



Drumbeat: May 18, 2010

Posted by [Leanan](#) on May 18, 2010 - 9:22am

Topic: [Miscellaneous](#)

[Oil, risk and technology: Choices we need to make](#)

From plastics to supermarkets, and from globalised industry supply chains to the layout of our towns and cities, almost every aspect of human life has been radically altered over the past 150 years by oil.

Although cheap and plentiful oil has given many people choices and freedoms that never existed before, our addiction has been costly, measured in increased air and water pollution, rampant land use change, overharvesting of our seas, increasing greenhouse gas emissions and consequent climate change, acid rain and urban sprawl.

After 150 years, and with the Gulf of Mexico being the latest place where a major oil spill threatens nature and people in predictable and unpredictable ways, it is time to look again at the technologies and risks involved in getting the oil to which our societies are addicted.

since consumers will have more disposable income to spend on other things. That's true to a certain extent.

But if oil keeps plummeting, it might be more cause for concern than celebration. Remember the last few months of 2008 and early 2009? Oil prices nose-dived in the wake of the credit crisis.

At the height of the global recession in late 2008, when people were seriously discussing the possibility of it turning into a depression, oil tumbled to almost \$30 a barrel and gas prices were around \$1.60 a gallon. So yeah, gas was cheap. The trade-off was that everyone feared an economic apocalypse.

[Alberta backing oil refinery proposal](#)

The Alberta government is backing a proposal by North West Upgrading and its part owner, Canadian Natural Resources Ltd., to build a new bitumen upgrading refinery in the province's Industrial Heartland, northeast of Edmonton.

The 150,000 barrel-per-day refinery will be built in three stages and include integrated carbon capture and storage technology to cut CO₂ emissions, the province said in a Tuesday release.

[BP's Atlantis platform being probed - Salazar](#)

WASHINGTON (Reuters) - U.S. Interior Secretary Ken Salazar told a Senate committee on Tuesday that BP's Atlantis oil production platform in the Gulf of Mexico was being investigated, although he did not say whether the government was conducting the probe.

[Interior Adopts New Onshore Drilling Rules](#)

Federal land agencies Monday finalized reforms for oil and gas drilling, reforms triggered by development proposals in Utah near sensitive lands close to national parks and archeological treasures.

Interior Secretary Ken Salazar and U.S. Bureau of Land Management Director Bob Abbey said the changes were needed to restore balance to onshore drilling.

[Wildlife death toll from oil spill still uncertain](#)

Federal officials say 189 dead sea turtles, birds and other animals have been found along Gulf of Mexico coastlines since a massive oil spill started last month.

The total includes 154 sea turtles, primarily the endangered Kemp's ridley variety, plus 12 dolphins and 23 migratory birds.

But in a phone news conference Tuesday, officials said they don't know how many were killed by oil or chemical dispersants.

[Katz Fired From Oil-Spill Team Due to 'Controversial Writings'](#)

(Bloomberg) -- Jonathan I. Katz, a physics professor at Washington University in St. Louis., said he was fired from the team of scientists chosen by U.S. Energy Secretary Steven Chu to help BP Plc control the oil spill in the Gulf of Mexico.

"Some of Professor Katz's controversial writings have become a distraction from the critical work of addressing the oil spill," Stephanie Mueller, a spokeswoman for the Energy Department, said in an e-mail today. "Professor Katz will no longer be involved in the department's efforts."

[U.S. Govt may delay August Gulf oil lease sale](#)

WASHINGTON (Reuters) - In response to the Gulf oil spill, U.S. Interior Secretary Ken Salazar said his department will consider whether to delay the western Gulf of Mexico oil lease sale scheduled for Aug. 18.

[Africa's oil spills are far from U.S. media glare](#)

(Reuters) - Oil gushing from an undersea well in the Gulf of Mexico has damaged BP's reputation and share price but accidents involving other companies in less scrutinized parts of the world have avoided the media glare.

[In The Pipeline: Refineries under pressure](#)

The petroleum refining industry is under pressure again with lower margins and over capacity. A few years ago, the opposite was true, which encouraged investors to go quickly into expanding capacity vertically and horizontally.

The financial crisis which started from mid-2008 with its subsequent decline in demand for petroleum products pushed refining margins down and sometimes even in the negative territory.

[China set to be Qatar's top gas buyer](#)

China is to become the biggest customer for Qatar's natural gas if a new export agreement is concluded.

Qatar is in talks to sell an extra 10m tonnes of liquefied natural gas to China a year and 4m tonnes to India to meet Asia's thirst for energy to offset slowdowns in the US and Europe.

[Iraq Gives Go-Ahead to Kurdish Oil Exports](#)

The Iraqi federal government Tuesday approved a deal that would allow oil exports from oil fields in the semi-autonomous region of Kurdistan in northern Iraq, which have been on hold for the last seven months over a payment row with Baghdad, a cabinet spokesman said.

[Fuel shortage](#)

Having no liquid fuel, Bangladesh has to import it of necessity. Finite natural gas (methane) reserves are getting reduced day by day. Meanwhile, proven and possible resources of methane, remain unexplored even today! Coal is there, but we do not

extract it, except from one mine-- for so many reasons (or excuses)! In the case of extraction of coal, we ideally define the saying: "Poverty in the land of plenty"! We are shying away from it, be it by shaft or surface mining, while the debate on the subject has continued on and on!

