



# Drumbeat: May 20, 2010

Posted by Leanan on May 20, 2010 - 9:26am Topic: <u>Miscellaneous</u>

Arizona threatens to cut off LA electricity supply

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In response an Arizona utility commissioner raised the prospect of the state's utility companies cutting Los Angeles off.

Mr Obama ruled out a petrol-tax increase almost from the beginning of his presidency, saying it would threaten recovery. The administration recently opposed a carbon fee on fuels in a draft Senate climate bill for similar reasons.

China to keep Iran projects on track

BEIJING — China's biggest oil company is pressing ahead with oil-and-gas projects in Iran valued at billions of dollars, its top executive said, highlighting Beijing's strong economic ties to Tehran even as China has signed onto a U.S.-led sanctions effort against Iran.

# Iran oil trade thrives

FUJAIRAH, United Arab Emirates—An oil tanker named Front Page, chartered by Royal Dutch Shell PLC, left this port on March 17 and reported it was going to another U.A.E. port, then on to Saudi Arabia, ship-tracking data show.

But the tracking information reveals that Front Page also made an unreported stop—to the coast of Iran. There it loaded Iranian oil, according to records obtained by oil traders and shipping sources.

The incident, some oil-industry experts say, is an example of how some companies these days are hiding their business dealings with Iran, even when they are perfectly legal because they aren't subject to any sanctions.

#### What is The Right Price of Oil?

The big question now is, what is the right price of Oil. Fadel Gheit, a Senior analyst at Oppenheimer had opined in March that any price of Oil above \$60 is a result of speculation. Mukesh Ambani, of Reliance while addressing fellow refiners at Mumbai last week had asked them to be ready for oil prices between \$80 to \$100 during the year to come.

The fair price of oil is highly debatable. It will however have to be both sustainable for the producers as well as cost effective for the buyers. The range of \$65 to \$70 looks the likely price that will balance the interest of both groups as it leaves a healthy profit margin of \$15 to \$20 billion for big producers like Saudi Arabia and drives gasoline prices to a comfort zone for energy guzzling nations like US and China.

#### Why gasoline prices haven't fallen

The price of crude oil has fallen 19 per cent in the past two weeks but prices at the gas pump in Ontario have barely budged. Why?

It depends who you ask.

Everyone agrees the two don't always rise and fall in tandem, at least not in the short term.

But that's where the agreement ends.

# What's next for the oil spill?

The Gulf of Mexico oil spill is entering a new phase, one month after the explosion that touched off the disaster. It's finally sinking in among environmental experts, policymakers and the general public that this spill is unlike any other. The impact will be felt hundreds of miles away from the deep-sea leak, for years after it's been stopped.

# U.S. judge delays Chevron subpoena for "Crude" film

NEW YORK (Reuters) - A U.S. filmmaker has 10 more days to decide whether to comply with a subpoena ordering that he give Chevron Corp raw footage of a documentary on the 17-year-old legal fight over oil pollution in the Amazon rainforest in

#### Ecuador, a judge ruled on Thursday.

# Why everyone will soon love "clean coal"

(Fortune) -- The one green technology that politicians of all parties seem able to rally around is "clean coal." Coal generates about half of America's electricity -- a quickly rising figure -- and a third of its carbon dioxide emissions. The chance of replacing it with solar or wind in anyone's lifetime is tiny -- and besides, solar and wind companies aren't exactly the same caliber of donor as the coal industry when it comes to Capitol Hill.

So it's not surprising that a technology promising to remove the carbon dioxide from coal-burning emissions and store it deep underground has gained powerful backers, including President Obama and Secretary of Energy Steven Chu. There's only problem with it: So far it's just a theory that is being tested.

#### Europe's solar eclipse

One of the consequences of Europe's financial mess that hasn't gotten a lot of attention is that shares of companies in the once red-hot solar sector have gotten absolutely pummeled.

# How Would You Spend Your Daily 100 watts?

The vast majority of us send money to the local utility for electricity every month. What if we invested that same sum in our own power generation? It's called "owning the means of production" in a quasi-Marxist perspective, "self-sufficiency" in another context, and "Yankee ingenuity"--a concept which has almost been lost in our selfindulgent, entitlement culture which looks to sell-your-soul-to-the-Devil "financial innovations" as the "solution" to our problems.

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companies cutting Los Angeles off.

#### Stuart Staniford: Singularity > Climate Change > Peak Oil > Financial Crisis

While lying awake late at night worrying about what kind of world my children will inherit, I find it helpful to come up with schemas for the most obvious and inevitable of the large societal problems. It makes them seem slightly more manageable to place them in order of importance, or time. Further, being clear on what are the biggest and most important problems is an essential prerequisite to thinking about solutions: these problems all interact, and solutions to the smaller of them may not be radical enough to address the larger of them.

