Mexico, its Chief Executive said, accepting the disaster could hit plans to open new areas off the U.S. coast to drilling.

"We are taking full responsibility for the spill and we will clean it up and where people can present legitimate claims for damages we will honour them. We are going to be very, very aggressive in all of that," Tony Hayward told Reuters in an interview on Friday.

### [Oil Spill's Blow to BP's Image May Eclipse Costs](#)

But regardless of the out-of-pocket costs, the long-term damage to BP's reputation — and possibly, its future prospects for drilling in the Gulf of Mexico — is likely to be far higher, according to industry analysts.

The magnitude of the Deepwater Horizon disaster seems to be finally sinking in with investors. BP's stock plunged more than 8 percent Thursday in American trading in an

otherwise strong day for stocks. Since the accident, the American depository receipts of the company have fallen about 13 percent, closing Thursday at \$52.56.

### [Gulf Oil Spill, by the Numbers](#)

(CBS) The estimate of crude oil being spilled into the Gulf of Mexico from the well head of the destroyed BP drilling platform Deepwater Horizon was revised upwards. Already experts are suggesting this may become the worst environmental disaster to hit the U.S. since the 1989 Exxon Valdez spill in Alaska's Prince William Sound, and it may eclipse even that.

A glance at key statistics from the spill...

### [BP Oil Leak May Prompt New Ship Rules, Frontline Says](#)

(Bloomberg) -- A BP Plc well leaking oil into the Gulf of Mexico may trigger tighter regulation of supertankers shipping crude to the U.S., said Frontline Ltd., the largest operator of the vessels.

Rules may be tightened to ban single-hull tankers, forcing refineries to charter double-hull carriers that reduce the risk of a spill, said Jens Martin Jensen, chief executive officer of Frontline's management unit.

### [Region Hosts International Summit on Energy Management](#)

Summit highlights included a keynote address from global visionary Thomas Homer Dixon from the University of Waterloo; Karl Kolmsee from the University of Kufstein in Austria; Andrew Durbin from Sunnybrook Health Sciences Centre; as well as other speakers and government representatives.

"Energy management is front of mind for business leaders in every industry," said Steven Hall, Director, Real Property Asset Management, Region of Peel. "Our Summit is an opportunity for them to come together and share insights on how to increase energy efficiency, enhance operational performance and take advantage of the newest products and solutions that make energy management easier and more cost-effective."

### [Green Gone Wrong](#)

Greenwashing happens when someone makes a claim that their product or service is 'green' when it is not. The claim is intended to mislead us. Perhaps the claim is a lie, or perhaps it is only part of the story - a token offered so we might pay attention to what

they are doing right and possibly ignore what they are doing wrong.

A new book came out this week that might help us get a more realistic grasp of what is happening in our world. Heather Rogers, an investigative journalist, gives us "Green Gone Wrong: How Our Economy is Undermining the Environmental Revolution."

### [Are we doomed?](#)

Not just "we" in the planetary sense, because that way lies madness, or renting *2012*. (Don't do it! It's terrible!) But "we" as in Baltimore, which so often seems to teeter between catastrophe and greatness.

This came up recently. In March, the urban-planning-critic-turned-doomsayer James Howard Kunstler appeared here at the invitation of the Downtown Partnership of Baltimore.

### [EIA: climate bill analysis to take up to 8 wks](#)

WASHINGTON (Reuters) - The U.S. Energy Information Administration will take up to eight weeks to analyze the stalled Senate climate bill after receiving most of its details from the office of Senator John Kerry, a spokesman said on Thursday.

### [Obama bans new drilling as oil hits Louisiana](#)

MOUTH OF THE MISSISSIPPI RIVER - No new offshore drilling will be authorized until authorities learn what caused the explosion of the rig Deepwater Horizon, an aide to President Barack Obama said Friday as oil oozed ashore in Louisiana.

Senior adviser David Axelrod also defended the administration's response to the April 20 accident in the Gulf of Mexico, saying "we had the Coast Guard in almost immediately."

He deflected comparisons with the government's slow response to Hurricane Katrina in 2005, telling ABC's "Good Morning America" that such speculation "is always the case in Washington whenever something like this happens."

### ['Last Resort' Safety Device Failed in Fatal Drilling Incident](#)

(Bloomberg) -- A 2-foot-long metal clamp that failed to cut a pipe on the ocean floor may have cost 11 workers aboard the Deepwater Horizon oil rig their lives and cast a sprawling sheet of crude toward fisheries, wildlife sanctuaries and beaches.