[Kidnap and the Energy Industry](#)

Kidnap for ransom remains a critical security concern for energy companies. Employees are often viewed as attractive targets because of the perception that the 'rich' sector will be able to afford a ransom settlement. To counteract the risk, training, site protection and insurance all need to be considered. With proper security measures, companies can maintain business integrity and profitability without compromising the health and safety of employees, even in some of the following kidnap hotspots:

[Thailand: Fuel security stepped up after petrol tanker scare](#)

The Energy Ministry says strict security measures are in place at fuel and gas outlets within a 5km radius of Ratchaprasong to stop any attempts to use them to add to the violence.

Peerapol Sakarin, director-general of the Energy Business Department, gave the reassurance after dramatic scenes were shown on TV of protesters trying to set fire to a petrol tanker parked at a PTT petrol station in Bon Kai on Rama IV Road to keep security forces away from their barricade.

[Federal government extends area of fishing ban in Gulf of Mexico](#)

Washington (CNN) -- The federal government has shut down fishing in more of the Gulf of Mexico as a result of the massive oil spill there, a government official said Tuesday.

The National Oceanic and Atmospheric Administration has shut down fishing in 19 percent of the Gulf over which the federal government has jurisdiction, NOAA administrator Jane Lubchenco said.

[China launches electric taxis for city commuters](#)

China has launched a fleet of electric taxis in booming Shenzhen and is aiming to add more battery-operated vehicles in order to check the impact of global warming.

With the launch of 40 electric taxis Monday, Shenzhen city of southern Guangdong province has become the country's first city to have environment-friendly transport in operation, said Hu Jianping, president of Shenzhen Bus Group (SBG).

[Israel solving water shortage](#)

Israel is solving its water shortage. It just dedicated the third of five planned desalination plants. The new one is the largest in the world, producing 33 million gallons a year, 10% of Israel's needs. It is being located in Hadera, on the Mediterranean coast between Haifa and Tel Aviv. The plant is divided into two independently operating halves on an 18-acre site.

[Miners Dying Faster From Black Lung Disease](#)

As the demand for coal increases in the face of America's swelling energy consumption, coalminers are rapidly falling victim to black lung disease, a direct result of the toxic air they endure day in and out. In fact, while most Americans equate black lung with 1930s depression-era images, according to the Centers for Disease Control (CDC), black lung disease or advanced pneumoconiosis has caused more than 10,000 deaths during the past decade. Since 1995, the prevalence of black lung has doubled among those who participated in the Coal Worker's Health Surveillance Program of the National Institute for Occupational Safety and Health (NIOSH) in Atlanta, Ga., and who have been coal miners for more than 20 years.

Also, miners are suffering at a younger age, with some as young as 39 showing advanced cases of the disease, according to NIOSH.

[The Wow Factory](#)

Of course, plenty of glass-and-steel towers are going up where 100-year-old bricks and mortar once stood. But James Howard Kunstler, the author of "The Geography of Nowhere," thinks there's "a reluctance to tear down such impressive structures. We recognize their magnificence as sheer monumental structures, not to mention investments, plus their historical significance. So we avidly seek some reassignment."

Resurrecting the decrepit also meets the needs of eco-minded globe-trotters. "Anytime you can build up density in a city," explains David Owen, author of "Green Metropolis," "you're putting the people who live and travel there closer to their destinations, and increasing foot traffic and transit use." And it deepens the connection to the history of a place for residents and visitors. Says the trend forecaster Gerald Celente: "It isn't green, it isn't eco; it's simply smart."

[The post-apocalypse movies we'd like to see](#)

Movies about the future are important. If you agree with that last sentence, feel free to skip ahead a few paragraphs – but if you are sceptical, I'll lay out my case.

[Carolyn Baker: Is there rehab for this oil overdose? Black tar has just taken on a whole new meaning](#)

We can argue about whether BP and other oil giants are ramping up drilling due to the end of cheap and abundant oil on this planet or simply because of greed and a voracious obsession with profits. To engage in that kind of debate, however, is to ignore the most fundamental issue at the root of this disaster. Corporate culture, media, politicians, and the misguided American public are all failing to grasp the issue, and I suggest, are behaving like enablers responding to an addict's fatal overdose, as well as failing to recognize the extent to which they themselves are addicts.

Let me clarify: The addict is the oblivious citizen of industrial civilization who delusionally demands that he/she must at all costs maintain a lifestyle made possible by cheap hydrocarbon energy. That citizen overdosed on April 20, 2010 and may have taken the planet to their grave with them.

[Doomsayers Beware, a Bright Future Beckons](#)

Progress this century could be impeded by politics, wars, plagues or climate change, but Dr. Ridley argues that, as usual, the "apocaholics" are overstating the risks and underestimating innovative responses.

"The modern world is a history of ideas meeting, mixing, mating and mutating," Dr. Ridley writes. "And the reason that economic growth has accelerated so in the past two centuries is down to the fact that ideas have been mixing more than ever before."