In this post, I would like to argue for the above ordering of problems. I mean the '>' symbol in two senses: "A > B" meaning both "The main impact of A will fall later in time than the main impact of B", and also "A is a more serious and fundamental threat to humanity than B". While a full explication of the arguments would occupy a number of books, today you are going to have to make do with a single measly blog post, albeit longer than usual.

# As Oil Spreads, BP Says it Underestimated Flow

(CBS/ AP) BP conceded Thursday that more oil than it estimated is gushing into the Gulf of Mexico as heavy crude washed into Louisiana's wetlands for the first time, feeding worries and uncertainty about the massive month-long spill.

Mark Proegler, a spokesman for oil giant BP PLC, said a mile-long tube inserted into a leaking pipe over the weekend is now capturing 210,000 gallons a day - the total amount the company and the Coast Guard have estimated is gushing into the sea - but some is still escaping. He would not say how much.

#### Gulf oil spill: Obama's regulatory response falls short

Before April 20, most Americans had probably never heard of the Minerals Management Service, the federal agency that oversees oil and gas production in federal waters. Now, with oil from the Deepwater Horizon blowout closing wildlife refuges and fishing grounds in the Gulf of Mexico, the MMS is facing tough questions about its role in the disaster. Its cursory environmental review minimized the prospects of a large spill, and it failed to demand that BP have a realistic response plan in place before drilling.

#### Afghans choke over loss of nuts

HERAT - Mullah Samandar finds it hard to control his emotions as he swings his ax at

the trunk of a pistachio tree.

"When I cut down pistachio trees, I cry and my tears don't stop," the 55-year-old said, explaining that he had no other way to provide his family with fuel. "Times are hard and I do not have a job, a salary or any opportunity to find a job. We are even forced to eat plants we gather on the mountains."

# Kjell Aleklett: Agriculture as provider of both food and fuel

A database of global agricultural primary production has been constructed and used to estimate its energy content. The portion of crops available for food and biofuel after postharvest losses was evaluated. The basic conditions for agriculture and plant growth were studied, to ensure sustainable scenarios. The net energy contents for the world and EU27 was found to be 7200-9300 and 430 TWh respectively, to be compared with food requirements of 7100 and 530 TWh. Clearly, very little, or nothing, remains for biofuel from agricultural primary crops. However, by using residues and bioorganic waste, it was found that biofuel production could theoretically replace one fourth of the global consumption of fossil fuels for transport. The expansion potential for global agriculture is limited by availability of land, water and energy. A future decrease in supply of fossil energy and ongoing land degradation will thus cause difficulties for increased biofuel production from agriculture.

# Botswana fear food shortage during World Cup

The World Cup due to kick off in June in South Africa has brought excitement for many African countries but for Botswana it may prove to be difficult times.

Many in Botswana are scared that as the whistle blows at the FIFA World Cup it will also mean shortage on many of the foodstuffs and electricity which the country imports from South Africa.

# The food situation is of grave concern in part of the Sahel, notably in Niger

In 2009, agricultural production has been seriously affected in parts of the Sahel following late onset of rains, prolonged dry spells and significant pest infestations. The eastern and central parts of the Subregion were most affected with cereal outputs estimated to have declined by 30 percent in Niger, 17 percent in Burkina Faso and 11 percent in Chad, compared to 2008. Although favourable growing conditions boosted cereal output in most of the western part, irregular rains led to a 24 percent drop in cereal production in Mauritania.

In addition to the decline in cereal production, pastures were seriously affected in the pastoral and agropastoral zones of Sahel. For instance, biomass production in pastoral areas of Niger in 2009 was estimated to be 62 percent below domestic requirements. This deficit is three times as severe as in the previous year.

#### John Michael Greer: Garlic, chainsaws, and Victory Gardens

Warren Johnson's *Muddling Toward Frugality* has fallen into the limbo our cultural memory reserves for failed prophecies; neither he nor, to be fair to him, anybody else in the sustainability movement of the Seventies had any idea that the collective response of most industrial nations to the approach of the limits to growth would turn out to be a thirty-year vacation from sanity in which short-term political gimmicks and the wildly extravagant drawdown of irreplaceable resources would be widely mistaken for permanent solutions.

