



## Drumbeat: May 1, 2010

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Topic: [Miscellaneous](#)

### [Drilling Down: A Troubled Legacy in Oil](#)

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Producing oil is an old, dirty and hazardous business. Easy oil—"the low hanging fruit"—is now the preserve of the traditional producer countries like Russia and Venezuela whose short-sighted self-interests are preventing efficient production from their oilfields. Western corporations have been compelled to switch their search under the Atlantic seabed and breaking technical frontiers. "Cracking the Gulf" is at the cutting edge of the industry's technical expertise.

In the rush to find more oil, BP's explorers in Houston, blessed by skills admired by rivals, have been remarkably successful. But the operating conditions are brutal. The constant stream of inventions to allow Big Oil's masters of the underworld to remotely guide a drill through a mile of water onto the seabed and then squirrel a 12-inch path through five miles of sand, salt, clay and rock towards a potential bonanza depends upon remarkable scientific calculations. Finding elegant solutions to seemingly intractable problems causes oil men's hearts to beat faster. Risk is the oxygen of oil companies.

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is the energy problem," Armen Movsisyan, the country's energy minister, said recently.

### [Saudi, IEA views on oil above \\$80 highlight schism](#)

CHICAGO/NEW YORK - Saudi Arabia and the International Energy Agency presented differing views on oil prices Wednesday, highlighting the potential for a schism to emerge between consumers and producers as crude tops \$80 US a barrel.

Oil Minister Ali al-Naimi reiterated current prices were "more sustainable" as the worst of the economic crisis had passed. He has hailed as "beautiful" an oil price between \$70 and \$80 that, he says, benefits both producers and consumers.

But Fatih Birol, chief economist at the Paris-based agency that represents the interests of developed energy consuming nations, said separately in New York that crude oil at \$85 a barrel, or higher, could “strangle” an economic rebound.

### [South Africa: Subsidies for the Rich, Cut-offs for the Poor](#)

The article looks at how the state and the rich are using Eskom to subsidise giant corporations with cheap electricity in South Africa and are making the working class pay for this. The impact of this on people has been devastating, cut-offs have risen, prices have sky-rocketed and jobs have been slashed. The article goes on to argue that only direct action by the working class can reverse this. It then provides some thoughts on how struggles for immediate gains, like electricity, could be used to build a movement that could fight to replace the state and capitalism with an anarchist communist society .

### [Gas rationing begins in Sindh, Balochistan](#)

Karachi —The energy crisis is now more visible in the largest city of Karachi with the introduction of gas rationing by Sui Southern Gas introduced in all major industrial areas and CNG stations from today with the view of energy conservation under the guidelines of Prime Minister Gilani.

### [Filling stations suspend sale of petrol, diesel](#)

LAHORE- Most of filling stations suspended the sale of petrol and diesel here in the Punjab Capital on Friday to make windfall profits on the available stocks, a day before the expected increase in the prices of petroleum products.

This profiteering and black-marketing practice triggered worst fuel shortage across the City and multiplied the miseries of the motorists particularly of the motorcyclists.

### [More offshore platforms may shut due spill - MMS](#)

(Reuters) - Two U.S. offshore production platforms in the Gulf of Mexico have been shut down and a third was evacuated as a precaution after a giant oil spill and further shutdowns are possible, the U.S. Minerals Management Service said on Saturday.

### [A 'Three Mile Island for Offshore Oil'?](#)

It'll be years before we know the full extent of the damage caused by the Deep Horizon oil spill. But as thousands of barrels continue to leach out of the ocean floor, and with no

way of stopping it anytime soon, the magnitude of the disaster has become clear: this is the worst oil spill in U.S. waters since the Exxon Valdez spilled 11 million gallons of crude into Alaska's Prince William Sound. The economic and environmental impact will likely be catastrophic.

But the bigger impact could be on the future of offshore oil production. At a time when the oil industry had seemingly conquered the extreme challenges of offshore drilling, the spill raises serious questions about our ability to safely tap what's seen as the final frontier of U.S. domestic oil reserves: the deepwater Gulf of Mexico.

### [In Gulf Oil Spill, Fragile Marshes Face New Threat](#)

The wetlands in the Delta have been sinking into the Gulf of Mexico at a rate of about one football field an hour for decades, deprived of sediment replenishment by levees in the Mississippi River, divided by channels cut by oil companies and poisoned by farm runoff from upriver. Hurricanes Katrina and Rita took large, vicious bites.