Our progress is unsustainable, he argues, only if we stifle innovation and trade, the way China and other empires did in the past. Is that possible? Well, European countries are already banning technologies based on the precautionary principle requiring advance proof that they're risk-free. Americans are turning more protectionist and advocating byzantine restrictions like carbon tariffs. Globalization is denounced by affluent Westerners preaching a return to self-sufficiency.

But with new hubs of innovation emerging elsewhere, and with ideas spreading faster than ever on the Internet, Dr. Ridley expects bottom-up innovators to prevail. His prediction for the rest of the century: "Prosperity spreads, technology progresses, poverty declines, disease retreats, fecundity falls, happiness increases, violence atrophies, freedom grows, knowledge flourishes, the environment improves and wilderness expands."

[The EPA option likely to live to fight another day](#)

As people following the issue know, the only serious chance that a climate-change bill has to pass is that the business community gets so scared or tired of the EPA bluntly regulating carbon that they ask Congress to fashion a more workable solution. Lisa

Murkowski, a Republican Senator who professes deep concern about global warming and deep opposition to anything anyone might do to stop it, has predictably worked up a bill to bar the EPA from acting, thus removing the last, best hope of a climate-change bill.

[Bonuses can be a good thing - if they're linked to carbon emissions](#)

Growing numbers of firms are linking executive remuneration to environmental performance – Andrew Williams investigates those companies pioneering the concept of carbon bonuses.

[US must do more to fight tropical deforestation: NGOs](#)

WASHINGTON (AFP) – Environmental leaders pleaded Monday for greater US government commitment to helping preserve the world's endangered tropical rainforests, which are seen as key in the global fight against climate change.

"Tropical deforestation is a major contributor to global warming. It contributes about 15 percent of all greenhouse emissions according to most recent estimates," said Douglas Boucher of the Union of Concerned Scientists and chairman of the tropical forest and climate coalition, speaking to reporters.

[The Anthropocene Debate: Marking Humanity's Impact](#)

Is human activity altering the planet on a scale comparable to major geological events of the past? Scientists are now considering whether to officially designate a new geological epoch to reflect the changes that homo sapiens have wrought: the Anthropocene.

[China Asked to Measure Emissions in Latest UN Draft Treaty](#)

(Bloomberg) -- The latest draft United Nations climate treaty calls on large developing nations such as China and India to measure and verify their efforts to reduce greenhouse gas emissions, a key U.S. demand for a deal.

[Mediterranean climate change threatens health](#)

OSLO (Agencies): People in cities around the Mediterranean including Athens, Rome and Marseilles are likely to suffer most in Europe from ever more scorching heatwaves this century caused by climate change, scientists said on Sunday.

[Growing problem needs radical ideas](#)

The nation must completely rethink where and how it grows its food, a prominent scientist and NSW government adviser says.

John Williams, head of the NSW Natural Resources Commission, said we must shift production from the dry inland to the coast and stop development from devouring farms around our cities and large towns.

"With climate change we should have more food produced where more reliable rain is, rather than in the drier country," Dr Williams said. "We have to get it in balance with what the poor old rivers can afford."

[The lessons of climate history: implications for post-carbon agriculture](#)

Populous civilizations require agriculture. Agriculture requires climatic stability. Industrial civilization is rapidly eroding climatic stability. This can't end well. But ...there's some stuff we can do, and we have to try. So shut off your damn computer, get outside, and start building some agricultural resiliency!

[Oil, risk and technology: Choices we need to make](#)

From plastics to supermarkets, and from globalised industry supply chains to the layout of our towns and cities, almost every aspect of human life has been radically altered over the past 150 years by oil.

Although cheap and plentiful oil has given many people choices and freedoms that never existed before, our addiction has been costly, measured in increased air and water pollution, rampant land use change, overharvesting of our seas, increasing greenhouse gas emissions and consequent climate change, acid rain and urban sprawl.

After 150 years, and with the Gulf of Mexico being the latest place where a major oil spill threatens nature and people in predictable and unpredictable ways, it is time to look again at the technologies and risks involved in getting the oil to which our societies are addicted.

[Fallout From the Gulf Oil Spill](#)

LONDON — When the congressional hearings are forgotten and the catastrophe in the Gulf of Mexico has dropped from the headlines, the most surprising thing about the spill of millions of gallons of oil may be what it does not change about the business of BP and the rest of its often-vilified industry.

[Disaster Plans Lacking at Deep Rigs](#)

A huge jolt convulsed an oil rig in the Gulf of Mexico. The pipe down to the well on the ocean floor, more than a mile below, snapped in two. Workers battled a toxic spill.

That was 2003—seven years before last month's Deepwater Horizon disaster, which killed 11 people and sent crude spewing into the sea. And in 2004, managers of BP PLC, the oil giant involved in both incidents, warned in a trade journal that the company wasn't prepared for the long-term, round-the-clock task of dealing with a deep-sea spill.

It still isn't, as Deepwater Horizon demonstrates and as BP's chief executive, Tony Hayward said recently. It's "probably true" that BP didn't do enough planning in advance of the disaster, Mr. Hayward said. There are some capabilities, he said, "that we could have available to deploy instantly, rather than creating as we go."

