



Drumbeat: August 24, 2010

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Topic: [Miscellaneous](#)

[FACTBOX - China's fledging shale gas exploration](#)

(Reuters) - China last week launched its first national shale gas research centre to support the country's development of the fuel.

Encouraged by the boom in shale natural gas drilling in the United States and driven by recurring domestic gas shortages, China has fast-tracked plans to explore the unconventional fuel in its homeland.

to find a discovery that is equivalent to that. If these are smaller fields, you can't retain your ability long term."

Norway is turning to gas to make up for declining oil production from its aging North Sea fields.

Oil output peaked in 2000 and is forecast to drop 6% this year, cutting into the government's budget, which relies on the petroleum for 22% of its revenue.

Norway, the biggest foreign gas supplier to the UK, has not made a significant gas discovery since the Ormen Lange field in 1997.

[Norway oil subsidies hampering renewables: green group](#)

Norway (Reuters) - Norway's renewable energy sector is hampered by the limited subsidies it receives while the oil industry gets five times as much, a leading environmentalist group said on Tuesday.

Marius Holm, deputy director of the Bellona Foundation, said in an interview that petroleum firms received some 9 billion Norwegian crowns (\$1.4 billion) in subsidies in 2009, compared with 1.8 billion that went to the renewable sector.

"I am quite convinced this is hampering renewables from developing," Holm told Reuters. "The capacity of the Norwegian economy, the whole industry, is busy drilling for oil."

[Enbridge to expand Bakken pipeline](#)

Enbridge Inc., Canada's No. 2 pipeline company, said on Tuesday it will further expand its Bakken pipeline program, which will raise capacity by 145,000 barrels per day, to handle growing production from the oil field.

The Bakken play is a massive oilfield lying under parts of North Dakota, Montana and southern Saskatchewan.

[Transocean official recalls 'confusion' about test](#)

HOUSTON -- An official says a high-ranking employee indicated a pressure test problem had been resolved hours before BP's Gulf of Mexico well blew out.

[Scientists Find Oil-Eating Bacteria Plentiful in Deep Gulf Waters](#)

Oil-eating bacteria exist in significant quantities even in the deep waters of the Gulf of Mexico, and may be breaking down submerged oil from the Deepwater Horizon oil leak faster than previously believed, scientists are reporting today.

[Marines will still be 'hammering' Afghanistan next year](#)

As U.S. combat troops complete their withdrawal from Iraq, Marine Corps Commandant Gen. James Conway addressed Afghanistan's deadline for its similar pullout next summer during a Pentagon press briefing Tuesday.

Conway predicted that a significant number of U.S. Marines and combat forces will still be in Afghanistan "hammering" militants well past the July 2011 deadline to begin withdrawal of American forces.

[EnergizeUS Coalition Launched](#)

"We must deliver steady, high paying jobs to America by developing new energy technologies to reduce our reliance on foreign oil, " said David Cozad, Democratic Congressional Candidate for TX-06. "Today, 8 other Democratic candidates committed to join me in Congress and to go to State Legislatures all over the country to jump start America's economy with thousands of new, high paying jobs by making wise energy choices right now."

The EnergizeUS Coalition will work for Americans to deliver jobs in a new energy economy, move toward independence from foreign oil AND protect our great natural resources like the Gulf of Mexico from irresponsible and risky decisions by foreign companies like BP, who ignore safety procedures and risk the lives and jobs of all Americans.

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[Oil Falls a Fifth Day on Concern Over U.S. Supply Gains, Slowing Recovery](#)

Oil declined for a fifth day on speculation U.S. crude and fuel inventories increased last week as economic growth slows.

Oil fell to a seven-week low as the dollar strengthened against the euro, undermining investors' need to hedge against inflation using dollar-priced assets. U.S. crude supplies probably rose last week while distillate fuel stockpiles may hit the highest level in 27 years, a Bloomberg News survey shows.

