



## Drumbeat: June 6, 2010

Posted by [Gail the Actuary](#) on June 6, 2010 - 8:21am

Topic: [Miscellaneous](#)

### [BP: Cap Collects 10,000 Barrels at Well](#)

BP PLC Chief Executive Tony Hayward said Sunday that a containment cap being used on a ruptured well in the Gulf of Mexico is now funneling off 10,000 barrels of oil a day, and called for higher safety standards for the company and the industry.

"At the moment it is difficult to say, but we would expect it to be the majority, probably the vast majority of the oil," Mr. Hayward said in an interview on BBC, referring to the amount of oil being collected. "We have a further containment system to implement in the course of this coming week which will be in place by next weekend. So when those two are in place we would very much hope to be containing the vast majority of the oil," he added.

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### [Imagining Life Without Oil, and Being Ready](#)

Located somewhere between the environmental movement and the bunkered survivalists, the peak oil crowd is small but growing, reaching from health food stores to Congress, where a Democrat and a Republican formed a Congressional Peak Oil Caucus.

And they have been resourceful, sharing the concerns of other "collapsitarians," including global debt and climate change — both caused by overuse of diminishing oil supplies, they maintain. . .

[Web sites](#), online videos and numerous social networks connect adherents in ways that would once have been impossible.

New York Times article links to The Oil Drum where it mentions web sites.

### [In gulf oil spill's long reach, ecological damage could last decades](#)

Beaches get scrubbed by waves and storms, but marshes can develop tar mats lasting decades, Tunnell said. He said the beaches are a 3 on a scale of 1 to 10 in terms of sensitivity to oil spills, but the marshes are a 10. Attempts to clean a marsh will backfire. After the huge Amoco Cadiz spill of 68 million gallons off Brittany in 1978, French

authorities scraped the top off the oiled marshes. It was a mistake: Most never came back.

Although many scientists and officials have warned that the marshes are in danger, one scientist who has studied oil spills in Louisiana marshes said that these wetlands are generally able to recover if human intervention doesn't make the situation worse.

"The vegetation itself generally recovers in a year, although sometimes it may take three or four," said Irving A. Mendelssohn, a biologist at Louisiana State University. Only if oil sinks in deep, or if repeated oilings kill off new shoots, does the marsh die, he added.

### [Oil-spill anger applies only to what's visible](#)

It's Day 47 of what we regard as an utterly unacceptable environmental disaster. We watch in horror as the first tar balls wash onto the Florida Panhandle's sugar-sand beaches.

It's Day 32 in Akwa Ibom. Not that anyone in the Niger River Delta has bothered to count the days since an offshore spill added another million gallons of crude to an already devastated estuary.

Oil bursting from an oil rig operated by a subsidiary of ExxonMobile has polluted the sea, poisoned tidal marshes and escalated the miseries caused by Niger oil extraction.

But the word ``unacceptable" has no meaning in Nigeria's bleak oil fields.

### [Oil spill closes more Gulf waters to fishing](#)

About 33 percent of federal waters in the Gulf of Mexico are now closed to fishing because of the spill.

### [Russia wants global fund after Gulf oil spill](#)

Russian President Dmitry Medvedev called on the world's leading economic powers on Saturday to consider creating a fund to insure against large-scale environmental disasters like the Gulf of Mexico oil spill.

Deputy Prime Minister Igor Sechin on Saturday said Russia would introduce stricter safety requirements for oil producers as a result of the Gulf spill, now considered the largest environmental disaster in U.S. history.

### [Cap Slows Gulf Oil Leak as Engineers Move Cautiously](#)

Oil continued to pour from a runaway oil well in the Gulf of Mexico on Saturday as engineers worked to close two of four vents on a capping device lowered onto the gushing riser pipe.

Admiral Allen said that while engineers were able to bring 6,000 barrels of oil to the surface in a 24-hour period, they were hesitant to close the vents out of fear that if they did so too quickly, water would rush in and form the kind of icy hydrates that doomed a previous attempt to cap the leak.

### [Before Oil Spill, It Was Unclear Who Was in Charge of Rig](#)

New government and BP documents, interviews with experts and testimony by witnesses provide the clearest indication to date that a hodgepodge of oversight agencies granted exceptions to rules, allowed risks to accumulate and made a disaster more likely on the rig, particularly with a mix of different companies operating on the Deepwater whose interests were not always in sync.

And in the aftermath, arguments about who is in charge of the cleanup — often a signal that no one is in charge — have led to delays, distractions and disagreements over how to cap the well and defend the coastline. As a result, with oil continuing to gush a mile below the surface in the Gulf of Mexico, the laws of physics are largely in control, creating the daunting challenge of trying to plug a hole at depths where equipment is straining under more than a ton of pressure per square inch.