['Need to clean up' energy agency, Salazar says](#)

WASHINGTON - Facing pressure from lawmakers and President Barack Obama, Interior Secretary Ken Salazar on Tuesday told senators that the "collective responsibility" to make sure the Gulf oil disaster is never repeated starts with his department, and specifically, the agency that regulates offshore drilling.

"We need to clean up that house," Salazar said at a hearing, referring to the Minerals Management Service.

Asked if the MMS had properly regulated the blowout preventers like the one that failed on the Deepwater Horizon rig, Salazar said: "No."

[\\$10 bln oil liability cap not enough: Senator Reid](#)

(Reuters) - A proposed cap of \$10 billion in liability for oil companies to cover damages from oil spills is "inadequate," U.S. Senate Majority Leader Harry Reid said on Monday.

Democrats have introduced legislation that would raise the current \$75 million liability cap to \$10 billion per company for each incident. Reid urged fast action on raising the cap, saying that \$75 million was "clearly insufficient" but, "I certainly think a \$10 billion cap is inadequate."

[Lawyers lining up for class-action suits over oil spill](#)

On April 21, with the Deepwater Horizon drilling rig still in flames, John W. Degravelles and a group of other lawyers sued for damages. In the first of at least 88 suits filed since the disaster, they were seeking compensation for the widow of a Transocean worker who went missing and is presumed dead.

[Deep coral in path of Gulf oil plumes](#)

NEW ORLEANS - Delicate coral reefs already have been tainted by plumes of crude oil spewing into the Gulf of Mexico, including a sensitive area that federal officials had tried to protect from drilling and other dangers.

And marine scientists are worried even more of the deep-sea reefs could be damaged as the thick goo creeps into two powerful Gulf currents. The oil has seeped into areas that are essential to underwater life, and the reefs tend to be an indicator for sea health: when creatures in the reefs thrive, so do other marine life.

[Q. and A.: Tending to His Bayou Constituents](#)

Charlie Melancon represents the Third Congressional District of Louisiana, which covers much of the state's rural southeast. This region of bayous, wetlands, rivers and estuaries, where many earn their living through commercial fishing, is now directly threatened by the huge oil slick hovering just off the coast of the Gulf of Mexico.

Mr. Melancon, a Democrat, also sits on the Energy and Commerce Committee, which has jurisdiction over oil exploration and production. We spoke with him by phone about the Deepwater Horizon blowout, its impact on the people of his district and the future of offshore drilling in the gulf. Responses have been edited for brevity and clarity.

[Clinton touts deal on Iran sanctions](#)

WASHINGTON - Secretary of State Hillary Rodham Clinton said Tuesday the United States has agreed with China, Russia and other major powers on a proposal for "strong" new sanctions against Iran's nuclear program.

Clinton told a Senate committee that the five permanent members of the Security Council — Britain, China, France, Russia and the U.S. — along with Germany would send a new draft sanctions resolution to the entire council later Tuesday, capping months of painstaking negotiations.

[Russia weighs East Siberia oil tax](#)

Russia may start applying export duties on oil produced in East Siberia as early as July, according to reports.

"We believe we could begin from July," Deputy Finance Minister Sergei Shatalov told Russian news agencies ahead of consultations between Finance Minister Alexei Kudrin

and the energy ministry.

"We want to have at least a preliminary accord".

[Origin Sees No 'Driver' for Queensland LNG Mergers](#)

(Bloomberg) -- Origin Energy Ltd., ConocoPhillips' partner in a A\$35 billion (\$31 billion) liquefied natural gas venture in Australia's Queensland state, said it doesn't see a "driver" that will prompt mergers between rival projects.

"Its time has not yet come," Managing Director Grant King told reporters in Brisbane. "That doesn't mean it won't. There's a fascination with consolidation, but it's not the right time to be fascinated."

[Hoaxers target Shell with bogus Nigeria news](#)

(Reuters) - Hoaxers targeted oil and gas major Royal Dutch Shell Plc on Monday, sending a bogus statement to news organisations about the company's operations in Nigeria.

The e-mail, complete with Shell logo and links to genuine websites including Shell's own, as well as to Shell's customary footnotes about forward-looking statements, said the company planned to halt deepwater drilling off the coast of Nigeria.

[Report warns of oil sands impacts](#)

CALGARY - Investors face growing environmental, financial and social risks unless developers of Canada's oil sands come up with clearer plans to deal with carbon emissions, water use and land reclamation, a report concluded yesterday.

The study, written by Risk-Metrics Group, said oil sands projects require crude prices of at least US\$65 a barrel, and possibly more than US\$95 a barrel, to justify US\$120-billion in planned expansions over the next 10 years.

[Stop knocking oil sands, Quebec told](#)

MONTREAL - The former head of Quebec's largest employer group says the province has to bury its criticism of Alberta's oil sands because much of it is based on myths and ignores the fact that the resource generates wealth for all of Canada.

[China to buy 7 Brazil transmission firms - reports](#)

RIO DE JANEIRO (Reuters) - China's state-run electricity grid firm has agreed to buy seven Brazilian transmission companies from Plena Transmissoras for 3.1 billion reais (\$1.72 billion), local media reported on Tuesday.

