



Drumbeat: July 19, 2010

Posted by [Leanan](#) on July 19, 2010 - 9:25am

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[Does Middle East Oil Get a Carbon Subsidy?](#)

The federal government's position on ethanol fuel is that it must contribute less to global warming than gasoline does, or why bother promoting it. Yet by some calculations, ethanol is worse because it encourages the destruction of forests to make way for new farmland, many assert. Burning trees releases carbon dioxide into the atmosphere; what is more, the trees are no longer there to absorb carbon dioxide.

Now, two professors at the University of Nebraska counter that gasoline is an even bigger source of heat-trapping gases than previously believed. While most attention focuses on the obvious sources of gasoline-related emissions — drilling wells, transporting oil, refining it into gasoline and finally burning it in a car engine — they argue that the military activity that goes into protecting and acquiring oil imports from the Middle East takes an emissions toll that doesn't get factored into comparisons of gasoline and ethanol.

[Oil Rises, Snapping Three-Day Slump as U.S. Futures Signal Equity Rebound](#)

Crude oil snapped three days of losses as gains in U.S. index futures pointed to an equity market rebound that may restore confidence in the outlook for fuel demand.

Oil fell earlier as China said export growth may slow during the rest of the year to less than half the pace of the first six months, while concerns persisted about Europe's sovereign debt crisis. U.S. index futures rose, indicating the Standard & Poor's 500 Index may rebound from its biggest sell-off this month.

"The fear of a double-dip in the U.S. and a slowdown in China in the second half will remain the driving factors," said Eugen Weinberg, head of commodity research at Commerzbank AG in Frankfurt. "Much will depend on the technical picture and whether \$75 holds."

[China's Shandong Province Faces Oversupply of Oil Products, dzwww.com Says](#)

China's eastern province of Shandong faces an oversupply of oil products, news portal

dzwww.com reported, citing the local petroleum and chemical association.

[Hedge Funds Increase Bets on Oil Gains by Most Since 2007: Energy Markets](#)

Hedge funds and other large speculators raised bets that oil would gain by the most in more than three years just as it began to slide, the second straight week money managers lined up on the wrong side of the market.

So-called net long positions on the New York Mercantile Exchange rose 67 percent the week ended July 13, the most since February 2007, according to the weekly Commitments of Traders report from the Commodity Futures Trading Commission. Oil fell on four out of five days on the Nymex last week, ending down 0.1 percent at \$76.01 a barrel as of July 16, and extended that decline today. It rose 5.4 percent the previous five days, the biggest weekly gain since May.

[Q+A - How do the new anti-Iran sanctions affect oil?](#)

DUBAI (Reuters) - Decades of sanctions against Iran have stunted its economic development and the growth of its all-important oil sector.

[WSJ: US Sanctions Cloud India-Iran Projects](#)

NEW DELHI -(Dow Jones)- India's petroleum secretary said the latest round of U.S. sanctions against Iran could complicate the activities of Indian state-controlled companies that are looking to invest in Iran's oil and gas sector.

The official, S. Sundareshan, said in an interview that Indian public sector firms, including Oil & Natural Gas Corp., are exploring opportunities in Iran, a huge potential market as India hunts for energy resources abroad. India also recently renewed talks with Iran over a proposed \$7.4 billion pipeline that would deliver natural gas to Pakistan and India.

[Deora rules out rollback of fuel price hike](#)

New Delhi (PTI) Petroleum Minister Murli Deora today ruled out any rollback in the increased prices of petroleum products, saying the hike has been reasonable and minimum.

[Huge plant to boost Oman power](#)

Oman will build a huge power plant south-east of the capital to keep up with galloping

growth in consumption, the state utility announced yesterday.

The multibillion-dollar, gas-fired plant at Sur – set to be the country’s largest by far – indicates the government has shelved plans to build the GCC’s first coal-fired power plant, analysts say.

[BP, RWE developing Egyptian natural gas field](#)

LONDON (AP) -- BP PLC says it has signed a new agreement with Egyptian authorities to develop a deep water natural gas field.

BP said Monday that the first phase of the agreement covers development of an estimated 5 trillion cubic feet of gas and condensate in the North Alexandria and West Mediterranean concessions.

