



Drumbeat: August 4, 2010

Posted by [Leanan](#) on August 4, 2010 - 9:20am

Topic: [Miscellaneous](#)

[Mexican oil industry on the defensive](#)

State oil monopoly Pemex is struggling to sidestep mounting lawlessness in remote areas of northern Mexico, underscoring how the country's escalating drug war has touched a once relatively immune industry.

Pemex and the private companies it employs have scaled back drilling, maintenance and other activities at some isolated sites in the Burgos basin due to deteriorating security, a senior executive with a large Pemex contractor in the region said.

"There are places where we cannot go, where it is not safe for our workers to go, so for now those projects are on hold," the executive said on condition of anonymity.

[Refiners feel pinch from Enbridge line shutdown](#)

NEW YORK/CALGARY (Reuters) - A second oil refiner has reduced operating rates as some U.S. and Canadian refineries processing more than 700,000 barrels per day of crude oil felt a supply pinch on Wednesday due to Enbridge Inc's ruptured crude pipeline.

United Refining said it has cut rates at its 70,000 bpd refinery in Warren, Pennsylvania due to Enbridge's crude oil pipeline rupture early last week.

[Gasoline prices rise following rally in oil](#)

The recent rise in oil prices is translating into higher prices at the pump.

The national average for a gallon of regular unleaded rose 2.1 cents to \$2.747 a gallon, according to AAA, Wright Express and Oil Price Information Service. Oil has traded above \$82 for two straight days. It was around \$77 a week ago.

[So long, new deepwater drilling regulations](#)

FORTUNE -- Yesterday, Democrats in the Senate rejected taking up a new oil spill response bill because of a dispute over who foots the costs of future spill cleanups and more importantly, how much those parties -- largely oil and exploration companies -- will pay. The Senate is voting on the bill, vaguely titled "a bill to promote clean energy jobs and oil accountability, and for other purposes" in response to BP's spill in the Gulf at the Macondo well.

Other parts of the over 400-page bill about energy in general and offshore drilling in particular include safety measures. Until some version of the bill passes, important issues with offshore drilling will remain caught in legislative limbo.

[Hyundai: Boost fuel efficiency to 50 MPG by 2025](#)

NEW YORK (CNMoney.com) -- Hyundai Motor Co. announced Wednesday that it has set a goal to boost the fuel efficiency of its U.S. vehicle lineup to an average of 50 miles per gallon by 2025.

That target would put the the South Korean automaker more then 40% above the 35.5 miles per gallon level that U.S. government is pushing automakers to reach by 2016.

[Biofuels industry leaves hazy environmental footprint, report says](#)

OTTAWA - The biofuels industry leaves behind a hazy ecological footprint because each facility measures its environmental performance differently, says a new report.

This makes it difficult for the government to gauge how ethanol and biodiesel affect the environment.

[Livin' the Dream, Off the Grid and Thriving](#)

Twenty years ago my wife Michelle and I had a dream to get out of the city and move to the country. We wanted to live more sustainably and have space around us. Almost 14 years ago we found our little piece of paradise on 150 acres in Eastern Ontario. The nearest utility pole is 3 miles to the east and 4 miles to the west and we power the house entirely with the sun and wind. It truly is a dream come true.

[Carpooling down, even with green awareness up](#)

Despite greater awareness about vehicle emissions and spikes in gasoline prices, Census figures show there are fewer people carpooling than there were 30 years ago. State and local governments, grass-roots organizations and even the Defense Department are

trying to do something about the decline.

[BP offers cheaper gas](#)

NEW YORK (CNNMoney.com) -- In an effort to help struggling gas stations and appease furious consumers following the Gulf disaster, BP is lowering its gasoline prices.

BP is offering a series of incentives to its distributors that could shave two cents off the price of gasoline at the pump.

[Who should pay for 'smart' electricity in Maryland?](#)

AMERICA RUNS ON electricity, but the nation's antiquated power grid struggles to meet the demand. The Obama administration believes digital equipment and other "smart grid" innovations can reduce outages and direct the flow of power with greater precision, saving energy and money while creating jobs. The Energy Department is spending \$3.4 billion in federal stimulus money to help utilities build a smart grid.