Plena, controlled by a group of Spanish energy firms, will sell seven of its 12 transmission divisions to State Grid Corp of China, according to the business daily Valor Economico, which cited a Plena official.

[Nissan Predicts Challenge When Electric-Car Incentives Are Cut](#)

(Bloomberg) -- Nissan Motor Co., the Japanese automaker struggling to make its Leaf electric car affordable, says it expects governments to begin phasing out incentives in three years, denying consumers the full benefit of cost savings from bigger scale and better technology.

Governments won't provide sales subsidies indefinitely and may begin a phase-out when current commitments expire in three years, Nissan Senior Vice President Simon Thomas said today in an interview in London, where he announced European prices for the Leaf electric car.

[Range Rover hybrid confirmed](#)

Land Rover has confirmed that it will be testing its first diesel hybrid by the end of 2010.

[With Solar Valley project, China embarks on bold green technology mission](#)

DEZHOU, CHINA -- Uprooting the last traces of rural life on the edge of this northern Chinese city, laborers with chain saws spent a recent morning cutting down trees to make way for a hulking factory. A big red banner trumpeted the future for what used to be farmland: "The Biggest Solar Energy Production Base in the Whole World."

[Climate change: Four futures](#)

As the debate over the climate bill heats up, there's one rule of thumb that may help you keep your bearings as the rhetoric becomes more gaseous and the weeds grow ever higher around the facts.

It's this: There are, in the end, only four possible futures here.

[Peter Tertzakian: Possible non-OPEC oil supply surge to put pressure on prices?](#)

We're in an era when no assumptions can be taken for granted. For example, a few years ago we assumed that North American natural gas production was in gradual decline, a notion that was quickly put to rest with the onslaught of shale gas by the end of the decade.

Around the same time we assumed that US oil consumption would keep growing on the back of progressively bigger and heavier SUVs and the pursuit of longer and more congested commutes to work – another notion that was challenged around 2007, when US gas guzzling peaked and started a gradual downward trend. And we used to assume that oil supply among non-OPEC producers – notably exporters like Russia, Brazil and Norway – wouldn't grow by more than a few hundred thousand barrels-a-day, per year, if at all. But now that latter assumption is open to a reality check as well.

[Oil major model challenged by shift to gas](#)

Oil majors have shifted towards natural gas as the world's best oil territory is increasingly off limits, but the trend raises big questions about their future profitability and business model.

The profitability of gas has been undermined by huge reserves of shale gas and a supply glut after recession knocked a deep dent into industrial demand.

[Money illusion and 'real backwardation' in oil](#)

For inflation of more than 2 percent, averaged over five years, the market is offering investors the opportunity to buy forward crude futures for less than today's spot oil price, in real terms. There are three possible explanations for this strange state of affairs:

(a) The market expects oil prices to fall in real terms over the next five years (because supply remains ample or demand is expected to fall as conservation and substitution bite into consumption). In this scenario, peak oil is a myth. Prices will actually drift lower (in real terms) as previous shortages dissipate.

(b) The market is assuming inflation will remain low (less than 1.75 percent over the next half-decade). The economy might even suffer deflation. Sluggish growth and surplus capacity will ensure prices rise slowly, even decline. In a low-growth, deflationary environment, demand for oil, and oil prices, are unlikely to rise much.

(c) The market is mis-valuing far forward contracts, marking them too low to fully reflect the compounded effect of rising prices over five years.

[Oil Rebounds From Five-Month Low on Forecast of Growing Demand](#)

(Bloomberg) -- Crude oil rose after dipping below \$70 a barrel to a five-month low in New York yesterday, on forecasts that demand is picking up in the U.S.

Oil snapped five days of losses before a U.S. Energy Department report tomorrow that's forecast to show refinery operating rates increased and gasoline inventories dropped as summer driving season approaches. Yesterday, futures fell 2.1 percent on concern Europe's sovereign-debt crisis may derail the global economic recovery and reduce consumption.

[Cushing Glut Weakens U.S. Crude Against Brent](#)

(Bloomberg) -- Oil for July delivery in New York is weakening relative to London contracts as inventories at the U.S. storage hub rise to record levels.

[India: Govt to review fuel pricing in June - govt source](#)

NEW DELHI (Reuters) – The government will review its fuel pricing system next month and may allow state-run firms like Oil and Natural Gas Corp to gradually raise the price of natural gas to level charged by Reliance Industries, a top government official said.

A panel of ministers headed by Finance Minister Pranab Mukherjee would meet in the first week of June to consider changes in the system in which the government sets the price of petrol, diesel, cooking gas and kerosene, the official, who did not want to be identified, told reporters.

[Tropical Cyclone Laila Churns Across India's Bay of Bengal](#)

(Bloomberg) -- Tropical cyclone Laila churned across the Bay of Bengal, the site of India's biggest natural gas field, and was forecast to reach hurricane strength before making landfall late on May 20 in Andhra Pradesh on the east coast.

[Exxon in Talks to Sell Australian Filling Stations](#)

(Bloomberg) -- Exxon Mobil Corp. is in talks to sell its Australian service stations after a proposed A\$300 million (\$262 million) deal with Caltex Australia Ltd. was blocked by a regulator.