[Sinopec Shengli First-Half Crude Oil Production Reaches 13.5 Million Tons](#)

China Petroleum & Chemical Corp., the nation’s second-largest oil producer, said crude output at its largest field reached 13.54 million metric tons in the first half, without giving year earlier figures.

Daily production at Shengli field in Shandong province dropped to more than 1,400 tons below the planned volume at the beginning of this year because of cold weather, according to a statement on the state-owned Assets Supervision and Administration Commission website today. It didn’t elaborate.

[U.S. Demands More Test Data From BP as Seep Found in Seabed](#)

U.S. government officials demanded to see BP Plc’s plans for opening its sealed Gulf of Mexico well after tests found a suspected leak seeping from the seabed.

In a letter addressed to Bob Dudley, BP managing director, National Incident Commander Thad Allen said tests had detected a “seep a distance from the well and undetermined anomalies at the well head.” The letter was posted yesterday on the website of the joint information center for the spill.

[Well testing continues: government gets BP answers on seep](#)

(CNN) -- Testing on a capped oil well in the Gulf of Mexico will continue for another day, officials said Monday, as the federal government says it has received satisfactory answers from BP regarding a seep near the well.

Thad Allen, the federal government's oil spill response director, said Monday that a federal science team and BP representatives had discussed several issues during a Sunday night conference call, including the "possible observation of methane over the well."

[Rig's Final Hours Probed](#)

Federal authorities investigating BP PLC's oil spill in the Gulf of Mexico are zeroing in on bad decisions, missed warnings and worker disagreements in the hours before the April 20 inferno aboard the Deepwater Horizon that spawned one of the worst environmental disasters in U.S. history.

In particular, the panel is examining why rig workers missed telltale signs that the well was close to an uncontrolled blowout, according to an internal document assembled by the investigators and reviewed by The Wall Street Journal. The document lists more than 20 "anomalies" in the well's behavior and the crew's response that particularly interest the investigators.

[BP Well Boss Could Shed Light on Cause of Gulf Oil Disaster](#)

BP Plc's chief decision maker on the Deepwater Horizon drilling rig is scheduled this week to give his version of the events that killed 11 workers and triggered the worst U.S. oil spill.

[BP's Oil Spill Costs Near \\$4 Billion Mark](#)

(CBS/AP) Oil company BP says that the cost of dealing with the Gulf of Mexico spill has now reached nearly \$4 billion.

The company, which last week managed to place a temporary cap on the leak, said Monday it has made payments totaling \$207 million to settle individual claims for damages from the spill along the southern coast of the United States.

[BP Talks With Apache Said to Stall on Selling Prudhoe Bay Stake](#)

BP Plc's talks to sell half its stake in Alaska's Prudhoe Bay oil field to Apache Corp. stalled twice over the weekend, raising doubts about whether the deal will be completed, said a person with knowledge of the matter.

[Halliburton Profit Rises as Onshore Drilling Increases After Gulf Oil Leak](#)

Halliburton Co., the biggest provider of land-based oilfield services in the U.S., said second-quarter profit rose as gains in onshore drilling made up for a halt to new wells in the Gulf of Mexico.

[China seals oil port after spill; PetroChina cuts runs](#)

BEIJING (Reuters) - One of China's biggest ports, Dalian, shut on Monday after an offshore pipeline explosion triggered a major oil spill, forcing a refinery to cut processing and importers to divert cargoes elsewhere.

The aftermath of the weekend fire could disrupt shipments of oil, iron ore and soy and add to pressure for stricter environmental standards in China, already reeling from a toxic copper mine leak in the south of the country which burst into headlines last week amid accusations of a cover up.

[Dalian Port Falls Most in Two Months on Oil Spill Caused by Pipeline Blast](#)

Dalian Port (PDA) Co., operator of China's largest crude-oil terminal, fell the most in two months after explosions at pipelines operated by a PetroChina Co. unit caused what may be the biggest oil spill in the country's seas.

[Over 500 fishing boats join Dalian oil spill cleanup operations after pipeline explosion](#)

DALIAN (Xinhua) -- Over 500 fishing boats Monday joined a massive oil spill clean-up operation underway off the coast of northeastern China's Dalian City, three days after pipelines exploded near the city's oil reserve base, one of China's largest.