That put paid to Johnson's hope that simple, day by day adjustments to dwindling energy and resource supplies would cushion the transition from an economy of abundance to one of frugality. His strategy, though, still has some things going for it that no other available approach can match: It can still be applied this late in the game; if it's done with enough enthusiasm or desperation, and with a clear sense of the nature of our predicament, it could still get a fair number of us through the mess ahead; and it certainly offers better odds than sitting on our hands and waiting for the ship to sink, which under one pretense or another is the other option open to us right now.

#### Utah Officials Seek to Block Onshore Drilling Changes

Utah officials launched a two-pronged attack Wednesday on the Interior Department's newly unveiled reforms for onshore oil and gas leasing.

Sen. Bob Bennett introduced legislation in Congress that would block the increased red tape under the changes, which the Utah Republican warned would drive the nation's energy production "into a ditch."

#### Conoco German Refinery Shutdown to Last Weeks After Fire Damage

(Bloomberg) -- ConocoPhillips's biggest European refinery will be closed for weeks of repairs and inspections after fire damage at the plant this month, two people familiar with the situation said.

# Henry Groppe: Time to Go Long Natural Gas

Henry Groppe, a Texas petroleum analyst with a long track record of betting against the herd, believes natural gas will *double* by the end of summer 2010.

He's arguing that shale wells are depleting rapidly, and that there is a real shortage of gas "which will become apparent this summer in dramatic fashion," according to *The* 

*Globe and Mail.* "Gas inventories are about to get a lot tighter... new supplies are overstated, and prices are headed north of \$8 by the end of summer."

#### Kuwait Airways incurs big loss in 2009: chairman

KUWAIT CITY — State-owned Kuwait Airways incurred a 55 million dinar (189 million dollar) loss last year due to stiff competition and high fuel prices, its chairman said in comments published on Thursday.

Al-Qabas newspaper quoted Hamad al-Falah as saying that 65 million dollars were lost due to stiff competition in the local market and 20 million dollars due to higher fuel prices.

#### **BP** Rebuts Atlantis Allegations

BP rebutted allegations that its Atlantis platform in the Gulf of Mexico operated with incomplete and inaccurate engineering documents.

Responding to claims that flawed or missing documentation posed a threat to safe operation of the platform, recently made in various news programs and print media, BP said it had thoroughly investigated these claims when they were first made by a former contract worker in 2009 and found them to be without substance.

News from the Gulf Spill: Exxon good, BP bad

One of the most stunning outcomes of the now month-long oil spill in the Gulf of Mexico is the utter reversal of corporate images it has generated. At once, Exxon -- for two decades tarred as the callous, greedy and dirty culprit in the Valdez oil spill in Alaska -is regarded in expert circles as the squeaky clean, state-of-the-art, cutting-edge model of safe, environmentally friendly oil drilling. And BP -- which spent tens of millions of dollars under former CEO John Brown successfully branding itself as the green, publicly interested conscience of the industry -- is now the poster child of the devil-may-care, dollar-grubbing, environmentally and labor unfriendly oil company.

# Rush to find crude on land since gulf oil spill

Occidental Petroleum Corp., the oil explorer that pumps enough crude to fill a supertanker every four days, is leading a rush to find crude on land as BP Plc's Gulf of Mexico disaster spurs tougher offshore-drilling rules.

Occidental on Wednesday doubled its estimate for a discovery near Bakersfield to the equivalent of as much as 500 million barrels of oil, which would have a value of more

than \$34 billion at current prices. The Los Angeles company bucked the oil-industry migration to deep-sea drilling during the past decade and focused on onshore fields from California to Texas to Abu Dhabi.

#### Electric Car Projects Have the Most Buzz for Green Investors

Investors' bullishness over the electric car business is showing no signs of abating. On Wednesday, a startup electric carmaker CODA Automotive said it has bagged \$58 million in venture capital for the launch of its first vehicle.

#### Americans Want Better Fuel Economy -- but Keep Buying SUVs

As the economy continues to improve, Americans are hitting dealer showrooms once again in search of new cars and trucks. With average gas prices hovering just shy of a lofty \$3 a gallon, it would seem a safe bet that most new cars moving off dealer lots are fuel sippers. But recent data suggests that as the economy revs up, new-car buyers are less interested in fuel-efficient vehicles.

# Monbiot: What's not to like about high-speed rail? The case simply hasn't been made

The 2007 report shows that even if everyone flying between London and Manchester switched to the train, the savings wouldn't compensate for the extra emissions a new line would cause. "There is no potential carbon benefit in building a new line on the London to Manchester route over the 60-year appraisal period." A switch from plane to train could even increase emissions. Unless the landing slots at present used by domestic flights are withdrawn by the government, they are likely to be used instead for international flights. The government has no plan for reducing total airport space.

