

Drumbeat: July 15, 2010

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Topic: Miscellaneous

Water row key to India-Pakistan rivalry

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His family owns 85 acres (34 hectares) in northern Punjab, traditionally the bread basket of Pakistan but where the country's sizeable agriculture sector is finding it increasingly difficult to irrigate crops.

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t privileges existing fuels over renewables and that ranks environmental concerns below corporate profit. Until we replace this outlook with one that places innovation and the environment ahead of the status quo, we will face more ecological devastation and slower economic dynamism. Only with a new governing philosophy—one that views the development of climate-friendly energy systems as the engine of economic growth—can we move from our current predicament to a brighter future.

OPEC: The Beginning of the End

There's a moment that every oil-exporting country will experience, sooner or later.

The few select countries lucky enough to label themselves "oil exporter" know it - and have nightmares of the day their number is up.

Why the fright?

Because we live in a cutthroat, fossil fuel-driven world — a reality we have little chance of changing in our lifetime.

Still think everything is right with the world's oil production?

Let us take a lesson from a country that's been through the ropes...

Kicking the Oil Habit

It may be shocking to read in *The Nation*, but a blanket moratorium on new deepwater drilling may not be the best policy to pursue in the wake of the BP disaster. No state in the union is more addicted to oil than Louisiana; the oil and gas industry is responsible for roughly 25 percent of the state's economic activity. If you abruptly cut off a hardened heroin addict, you can kill him; there is a reason physicians prescribe methadone rather than cold turkey. Louisiana absolutely needs to kick its oil habit; but it must do so through a planned, orderly transition or it will not work.

Peak Oil: World Crisis, Arab Oil Producers Benefit

As the world demand for energy increases and the supplies cannot keep pace the resulting imbalances will play havoc with the price of oil. We have already witnessed what a slight shortage could do in 2008 when the price per barrel rose parabolic ally to over \$140. Under the scenario of peak oil towards the end of this decade that previous price will be appreciably overshot. There are some who project a price of over \$300 per barrel given the tight market conditions predicted by peak oilers.

We're Speeding On The Road To Extinction

The catastrophe confronting us is the severest that life has ever faced and incredibly its one of our own making. The scientific and technological advances that civilisation experienced in the past two centuries changed the world from a vibrant diverse ecosystem to a fragile one. It's hard to find any branch of the ecosystem that is in better condition to support human life today than it was at the beginning of the industrial revolution. This is in spite of the exponential increased in knowledge and abilities.

BP And The peak: Delusions Of Oil Grandeur Persist

The BP oil spill in the Gulf of Mexico may have led many to believe that there are vast supplies of oil under the ground. This is, in part, true. However, the daunting reality is that the remaining oil reserves are located in places from which it is exorbitantly expensive to extract.

The Magic Of Energy Engineering

A former Energy Secretary rightly observes that we need concerted effort to overcome energy challenges. But it's tricky business.

Chevron asks to look for natural gas in Bulgaria

Oil giant Chevron Corp. wants to look for natural gas in shale deposits in Bulgaria's northeast, near the Romanian border.

San Ramon-based Chevron executives and the U.S. Ambassador to Bulgaria, James Warlick, met Bulgaria's prime minister, Boiko Borisov, on Tuesday, to discuss the potential development of energy resources in the country.

Nigeria to Sell Most Bonds in at Least Four Quarters

(Bloomberg) -- Nigeria will sell the biggest amount of bonds in at least four quarters in the three months through October as it seeks to finance projects amid unstable crude oil revenue, Afrinvest (West Africa) Ltd. said.

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Gauging Oil Prices Using Global GDP

No correlation between changes in global GDP and changes in average oil prices exists (i.e. correlation is a negative .08 between years 1970 to 2009). However, patterns of oil price sensitivity to economic conditions are quite apparent during periods of strength or weakness.

Uzbekistan energy officials fired

The firings were linked to Karimov's dissatisfaction with the state of affairs in the oil and gas sector, an Uzbekneftegaz official who lacked authorisation to talk to media said on condition of anonymity.