## [BP Oil Spill Investigation Will Focus On Blowout Preventers](#)

Figuring out what happened on the Deepwater Horizon drilling rig to cause the spectacular Gulf of Mexico blowout will be like "recovering the black box from a plane crash," says oil investment banker (and peak oil gadfly) Matt Simmons. Carrying the aerospace analogy, Simmons says the investigation into this disaster will be akin to that following the explosion of the Space Shuttle Challenger.

## [Role of Cement Draws Scrutiny In Rig Explosion](#)

An oil-drilling procedure called cementing is coming under scrutiny as a possible cause of the explosion on the Deepwater Horizon rig in the Gulf of Mexico that has led to one of the biggest oil spills in U.S. history, drilling experts said Thursday.

## [As oil spill hits Louisiana coast, critics assail Obama's offshore drilling plan](#)

The worsening oil spill in the Gulf of Mexico on Thursday threatened not only the shores of five states but also President Obama's plan to open vast stretches of U.S. coastline to oil and gas drilling.

Hours before the spill started washing ashore in Louisiana late Thursday, members of Congress issued new calls for Obama to abandon his plans for expanded offshore drilling, and White House officials conceded that the spreading oil slick could cause the president to rethink his position. "We need to figure out what happened," White House press secretary Robert Gibbs said. "Would a finding of something possibly affect that? Of course."

## [Oil, Gas Drillers Brace for Lawmaker Grilling, Tougher Rules](#)

(Bloomberg) -- Four weeks ago, oil company executives were celebrating an Obama administration decision to expand drilling off the U.S. East Coast. Now, after a rig exploded and sank in the Gulf of Mexico, they face a grilling in Congress and tougher rules on how they do business. Representative Edward Markey, a Massachusetts Democrat, on Thursday told chief executives from five companies that they will be called to appear before his committee on Energy Independence and Global Warming. The companies include BP Plc, which leased the rig to drill the well that is now leaking 5,000 barrels a day into the waters off the coast of Louisiana.

## [Navy Joins Oil-Spill Fight](#)

The government called in the Navy to help contain the huge oil spill in the Gulf of Mexico, as administration officials said Thursday the disaster could prompt President



Barack Obama to rethink his plan to allow expanded offshore oil and gas drilling.

### [Rig explosion dirties BP's green image](#)

NEW YORK (AP) -- BP brands itself a friend of the environment, an energy company that goes "beyond petroleum."

That image, worth billions of dollars, is being sullied by the company's inability to contain a massive oil spill in the Gulf of Mexico.

### [JP Announces 'Vessel of Opportunity' Program for Fishermen to Help Clean Up Oil Spill](#)

The British Petroleum (BP) Corporation has announced a Vessel of Opportunity Program for commercial fishermen who are interested in assisting in the clean up efforts resulting from the Deepwater Horizon Oil Rig.

Any fishermen, with a vessel, who wants to assist in the BP program can sign up at the Jean Lafitte Town Hall, 2654 Jean Lafitte Boulevard in Lafitte or the Grand Isle Town Hall, 180 Ludwig in Grand Isle.

### [Spill off Louisiana's coast sticks to the oil debate](#)

Estimates show the blown-out Deepwater Horizons well may be leaking 5,000 barrels a day, far more than the 1,000 barrels a day first announced. At that rate, it would take about seven weeks for the spill to match that of the Valdez. No one wants that.

Likewise, the nation does not need the urgency of the moment to wrench the nation's energy policy. Oil exploration, while dirty and dangerous, is a necessary part of the nation's energy strategy and will remain so for the foreseeable future.

### [Oil up toward \\$86 on signs of US economic growth](#)

Oil prices rose Friday, temporarily shooting above \$86 a barrel, amid signs the U.S. economy is strengthening. For now, a huge oil spill in the Gulf of Mexico was seen having only limited effects on prices.

### [Pemex May Need to Invest More Than \\$25 Billion for Output Gains](#)

(Bloomberg) -- Petroleos Mexicanos, Latin America's largest crude producer, may need to boost spending by about a third to more than \$25 billion a year as it seeks to meet

long-term output targets, Mexico's Energy Minister said.

### [Why it doesn't matter that there's 'plenty of oil left'](#)

Peak oil felt like a very real and immediate possibility around the time of the oil price peak in mid-2008, but the "oil-is-here-to-stay" crowd has enjoyed something of a resurgence since then.

### [Total Reports Higher Quarterly Profit as Output Jumps](#)

(Bloomberg) -- Total SA, Europe's third-largest oil producer, posted a 9 percent increase in first-quarter earnings and forecast further output growth after ramping up projects in Nigeria, the Gulf of Mexico and Angola.