The questions that haunt this region are, How much more can the wetlands take, and does their degradation spell doom for an increasingly defenseless southern Louisiana?

### [Wake up, Obama. The Gulf spill is our big chance](#)

President Barack Obama so far has said nothing about the screamingly obvious connection between the spoils of fossil-fuel dependency and the vision of a clean-energy economy that he's been sporadically promoting. Instead he had this tepid statement on the Gulf oil spill this morning: "I continue to believe that domestic oil production is an important part of our overall strategy for energy security."

### [How bad is climate change? Don't ask expert Joe Romm](#)

Joe Romm is no ordinary blogger on climate change. A physicist who held a senior post in President Bill Clinton's administration, he's unusually well-respected.

So when former vice president Al Gore recommended Romm's new book, I wanted to check it out. Alas, it's not a pleasant, bedtime read. Like Bill McKibben's *Eaarth*, Romm's *Straight Up* (Island Press) is a gut-wrenching wakeup call. Romm writes:

*"Averting catastrophic global warming requires completely overturning the status quo, changing every aspect of how we use energy -- and doing so in under four decades. Failure to do so means humanity's self-destruction."*

Is Romm overly pessimistic? Or is he right?

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## [BP plan deemed major spill from Gulf well unlikely](#)

MOUTH OF THE MISSISSIPPI RIVER — The worst U.S. oil spill in decades reached into precious shoreline habitat along the Gulf Coast as documents emerged showing British Petroleum downplayed the possibility of a catastrophic accident at the offshore rig that exploded.

BP suggested in a 2009 exploration plan and environmental impact analysis for the well that an accident leading to a giant crude oil spill - and serious damage to beaches, fish and mammals - was unlikely, or virtually impossible.

## [BP, Transocean Lawsuits Surge as Oil Spill Spreads in Gulf](#)

(Bloomberg) -- BP Plc and Transocean Ltd. face at least 36 lawsuits, including group cases with potentially thousands of plaintiffs, over environmental damage and personal injuries caused by the oil spill in the Gulf of Mexico.

At least 31 proposed class-action suits have been filed in courthouses from Texas to Florida. Commercial fishermen, shrimpers, charter-boat operators and beachfront-property owners asked to represent anyone whose livelihood depends on coastal waters imperiled by the drifting oil. At least 24 cases were filed yesterday.

### [Obama to visit Gulf oil spill area](#)

Venice, Louisiana (CNN) -- President Obama will visit the oil spill area along the Gulf Coast within 48 hours, a White House official said Saturday as residents braced for the oil slick creeping toward the shore.

Obama could visit the region as early as Sunday because of the national significance and potential magnitude of the environmental damage, senior administration officials said.

### [U.S. Pressures BP as Gulf Oil Slick Spreads](#)

VENICE, Louisiana (Reuters) - The U.S. government pressured energy giant BP to avert an environmental disaster as a huge, unchecked oil spill reached coastal Louisiana, imperilling fish and shrimp breeding grounds and vulnerable wetlands teeming with wildlife.

With oil gushing unchecked from a ruptured deepwater well in the Gulf of Mexico off Louisiana, President Barack Obama's administration piled pressure London-based BP Plc, the owner of the blown-out well, to do more to shut off the flow and contain the spreading slick.

### [BP's Response to Oil Spill Lacking, Government Officials Say](#)

(Bloomberg) -- BP Plc should be doing more to protect coastal areas in the Gulf of Mexico from an oil slick formed after a drilling rig explosion, state and federal officials said.

"BP's current resources are not adequate to meet the three challenges we face," Louisiana Governor Bobby Jindal said. "The three challenges we face are stopping the leak, protecting our coast, preparation for a swift cleanup of our impacted areas."

### [Gibbs: Deepwater Horizon Aftermath Could Affect Next Lease Sale](#)

The review of the Deepwater Horizon rig disaster ordered by President Barack Obama could affect future Outer Continental Shelf leases, including the next Gulf lease sale in August, White House Press Secretary Robert Gibbs said Friday. Gibbs also said the review may impact the development of the administration's new five-year OCS drilling plan.

Obama, at the White House earlier Friday, ordered the Department of Interior to have the Deepwater Horizon report to him in 30 days. The president also said domestic oil

production remains "an important part" of US energy security, but must be done "responsibly." The Minerals Management Service is slated to hold the Western Gulf of Mexico Lease Sale 215 on August 18 in New Orleans.