#### Why Wal-Mart's sales should have everyone worried

So who are you supposed to believe? In this case, Bentonville. When Wal-Mart, an economic bellwether, notes that customers can't afford the gas to get to the stores and that they're increasingly using food stamps when they get there, things are bad.

# Saudi mulls renewables targets in its pursuit of power

During a busy week for renewable energy in the MENA region, Saudi Arabia said it hoped to meet up to 10 per cent of its power demand from renewable sources by 2020, Abu Dhabi and Jordan made progress on solar projects, and Morocco was reportedly close to awarding a wind-power contract.

Saudi Arabia was studying wind, geothermal and solar energy potential, Ahmad al

Khowaiter, the director of new business evaluation for the state petroleum company Saudi Aramco told reporters on Tuesday in Manama, Bahrain.

"The proposed target is between 7 [and] 10 per cent of peak electricity generated by renewables by 2020, most likely solar. That represents roughly 5 gigawatts (gw) by 2020," he said. "Can we achieve that? It's feasible."

Under a business as usual scenario, the kingdom could supply as much as 6 million barrels per day of oil to its domestic market by 2030 - about the same volume as it currently exports - Mr al Khowaiter added.

That would imply a roughly three-fold increase in Saudi domestic oil consumption, in line with another Saudi official's projection that the kingdom's requirements for installed power capacity would nearly triple to 121gw by 2032 from 46gw.

# KAUST boasts Saudi's largest solar installation

"This project demonstrates that the development of alternatives to traditional fossil fuel has taken on a new urgency, even in oil-rich countries like Saudi Arabia," said Conergy Asia Pacific and Middle East head Marc Lohoff.

"For the first time, clean power is flowing into the national grid. This is a historical event for us in Saudi Arabia," said NSS MD Abdulhadi Al-Mureeh.

# Recession calls for small-scale green schemes

(Reuters) - Recession and cheaper fossil fuels threaten green energy, but small players can develop a niche, even in capital-intensive wind, said British-based Novusmodus, one of the newest renewable funds.

# Can a renewable revolution prevent an energy crisis

Some remain unconvinced renewables can prevent an energy crisis, but European work suggests a brave new alternative for tomorrow's power.

# Couple have energy to spare

When the Maiers built their "dream house" on 100 acres of land that had been in the family for 40 years, being in the heating and air conditioning business, the couple decided to make their house as ecologically friendly as they could.

The result has been a plethora of stored energy on their property. All of it comes from nature. The Maiers have so much energy to spare, their only utility bill last month was

\$3.98.

"I was just as surprised as anyone when I got the bill in the mail," Henry said. "I called the electric company to ask about it and the man on the other end actually said, 'Yeah, that's got to be a mistake' and he looked up my account and said, 'Nope, that's right. It's four dollars.' Then he told me not only that but when my account caught up, I had a credit of hundreds of dollars."

#### Russia says Iran reactor will start up in August

(Reuters) - A reactor being built by Russia at Iran's Bushehr nuclear power plant is scheduled to begin operating in August, the head of Russia's state nuclear corporation told journalists on Thursday.

# Russia expects Iran to hand over uranium swap proposals: FM

Iran was expected to send uranium fuel exchange proposals to the International Atomic Energy Agency (IAEA) soon, Russian Foreign Minister Sergei Lavrov said Thursday.

"Italy and we want to see Iran clearly honor its commitments and send an official written appeal to the IAEA as soon as possible, so that a fuel exchange procedure may be agreed upon," Lavrov said at a press conference held in Rome.

Uranium's aglow with nuclear plants set to multiply

TOKYO (MarketWatch) -- Uranium prices have dropped about 70% from their highs in 2007, but with Asia's drive for nuclear power going strong, and expected only to strengthen further, there's plenty of opportunity for prices to return to higher ground.

Uranium spot prices are at around \$41 per pound, having registered a steep decline from a 2007 high of \$136, according to industry sources.

# Amir Mikhail: Wind Industry Engineering Leader

One notion that came from his research was the idea that greater geographic diversity of wind resources can help improve grid stability by increasing the size of electricity balancing areas. One problem with today's grid is its highly balkanized nature, Mikhail says. Enlarging balancing areas to encompass larger amounts of wind generating resources makes sense. "I am talking about hundreds of thousands of megawatts of wind capacity," he says. At present some 2 percent of U.S. electrical load is supplied by wind. The geographic diversity models Mikhail worked on 35 years ago become crucial as wind penetration levels reach 20 to 30 percent of total generating capacity. Mikhail's

earlier models have been reconfirmed by the Department of Energy's 20 percent by 2020 study, which indicates wind can supply 20 percent of U.S. demand by 2020. Such levels are emerging in places like Texas and the upper Midwest.