"Nationwide recently we've seen a severe shortage of diesel fuel and gasoline", the official said. "On top of that, an inspection in June found deficiencies and financial shortfalls in a number of oil refineries. All this couldn't go unnoticed at the top".

US reviews changes in offshore oil drilling office

WASHINGTON (AFP) – US Interior Secretary Ken Salazar on Wednesday received plans to restructure the now defunct scandal-plagued office that regulated offshore oil drilling.

The overhaul comes after an Interior Department probe in May showed that staff at the Minerals Management Service district office in Lake Charles, Louisiana used illegal drugs, accepted gifts from oil companies and falsified inspection reports.

BP to start key tests on ruptured oil well

NEW ORLEANS, Louisiana (AFP) – British energy giant BP said it hoped to begin a key test Thursday to study the condition of a ruptured Gulf of Mexico oil wellhead after a leak delayed the crucial process a second time.

"I'm expecting that we'll start up here later this morning, sometime today," said BP senior vice president Kent Wells. "Obviously, we're looking to start this process as soon as we can."

US govt says BP must pay royalties on captured oil

(Reuters) - The U.S. Interior Department on Thursday said BP (BP.L) must pay royalties on all oil and natural gas captured from its ruptured well in the Gulf of Mexico.

Gulf oil spill FAQ

(CNN) -- Here are answers to some basic questions about the massive oil leak in the Gulf of Mexico.

Spill Panel to Press Obama Team on Drilling Ban

The leaders of a presidential panel investigating the Gulf of Mexico oil spill expressed skepticism Tuesday about a six-month moratorium on deepwater oil drilling and said they would press the Obama administration on why a prolonged ban is needed.

"We're going to look over their shoulder and have some comments to make as to whether we think the judgments they made are appropriate," said Bob Graham, one of the two co-chairmen of the National Commission on the BP-Deepwater Horizon Oil Spill and Offshore Drilling.

The 50-year farm bill

We need new strategies for agriculture that emphasize efficient nutrient use in order to lower production costs and minimize negative environmental effects. The trouble is, the best soils on the best landscapes are already being farmed. Much of the future expansion of agriculture will be onto marginal lands where the risk of irreversible degradation under annual grain production is high. As these areas become degraded, expensive chemical, energy, and equipment inputs will become less effective and much less affordable.

The Nuclear Option

Is atomic energy clean and green?

Rare Earths: They're Neither Rare nor Earths. But They Could Save the Planet

If the periodic table was actually a roulette table and people could bet on the element they thought would be the next big thing in energy production, you'd find chips scattered all over the board, in just about every column and row.

But among all the wagers, you'd find some surprisingly handsome stacks along one obscure corridor of elements: the rare earths, the top of the two rows hanging in space beneath the periodic table. Many green energy options rely on these elements, so it's an intriguing bet. Unfortunately, there's just as good a chance that a lack of rare earths could stymie a few eco-friendly technologies before they even get started.

Review of the must-read book: Merchants of Doubt

In *Merchants of Doubt* Naomi Oreskes and Erik Conway take us on a fascinating trip down what they call Tobacco Road. Take the journey with them, and you'll see renowned scientists abandon science, you'll see environmentalism equated with communism, and you'll discover the connection between the Cold War and climate denial.

And for the most part, you'll be entertained along the way.

Why the tech revolution isn't a template for an energy revolution

It seems a long time ago now, but back in February there was an awful lot of fuss about an energy company that had supposedly come up with a revolutionary new technology.

Of course, it wasn't that simple, despite the roster of Silicon Valley stars that lined up to trial the company's wares. Yet breathless reports of exciting energy technologies continue to pop up periodically, particularly in recent years in connection with the information technology world, as many IT entrepreneurs have decided to focus on 'clean tech'. Some have no doubt made big inroads, such as electric car maker Tesla.

But the idea that the great leaps made by IT and networking technologies in the past decade can be easily transferred to the looming energy challenge is shallow and misleading.