A dark-brown oil slick has stretched over at least 183 square kilometers of ocean near blast-hit Xingang port, with 50 square kilometers severely polluted.

[China Says Oil Spill May Be Cleaned in 5 Days; Pipeline Blast Shuts Port](#)

An oil spill caused by pipeline blasts at China's Dalian port may be cleaned up this week, allowing country's largest crude-oil terminal to resume receiving supplies for two PetroChina Co. refineries.

[Post-BP cap: What's in store for big oil cos?](#)

And among experts there seems little doubt that it is big oil that will triumph, particularly in the more difficult terrain where much of the biggest reserves lie. The huge size of potential liabilities will mean that smaller oil firms (such as BP's partner

Anadarko) will struggle to justify investing in riskier projects, despite the high potential rewards, argues Mr Christopher Skrebowski, founding director of London-based Peak Oil Consulting.

“It's only the biggest companies that effectively will be able to conduct such projects. Other boards will be intensely reluctant to expose themselves – there is no point saying the risk is 1 to 10,000 if it could lead to total wipeout.”

[Over A Barrel: Peak Oil per Capita](#)

Most people have enough trouble dealing with the reality of peak oil. It's like being married to someone who says, “I'm not an alcoholic, I just sometimes drink too much.” But perhaps to soften the blow, or maybe just to simplify the numbers, what is generally left out is the fact that it's not really peak oil that matters, anyway, but peak oil per capita, the date of which was 1979. In that year there were 5.5 barrels of oil available for each person on Earth; by 2009 it had gone down to 4.3.

[Attack of the Malthusians! \(Again\)](#)

Now, I'm used to having Malthusian nonsense preached at me by confused environmentalists or college kids with new beards. But I was now being instructed by a woman with a dulcet NPR voice (in my head, anyway) to share these ideas with my own child. At that moment I realized the discredited thought of Thomas Malthus had been thoroughly recycled.

And this kind of stuff just keeps coming and coming and coming.

[Truth & Lies of The Financial "Crisis" \(Peak Oil and Peak Ponzi\)](#)

The corporate media usually presents the financial crisis as if it were due to bad apples, sloppy accounting practices or other localised phenomena, whereas in fact it is systemic. Ponzi schemes such as the modern fiat currency systems must expand or die. Our main talk this week is by Nicole Foss from The Automatic Earth. Speaking to a Transition Towns conference in June 2010 at the Seale Hayne Agricultural College, Devon, UK, she takes peak oil/resource depletion as a given and explores the implications for a world money system based on unpayable debt, concluding that the years ahead hold increasing repression from centralised power increasingly desperate in enforcing untenable debt. People currently uninterested in what is really going on will be forced to pay attention as resource shortages bite and the 'business as usual' mirage never arrives. Our second hour concludes with a reading of Michael Hudson's 2009 article "The Language Of Looting" which explains how economic history has been censored to allow the term "free markets" to be used to mean the opposite of its historical use.

[Toyota Prius Success Runs Into Soviet Emigrant's Patent Claim](#)

The success of Toyota Motor Corp.'s Prius, the best-selling hybrid car in the U.S., may stall if Alex Severinsky doesn't get paid.

The Soviet emigrant, who began his career developing antitank-warfare instrumentation, is getting his day in court over his claims that the idea he patented in 1994 for a high-voltage system to power gas-electric hybrid cars was used by Toyota without permission. Severinsky, 65, has spent years trying to get the automaker to pay royalties, and a hearing that starts today may lead to the U.S. blocking imports of the Prius.

[Wind power might require a costly grid expansion](#)

The Midwest could be crisscrossed with a new network of high voltage power lines to move wind-generated power from the windiest spots in the Dakotas, Iowa and Minnesota.

A group of utilities in 11 states, including Pewaukee-based American Transmission Co., is studying three alternatives, each of which would cost at least \$23 billion over the next 20 years.

[BP to take over biofuel business from US company](#)

BP and Verenium have signed an agreement for BP Biofuels North America to acquire Verenium's cellulosic biofuels business, including the company's facilities in Jennings, Louisiana, and San Diego, California, for \$98.3m.

