



Drumbeat: June 19, 2010

Posted by [Leanan](#) on June 19, 2010 - 9:29am

Topic: [Miscellaneous](#)

[For proud BP employees, an awkward new reality](#)

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[Amid the Gulf crisis, Wall Street touted BP stock](#)

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[Gazprom 2010 output may be hit if Europe demand falls](#)

ST PETERSBURG, Russia, June 18 (Reuters) - Russia could produce less gas than expected this year if European demand falls, energy officials said on Friday, but maintained that the spot market and shale gas do not pose long-term threats.

Russia's biggest short-term concern is falling demand in Europe, its biggest export market, due to the economic downturn. While demand grew steadily in the first four months of the year, it fell sharply in May, especially in south-west Europe.

[US rig count increases by 12](#)

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Baker Hughes Inc. said Friday that 953 rigs were exploring for natural gas and 574 for oil. Twelve were listed as miscellaneous. A year ago this week, the rig count stood at 899.

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[Net Benefits of Biomass Power Under Scrutiny](#)

Power generated by burning wood, plants and other organic material, which makes up 50 percent of all renewable energy produced in the United States, according to federal statistics, is facing increased scrutiny and opposition.

That, critics say, is because it is not as climate-friendly as once thought, and the pollution it causes in the short run may outweigh its long-term benefits.

The opposition to biomass power threatens its viability as a renewable energy source when the country is looking to diversify its energy portfolio, urged on by President Obama in an address to the nation Tuesday. It also underscores the difficult and complex choices state and local governments face in pursuing clean-energy goals.

[Oil, gasoline higher heading into the weekend](#)

The American Petroleum Institute said Friday that gasoline deliveries fell 0.4 percent in May to 9.05 million barrels per day, the lowest May level in seven years. That compared with year-over-year increases in March and April.

API Chief Economist John Felmy said the decline shows that demand is more sensitive to higher prices and the pace of the economic recovery than other oil products, like diesel, heating oil and jet fuel.

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[APEC to Study IEA Oil-Supply Disruption Safeguards](#)

(Bloomberg) -- Asia-Pacific countries will study safeguards used by International Energy Agency members to protect against energy supply disruptions and oil price swings.

Asia-Pacific Economic Cooperation energy ministers meeting in central Japan agreed to participate in a one-week session organized by the IEA this fall, Mitsuo Matsumoto, a director for natural resources at Japan's trade ministry, told reporters today in Fukui city.

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[Total, Chevron Found Guilty in U.K. Buncefield Fuel Depot Fire](#)

(Bloomberg) -- A U.K. court has found Total SA and Chevron Corp. guilty of failing to

prevent the Buncefield fire in a fuel depot in north London in 2005, according to the Health and Safety Executive.

“When the largest fire in peacetime Europe tore through the Buncefield site on that Sunday morning in December 2005, these companies had failed to protect workers, members of the public and the environment,” the HSE said today in an e-mailed statement.

[Chevron vows to pay for Salt Lake City oil spill](#)

SALT LAKE CITY – Salt Lake City attorneys expect Chevron Corp. will quickly agree to a financial settlement related to last weekend's pipeline spill that dumped 33,000 gallons of crude oil into city waterways, a spokeswoman for Mayor Ralph Becker said Friday.

Becker has vowed to make Chevron pay for the cleanup, and the company has repeatedly pledged to cover the city's expenses, as well as damage or reimbursement claims from others.

[Where Gulf Spill Might Place on the Roll of Disasters](#)

From the Oval Office the other night, President Obama called the oil leak in the Gulf of Mexico “the worst environmental disaster America has ever faced.” Senior people in the government have echoed that language.

The motive seems clear. The words signal sympathy for the people of the Gulf Coast, an acknowledgment of the magnitude of their struggle. And if this is really the worst environmental disaster, the wording seems to suggest, maybe people need to cut the government some slack for failing to get it under control right away.

But is the description accurate?

[BP Partners Anadarko, Mitsui Should Share Oil Woes, Markey Says](#)

(Bloomberg) -- Anadarko Petroleum Corp. and Mitsui & Co. should pay into a multibillion dollar fund for claims tied to the leaking Gulf of Mexico oil well the companies co-own with BP Plc, U.S. Representative Edward Markey said.

“They cannot escape responsibility,” Markey, a Massachusetts Democrat, said yesterday on Bloomberg Television’s “Political Capital With Al Hunt,” being broadcast this weekend. Both companies should be “contributing to any fund that is constructed for any part of the reconstruction.”