"It's not our business model," Exxon Mobil Australia Chairman John Dashwood said in an interview in Brisbane today. "I guess the distinction I make is, are you an oil and gas

company or are you a groceries company? The industry has changed to the point where the two meld, and some have used the shop to move fuel. We're not in the business of being a shop."

[Sinopec wary of high cost of Saudi refinery investment](#)

China's Sinopec Corp said on Tuesday it has not yet entered formal discussions with Saudi Aramco over investing in the giant Yanbu refinery in Saudi Arabia, due to concerns about the high investment cost there.

"A 400,000 bpd (barrels per day) refinery costs around 30 billion yuan (\$4.4 billion) in China, but would require 50 billion yuan investment in Saudi Arabia. We are concerned about the returns on investment," Sinopec Corp Chairman Su Shulin told reporters.

[Sinopec May Sell \\$6.3 Billion of Bonds for Expansion](#)

(Bloomberg) -- China Petroleum & Chemical Corp. may sell as much as 43 billion yuan (\$6.3 billion) of bonds to fund upgrades of refineries and petrochemical plants to meet rising demand in the world's fastest-growing major economy.

[BP prepares for 'top kill' to plug well](#)

BP is siphoning up to 1,000 barrels of oil a day from the undersea leak in the Gulf of Mexico and hopes to double that while workers close in on another attempt to shut down the well for good.

[Key oil oversight official steps down following spill](#)

WASHINGTON (AFP) – Chris Oynes, a top official overseeing offshore energy for the US Minerals Management Service -- an agency blamed for lax inspection in the Gulf of Mexico oil spill -- announced his retirement Monday, his agency said.

"After 35 years of service he will be retiring from the agency," an official at the Department of the Interior, which includes MMS, told AFP on condition of anonymity.

[Political fallout grows from Gulf spill](#)

NEW ORLEANS, Louisiana (AFP) – The interior secretary faces lawmakers Tuesday over a huge and growing Gulf oil spill that engineers are struggling to control and scientists fear could threaten Florida's coral reefs.

[U.S. to probe spill as BP says more oil contained](#)

HOUSTON/COCODRIE, Louisiana (Reuters) – Energy giant BP said on Tuesday it was now able to siphon off about 40 percent of the oil gushing from a ruptured well in the Gulf of Mexico but has not been able to stop the leak, as President Barack Obama is to create a commission to probe the spill.

BP's progress in capturing more oil through a tube inserted by undersea robots into the mangled "riser" pipe of the well came amid new evidence that a powerful sea current in the Gulf was pushing the crude closer to the U.S. Eastern seaboard.

[BP chief says oil leak impact 'very modest'](#)

LONDON (AFP) – British energy group BP said Tuesday the Gulf of Mexico leak will have only a "very modest" environmental impact, adding that its engineers are siphoning up twice as much oil as previously thought.

[BP chief says oil spill will not halt industry](#)

FRANKFURT (AFP) – The head of BP, Tony Hayward, said Tuesday in an interview that its massive oil spill in the Gulf of Mexico will change the industry but not stop it.

"The United States and the world need this oil," Hayward told the daily Frankfurter Allgemeine Zeitung (FAZ). "Almost 30 percent of US oil production comes from the Gulf of Mexico," he added.

"That is why I think this accident will change the oil industry but not stop it" from developing offshore resources, Hayward said.

[BP, Deepwater Drillers Unprepared for Oil Leaks, Lieberman Says](#)

(Bloomberg) -- Regulators under Interior Secretary Ken Salazar failed to require deepwater drillers including BP Plc to show how they would control leaks like the well gushing at least 5,000 barrels of oil a day into the Gulf of Mexico, U.S. Senator Joseph Lieberman said.

[The BP Oil Spill: Unexpected Consequences](#)

In the Gulf oil spill, two big lapses have combined into a perfect storm of irresponsibility. First, the black hole in drilling standards highlighted by my colleague Elliot Clark of Corporate Responsibility Magazine. Second, the reality that BP had no contingency plan

for a catastrophic blowout. but will nevertheless be partially rescued by government clean-up operations and court limits on plaintiff settlements. That perfect storm will result in two mammoth, unexpected financial consequences.

[Spill reinforces oil bad will for American Indians](#)

"If you see pictures from the sky, how many haphazard cuts were made in the land, it blows your mind," said Patty Ferguson, a member of the Pointe-Au-Chien tribe. "We weren't just fishermen. We raised crops, we had wells. We can't anymore because of the salt water intrusion."

As companies intensified their search for petroleum in the 20th century, communities where the Choctaw, Chitimacha, Houma, Attakapas and Biloxi tribes married Europeans in the 1800s have seen their way of life disappear.

"This is not a two-week story, but a hundred-year story," said Michael Dardar, historian with the United Houma Nation tribe. "Coastal erosion, land loss and more vulnerability to hurricanes and flooding all trace back to this century of unchecked economic development."

[Louisiana shrimpers glum despite oil leak progress](#)

COCODRIE, Louisiana (Reuters) – News that energy giant BP has made progress in curbing the flow of oil gushing from the floor of the Gulf of Mexico did little to lighten the mood of downtrodden fisherman along Louisiana's coast on Monday.