# AP INVESTIGATION: Oil self-regulates around globe

STOCKHOLM — The U.S. government is not alone in ceding responsibility to the oil industry for the design of key safety features on offshore rigs, a trend coming under scrutiny worldwide following the deadly blowout in the Gulf of Mexico.

Across the globe, industry-driven regulation is the norm, not the exception — and critics are calling for a re-examination of a system that puts crucial safety decisions into the hands of corporations motivated by profit.

#### Arctic oil spill cleanup research cancelled

Federal government plans to perform a controlled oil spill in the High Arctic have been cancelled this year because the scientist spearheading the project is working on the massive spill in the Gulf of Mexico.

The Department of Fisheries and Oceans planned to dump 1,200 litres of oil in Barrow Strait, Wellington Channel and Lancaster Sound in August to test spill dispersion methods.

#### Did Deepwater methane hydrates cause the BP Gulf explosion?

The vast deepwater methane hydrate deposits of the Gulf of Mexico are an open secret in big energy circles. They represent the most tantalizing new frontier of unconventional energy - a potential source of hydrocarbon fuel thought to be twice as large as all the petroleum deposits ever known.

For the oil and gas industry, the substances are also known to be the primary hazard when drilling for deepwater oil.

#### Greenpeace gives BP a makeover

Greenpeace activists today rebranded BP, scaling the supermajor's London headquarters and unfurling a flag showing the company's logo smothered in oil, emblazoned with the words "British Polluters".

#### EPA informs BP to use less toxic chemicals to break up oil spill

The Environmental Protection Agency informed BP officials late Wednesday that the company has 24 hours to choose a less toxic form of chemical dispersants to break up its oil spill in the Gulf of Mexico, according to government sources familiar with the decision, and must apply the new form of dispersants within 72 hours of submitting the list of alternatives.

The move is significant, because it suggests federal officials are now concerned that the unprecedented use of chemical dispersants could pose a significant threat to the Gulf of Mexico's marine life. BP has been using two forms of dispersants, Corexit 9500A and Corexit 9527A, and so far has applied 600,000 gallons on the surface and 55,000 underwater.

#### The trillionth tonne meme gets some traction

Essentially, the problem boils down to an estimate of how much anthropogenic carbon the atmosphere can absorb before the Earth warms more than 2 °C, a number that turns out to be close to a trillion tonnes. We've already emitted a little over half that much, so we have to figure out how to budget the remaining 500 gigatonnes.

# Aspen Institute and national geographic announce the 2010 Aspen Environment Forum, July 25-28

The Aspen Institute and National Geographic announce that registration is open to the public for the 2010 Aspen Environment Forum. From July 25-28, 2010, on the Institute's signature campus in Aspen, Colo., more than 400 high-level speakers and committed voices from a wide range of perspectives - business, government, academia, and non-governmental organizations - will explore how to work together to develop bridges to long-term, equitable sustainability across a variety of interconnected issues, including environmental energy, conservation, and climate change adaptation/management. Notable speakers confirmed to date include EPA Administrator Lisa Jackson; National Geographic Explorer-in-Residence Sylvia Earle; Mohan Munasinghe, vice chair of the UN Intergovernmental Panel on Climate Change; Brookings Institution President Strobe Talbott; Former Austin, TX Mayor Will Wynn; author Jeff Goodell; Monterey Bay Aquarium Research Institute Senior Scientist James Barry; Smart Power President Brian Keane; Post Carbon Institute Founder Richard Heinberg; Heidi Cullen, director of science communications for Climate Central; Ocean Voyages Institute's Doug Woodring; and Moscow State Institute of International Relations Professor Vladimir Golitsvn, among many others.

# Greek Crisis and Euro Fall Snare Clean-Energy Stocks

(Bloomberg) -- As Europe grapples with the fallout from Greece's economic woes, at least one unexpected corner of the economy is suffering: renewable energy companies.

That's because few wind, solar, and other green power installations would be profitable without subsidies, and as governments across Europe curb spending in response to the Greek crisis, those funds are being cut back, Bloomberg BusinessWeek reports in its May 24 issue.

# Crude Oil Futures Decline as Tumbling Euro Damps Hedging Appeal

(Bloomberg) -- Crude oil fell in New York as the euro tumbled against the dollar, undermining the attraction of commodities for hedging against inflation.

Oil slipped in tandem with equities on concern that European governments are divided on how to contain financial turmoil in the wake of the sovereign debt crisis. Yesterday crude halted a six-day losing streak after stockpiles in the U.S. increased less than analysts forecast last week and supplies of distillate fuel unexpectedly declined.