John Michael Greer: The ways of the Force

By now those of my readers who have joined me on the current Archdruid Report project – the creation of a "green wizardry" using the heritage of the appropriate technology movement of the Seventies – should have downloaded at least one of their textbooks and either have, or be waiting for the imminent arrival of, the rest. Now it's time to get into the core principles of green wizardry, and the best way to do it involves shifting archetypes a bit. Give me a moment to slip on a brown robe, tuck something less clumsy or random than a blaster into my belt, and practice my best Alec Guinness imitation: yes, Padawans, you're about to start learning the ways of the Force.

At 90, an eco-pioneer looks ahead

Worries about a catastrophic oil spill ... a sense of impending ecological decline ... political gridlock over environmental policy. It all sounds familiar to 90-year-old Russell Train, who was in on the beginnings of the environmental movement. Except for the political gridlock, that is.

The political factor is the big difference that Train sees between how things were back the '70s, when he was a top environmental policymaker in the Nixon White House, and how they are today.

House Committee Could Compel BP To Unload Gulf Assets To Rivals

The prospect that BP could face a ban on getting any new offshore licenses to produce oil and gas in the U.S. for a number of years could force BP to jettison its Gulf of Mexico assets to get better value for its shareholders.

Alabama port determined to stay open amid threat of oil spill

Despite the looming threat of the oil spill in the Gulf of Mexico, a shipping yard in Alabama is determined to stay open for business.

Report: Amputations without anesthesia in NKorea

SEOUL, South Korea — North Korea's health care system is in shambles with doctors sometimes performing amputations without anesthesia and working by candlelight in hospitals lacking essential medicine, heat and power, a human rights watchdog said Thursday.

Wall St and peak oil

One of the enduring lines about peak oil is that authorities keep it a secret because there would be some kind of financial havoc if it were revealed. A recent example is a <u>claim</u> that Steven Chu, US energy secretary:

"... knows all about peak oil, but he can't talk about it. If the government announced that peak oil was threatening our economy, Wall Street would crash."

Is it really possible that oil traders, investors and analysts haven't heard of peak oil?

Or that they have decided to ignore it altogether?

Oil Pares Losses After Falling on China Economic Growth Data, Fed Outlook

Crude oil rose as the dollar weakened against the euro, after the Federal Reserve said the U.S. economic outlook has "softened."

Brent Crude Futures in Backwardation Following North Sea Supply Reductions

Crude oil futures in London for the earliest delivery were more expensive than later contracts for a second day, after settling at a premium yesterday for the first time in almost a year following North Sea field maintenance.

DOE Update: Refinery Utilization Highest Since 2008, Gasoline Production Highest Ever

This is the second week in a row that crude oil inventories fell by 5 million barrels; but while crude oil inventories have been declining faster than normal over the last two weeks, product inventories have been increasing at a faster rate than normal, in large part due to refinery utilization, which ticked up again last week to 90.5%, the highest level since January 2008.

Colonial Pipeline Limits Fuel Shipments on Line 20 to East Coast Markets

Colonial Pipeline Co., which operates the largest pipeline linking U.S. Gulf Coast refiners to East Coast markets, is limiting shipments on Line 20.

Nominations for cycle 41 will be allocated on the line, which runs from Atlanta to Nashville, as they were approaching levels that would exceed the line's ability to deliver on a five-day cycle, Colonial said in a bulletin to shippers.

OPEC Forecasts Steady Oil Demand Growth in 2011, Led by Asia

(Bloomberg) -- The Organization of Petroleum Exporting Countries forecast that global oil demand will grow in 2011 at about the same rate as this year, led by developing economies such as China and India.

China Oil Refining Rises at Slowest Pace in Eight Months as Economy Cools

China's June crude-oil processing rose at the most gradual pace in eight months as the world's fastest-expanding economy slowed, cutting demand for fuel.

Total Says European Refinery Margin Advanced 5.8% From From First Quarter

Total SA, Europe's biggest oil refiner, said margins from processing crude into fuels such as gasoline and diesel in the second quarter increased 5.8 percent from the first three months of the year.

Desire for cheap gas beats sane energy policy

Any informed observer knows there is a long list of reasons developed nations should act swiftly and urgently to reduce their reliance on oil.