"They should have plugged it up in the first place," said Drake Dupre, 48, a gray-bearded shrimp boat captain in the Terrebonne Parish village of Chauvin, as he hosed down his vessel. "They're doing all this stupid stuff first."

Gesturing to his docked trawler, named for his son, Drake Paul, he added ruefully, "Beautiful boat like this -- probably have to cut it up for scrap."

[12 ways to cash in on the 'collapse of Eearth'](#)

After quoting a 2003 Pentagon report -- "as the planet's carrying capacity shrinks, an ancient pattern of desperate, all-out wars over food, water, and energy supplies would emerge" -- McKibben offers three sane solutions: Cut carbon emissions, reduce our obsession with economic growth and return to sustainable local farming. But while agreeing in his New York Times review, even advocate Paul Greenberg sees little chance of McKibben's ideas changing opinions or reversing the destiny of Eearth:

"In the absence of some overarching authority, a kind of ecologically minded Lenin," McKibben's solutions "will remain hipster lifestyle choices rather than global game changers." But eventually, says Greenberg, "Eearth itself will be that ecological Lenin, a

harsh environmental dictator that will force us to bend to new rules."

[Current financial system at heart of global woes](#)

Paul Krugman, the Nobel Prize-winning economist, says that a global collapse may have been averted. A recession, however, is almost certain while a deep and long depression is possible. The question now frequently asked is: has the market reached the bottom yet? It seems there is still much more downside to the markets, judging by the size of the derivatives bubble, a gargantuan \$561 trillion or 10 times the global output of the real economy.

But at the heart of our economic woes is a financial system that is based on endless economic growth driven by a debt-based money system of compound interest and fractional reserve banking. Unfortunately, exponential economic growth is not sustainable on a finite planet with finite resources. Our current money system whereby 95 percent of our money supply is issued in the form of loans from private banks, where only the principal is created but never the interest, leads to a scarcity of money in circulation. This system is fundamentally dependent on perpetual lending and new money creation for its own sustenance.

[Start changes before energy crisis forces them](#)

Most of us are aware that we should drastically lessen our impact on our planet, but we do nothing.

No crystal ball is needed to see where humanity is collectively heading.

Diminishing crude oil reserves will be the next thing to affect us. The most accessible deposits are gone. Recent news shows what desperate lengths humanity is prepared to go to for the remainder.

[Peru resumes oil auction amid optimism](#)

LIMA (UPI) -- Peru returned to oil auctions in a strong signal to the market it would seek to clean up the scandal-ridden national hydrocarbons industry.

The new bidding process involves 25 new blocks, mostly in the Amazonian forest region and is likely to be followed by more auctions later.

[Scientists Weigh Use of Bacteria for Cleaner Fossil Fuel Production](#)

Much of the world's oil reserves lies in giant tar sand stretches in places like Alberta and Venezuela. While the oil industry uses an energy-intensive and fairly dirty process to make steam to cook the oil out of the tar sands, underground bacteria simply eat the crude oil and break it down into methane, or natural gas.

[Drax Sees 'Very Strong' Forward Power Sales Position](#)

(Bloomberg) -- Drax Group Plc, the owner of western Europe's biggest coal-fired power plant, said it is benefitting from a "very strong" position in forward electricity sales as commodity markets "remain challenging."

[An energy commodity more vital than crude oil](#)

Coal may be the last thing on earth that many investors would consider putting a dime into.

But the world is on course to transition back to coal. You may wish it wasn't the case, but it's inevitable. Coal isn't as clean of a fuel source as other options - but there is room for clean coal technologies to improve, and I believe they will. Investors should have a position in coal companies to be able to profit from the transition - or risk being left behind.

[Peabody Looks Elsewhere After Macarthur Rejects Bid](#)

(Bloomberg) -- Peabody Energy Corp., the largest U.S. coal producer, will seek other investment opportunities after Macarthur Coal Ltd. rejected its reduced A\$3.8 billion (\$3.3 billion) takeover offer.

['Dark Ages' of dirty fuel will be remembered](#)

The Upper Big Branch mine explosion. TVA's coal ash lagoon disaster. The Deepwater Horizon blowout. In years to come these events will stand as epitaphs for the end of the Dark Ages of dirty fuel -- the moment when Americans saw the (sun)light and committed themselves to lose their addiction to fossil fuels. The death toll connected to living a fossil fuel-oriented life is palpable. One need only look at the U.S. deaths this year alone in mine explosions (31) offshore rig blowouts (12) and coal ash disasters (TBA -- suspected cancer, liver damage and nervous-system disorders). The death toll worldwide this year is probably closer to over 1000 dead.

If we add to the equation the people who die as a direct consequence of dirty fuel, the true price is shocking.

[Glencore's Profit Doubles on Commodity Price Rebound](#)

(Bloomberg) -- Glencore International AG, the world's largest commodity trader, said first-quarter profit more than doubled after a rebound in metal and energy prices.