### [Relief wells usually stop spill, but not necessarily right away](#)

``Basically you're running a straw down 18,000 feet trying to hit another straw," says Greg Pollock, head of the oil spill division of the Texas General Land Office. . .

And last year a well explosion off Australia spewed 84,000 gallons of oil a day into the Timor Sea for 10 weeks until a fifth try at a relief well stopped it.

Why were several relief wells needed?

``That's easy. They missed," says Pollock. ``They had to pull back the drill and try again."

There are other reasons for delays, as well: broken drill bits, twisted steel pipe, penetrating tools jammed in hard rock or shifting in soft sand.

### [BP chief says not quitting over spill - newspaper](#)

Chief Executive Tony Hayward has said he is not thinking of quitting despite the outcry in the United States over the scale of damage from a ruptured deep-sea oil wellhead in

the Gulf of Mexico.

### [Relief wells are last hope to stop oil leak](#)

When they get deep enough, drillers will make a gradual bend in the relief wells' paths, plunging at a 35-degree angle to get within 50 feet of their target. Once in range, they will use magnetic instruments to more precisely home in on the original well casing — or pipe — and fill it with heavy synthetic drilling mud to push oil down.

After that, cement is pumped in to shut off the flow for good.

### [Lessons from the spill](#)

THERE IS MUCH that we still don't know about what led to the Deepwater Horizon's catastrophic oil well blowout, the effects of which continue to foul the Gulf of Mexico. Congressional, executive-branch and BP investigations continue, as does the blame-shifting among those involved. But evidence is mounting that this was an eminently preventable accident. BP, operating under the indifferent oversight of the Interior Department's Minerals Management Service (MMS), could have done much more to minimize the risk of blowout, and it wasn't adequately prepared for a major spill.

### [Study: Drilling in Pa. a \\$3.77B stimulus](#)

Drilling for natural gas in the Marcellus shale has pumped hundreds of millions of dollars into the Pennsylvania economy, a study by Penn State University concluded.

The study concluded the Marcellus gas industry provided a “direct economic stimulus of \$3.77 billion” to the Pennsylvania economy while generating \$389 million in state and local taxes and creating more than 44,000 jobs.

### [Bagasse Power to beat energy crisis](#)

With the state battling a severe energy crisis, chief minister M. Karunanidhi on Saturday launched a Rs 849 crore project to set up co-generation power plants at 12 sugar mills across the state. The power plants will produce 183 MW of electricity.

### [PG&E: loved from afar, protested at home](#)

Then there's the local image of PG&E as a monopoly spending \$46 million on a California

ballot measure that, critics say, was written to shield PG&E from competition. A company that tried to stop Marin County from forming its own public power agency.

Proposition 16, which is on Tuesday's ballot, would make it far more difficult for communities to follow in Marin's footsteps. The ballot measure would force cities and counties to win the approval of two-thirds of their voters before starting a public power agency - a threshold that opponents consider nearly impossible to reach.

### [Analysis—UK nuclear needs high CO2 price or market reform](#)

Britain will need to slap stiff penalties on climate-warming plants or radically change the way the power market works if it is to get new nuclear plants to cut carbon emissions and keep the lights on.

"The economics of nuclear power is going to be the crunch issue. A carbon price floor is one way of de-risking nuclear power, which in a liberalised market is one of the riskier forms of investment that you can make at the moment."

### [Calmar gas leak conjures up spectre of future carbon capture woes](#)

Alberta is hoping CCS will account for 70 per cent of its reduction target by 2050: 140 million tonnes a year. It is a staggering number when you consider that three pilot projects worldwide currently only sequester five million tonnes a year and no CCS scientist knows if we can scale up the technology to industrial levels and make it work safely.

One of the big challenges is making sure the massive amounts of carbon dioxide stay underground. Experts say the most likely escape route for the CO2 will be through improperly abandoned oil and gas wells.

Ever since oil and gas was first discovered in Alberta, we have drilled 350,000 wells, making the province something of a geological pincushion. Many of the wells are documented. Then we have Calmar where an entire subdivision was built over an old, leaking gas well that had been forgotten.

### [Farming hailed as key to rebuilding Haiti—from the soil up](#)

"The textile sector, to which I belong . . . could create 100,000, maybe 200,000 jobs. Agriculture can create three million jobs, bring down the cost of living and decentralize the four million people living in and around Port-au-Prince. . . . They could go back to their villages and lead positive lives, rather than stay in Port-au-Prince and just barely make a living."

If \$1 billion of the \$11 billion pledged by international donors was put toward agriculture, the world could "watch Haiti not only feed itself, but export billions," he said.

### [Small farms get small help compared to subsidies for agribusiness](#)

At the National Summit of Rural America, sponsored by the federal government and held this week in Hillsboro, Montana, Department of Agriculture Secretary Tom Vilsack announced initiatives that awarded approximately \$29.2 million in grants to small and mid-sized farms, ranches and cooperatives throughout the nation.