[Anadarko Says BP Should Pay After Being Reckless](#)

(Bloomberg) -- Anadarko Petroleum Corp., the Texas oil company that owns 25 percent of the damaged well pouring crude into the Gulf of Mexico, said BP Plc, the project's operator, should pay the costs from the spill because it acted recklessly and unsafely at the drilling site.

BP didn't monitor or react to warning signs as the Macondo well was drilled, Chief Executive Officer Jim Hackett said yesterday in a statement. BP is responsible for damages under such conditions, Anadarko said.

[Goldman-Backed Cobalt a Target After BP Oil Spill](#)

(Bloomberg) -- Five years ago, investors including Goldman Sachs Group Inc. and Carlyle Group put up \$500 million in seed money to hunt for oil in the deep waters of the Gulf of Mexico and elsewhere.

After the BP Plc oil spill, smaller Gulf operators such as the Goldman startup, Cobalt International Energy Inc., may be swept up in a wave of consolidation as the regulatory landscape tilts in favor of larger firms, said William Herbert, an analyst at Houston-based Simmons & Co.

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[BP Team Will Tie \\$20 Billion of U.S. Assets to Fund](#)

(Bloomberg) -- BP Plc has appointed an internal team to review BP's U.S. portfolio and select \$20 billion in assets that will be used to guarantee a fund it will set up to pay oil spill claims, Robert Dudley, BP managing director, said in an interview at BP's Washington office.

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[BP's \\$20 Billion Fund May Not Stop Spill Lawsuits, Judge Says](#)

(Bloomberg) -- BP Plc's \$20 billion oil spill fund, established at the request of U.S. President Barack Obama, may not stop more than 230 lawsuits filed by people and businesses harmed by the worst environmental disaster in U.S. history, a judge said.

[Bumbling Carter was right all along](#)

When Barack Obama looked into a television camera this week and said the United States urgently needed to break its addiction to oil, he was sitting at the same desk in the same office where Jimmy Carter said the same thing 31 years ago. For conservatives who think Jimmy Carter was a terrible president, the parallel was ominous.

"It's the second term of Jimmy Carter! Same speech!" bellowed the inexplicably popular radio host Rush Limbaugh. "Everything he said, Obama repeated last night!"

[Crunch time](#)

This time last week I wasn't convinced that we face "an irrecoverable fall in global oil supply by 2015 at the latest", which is the view of the UK's Industry Taskforce on Peak Oil and Energy Security. So have I changed my mind?

Well, not on that precise point. But, at the risk of stating the obvious, peak oil is not the issue. The real danger is the “oil crunch” that could well happen even if the world’s oil supplies plateau in the next few years rather than fall off dramatically.

[Stuart Staniford: Technology Adoption in Hard Times](#)

I have added the purple rectangle for the great depression, and red rectangle for WWII. As you can see, whether the technology adoption was slowed or partially reversed very much depends on the individual technology. Automobiles and telephones took a big hit - actually going backward for a number of years. However, the progress of electricity is only moderately affected, and the progress of radio barely deviates at all from its rapid increase. Refrigerators started only in the late 1920s and spread very rapidly all through the depression.

I think the point is that for industrial societies, even when under a great deal of stress, they have some resources and some choices. Thus, those things that they see as the highest priorities may continue to move forward.

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[Peak oil crisis looms, Montrose told](#)

"For a moment, put aside thoughts of the British Petroleum oil leak that's clogging the Gulf of Mexico. The greater crisis is peak oil, those attending the Colorado Renewable Energy Expo's pre-conference were told Friday.

"Peak oil" refers to the point in time when demand for the fossil fuel will exceed the supply of what is left in the ground, factoring in who wants the oil, and how easy and cost-effective it is to obtain. Global political realities (called geo-politics in energy circles) also affect oil supply.

[Fuel Maker for Reactors Has China as Investor](#)

HONG KONG — A company here that is partly owned by the Chinese government has quietly purchased a 5.1 percent stake in the only American-owned provider of enriched uranium for use in civilian nuclear reactors.

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[China's Tianjin May Be First APEC Low-Carbon City](#)

(Bloomberg) -- Asia-Pacific nations will establish as many as 20 low-carbon model cities to test new technology including smart grids and renewable-power generation as part of efforts to reduce pollution and dependence on crude oil.

Tianjin, northeastern China, may be the first city picked for the project, Japan's trade minister, Masayuki Naoshima, said today after a meeting of Asia-Pacific Economic Cooperation energy ministers in the western Japanese town of Fukui. The cities will be chosen within three years, he said.

[Major climate decisions may come from ozone treaty](#)

Governments moved closer Friday to curbing the use of chemicals commonly used as coolants in refrigerators, air conditioners, hair spray and other household items in what some say would be among their biggest climate decisions ever.



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