[Gas prices continue unusual pre-Labor Day fall](#)

In robust economic times, pump prices don't typically begin to fall until after Labor Day. This year, demand has remained weak, which is one reason the prices are dropping earlier than usual, he said.

PFGBest analyst Phil Flynn thinks pump prices will fall by 10 to 25 cents a gallon in the next couple of months, barring a hurricane in the Gulf of Mexico that shuts down production. Other analysts predict prices will be 10 to 15 cents lower.

[Peter Tertzakian: As U.S. economy sputters, China's importance to oil producers grows](#)

In fact, crude oil stocks are only a bit above last year at this time, a couple of million barrels, but bear in mind that this is not positive indication if levels today are being compared against a period when the economy was mired in the Great Recession. Refined product inventories are also filling to the brim. In the big tanks there are now 223 million barrels of gasoline, 10 million barrels in excess of last year's levels, which is a record for mid-August. Vacationing drivers have pumped a bit more gasoline this summer, but not enough to keep up with refineries that continue to keep supplies high.

[Saudi Aramco says crude oil may end year higher](#)

Saudi Aramco, Saudi Arabia's state oil and gas producer, said crude prices may end the year as high as \$82 a barrel because of demand from China and India.

[Heating Oil and Diesel Rising to 27-Year High in Survey](#)

U.S. heating oil and diesel inventories probably climbed to a 27-year high as the slowing economic recovery curbed demand, a Bloomberg News survey showed.

Supplies of the distillate fuels rose 1 million barrels, or 0.6 percent, in the seven days ended Aug. 20 from 174.2 million a week earlier, according to the median of 13 analyst estimates before an Energy Department report tomorrow. The last time supplies were so high was January 1983, two months after the U.S. exited a recession.

[OPEC faces pricing dilemma](#)

LONDON - OPEC is happy with oil prices at the current level of US\$70-US\$80 per barrel but this will hamper the global economic recovery and energy demand, consultancy CGES warned yesterday.

[Gasoil Exports to Reach Record This Month as Japan Refinery Output Rises](#)

Gasoil exports from Japanese refiners may rise to a record this month after plants return from maintenance and boost processing amid increased demand for fuel as temperatures soar.

[UK petroleum analyst Michael Smith - interview \(1 of 2\)](#)

POR: They announced further discoveries in Bohai Bay several years ago, but it doesn't seem that China's production reality is going to match the hype.

Smith: That's right, some large discoveries were announced but large reserves don't necessarily mean large production. I worked on the Bohai Bay back in the 1980s and admit I did not fully appreciate the volume of reserves in the area. The reservoirs are difficult and the oil is often heavy so that significant investment is required in shallow water platforms and wells. China is doing that but this takes time. Bohai Bay will eventually produce a lot of oil, but, of course, plateau and peak are all about rates not volumes.

[Cracks in the Iranian Monolith](#)

The Iranian regime loves to boast of its military strength, international clout and hold on domestic power. Much of this is accepted by outside experts, but in fact the regime is in trouble. Iran's leaders have lost legitimacy in the eyes of the people, are unable to manage the country's many problems, face a growing opposition, and are openly fighting with one another.

[Total oil-sands project comes under fire](#)

A battle is brewing over a proposed oil-sands project by a French-based company that has drawn more than two dozen opponents from Canada, the United States and France at today's deadline for submissions to a joint federal-provincial environmental review panel.

While a wide range of environmental and faith-based groups, including an Anglican bishop from Atlantic Canada, are urging the panel to reject the Joslyn North Mine project in Alberta, officials from Total E&P Canada Ltd. say they are committed to managing their project's ecological footprint and working with conservation groups to find the best options available.

[Outage forces Enbridge to ration oil pipeline space in U.S. system](#)

The outage of an Enbridge Inc. pipeline following a rupture and oil spill four weeks ago has forced the company to limit individual shipper volumes on two other major lines in its U.S. system, a spokeswoman said yesterday. The company, which ships the bulk of Canada's oil exports to the United States, is rationing space on Line 5, a 490,000-barrel-a-day pipeline to Sarnia, Ont., from Superior, Wis. It is also rationing on Southern Access, a 400,000-barrel-a-day line to Flanagan, Ill., from Superior.