[New York Is Not Just Hot, but Parched](#)

So last week the city's parks commissioner urged people to water the trees on the streets. The parks department issued a press release that said trees needed 15 to 20 gallons of water once a week. "That's three to four large buckets," it said, offering how-to advice: "Poke small holes at the bottom of a large trash can. Fill it with 15 to 20 gallons of water and leave the trash can next to the tree overnight."

Beyond the five boroughs, some towns have imposed water restrictions. The result is brownish lawn next to brownish lawn, as David Reardon of Glen Ridge, N.J., knows only too well. "If mine was the only brown lawn, I would be concerned," he said. "But now you don't want to be the only green guy on the street."

[Britons need more incentives to cut emissions - MP](#)

(Reuters) - Controversial measures to force Britons to use less energy and cleaner forms of transport could be necessary to aid Britain's fight against climate change, a senior Conservative member of parliament said on Monday.

[Bad science: Global-warming deniers are a liability to the conservative cause](#)

This is a phenomenon that should worry not only environmentalists, but also conservatives themselves: The conviction that global warming is some sort of giant intellectual fraud now has become a leading bullet point within mainstream North American conservatism; and so has come to bathe the whole movement in its increasingly crankish, conspiratorial glow.

[Please remain calm: The Earth will heal itself](#)

Stanford University physicist Robert Laughlin says governments – and people generally – should proceed with more humility in dealing with climate change. The Earth, he says, is very old and has suffered grievously: volcanic explosions, floods, meteor impacts, mountain formation “and all manner of other abuses greater than anything people could inflict.” Yet, the Earth is still here. “It’s a survivor.”

Writing in the summer issue of the magazine *The American Scholar*, Prof. Laughlin offers a profoundly different perspective on climate change. “Common sense tells us that damaging a thing as old as [Earth] is somewhat easier to imagine than it is to accomplish – like invading Russia.” For planet Earth, he says, the crisis of climate change, if crisis it be, will be a walk in the park.

[UN CO2 Regulators Juggle Conflicts of Interest in Debate on Future Supply](#)

Some United Nations-overseen regulators of the world’s second-biggest carbon market need to resolve conflicts of interest as they debate on the supply of emission credits from industrial-gas projects next week.

[Nations to seek clean energy cooperation](#)

WASHINGTON (AFP) - Energy ministers or senior officials from 21 nations are gathering in Washington, DC Monday for a two-day meeting aimed at finding ways to work together on clean energy amid an impasse in drafting a new climate change treaty.

The US Energy Department said the meeting will feature announcements of joint initiatives among the major economies, who together account for 80 percent of the world's gross domestic product.

[Eastern Europe struggling to meet EU climate targets](#)

The EU's Eastern European newcomers, who still need to catch up with the rest of the Union in terms of economic and social development, face an uphill battle to attain the 'climate targets' laid out in the bloc's 'Europe 2020' strategy, a round-up of articles from the EurActiv media network reveals.

[Low-lying nations pledge climate action](#)

Six countries seen as most threatened by rising sea levels have vowed to cut their carbon emissions as a gesture of their commitment to fight global warming, the Maldivian government says.

The countries, mostly low-lying nations, met at the weekend in the Maldives and pledged to drastically cut their emissions while pressing others to follow suit.

[Chinese firms cashing in on EU carbon trade](#)

European industries are subsidising direct competitors in China and India by buying international credits to offset their carbon dioxide emissions, an NGO said in a new report.

['Climategate' fallout may impact legislation](#)

Five investigations into the "Climategate" scandal have now cleared a group of scientists accused of twisting data in an effort to prove the world is getting warmer.

But many environmentalists and climate researchers fear the damage has already been done.

[New Report Highlights Impact of Climate Change On UK Waters](#)

The Marine Climate Change Impacts Partnership (MCCIP) launched its latest annual report card on 15 July 2010 providing the very latest updates on how climate change is affecting our seas.

Almost 100 scientists from 40 leading UK science organisations, including Natural England, contributed to this peer-reviewed report, which covers 30 marine and coastal topics. The report includes a new regional seas climate change impacts map, which highlight important differences in climate change impacts across UK regional seas. These maps show that whilst many impacts are being seen in southern UK waters, future climate change will lead to impacts across all UK regional seas.



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