The hard question is measuring costs and benefits precisely -- and apportioning them between utilities and ratepayers.

[Low voltage](#)

For the near future, electric cars will be far too expensive for anyone but upper-income Americans. The only way to sell them, even to the well-off, will be with a large federal subsidy.

[World view: Not by experts alone](#)

More and earlier public involvement is required to steer powerful new technologies wisely.

[Auto sales: China blows past U.S.](#)

FORTUNE -- For a view as to where the world is heading, take a close look at automotive sales data coming out of the two largest markets, the U.S. and China. It is instructive -- and a bit frightening.

[Analysis: Coal to Remain Critical to China's Energy Mix](#)

While China's growing population, economy and energy usage has prompted the Chinese government to encourage the development of other energy resources, coal is still expected to play a significant role in the nation's energy future.

"In the absence of national policies and/or binding international agreements that would limit or reduce greenhouse gas emissions, world coal consumption is projected to increase from 132 quadrillion Btu in 2007 to 206 quadrillion Btu in 2035, at an average annual rate of 1.6 percent, the U.S. Energy Information Administration (EIA) reported in its International Energy Outlook.

[Tom Whipple - Deepwater Horizon: The Aftermath](#)

With BP's oil well close to being permanently sealed, we are beginning to gain more insight into the effects the blowout will have on oil production in the years ahead.

[Deepwater Drilling Ban Could End Soon](#)

The deepwater drilling ban in the U.S. Gulf of Mexico may end well in advance of its Nov. 30 expiration date, the Washington Post quoted Bureau of Ocean Energy Management, Regulation and Enforcement (BOEM) Michael Bromwich as saying on Aug. 3.

[Gulf Spill Has Us Seeing Oil, Oil Everywhere](#)

Every week seems to bring fresh news about a disastrous oil spill. But the question is whether more such spills are taking place — or whether news outlets are simply paying more attention to them in the wake of the record-breaking spill in the Gulf of Mexico.

[Australia: Don't believe the Greens, we'll be running on gas](#)

IF you thought Kyoto and Copenhagen were nonsense, wait until you see what the Greens have in store next with their global oil depletion protocol.

[Aramco Cuts Oil Prices on September Crude Sales to Asia, Europe](#)

(Bloomberg) -- Saudi Aramco, the world's largest state-owned oil company, lowered official selling prices on all crude grades for customers in Asia and Europe for September, and cut prices for light grades to the U.S.

The company reduced the formula price of its Arab Super Light to Asia the most among cargoes heading east, dropping it by 85 cents a barrel to 25 cents a barrel above the benchmark Dubai price assessment published by Platts.

[Saudi's PetroRabigh halts gasoline output](#)

Saudi Arabia's Rabigh Refining and Petrochemical Co (PetroRabigh) experienced a technical difficulty that halted production, meaning the leading oil exporter needs to import around five cargoes of gasoline, traders said on Wednesday.

[The nuclear Gulf](#)

Experts in alternative energy stress that the world is at a stage where crude oil and gas are no longer able to cope with global energy demands, and the steady rise in the price of oil is accompanied by an even higher rise in the cost of its production and export. This is slowing down the industry's growth because the quick profits made by some exporting countries are barely enough to cover their own financial deficits, as is the case with Iran, for example.

[‘Local production of wind turbines to be encouraged’](#)

The Alternate Energy Development Board (AEDB) is planning to increase the local manufacturing and fabrication of various components of wind mills from 20 to 50 per cent within the next three years.

“Pakistan has immense alternative/renewable energy (ARE) resources, modern facilities as well as highly-skilled and hard working manpower — enough to make a strong manufacturing base of RE equipment in the country,” AEDB Chief Executive Officer said while addressing a consultative workshop on Tuesday.

[Political violence rages in Karachi, 12 more killed](#)

KARACHI — More than a dozen more people were killed overnight in Pakistan's Karachi, deepening fears of instability in the commercial hub after the killing of a member of the dominant political party in the city.

[Electric cars face bumpy road to acceptance](#)

General Motors' new extended-range Volt is just one of many advanced electric vehicles that will charge into showrooms over the next several years. Proponents believe the nascent switch to electric propulsion will be a critical step in reducing the nation's dependence on foreign oil and toward the goal of reducing global warming.