"It's currency speculation that's driving the oil market right now," said Robert Montefusco, a Sucden Financial broker in London. "With the euro in trouble, banks are selling any rallies in the currency and oil and metals are tracking that. At some stage, OPEC will step in to address oversupply."

# Crude Diverges Most From Dollar in Three Months

(Bloomberg) -- Oil prices are diverging from the dollar by the most in three months as investors dump commodities for the safety of the U.S. currency.

# Gasoline Breaks Support, Heads to \$1.8716: Technical Analysis

(Bloomberg) -- Gasoline futures are poised to reach \$1.8716 a gallon by the end of May after falling below a key support level yesterday, according to technical analysis by Infinitytrading.com.

# Petrobras May Delay Share Sale Should Crisis Deepen

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-run oil producer, would consider delaying plans to sell as much as \$25 billion of shares should global equity markets worsen, Chief Executive Officer Jose Sergio Gabrielli said.

# Michael Ruppert on Peak Oil, Collapse and Other Bedtime Fun

Michael "Collapse" Ruppert is back with a new talk on peak oil, societal end-games, and the like. Worth watching, especially if you have latent eschatological leanings that you'd

#### Peak oil crisis just ain't sexy enough

Your grandmother passing away at a ripe old age from general ailments will never make the headlines. A person in their prime, stricken by a nasty disease or a fatal accident is always good, newsworthy material. This seems to be a simple formula, which rules in all fields and areas of information, knowledge and behaviour. The rule's like this: the expected is known and therefore not worth knowing more about; the unexpected is exactly that and therefore worth finding more about because each case may be slightly different. Furthermore, this information may prove useful for your survival — if you learn about something to be avoided or be careful about.

The question of why climate change is sexy and peak oil is not, is an interesting one. You may all have your own ideas, but today I'll put down what I think the difference is. I believe the answer lies in the above observation about newsworthiness.

#### The Perfect Storm: Six Trends Converging on Collapse

There are dark clouds gathering on the horizon. They are the clouds of six hugely troubling global trends, climate change being just one of the six. Individually, each of these trends is a potential civilization buster. Collectively, they are converging to form the perfect storm--a storm of such magnitude that it will dwarf anything that mankind has ever seen. If we are unsuccessful in our attempts to calm this storm, without a doubt it will destroy life as we know it on Planet Earth!

#### Future of refinery raised by investors

YORK — For the last six months the Yorktown refinery has struggled to turn a profit. Now investors of the parent company Western Refining are wondering about the future of the refinery.

#### PetroChina to Buy Parent's Overseas Assets to Expand

(Bloomberg) -- PetroChina Co., Asia's biggest company by market value, plans to buy assets from its state- controlled parent to expand its overseas oil and gas reserves and supply the world's fastest-growing major economy.

#### U.S., Mexico Seek Oil Moratorium Near Gulf Border

(Bloomberg) -- The U.S. and Mexico are seeking a moratorium on oil production near the Western Gap of the Gulf of Mexico, where the two nations share a maritime border.

# Arctic Drilling Proposal Advanced Amid Concern

A proposal to drill for oil in the Arctic Ocean as early as this summer received initial permits from the Minerals Management Service office in Alaska at the same time federal auditors were questioning the office about its environmental review process.

The approvals also came after many of the agency's most experienced scientists had left, frustrated that their concerns over environmental threats from drilling had been ignored.

# Gazprom Neft May Spin Off, Hold IPO for Oilfield Service Units

(Bloomberg) -- Gazprom Neft, the oil arm of Russia's state-run gas company, may spin off its oilfield service units or sell stock in an initial public offering, following divestitures by two of the country's largest crude producers.

Gazprom Neft hired Deutsche Bank AG as an adviser while aiming to make a decision within a year, the oil unit of Moscow- based OAO Gazprom said today in an e-mailed statement.

# ONGC Gains as Gas Price to Add \$1 Billion in Revenue

(Bloomberg) -- Oil & Natural Gas Corp., India's biggest explorer, rose the most in a year after Chairman R.S. Sharma said higher gas prices will add 50 billion rupees (\$1 billion) in revenue and curb losses from its aging fields.

# National Grid Plans \$4.6 Billion Rights Offer; Shares Slide

(Bloomberg) -- National Grid Plc, the operator of the U.K.'s power and gas networks, plans to raise 3.2 billion pounds (\$4.6 billion) through a rights issue to fund a five-year investment program while maintaining its credit ratings.