[Megacity to kick off new BMW sub-brand lineup of radical electric vehicles, some sporty](#)

It's the Megacity that will officially launch a lineup of future electric vehicles from BMW. The Megacity is more than just another electric car, it's part of an entire sub-brand that the company will launch featuring nothing but radical electric vehicles. The sub-brand will feature some sporty electric offerings that promise to deliver on the brand's "Ultimate Driving Machine" slogan. *Autocar* reports that we can expect the yet-to-be-named sub-brand of EVs to feature a "new design language" that draws some styling cues from mainstream BMW models.

[Mitsubishi Electric launches 'smart grid' pilot project](#)

TOKYO (AFP) – Mitsubishi Electric launched Monday a "smart grid" pilot project that aims to boost the stability of electricity supplied from weather-dependent sources such as solar and wind power.

The Japanese giant said it would invest seven billion yen (76 million dollars) by March 2012 in facilities in its domestic production centres to test how to maintain stable power from fluctuating renewable energies.

[Massachusetts: F.A.A. Clears Wind Farm](#)

One of the last remaining hurdles to a proposed wind farm off Cape Cod was cleared Monday when the Federal Aviation Administration said the farm's developer, Cape Wind, had agreed to fix the air traffic control radar system at nearby Otis Air Force Base.

[In Poland, Dalkia launches its largest ever biomass project](#)

WARSAW (AFP) – Dalkia, owned by French energy giant EDF and Veolia Environnement, on Monday said it would build two biomass generators in Poland worth 70 million euros by 2012, in its largest-ever biomass project.

[Digging deeper](#)

And something else has come up: the depletion of reserves of some metals due to

growing global demand, as has been researched by professor Tom Graedel from Yale University, Swedish geoscientist Harald Sverdrup, Diederer and others. Analysis of the USGS data on reserves show that metals such as silver, copper and tin will be depleted in 20 years.

But this is a heavily debated topic. Some experts say the data on reserves is incomplete as it is expensive to prove the reserves because it requires the drilling and testing of ore for extraction rates. Others, such as Ugo Bardi from the University of Florence, and Diederer, claim that, "mining of metals will be affected by peak oil". In their opinion, resources cannot be turned into reserves because energy will be too expensive.

[Iran Deal Defended by Brazil: U.S., Allies Skeptical](#)

(Bloomberg) -- The U.S. and its European allies expressed skepticism about Iran's agreement to swap enriched uranium for nuclear fuel, even as other nations on the United Nations Security Council said the deal may defuse tensions.

"This creates an absolutely new situation," said Brazilian Foreign Minister Celso Amorim in radio comments recorded yesterday in Tehran. Brazil, working with Turkey, brokered an arrangement that Amorim said "totally attended" to questions from nations seeking tougher sanctions on Iran.

[Non-profit Panera cafe: Take what you need, pay what you can](#)

Imagine walking into a Panera Bread and picking out anything you wanted to eat or drink — then, at the end of the line, instead of handing your money to a cashier, you faced a donation box.

What would you do if you knew that some of the money you placed in the box would be used to train at-risk youths or to feed folks lacking funds to feed themselves?

That's what Panera Bread is trying to find out this week in an outside-the-box experiment in St. Louis. It's a concept that has never been tested by a restaurant chain — and that marks a new career for Ron Shaich, who stepped down as Panera's CEO last week.

[Crews fish out lost nets to save trapped wildlife](#)

Beneath the frigid waters of Washington state's Puget Sound, thousands of abandoned nets once used by fishermen to trap salmon by their gills keep working.

They now indiscriminately catch marine life. With no one to pull up the plastic nets, captured animals can't escape and become bait for other creatures to enter the nets.

[Al Gore takes on BP oil crisis, global warming in Monterey](#)

MONTEREY — Protesters and supporters greeted former U.S. Vice President Al Gore in downtown Monterey on Monday as the Nobel Peace Prize winner came to answer the question: "Can we save the planet that sustains us?"

No clear-cut answers were forthcoming, however, although Gore shared his thoughts on current environmental policies, ideas for decreasing carbon dioxide emissions, and what the average American can do to help combat global warming.

[Figueres, New Head of UN Climate Talks, Foresees Deal](#)

(Bloomberg) -- Christiana Figueres of Costa Rica, named today to lead the United Nations global warming talks, said she's sure there will be an international treaty to limit climate change during her three-year term in office.

"I am 100 percent certain," Figueres, 53, said in a telephone interview. She said her immediate goal is a series of "confidence-building" measures to ease friction between industrialized and developing nations before formal negotiations scheduled to begin in November in Cancun, Mexico.

[Arctic team reports unusual conditions near Pole](#)

A group of British explorers just back from a 60-day trip to the North Pole said Monday they had encountered unusual conditions, including ice sheets that drifted far faster than they had expected.

The three-member team walked across the frozen Arctic Ocean to study the impact of increased carbon dioxide absorption by the sea, which could make the water more acidic and put crucial food chains under pressure.

[Warmest April Global Temperature on Record, NOAA Says](#)

ScienceDaily — The combined global land and ocean surface temperature was the warmest on record for both April and for the period from January-April, according to NOAA. Additionally, last month's average ocean surface temperature was the warmest on record for any April, and the global land surface temperature was the third warmest on record.



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