[Plan for LNG tankers on DeRenne worries neighbors](#)

The natural gas that heats local homes and powers electric plants sails into Chatham County's Elba Island as a liquid in huge, domed ships. It leaves the area as a vapor in underground pipelines.

Except for the looming presence of five enormous blue storage tanks on the river, the distribution process is largely invisible to most area residents.

But that may not be the case for long.

[Cairn Drops in London After First Greenland Well Fails to Find Crude Oil](#)

Cairn Energy Plc fell in London trading after its first well off Greenland found natural

gas rather than crude oil.

An exploration well encountered gas in thin sands in the Baffin Bay basin, the company said in a statement in London today. The find is “indicative of an active hydrocarbon system” and the well hasn’t yet reached target depth, it said.

[UK regulator says safety record of British oil and gas industry is not good enough](#)

LONDON (AP) — Britain's health and safety executive said Tuesday the country's oil and gas industry must improve safety after a rise in the number of leaks from oil rigs operating in British waters.

The Health and Safety Executive said it had also recorded a major rise in the number of serious injuries on about 300 offshore oil and gas installations covered under an annual safety report.

[Crews wrestle with pipe stuck in BP well](#)

Engineering crews working on the BP oil well disaster Monday continued efforts to remove an obstacle to their undersea endgame: a 3,000-foot drill pipe that is stuck in the blowout preventer and extends far down the well.

Specifically, the pipe is jammed in a shear ram, a last-resort safety device that is supposed to seal an oil well and quell a gusher like the one that erupted below the Deepwater Horizon rig April 20 off the Louisiana coast in the Gulf of Mexico.

[Four Months After Rig Explosion, BP Panel Still Probing Who Was in Command](#)

More than four months after the Gulf of Mexico rig explosion that killed 11 men and triggered a record oil spill, a U.S. investigative panel is still trying to find out who held ultimate authority aboard the vessel.

[Chaos described as BP hearings resume](#)

The night of the massive Deepwater Horizon explosion, few in the crew knew who was in charge or understood the chain of command, and the vessel's captain hesitated before making critical safety decisions, according to testimony Monday before a federal panel investigating the cause of the disaster that killed 11 crew members.

[Rig Survivor Blames BP's 'Screwed-Up Plan' for Gulf Oil Blowout](#)

BP Plc's 'screwed-up' well design caused the Gulf of Mexico explosion that killed 11 workers and created the worst oil spill in U.S. history, a Transocean Ltd. rig supervisor who barely survived the disaster says.

[Insurers pay high price for disasters](#)

Aftershocks from the fatal explosion at the Deepwater Horizon oil rig are continuing to be felt a long way from the Gulf of Mexico.

[China's massive traffic jam could last for weeks](#)

BEIJING – A massive traffic jam in north China that stretches for dozens of miles and hit its 10-day mark on Tuesday stems from road construction in Beijing that won't be finished until the middle of next month, an official said.

Bumper-to-bumper gridlock spanning for 60 miles (100 kilometers) with cars moving little more than a half-mile (one kilometer) a day at one point has improved since this weekend, said Zhang Minghai, director of Zhangjiakou city's Traffic Management Bureau general office.

[Meet Obama's point man on electric cars](#)

WASHINGTON — David Sandalow starts his five-mile commute each day by unplugging an orange extension cord connecting his Toyota Prius hybrid to an outlet in his brick carport.

His Prius, which was converted two years ago to allow him to recharge the battery from an electric outlet, gets more than 80 miles per gallon and lets him drive 30 miles on a single charge. He fills up his car with gasoline about once every month or two, an oddity in a transportation sector long dominated by the internal combustion engine.

[Charging guides for electric cars to be issued](#)

China will issue three standards in October to regulate charging facilities for electric cars, the Shanghai Securities News reported Monday, citing an unnamed source from the State Electricity Regulatory Commission.