# Louisiana shore sees heavy oil as BP prepares plug

VENICE, La (Reuters) – Heavy oil from the Gulf of Mexico spill threatened Louisiana marshlands on Thursday after washing ashore for the first time since a BP-operated rig exploded a month ago, sparking ecological disaster.

Calling it a "day that we have all been fearing," Louisiana Governor Bobby Jindal said on Wednesday that heavy oil -- not simply tar balls or sheen -- had entered the state's prized wetlands. "It's already here but we know more is coming," he said.

#### Atlantic states keep wary eye on spill

Communities as far north as North Carolina are preparing to deal with potential oil from the Gulf of Mexico spill as it drifts into an ocean current that could take it around Florida and up the Atlantic coast.

#### BP Moves Closer to 'Top Kill' of Leaking Oil Well

(Bloomberg) -- BP Plc took steps toward attempting to cap its leaking well in the Gulf of Mexico yesterday as it increased the amount of crude it is capturing and thick oil began to appear in Louisiana's wetlands.

#### Senator wants oil revenue to aid states

WASHINGTON (UPI) -- U.S. Sen. Mary Landrieu, D-La., said she will submit legislation to get more oil revenue sent immediately to Gulf Coast states staggered by a huge oil spill.

Landrieu said she wants nearly 40 percent of oil revenue the U.S. government collects from leases in the Gulf Coast region to be funneled immediately to the states affected by the hundreds of thousands of gallons of oil spewing daily into the Gulf of Mexico since an oil rig exploded April 20 and sank, CNN reported Thursday. Under existing rules, some of the money wouldn't reach the states until 2017.

#### Seven shocking ways to visualize the Gulf oil spill

You've probably been saturated by coverage of the BP Gulf Oil Spill. This overwhelming event has given us so many moving reports. The gushing, burning, and flowing of this spill and the people and animals it is affecting offer us some impactful visuals. We've gathered together the best photos, videos, graphics, and apps inspired by the Gulf Oil Spill here.

#### Hurricane season may make spill worse

As hurricane season looms, forecasters, scientists and residents along the Gulf Coast worry that a major storm could make the oil spill worse.

The National Oceanic and Atmospheric Administration says a hurricane, or a succession

of them, may bring oil up from the depths of the Gulf of Mexico and then push it ashore. Forecasters say a season with multiple storms could send oil farther inland and spread it as far as Cape Hatteras, N.C.

#### Scientists Fault U.S. Response in Assessing Gulf Oil Spill

Tensions between the Obama administration and the scientific community over the gulf oil spill are escalating, with prominent oceanographers accusing the government of failing to conduct an adequate scientific analysis of the damage and of allowing BP to obscure the spill's true scope.

#### Lawmakers to urge BP to idle its Atlantis rig

NEW YORK (Reuters) – A group of lawmakers will recommend BP be ordered to idle its Atlantis oil and gas platform in the U.S. Gulf of Mexico until federal regulators can prove the region's second biggest rig is operating safely.

More than 20 Democratic lawmakers signed a letter on Wednesday with language that urges the Minerals Management Service to shut down Atlantis, which pumps up to 200,000 barrels per day of crude, pending a safety probe. The letter, given to Reuters, will be delivered to Interior Secretary Ken Salazar early Thursday, congressional staff said.

#### Inventors say BP ignoring oil spill ideas

NEW ORLEANS - A suggestion box or publicity stunt? BP has received thousands of ideas from the public on how to stop the Gulf of Mexico oil spill, but some inventors are complaining that their efforts are getting ignored.

#### Thomas L. Friedman: Obama and the Oil Spill

No, the gulf oil spill is not Obama's Katrina. It's his 9/11 - and it is disappointing to see him making the same mistake George W. Bush made with his 9/11. Sept. 11, 2001, was one of those rare seismic events that create the possibility to energize the country to do something really important and lasting that is too hard to do in normal times.

# If You Build It ...

For 15 years, Kevin Costner has been overseeing the construction of oil separation machines to prepare for the possibility of another disaster of the magnitude of the 1989 Exxon Valdez spill.

Does this evoke his tagline from "Field of Dreams?" It seems that Mr. Costner, the 55year-old actor, environmental activist and fisherman, was ready for the current spill in the gulf.

#### Mining Tax 'Contagion' Set to Spread From Australia

(Bloomberg) -- Australia's planned 40 percent tax on mining profits has set a benchmark for other countries weighing higher levies, reducing earnings forecasts for BHP Billiton Ltd. and Rio Tinto Group and the attraction of mining stocks.