But skeptics question the viability of vehicles like Volt, citing their high cost and limited range as factors that could minimize demand, especially at a time when gasoline prices

are relatively affordable.

[American Shakespeare Center firing a sign of budget, employee changes](#)

Curren this week started a marketing agency, Curren Media Group, which he plans to operate with his wife, Lindsay. The company will focus on clean energy and the arts, Curren said. He also hopes to launch an online magazine targeting the issues of peak oil, he said.

[Bill McKibben - Climate change: It's time to talk, and act, tough](#)

I'm a mild-mannered guy, a Methodist Sunday school teacher. I'm not quick to anger. But the time has come to get mad, and then to get busy.

[New garbage patch discovered in Indian Ocean](#)

Scientists previously mapped huge floating trash patches in the Pacific and Atlantic oceans, but now a husband-wife team researching plastic garbage in the Indian Ocean suggest a new and dire view. "The world's oceans are covered with a thin plastic soup," says Anna Cummins, cofounder of 5 Gyres Institute.

[EU Seeks Caspian Gas Accord to Cut Russian Dependence](#)

The European Union is seeking an agreement on a natural-gas pipeline between Turkmenistan and Azerbaijan as the 27-nation bloc aims to import Caspian fuel and reduce its dependence on Russia.

The EU regulator's energy unit drafted a document that the parties could use as the basis for a deal on building at least one pipeline across the Caspian Sea, according to a copy of the non-binding paper obtained by Bloomberg.

[Oil Falls From Three-Month High on Concerns Over U.S. Recovery](#)

Crude oil traded near its highest level in three months before a report forecast to show that U.S. crude inventories declined for the first time in three weeks.

Oil pared earlier losses of as much as 1.1 percent after a report showed that U.S. companies added more jobs than forecast in July. Analysts surveyed by Bloomberg News before a Department of Energy report today said stockpiles probably fell by 1.65 million barrels.

[US Senate delays action on scaled-back energy bill](#)

WASHINGTON (AFP) – The biggest maritime oil spill was not enough to get US senators to agree on a scaled-back energy bill that would have tackled oil exploration and spill cleanup, a top lawmaker said Tuesday.

Senate Majority Leader Harry Reid said the offshore oil drilling reform bill would be delayed to September, after legislators return from their summer August recess, because there is not enough support for it at present.

[Death and oil in Niger Delta's illegal refineries](#)

Niger Delta, Nigeria (CNN) -- The young man, his body glistening with black oil and sweat, poured more oil onto the fire. The flames roared, heating two barrels of oil to explosive temperatures. He escaped to a safer distance, a slight smile breaking his grim face -- he had survived.

"This job is very dangerous," he explains, asking to remain anonymous. "The smoke, the heat -- I cannot count the number of people who have died in explosions because they cannot escape the flames."

He is risking his life trying to refine diesel from oil in the swamps of Nigeria's oil-rich Niger Delta.

[Saudi Aramco, Dow Chemical Shift Joint Venture Chemical Plant to Jubail](#)

Saudi Aramco, the world's largest state-owned oil company, and partner Dow Chemical Co. will shift the location of a proposed chemical and plastics plant to Jubail on the Persian Gulf coast.

The partners expect to complete the engineering and design by mid-2011, the companies said today in a statement distributed by Business Wire. They moved it from a planned spot at Ras Tanura in Eastern Province, Saudi Arabia.

[BP 'plugs' Gulf of Mexico oil well](#)

NEW ORLEANS (AFP) – BP reached a "significant milestone" Wednesday in its bid to end the worst oil spill in history, using a procedure called a "static kill" to bring its runaway well in the Gulf of Mexico under control.

After pumping heavy drilling fluid into the busted well for eight hours, the company said "the MC252 well appears to have reached a static condition -- a significant milestone."

[75 percent oil from Gulf of Mexico spill is gone: official](#)

WASHINGTON (AFP) – About three-quarters of the oil spilled from the ruptured BP well in the Gulf of Mexico has disappeared, a top US official said Wednesday.

"The scientists are telling us about 25 percent was not captured or evaporated or taken care of by mother nature," said Carol Browner, a top energy adviser to President Barack Obama, on the ABC network's "Good Morning America" programme.