[Prius gets sound option to protect pedestrians](#)

TOKYO (AP) -- Toyota's Prius hybrid is becoming a little less quiet with a new electronic humming device that is the automaker's answer to complaints that

pedestrians can't hear the top-selling car approaching.

The 12,600 yen (\$148) speaker system that goes under the hood of the third-generation Prius sets off a whirring sound designed to be about the same noise level as a regular car engine so that it isn't annoying, Toyota Motor Corp. said Tuesday.

[Q&A: Peak oil – what is it and should we worry?](#)

Oil, a finite resource, is being used at a rate of some 86 million barrels per day.

This astounding figure is merely a point on an upward curve; the International Energy Agency predicts that global demand for oil will grow 1% each year until 2030 when it will have reached 105 million barrels per day, mostly a result of the needs of the transport sector. This growth will come not from developed countries – where demand is expected to actually fall – but from the booming economies of places like China, India and the Middle East. In fact, China is expected to overtake the US as the world's biggest spender on oil and gas imports by 2025.

One day it'll all run out. But before that will come the day when oil production plateaus and then declines.

[America: The house that oil built](#)

"No matter what we do we are going to feel the adverse effect of energy crisis on our living standards," Dresser warned America back in 1976.

Why?

Because the American living standard was [is] built on cheap energy. Period. And, for decades now, we've done almost everything imaginable to avoid dealing with this reality.

But, like much needed surgery, the pain can only be put off for so long.

[Sustainable Agriculture and Urban Gardens in Cuba](#)

Organic agriculture continues to be supported and expanded at government and grassroots levels. Havana now grows well over half its fresh food organically and locally. Cuba hopes to be self sufficient in the production of most of its basic foods within the next decade.

All Cuban young people are introduced to agriculture and food production as part of their education, spending at least one summer during their high school years, farming in the countryside.

[The energy emergency has arrived](#)

Wednesday's Sustainable Centre County page is all about energy, with columns on how to build a regional energy system around the sun, food and biodiesel crops. Bustling as it seems, I think the Marcellus methane-energy boom will fizzle out soon. Investing time and money to release colossal Earth farts is a luxury, and we're not a rich society anymore.

Growth won't restart because oil prices will keep rising. As we revisit the Dow milestones of the past few decades — heading back down — physical and biological imperatives will be far more pressing than the political and economic calculations underpinning the gas boom. Complex institutions will break apart, replaced by simpler regional cooperatives now rising from grass roots.

[Church of Life After Shopping](#)

This church comes complete with its own Stop Shopping Gospel Choir, which has traveled the world, singing anti-consumerist songs such as "Back Away (From Walmart)" and "Shopocalypse."

Sermons are delivered opposing a consumer culture that demands big dams built to supply electricity to factories that produce more consumer goods; they sing gospel to tree-sitters in Northern California who were protecting great old-growth trees from logging, and organize many more events that muster either support from believers or ridicule from critics.

They have even coined a word to describe America's consumption of fossil fuels. The fact that Americans make up only 5 percent of the world's total population but consume more than 25 percent of its energy, they call it "fuel-aholics."

[Illinois: 5 States Seek to Close Possible Carp Route](#)

Five states are asking a federal judge in Chicago to take emergency action to close two shipping locks and install barriers to prevent Asian carp from overrunning the Great Lakes via a "carp highway."

[In the Fields of Italy, a Conflict Over Corn](#)

An agronomist, defying the government, has planted genetically modified corn. Environmentalists have also taken matters into their own hands.

[Populist before it was capitalist](#)

However, feeding popular prejudice required that the property rights of landowners in general must be sharply restricted compared with their position in England. Whereas in England landowners owned both the game on their land and the fish in the streams running through their land, in the United States, as R J Smith of the Center for Private Conservation has ably pointed out, rights of landowners were much more restrictive, so hunting and fishing by the populace at large were allowed without restrictions. The result was a classic "tragedy of the commons", wiping out buffalo herds and east coast salmon alike. Capitalism defines and protects property rights; populism allows unrestricted access, thereby destroying the amenity concerned.