We must do it to avoid catastrophes like the Gulf of Mexico oil spill. To soften the impact of price shocks. To improve air quality. To fight climate change. To lessen the risk of peak oil. To enhance our security and deny some of the world's most odious regimes their principal source of money and power.

It's equally obvious this has been true at least since the 1973 Arab oil embargo.

Iran May Switch to U.A.E. Dirhams From Euro for Oil Sales, Oil Daily Says

Iran is considering switching to the United Arab Emirates' dirham from the euro for its oil sales to Europe to limit the impact of new sanctions, International Oil Daily reported, citing two unidentified industry executives.

National Iranian Oil Co. has been communicating with European customers about the change without making a final decision, the newsletter said. The country currently prices its exports in U.S. dollars, the Oil Daily said.

Iran Nuclear-Fuel Talks Should Open in Late September, Minister Says

Iranian Foreign Minister Manouchehr Mottaki said that talks between his country and the world powers on a plan to supply fuel for a Tehran nuclear reactor should start around late September.

Jordan to Import More Gas From Egypt, Explore Qatar, Algeria

Jordan, which imports almost all its energy, is scheduled to sign an agreement in two weeks that will raise gas supplies for power plants to 330 million cubic meters from 240 million cubic meters starting early 2011, Jordanian Energy Minister Khalid Irani said today in an interview.

The countries also agreed to build a pipeline network to bring 500 million cubic meters of Egyptian gas to feed houses and industries in Jordan, Irani said.

BP lobbied UK over Libyan prisoner transfer case

LONDON (Reuters) – BP confirmed on Thursday it had lobbied the British government in late 2007 over a Prisoner Transfer Agreement with Libya because it was concerned a slow resolution would impact an offshore drilling deal with Libya.

Clinton to look into senators' request on BP, Libya

WASHINGTON (Reuters) – U.S. Secretary of State Hillary Clinton said on Wednesday she would look into a request by U.S. lawmakers that the State Department investigate whether oil company BP Plc had a hand in the release of Lockerbie bomber Abdel Basset al-Megrahi.

BP Not Linked to Decision to Free Lockerbie Bomber Al-Megrahi, U.K. Says

U.K. Prime Minister David Cameron's office said there was no link between the Scottish government's decision to free jailed Libyan Lockerbie bomber Abdelbaset al- Megrahi and activities undertaken by BP Plc in Libya.

NEW ORLEANS, Louisiana (AFP) – Oil giant BP detected a leak Thursday in equipment to seal the catastrophic Gulf of Mexico gusher, forcing another delay to the start of crucial tests on a new tighter-fitting cap.

After finally getting the green light to begin pressure tests, BP said it would have to postpone the procedure for a second time to repair a leak in a so-called choke line, which leads off from a system of blowout preventers being used in the operation.

AG: Firms other than BP could be liable for spill

DAUPHIN ISLAND, Ala. – Attorney General Eric Holder has indicated that corporations other than BP could be held liable eventually for the devastating oil spill in the Gulf of Mexico.

T. Boone Pickens Says BP a `Good Buy' After Shares Climb to 5-Week High

T. Boone Pickens, the billionaire energy investor, said that BP Plc is a good investment as the shares rebound after losing more than half their value following the Gulf of Mexico oil spill.

Rubio calls federal oil spill response "abysmal"

PENSACOLA, Fla. – Senate hopeful Marco Rubio accused the Obama administration of "insanity" and "incompetence" in its handling of the Gulf of Mexico oil spill, while steering from his own support of offshore drilling in a campaign stop Wednesday.

Rubio said Obama should have convened the world's leading experts in the initial days of the spill and devised a plan to stop it, and railed against federal regulatory nitpicking he says has kept containment and clean-up efforts from being more effective.

Americans in 73% Majority Oppose Deepwater Drilling Ban

Most Americans oppose President Barack Obama's ban on deepwater oil drilling in response to BP Plc's Gulf of Mexico spill, even as they hold the company primarily responsible for the incident.