In 2009, Congress doled out \$15 billion in farm subsidies. According to Food First, 90 percent of that sum went to the production of five crops - corn, wheat, rice, soy and cotton.

"Most of that 90 percent went to the large farming corporations," Shattuck said. "Much of those commodities were not used for food, but for animal feed and industrial applications. Cotton is not even a food."

### [First Solar says can't meet demand for modules](#)

The market for solar modules, a key element in solar power systems, is so strong that industry leader First Solar will not be able to meet demand this year, a senior executive was quoted as saying on Saturday.

### [Tide of oil threatens to wipe out the iconic pelican](#)

The images of oil-covered birds – pelicans, northern gannets, laughing gulls and others – are eerily reminiscent of the Exxon Valdez disaster 21 years ago, and have in recent days have become the most vivid symbol of the damage wrought by the hundreds of thousands of barrels of crude oil that have poured into the Gulf of Mexico since the rig explosion on 20 April. Since the spill, 612 damaged birds had been catalogued by Friday, most dead, but some alive and drenched in oil.

But the brown pelican, with its history of robust recovery in the face of extreme peril, has a special significance. The birds were once so common on the coastline that they grace the state flag. They were frequent companions for fishermen, who shared their waters and admired their skill at spotting fish from afar and diving from great heights to scoop them up.

Last year, the birds were officially taken off the endangered species list. But the oil spill, experts said, could change that.

### [Solar panels could be a threat to aquatic insects, new research shows](#)



Scientists have discovered that aquatic insects such as the mayfly can mistake shiny photovoltaic panels for pools of water, which they rely on to reproduce. They urge caution on the increasing use of panels until experts work out how they could affect insects and other creatures that feed on them.

"The effect of solar panels on populations of aquatic insects has not yet been researched," said Bruce Robertson, a scientist at the US Department of Energy's Great Lakes Bioenergy Research Centre in Michigan. "It is clear that the worst place to put a solar installation would be in proximity to natural lakes and rivers, where aquatic insects could easily become attracted to them."

### [Can I go camping and be green?](#)

Camping has lots of non-branded sustainable prefixes – low-impact, no-impact, wild, wilderness, leave-no-trace – highlighting the fact that using the natural environment as a temporary home is a fast-track way to destroy it. Researchers have found lower vegetation growth rates and depleted soils three years after camping has ended on a site. From chopping down trees for firewood to leaving litter, it can be a toxic time bomb.

### [Euro zone faces zero growth: Roubini](#)

The euro zone is facing a period of zero growth if not recession, and the United States is heading for financial trouble, U.S. economist Nouriel Roubini was quoted as saying on Saturday.

Roubini, known as Dr. Doom and best known for predicting the U.S. housing crisis, said there was a risk of a second financial crisis, with countries becoming insolvent and being forced out of the euro, and banks collapsing.

Roubini said that a Japanese-style period of deflation, stagnation and high unemployment was a much greater risk to Europe for the next two or three years than inflation.

### [Coal Firms to Strip-Mine Historic Battlefield?](#)

On a sultry August morning in 1921, some 15,000 coal miners converged at the foot of the steep, brambly slopes of West Virginia's Blair Mountain. On a high ridge above, coal industry forces, private detectives, and state police officers peered out from fortified positions, training Thompson submachine guns and high-powered rifles on the men below.

Today, Blair Mountain is again the focus of a pitched battle—this time pitting preservationists against coal companies. Subsidiaries of two of the United States' largest

coal producers—Arch Coal, Inc., and Massey Energy Company, the owner of the Upper Big Branch Mine that last month claimed the lives of 29 miners in Montcoal, West Virginia—hold permits to blast and strip-mine huge chunks of the upper slopes and ridge of Blair Mountain, removing much of the mountaintop.

### [Mining: Potash Corp. expanding capacity based on growing global need](#)

It was only a couple of years ago that potash was a star in the commodity world.

Prices shot from an average of US\$193 per tonne from 1999-2008, to previously unheard-of levels of US\$1,000 per tonne by mid-2008.

But demand for the mineral used in fertilizer dropped sharply in 2009 and prices tumbled back down to earth, falling throughout the year and hitting about US\$345 per tonne this past January.

But there are signs the potash market is making a recovery. Potash Corp.'s first quarter sales of the product totalled 2.5 million tonnes this year, five times higher than the 500,000 tonnes sold in the same quarter in 2009. And some recent sales suggest prices may have at least bottomed out, says Ari Levy, portfolio manager and vice-president and director of TD Asset Management.

"The buyers are saying it's probably at or near the bottom level and are starting to step in and buy, which bodes well for at least putting a floor under the price of potash," he says.

He pointed to a recent sale to China in the US\$370 per tonne range by Canpotex Ltd., the company that markets and distributes the products of all the Saskatchewan potash producers.



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