### [Turnaround in oil prices boosts Chevron as profit more than doubles to \\$4.55 billion](#)

NEW YORK (AP) — Chevron Corp. says its first-quarter profit more than doubled as oil prices soared over the past year.

The San Ramon, Calif. oil company reported income of \$4.55 billion, or \$2.27 per share, for the first three months of the year. That compares with \$1.84 billion, or 92 cents per share, in the same part of 2009.

### [Legislators revive 'barrel tax,' restore cuts with veto overrides](#)

The Lingle administration lashed out at state lawmakers who ended the 2010 regular session with overrides of 11 of the governor's vetoes.

Among the bills that now will become law are an increase in the tax on a barrel of petroleum products, including gasoline; a proposal to stop the consolidation of offices within the Department of Human Services; and a measure to require that 80 percent of jobs in Hawaii go to local residents.

### [Canadian Crude Discount Is Near a 17-Month Low](#)

(Bloomberg) -- The cost of oil from Alberta's tar sands is trading near the cheapest relative to the New York benchmark in 17 months as refineries in the Midwest shut for maintenance and pipeline costs escalate.

### [Saipem Said to Win \\$3.5 Billion Abu Dhabi Contracts](#)



(Bloomberg) -- Saipem SpA, Europe's biggest provider of oilfield services by market value, won about \$3.5 billion in contracts for gas processing and sulfur recovery at a field in Abu Dhabi, a person familiar with the situation said.

### [Brazil's ANP find may hold 2 bln bbl of oil-report](#)

SAO PAULO, Brazil, April 30 (Reuters) - Brazil's oil industry watchdog ANP believes an area recently drilled in the subsalt region has about 2 billion barrels of oil equivalent, O Estado de S. Paulo reported on Friday, citing two people with direct knowledge of the situation.

### [Kazakhstan says AES underinvested in power plants](#)

ASTANA (Reuters) - Kazakhstan on Friday accused U.S. firm AES of failing to invest \$460 million into its power plants in the Central Asian country as required by contract, a charge the company has denied.

### [Nokia, Ford Power Demand Spurs Coal Purchase in India](#)

(Bloomberg) -- Electricity demand from investors such as Ford Motor Co., Hyundai Motor Co. and Nokia OYJ may boost coal demand in India as Tamil Nadu, the biggest wind power generator in the country, adds new coal-fired units.

### [Spain Pricks Solar Power Bubble as Greek Fate Looms](#)

(Bloomberg) -- Spain is lancing an 18 billion-euro (\$24 billion) investment bubble in solar energy that has boosted public liabilities, choking off new projects as it works to cut power prices and insulate itself from Greece's debt crisis.

### [Offshore Wind Booms as Utilities Seek 18% Margins](#)

(Bloomberg) -- E.ON AG and Vattenfall Europe AG are among utilities leading a worldwide push to develop offshore wind power, overcoming a lack of work ships, stormy seas and higher costs to make almost twice the profit they would on land.

This week, they began running Germany's first windmills in deep water, anchored more than 20 meters (66 feet) below the surface. Across the Atlantic, the U.S. approved plans two days ago for that nation's first offshore turbines near Cape Cod.

## [UAE could lead in area of solar energy](#)

Abu Dhabi: As the UAE takes the lead in renewable energy, the Gulf region can become a leader in solar power generation and a major draw for renewable energy investors, said Helene Pelosse, director general of the International Renewable Energy Authority (Irena)

## [Algae 2020 Global Commercialization Tour Continues in Washington, Houston and Prague](#)

Houston, TX --(PR.com)-- Emerging Markets Online, a market research consulting and publishing firm specializing in global energy and biofuels markets, announces the Algae 2020 Global Tour for Spring/Summer of 2010.

The Algae 2020 study answers the key question "when will algae for biofuels be commercially viable, and which companies and projects are presently best positioned to meet this challenge?"

## [Nuclear Power: How Green Is It?](#)

QUEENSLAND—As global warming becomes a reality, pressure is mounting on governments to find low carbon solutions to electricity generation. Yet with close to seven billion people in the world, many scientists are questioning the capacity of renewable energies to meet the growing demands of most countries. New developments in nuclear technology and ongoing research into reducing its associated hazards are leading various key players to take a fresh look at nuclear power.

## [Vancouver looks to share "green" strategy practices at Shanghai Expo](#)

Among the city's long-time eco-practices have been an active collection program where glass, paper and metals are recycled, a yard-trimmings collection service, as well as a program to turn table scraps such vegetable and fruits peelings, teabags, coffee rinds and eggshells, among others, into compost.