Almost three-fourths, or 73 percent, say a ban is unnecessary, calling the worst oil spill in U.S. history a "freak accident," according to a Bloomberg National Poll. Barely more than a third say they support drilling less than they did a few months ago. The BP rig sank in April. The administration issued a new moratorium this week after a court rejected a six-month one imposed in May.

Norway seeks lessons from BP spill, but won't halt drilling

As Europe's largest producer of offshore oil, Norway is looking to absorb the lessons from BP PLC's blowout in the Gulf of Mexico, but its top regulator has seen no reason to halt exploratory drilling.

Suit filed seeking more details on dispersants

NEW ORLEANS – BP's use of chemicals to disperse the Gulf of Mexico oil spill is coming under renewed scrutiny, as environmentalists head to court to seek more information about potential health hazards and a Senate panel plans a Thursday hearing on the issue.

The company has used at least 1.8 million gallons of dispersants on the Gulf's surface and 5,000 feet deep at the source of the leak.

Oil hits Louisiana's largest seabird nesting area

NEW ORLEANS — Biologists say oil has smeared at least 300-400 pelicans and hundreds of terns in the largest seabird nesting area along the Louisiana coast — marking a sharp and sudden escalation in wildlife harmed by BP's Gulf of Mexico oil spill.

The finding underscores that official tallies of birds impacted by the spill could be significantly underestimating the scope of damage.

Animal Autopsies in Gulf Yield a Mystery

The vast majority of the dead animals that have been found - 1,866 birds, 463 turtles, 59 dolphins and one sperm whale - show no visible signs of oil contamination. Much of the evidence in the turtle cases points, in fact, to shrimping or other commercial fishing, but other suspects include oil fumes, oiled food, the dispersants used to break up the oil or even disease.

Lukoil, Gazprom are among exploration investors in Uzbekistan

TASHKENT (Itar-Tass) -- Foreign companies involved in exploration in Uzbekistan plan to invest over 1.9 billion dollars over 2010-2015, the head of Uzbekistan's institute of geology and exploration of oil and gas deposits of the Uzbekneftegaz Company, Gaibulla Abdullayev, said on Thursday.

Among the biggest investors there are Russia's Lukoil, Gazprom, PetroAlliance and

foreign CNPC International /China/, Korea National Oil Corporation /South Korea/, and Petronas Carigali Overseas /Malaysia/, he said.

Govt asks RIL to cut supplies to fertiliser, power plants

The government has asked Reliance Industries to cut natural gas supplies to power and fertilizer plants so that new users like Essar Oil's Vadinar refinery can be given gas from its KG-D6 fields.

Oil Ministry this week issued written instructions to the billionaire Mukesh Ambani-run firm to make a "pro-rata" cut in gas supplies to all existing customers if the production from its KG-D6 field cannot support new customers, two sources with direct knowledge of the information have said.

Indian Oil May Invest in Africa, Indonesia in \$1 Billion Overseas Push

Indian Oil Corp., the country's second-biggest refiner, plans to acquire oilfields in Africa as part of a \$1 billion overseas investment plan, its chairman said.

"Africa is top of our list to buy assets because it is near India and has good quality crude," Brij Mohan Bansal said in an interview at his office in New Delhi today. "We are planning retail outlets in Indonesia."

Total buys a Chevron offshore Nigerian oil stake

LAGOS, Nigeria — French oil firm Total SA says it has signed a deal to acquire Chevron Corp.'s stake in an offshore oil block near Nigeria's coastline.

New Report: U.S. Electric Utilities Must Embrace Clean Energy, Energy Efficiency to Compete in 21st Century

The most successful utilities in the 21st Century will be very different from those of the 20th Century. To remain competitive, U.S. utilities will need to provide cleaner, low-carbon electricity while enabling customers to better manage and reduce their energy use. Achieving this will require significant changes to the traditional utility business model.

Energy revolution is under way, says IEA

The energy technology revolution required to tackle climate change and enhance global

energy security is finally under way, according to the International Energy Agency (IEA).

The Paris-based agency has launched its Energy Technology Perspectives 2010 publication and says that it can see the "green shoots" of change after calling for an energy revolution "for several years".