### [Solution to Capping Well Remains Elusive](#)

As cleanup crews struggled Friday to cope with the massive oil slick from a leaking well in the Gulf of Mexico, dozens of engineers and technicians ensconced in a Houston office building were still trying to solve the mystery of how to shut down the well after a week of brainstorming and failed efforts.

### [Relief-Well Plan Was Used in Worst Blowout Ever, Took 9 Months](#)

(Bloomberg) -- The worst blowout on record took about nine months to cap using two relief wells, the same technique BP Plc has said it will deploy to stem gushing crude from the Macondo well in the Gulf of Mexico.

In 1979, Ixtoc-1, an exploratory well owned by Petroleos Mexicanos in 150 feet of water, blew out 600 miles (966 kilometers) south of Texas in Mexico's Bay of Campeche and spilled an estimated 3.3 million barrels into the Gulf, according to the Royal Swedish Academy of Sciences and the American Petroleum Institute.

### [This oil spill is a recipe for disaster](#)

WASHINGTON — What makes an oil spill really bad? Most of the ingredients for it are now blending in the Gulf of Mexico.

Experts tick off the essentials: A relentless flow of oil from under the sea; a type of crude that mixes easily with water; a resultant gooey mixture that is hard to burn and even harder to clean; water that's home to vulnerable spawning grounds for new life; and a coastline with difficult-to-scrub marshlands.

Gulf Coast experts have always talked about "the potential for a bad one," said Wes Tunnell, coastal ecology and oil spill expert at Texas A&M University-Corpus Christi.

"And this is the bad one. This is just a biggie that finally happened."

### [The world's lifeblood](#)

"This event is a game-changer" with consequences that are "long-lasting . . . politically," confidently predicted Richard Charter of Defenders of Wildlife.

But shutting off the spigot would be an even greater disaster for the country than what is now taking place in the Gulf of Mexico -- distressing as that may be.

For despite all the histrionics that routinely accompany such accidents, the reality is that petroleum powers modern civilization.

Life as most Americans know it is inconceivable without vast amounts of relatively inexpensive energy -- and it has to come from somewhere.

### [Oil Rises to Three-Week High, Gasoline Surges, on Weaker Dollar](#)

(Bloomberg) -- Crude oil rose to a three-week high and gasoline surged as the dollar weakened and a report showed the U.S. economy grew in the first quarter.

Oil climbed 1.2 percent after the greenback dropped against the euro for a third day on speculation Greece will reach an agreement on budget cuts needed to win financial assistance. The Commerce Department reported that the U.S. expanded at a 3.2 percent rate in the first three months of the year, capping the biggest six-month gain since 2003.

### [Chevron Posts Biggest Profit Increase in a Decade](#)

(Bloomberg) -- Chevron Corp., the second-biggest U.S. energy company, reported its largest profit increase in at least a decade, exceeding analyst estimates, after recovering economies around the world spurred increases in fuel demand.

### [Total Declines as Profit Growth Lags Behind Peers](#)

(Bloomberg) -- Total SA, Europe's third-largest oil producer, dropped after its first-quarter earnings growth lagged behind rivals.

"The peer comparison will be a drag on the stock," said Jason Kenney, head of oil and gas research at ING Commercial Banking in Edinburgh. In dollar terms, Total's quarterly earnings per share rose 14 percent compared with an estimated 36.8 percent increase for European peers, he wrote in a note.

### [What's Good for Petrobras Proves Bad for Shareholders](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-run oil company, is luring investors to its \$25 billion share sale, the biggest in the Western Hemisphere since 1999. Latin America's worst-performing stock market is no better off.

“It’s going to make life a bit harder for companies looking to go to the market as the liquidity might not be there,” said Nick Robinson, who manages \$20 billion in emerging market assets at Aberdeen Asset Management Inc. in Sao Paulo.

### [Transocean Drops After Axelrod Comments on Drilling](#)

(Bloomberg) -- Transocean Ltd., Halliburton Co. and McMoRan Exploration Co. dropped in New York trading after President Barack Obama’s chief strategist said no new offshore drilling will be allowed until this month’s Gulf of Mexico oil spill is investigated.

### [Alliance’s Fatal Cave-In Followed 19 ‘Roof Falls’](#)

(Bloomberg) -- An Alliance Resource Partners LP coal mine in Hopkins County, Kentucky, had 19 instances of falling debris in the year before the roof buckled this week in an accident that killed two workers, according to data maintained by the Mine Safety and Health Administration.