Along with promoting the use of public transport, designated bicycle lanes have been highly controversial, especially with motorists unwilling to share the road, but the city continues to champion them in a bid to reduce vehicle traffic and emissions.

## [The case for food co-ops](#)

If a global food shortage and security threat is imminent, as some experts have stated, a retired scientist living in Constance Bay has a novel solution for ensuring Ottawa is able to feed its inhabitants.

The Consumers' Association of Canada spokesperson, Mel Fruitman, told CTV's Canada AM two years ago that while the country's food costs are currently among the lowest in the world, "the bubble is going to burst" before too long. That same year Donald Coxe, global portfolio strategist at BMO Financial Group, told the Empire Club and the Financial Post not to worry about peak oil; a global food catastrophe will hit soon and be more crippling than anything the world has ever seen.

### [How Will Supply and Demand Effect Peak Oil?](#)

What has me most confused about the peak oil debate is how little people talk about how human behavior might change in the face of rising prices. Much of the debate seems to follow one of two scenarios. Either capitalism will simply have its way, we will adapt, and the market will develop alternatives to our current oil use. Or alternatively, supply will fail to keep up with demand, demand will keep rising, and people will scramble for whatever oil is left. There will be mass social collapse. And we'll all end up eating the remains of our neighbors over an open fire.

But surely the future is likely to be more complicated than that? When oil prices rose sharply a few short years ago, people soon started cutting back on their meat consumption, they started riding mass transit more, and bike sales exploded. Now granted, the oil prices of a few years ago were nothing compared to what some people are predicting—but then the cut backs that people made were pretty minimal compared to what could be achieved, And I mean what could be achieved without significant impact on our comfort or way of life.

### [Transitioning into the future](#)

Transition Laguna Beach, an organization that seeks to engage the community as it develops practical alternatives to a lifestyle dependent upon a fuel-based economy, will host "The Great Unleashing" from 6 to 10 p.m. May 14 at the Sawdust Art Festival, 935 Laguna Canyon Road.

### [Sandor Exits Carbon Trading, Selling Climate Exchange to ICE](#)

(Bloomberg) -- Richard Sandor agreed to sell Climate Exchange Plc to Intercontinental Exchange Inc., exiting the biggest carbon market before achieving his goal of establishing a global mechanism for curbing pollution.

### [EU Emitters Face Deadline as CO2 Jumps Most in a Year](#)

(Bloomberg) -- More than 11,000 emitters face rising carbon prices and a European deadline today for handing over 2009 permits to the world's largest cap-and-trade system.

## [Germany, Mexico hosting meeting of 45 nations in Bonn to push talks on climate deal ahead](#)

BERLIN (AP) — Five months after the troubled United Nations conference in Copenhagen, Germany and Mexico are teaming up in an effort to break the deadlock in negotiations on a global climate deal.

## [Plan B: California Braces for Climate Change](#)

By the mid-2000s, when the rest of the country was waking up to the challenge of global warming, California was already pursuing an aggressive program to assess the likely damage. According to the state energy commission's climate research, the U.S. west coast faces sea-level rise of 12 to 18 inches by 2050, and as much as nearly six feet by the turn of the century. Precipitation is projected to fall increasingly as water rather than snow, draining into the sea rather than lying in cold storage until the long, dry summers. Higher-than-average temperatures and more frequent extreme weather promise heat waves, wildfires, droughts and floods.

## [Study: Evidence for an Arctic Climate Feedback Loop](#)

Scientists know that the Arctic is warming about twice as fast as the rest of the planet on average, a phenomenon known as Arctic amplification. And they have a pretty good idea of why: warmer temperatures lead to more meltback in sea ice in the summer, which exposes more ocean water. The water, which is darker and less reflective than ice, absorbs energy, heats up and warms the air in turn, leading to even more melting. It's a classic feedback loop, and it makes all sorts of sense — but a logical theory is not the same as proof.

The new *Nature* paper goes a long way toward firming up the case. By analyzing and comparing temperature records from all available sources over the past 20 years, including ships, weather stations, planes and satellites, James Screen and Ian Simmonds of the University of Melbourne show that the warming trend is most pronounced near the surface, particularly in the Arctic, rather than at a higher elevation. That suggests the mechanism for Arctic amplification has something to do with ice loss rather than, say, cloud cover. "Previous studies suggested that the greatest warming was higher in the atmosphere," says Screen. "We were surprised at how different our results were."



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