[PG&E pushes 'pumped hydro' for energy storage](#)

Despite all the advances in battery technologies, pumped hydro storage--essentially pumping water uphill and releasing it through a generator later--remains one of the cheapest ways to store bulk electricity on the grid.

California utility Pacific Gas & Electric on Friday filed a request with state regulators to fund a feasibility study for adding a pumped hydro facility which could store as much energy as a power plant can supply.

[Robert Bryce: Wind Power Won't Cool Down the Planet](#)

The wind industry has achieved remarkable growth largely due to the claim that it will provide major reductions in carbon dioxide emissions. There's just one problem: It's not true. A slew of recent studies show that wind-generated electricity likely won't result in any reduction in carbon emissions—or that they'll be so small as to be almost meaningless.

[Deregulation, the Forsaken Panacea for Climate Change](#)

The European Union mandated liberalization (their term for deregulation) throughout the region four years ago. The fear of a behemoth like EDF of France coming into Italy and snatching a chunk of its customers made the Italian utility Enel roll out the largest grid modernization project in the world five years ago. It thereby transformed its one-trick energy delivery pipe into a multi-faceted platform for customer care. Countries like Germany and Spain have become global leaders in renewable energy. Competition has driven industry consolidation, with big fish such as EDF, Enel, E.ON, and Vattenfall snapping up smaller utilities and improving productivity through economies of scale. Choice now on tap, customers are finally able to dump dirty energy purveyors and switch to greener providers.

No wonder Europe is far ahead of the rest of the world in deploying almost every type of clean energy.

[Putin roasted over global warming doubt](#)

MOSCOW (AFP) – Prime Minister Vladimir Putin queried Monday whether man is to blame for climate change only to spark a heated response from a German scientist., during a visit to a remote Russian Arctic zone.

[Australia's electorate sends climate-change message](#)

Although Australia's national election has failed to produce a clear winner, the result is pushing climate change up the political agenda once more.

Both the incumbent Labor party and the Liberal–National opposition failed to secure an overall majority after this weekend's vote. That means that the Australian Greens, who now have a record 11% of the vote and advocate aggressive action on climate change, could become key players. Along with a handful of conservative rural independents, the Greens are being wooed by both major parties to help them form a government.

[Stoking a food crisis](#)

GLOBAL wheat markets reeling from Russian droughts, thousands of cattle killed by heat in Kansas, the United States, and countless crop acres wiped out by floods in Pakistan are glimpses of what can be expected as the world struggles to battle climate change. But as concerns mount over extreme weather hitting global food systems this year, governments are no closer to forging a pact to fight climate change.

When temperatures rise as a result of smokestack and tailpipe emissions, droughts, heat waves, and floods become more frequent and more intense. As the number of extreme weather events mount, they will likely create havoc in agricultural markets and could lead to food riots in poor countries like those in 2007 and 2008 when prices hit records on market speculation.

[Geoengineering won't curb sea-level rise](#)

Unless they involve extreme measures, geoengineering approaches to offset the effects of human-driven climate changes won't do much to combat rising sea levels, an international team of scientists reports in the *Proceedings of the National Academy of Sciences*.

That is because sea levels respond slowly to changes in Earth's temperature, says John Moore, a palaeoclimatologist at Beijing Normal University and lead author of the study.

"We've got this 150-year legacy of fossil-fuel [burning], land-use changes, et cetera," he says. "You can't just slam on the brakes instantaneously."

[Earth's Plant Growth Fell Because of Climate Change, Study Finds](#)

Drought linked to climate change has reversed a decades-long trend of increased global plant growth, according to a new analysis of NASA satellite data.

“Earth has done an ecological about-face,” a NASA statement said. “Global plant productivity that once flourished under warming temperatures and a lengthened growing season is now on the decline, struck by the stress of drought.”



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