Illegal logging of tropical forests down

Illegal logging of tropical woodland has fallen sharply, providing welcome news in the fight against climate change and a lifeline for a billion poor people who depend on forests for survival, a report released on Thursday said.

Since 2000, international efforts to stem the illicit felling of trees has spared about 17 million hectares in three countries alone, amounting to a preserved area larger than England and Wales, the London think tank Chatham House said.

Project's Fate May Predict the Future of Mining

The Obama administration's threat to curtail a major mountaintop mining project could signal a shift in policy.

Rethink Alberta Campaign targets tourists

A U.S.-based environmental group launched an ad campaign Wednesday criticizing the province's oil sands and asking tourists to stay away from Alberta.

Yobe: Trying to Survive without Oil Money

The present plan to seek alternatives to petroleum as energy source by developed countries has spurred the people of tiny Yobe State to come to terms with the fact that over-dependence on oil revenue is no more in vogue.

CityGlider off to flying start

Brisbane's first 24 hour high-frequency bus service has been hailed a success just three months after it hit inner-city streets.

...CityGlider buses depart every five minutes during peak hour and every 10-15 minutes during off-peak times.

May the Best Flusher Win

What does the Grand Canyon have in common with the world's largest toilet? They're both stops on the Environmental Protection Agency's latest promotional campaign, a "We're for Water" cross-country road trip aimed at educating consumers about water-saving behavior and products certified through the agency's WaterSense program.

Prevailing in the pursuit of soul food

You begin to look at life in a different way when you're waiting in line for food stamps.

For me, that point in life has come sooner than expected.

Transition Tours: Abandoned S.F. lots reborn

On a quiet street bordered by warehouses in the Potrero neighborhood is a long, narrow garden, an unlikely swath of green in an urban industrial neighborhood. The garden is the CCA FARM, an experiment in community engagement and land reclamation initiated by Robyn Waxman, then a graduate design student at the California College of the Arts. Similar projects are cropping up in neighborhoods across San Francisco as residents and community groups collaborate with the city to transform abandoned lots into gardens.

Fannie and Freddie Are Sued in California

The California attorney general's office on Wednesday sued Fannie Mae and Freddie Mac over actions by the mortgage finance companies that have derailed a popular financing program that allows homeowners to pay for energy efficiency improvements through a surcharge on their property taxes.

Prince Charles attacks climate change sceptics

The Prince of Wales last night launched an attack on climate sceptics, deriding them for peddling "pseudo science".

In a speech to world business leaders at a climate change seminar, Charles criticised such sceptics for apparently intimidating people from "adopting the precautionary measures necessary to avert environmental collapse".

It looks like Democratic leaders in the Senate, searching for a breakthrough on climate and energy legislation, are circling back a decade to the Bush plan. By that I mean the carbon dioxide policy pushed by George W. Bush in his campaign against former Vice President Al Gore for the presidency in 2000.

In fight over California's global warming law, money is flowing

Supporters of California's global warming law have raised more than \$2 million so far to defend the landmark legislation in what's shaping up as an expensive November ballot battle.

China's CO2 emissions need to peak by 2020: IEA

BEIJING - China's emissions of carbon dioxide need to peak by 2020 if the world is to meet its 2050 targets aimed at curbing climate change, the head of the International Energy Agency said on Thursday.

Then and Now: The Retreating Glaciers

In 1921, George Mallory, a British mountaineer, took a black-and-white photograph of Mount Everest. The photo, now legendary, shows the world's highest peak in the distance and an S-shaped river of ice running toward the foreground: the Rongbuk glacier.

Three years ago, David Breashears, a mountaineer, photographer and filmmaker, returned to the very spot where Mr. Mallory stood to take the photograph and updated the vista. The change is sobering.

Google Earth map showing temperature rises unveiled

LONDON (AFP) – British ministers have launched a new Google Earth map designed to show the potential impact of temperature rises of four degrees Celsius.

The interactive map lets members of the public see the dramatic changes that could occur if action is not taken to curb greenhouse gas emissions.

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