"It could create what the miners are now describing at a global level as a type of tax contagion," said Tom Price, commodities analyst with UBS AG in Sydney, in an interview. "They might levy a new tax at the miners in Brazil. Canada is another mineral province and South Africa."

# A Battery That Stores Wind Juice

Mountaintop wind turbines produce most of their energy at night, when electricity demand and prices are low. That limits revenue and makes it hard for utility companies to meet state goals for high percentages of renewable energy.

Batteries could solve the problem, but they have always been too expensive. Still, a small New Jersey company, Grid Storage Technologies of Newark, plans to install two batteries on the grid late this year that would store bulk amounts of energy.

#### NEC to Invest 100 Billion Yen in Energy, Batteries

(Bloomberg) -- NEC Corp. said investments in its energy business will reach \$1.1 billion over the next eight years, as Japan's biggest maker of personal computers aims to reinvent itself after a decade-long slide in sales.

# One Moos and One Hums, but They Could Help Power Google

America's dairy farmers could soon find themselves in the computer business, with the manure from their cows possibly powering the vast data centers of companies like Google and Microsoft. While not immediately intuitive, the idea plays on two trends: the building of computing centers in more rural locales, and dairy farmers' efforts to deal with cattle waste by turning it into fuel.

#### Crop mobs sprout up on farms

The mob descended on Chris Wimmer's farm on a rainy Saturday bearing pitchforks and shovels. They went to work quickly, relocating a compost pile, digging weeds and hauling fencing.

The Jefferson County Crop Mob, a group of mostly urban volunteers, spends one Saturday a month sweating for small-scale farmers such as Wimmer. In return, they learn about the food they consume and tips about organic and sustainable farming.

"It's like farming 101," says Derek Bryant, 38. He and Jamie Drake, 34, tackled the compost heap, shoveling the muck into new storage bins. He works for a commercial construction company and she's an interior designer, but their dream is to turn land that's been in his family for seven generations into a sustainable farm.

#### Organic Feed? Birds Say No Thanks

Birds may prefer conventionally grown seed over organic seed, according to a new study in the Journal of the Science of Food and Agriculture. Wild birds visiting more than 30 gardens across the north of England consciously chose to stick with conventional seed after eating both varieties, said Ailsa McKenzie, the study's lead author and a research associate at the School of Biology at Newcastle University.

So did captive birds, she said. But this preference apparently has nothing to do with taste. In analyzing the chemical, nutritional and physical properties of the two types of seed, Dr. McKenzie said, scientists found only one significant difference between them: protein level.

#### Report grades cruise lines on environmental impacts

The second annual report card grading cruise lines on their environmental impacts is out today from Friends of the Earth, and Disney Cruise Line gets props for "most improved." Though in general, the San Francisco-based environmental group says the results of its review of 11 major cruise lines and 113 ships "aren't pretty."

# Ford Aims to Help Reduce the Carbon Footprint of Its Global Supply Chain

Ford is surveying 35 top global suppliers to gain a better understanding of their greenhouse gas emissions footprint as part of a broader effort to reduce carbon emissions within the auto industry.

#### Reading the Tea Leaves on the Sen. Murkowski-Epa Climate Resolution

Many observers see Murkowski's resolution as doomed, in part because it is unlikely to

win President Obama's signature if it clears both chambers of Congress or withstands a veto. But even if it fails, observers say the vote could signal whether the Senate is prepared to quash or kick-start the climate bill from Sens. John Kerry (D-Mass.) and Joe Lieberman (I-Conn.).

#### Garnaut Says Australia Prefers 'Ignorance' on China and Climate

(Bloomberg) -- Australia "polity" prefers the "comfort of ignorance" on China taking a lead role on battling climate change, according to the government's global warming adviser Ross Garnaut.

# Greenland Rising Rapidly as Ice Melts

The ice is melting so fast in Greenland that the giant island is rising noticeably as the weight is lifted. In some spots, the land is rising 1 inch per year.

# U.S. Science Body Urges Action on Climate

WASHINGTON — In its most comprehensive study so far, the nation's leading scientific body declared on Wednesday that climate change is a reality and is driven mostly by human activity, chiefly the burning of fossil fuels and deforestation.

The group, the National Research Council, an arm of the National Academy of Sciences, issued three reports describing the case for a harmful human influence on the global climate as overwhelming and arguing for strong immediate action to limit emissions of climate-altering gases in the United States and around the world — including the creation of a carbon pricing system.

#### National Academy of Sciences urges strong action to cut greenhouse gases

The academy, calling it 'the most comprehensive report ever on climate change,' suggests taxing carbon emissions. The papers also raise the possibility that global warming might make it necessary to shift vulnerable populations away from coasts.

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