Thirteen of the incidents of “roof falls” at the Dotiki mine resulted in injuries, ranging from lacerations requiring stitches to a hairline fracture of vertebra, the MSHA records show. Federal regulators cited the mine 11 times this year for violations pertaining to roof support, according to the data.

### [FPL to Cut 300 Jobs, Go Forward With Plant Upgrades](#)

(Bloomberg) -- FPL Group Inc., owner of Florida’s largest utility, plans to cut 300 jobs and go forward with \$2 billion in upgrades to two power plants after a January rate ruling forced the company to review its spending plans.

### [Crude Oil No Longer Needed for Production of Plastics](#)

ScienceDaily — Each year the world produces about 130 million kilo of ethene, the most important raw material for plastics. This gigantic industry is currently dependent on crude oil. And that is running out. Dutch researcher Tymen Tiemersma might have found a solution for this problem. With his new reactor we can produce ethene from natural gas and, therefore, in the future from biogas as well.

### [Chinese automaker to open headquarters in L.A.](#)

NEW YORK (CNMoney.com) -- Chinese automaker BYD said Friday it has chosen sunny Los Angeles as the site of its North American headquarters.



BYD, a manufacturer of electric and hybrid vehicles backed by investor Warren Buffett, said it was lured by L.A.'s green energy policies, such as incentives for zero emission vehicles and solar roofs.

### [‘Buy American’ boondoggle](#)

Democratic senators want stimulus dollars to be used on clean-energy projects, but only if the builders agree to buy American equipment.

### [Could Arizona Export Clean Energy?](#)

TUCSON, Ariz. - A pair of Tucson-based scientists has developed a plan for Arizona's energy future that proposes a dramatic increase in the use of solar and wind energy.

They say the plan, if pursued aggressively, would have Arizona generating all its electricity using 100 percent clean, renewable energy by 2040 and exporting excess electricity to other states.

### [Japanese companies keen to set up bio-fuel plants in India](#)

CHENNAI: Japanese firms are coming to India to set up bio-fuel plants and others will collaborate with Indian firms in the area of sustainable energy development, said Kazuo Minagawa, Japan Counsel General in Chennai on Friday.

### [Arrests in carbon trading case](#)

Tax officials made 21 arrests in the UK this week as part of a Europe-wide investigation into suspected tax avoidance in the carbon trading market.

### [Preparing for an Ice-Free Arctic: Part 1 - China's Growing Interest in the Thawing North](#)

China is paying increasing attention to the melting of the ice in the Arctic Ocean as a result of climate change. The prospect of the Arctic being navigable during summer months, leading to both shorter shipping routes and access to untapped energy resources, has impelled the government to allocate more resources to Arctic research. Chinese officials have also started to think about what kind of policies would help the country to benefit from an ice-free Arctic environment.

### [Preparing For Peak Oil \(video\)](#)

One family prepares for peak oil by converting their home to a net-zero solar powered home, becoming more self-sufficient and making energy efficiency improvements.

### [Bolivian villagers want compensation as glaciers melt](#)

For the Incas, and most of the Andean civilisations, snow-capped mountains were divinities to be honoured, as they supplied water.

But now it seems those gods are losing their powers. Researchers say that the glaciers are in dramatic retreat across the Andes due to rising temperatures.

In the small village of Khapi, below the stunning - and still snow-covered - Mount Illimani, the sense of anxiety is profound.

An idea has taken root there - that those who have caused the snow to retreat and the waters to slow should be brought before an international court.

### [A religious take on climate change](#)

Were it not for the setting in a stately Romanesque cathedral near downtown Los Angeles, the gathering might have been mistaken for a political rally.

Many of the 90 people present signed cards to California's two U.S. senators urging them to support legislation to roll back greenhouse gas emissions in the United States. Others pledged to oppose efforts by oil companies and conservative activists in California to suspend the state's landmark Global Warming Solutions Act of 2006. They signed a "carbon covenant" to oppose illegal logging and deforestation in the developing world.

Yet for most of those last Sunday, the underlying motivation was not political but religious. They said they had a moral duty to care for the Earth and all of God's creation. They called for a widened understanding of what it means to love one's neighbor in a world where choices made on one continent can affect people thousands of miles away, including those in poor countries least able to cope with climate shifts.



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