[Deepwater Horizon: A scientist at the centre of the spill](#)

Vernon Asper was one of the first researchers in the Gulf of Mexico to study the oil gushing out from the BP well. But it has not all been smooth sailing.

[Mexico says it will sue BP over oil spill in the Gulf](#)

(CNN) -- The Mexican government is planning to make BP and the United States pay for damages and for costs associated with the company's ruptured oil well in the Gulf of Mexico, the state news agency Notimex reported Monday.

[BP could learn from Exxon's safety response to Valdez oil spill](#)

Little details like that, Exxon says, may seem so minor they don't matter. But the company, which before BP was known for the USA's most notorious oil spill, says they add up to a culture that makes deepwater oil drilling safe. The Exxon Valdez spill 21 years ago in Alaska marked a turning point for Exxon that gave rise to processes that have made Exxon a safer operator, industry analysts say. BP needs a similar change, many argue, given the devastating spill.

[BP faces massive lawsuit over Texas site: report](#)

LONDON (AFP) – BP has been hit with a 10-billion-dollar lawsuit over an alleged leak of toxic chemicals at its Texas City refinery as it struggles to recover from the Gulf oil spill, a report said Wednesday.

[Jeff Rubin - Just keep spilling: Is gas any better?](#)

Just as BP has finally succeeded in capping the ruptured Macondo well in the Gulf of Mexico, Canadian pipeline giant Enbridge has sprung a leak in the Kalamazoo River in

Michigan. 2010 certainly hasn't been a banner year for the North American oil industry.

The Enbridge leak in Michigan is a poignant reminder of the thousands of miles of pipeline that crisscross North America. The Kalamazoo spill is not the first pipeline to burst on the continent, nor will it be the last; spills are a fact of life in the business. But this one may have broad implications for the future of tar sands production.

[Fire put out at British nuclear weapons base](#)

London, England (CNN) -- Fire crews have extinguished a fire at a nuclear weapons base west of London, the British Ministry of Defence said Wednesday.

[Local food network can take root here](#)

Our wild global ride is made possible only through the availability of abundant cheap energy. Hello, Jeff Rubin, author of *Why Your World is Going to Get a Whole Lot Smaller*. His essential thesis is that because of peak oil there will be very little more cheap energy. Global demand for petroleum energy and its available supply are beginning to diverge, signaled by the great price run-up in 2008, and the likelihood is that prices will return to those heights in the not-too-distant future.

According to Rubin, the era of cheap energy is coming to a close. The train is still rocketing along, but the ride is getting distinctly wobbly.

[Carbon Capture Closer to Profit as Brent Rally Continues](#)

Capturing pollution from European power plants and using it to force oil from underground reservoirs may turn a profit for the first time as crude prices rise toward \$100 a barrel.

Gathering carbon dioxide and pumping it into deposits to extract more crude for so-called enhanced oil recovery became too costly for companies after Brent crude fell 73 percent between its record high in July 2008 and December that year, according to Thomas Greenwood, an analyst at Bloomberg New Energy Finance. The 115 percent rebound since then may make it profitable even without government subsidies that are designed to curb the emissions, he said.

[FACTBOX - Differences at U.N. climate talks](#)

Following are the positions of key negotiating groups and countries as stated so far this week. Agreement on a new U.N. deal will require complete consensus.

[Poll: Action needed on global warming](#)

PALO ALTO, Calif. (UPI) -- Large majorities in three U.S. states say global warming is a threat and they support government efforts to control greenhouse gas emissions, a poll indicates.

More than three quarters of the residents of Florida, Maine and Massachusetts contacted in a Stanford University poll think that if the world has been warming, it has been due primarily or at least partly to "things people do," a university release said Tuesday.

[Is Environmentalism a Luxury Good?](#)

Add environmentalism to the long list of things the Great Recession may have successfully pulverized.

That is one implication of a new working paper titled "Environmental Concern and the Business Cycle: The Chilling Effect of Recession," by Matthew E. Kahn at U.C.L.A and Matthew J. Kotchen at Yale. Using survey data, it finds that high unemployment rates are associated with less concern for the environment and greater skepticism about global warming.



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