



Drumbeat: September 15, 2010

Posted by [Leanan](#) on September 15, 2010 - 9:00am

Topic: [Miscellaneous](#)

[Russia, Norway sign border deal for Arctic energy](#)

(Reuters) - Russia and Norway ended a 40-year dispute in signing an Arctic border treaty on Wednesday which opens the door to offshore oil and gas exploration.

President Dmitry Medvedev and Norway's Prime Minister Jens Stoltenberg presided over the signing in Murmansk, a Barents Sea port city near the Norwegian border north of the Arctic Circle.

y out there now," Swiger said in an interview with Dow Jones Newswires on the sidelines of the World Energy Congress here. "Coming out of the deep recession, it's the last point in time when you want to create uncertainty."

[Summer sizzle: Earth's land areas had warmest summer on record](#)

The Earth's land areas sizzled to their warmest summer ever recorded, according to a report released Wednesday by the National Climatic Data Center.

The summer of 2010 surpassed the previous warmest summer on record for the Earth's land areas, which was 1998.

For the year-to-date period (January-August), the Earth is enduring its warmest year since records began.

[Prop 23 Undermines Plans to Shock-Proof California](#)

ack in 2008 Californians saw the price of oil soar to record levels, topping out here in Monterey at \$4.50 a gallon for the lowest grade of gasoline. This wasn't anything new; gas prices had steadily been rising for about 5 years, breaking \$3/gal in 2006 and bursting the housing bubble as a result.

The underlying cause was the impact of peak oil, which depending on who you talk to has already arrived or is just around the corner. As oil field production tops out and new discoveries tail off, combined with increased global demand, the price of oil will steadily

increase. That's what happened from 2003 to 2008. The gas price spike of 2008 wasn't a random event that is past - it was a first glimpse of our future.

[Why Oil Will Sink to \\$20-\\$40 Per Barrel](#)

Anything can be overvalued and anything can be undervalued. It's usually pretty apparent why you would want to own the most desirable assets in the world like beach front property, but investing isn't just about owning the best assets in the world, it's about owning them at the right price. Often times the most desirable assets and the "obvious" trades get crowded and have bull arguments that people can't or won't argue with. In the case of oil, the followers have developed a religion.

[Brazil to Control 8 Billion-Barrel Find as State Tightens Grip on Reserves](#)

Brazil's government plans to keep control of one of the Americas' two biggest crude discoveries in three decades as the South American nation tightens its grip on its reserves, an official at the oil regulator said.

[Pennsylvania Families Sue Southwestern Energy on Alleged Shale Pollution](#)

Thirteen families in northeastern Pennsylvania filed a lawsuit against Southwestern Energy Co. alleging that the company's drilling for natural gas has contaminated drinking water.

[Interior: Abandoned wells in Gulf must be plugged](#)

WASHINGTON — The Obama administration says it will require oil and gas companies operating in the Gulf of Mexico to plug nearly 3,500 nonproducing wells and dismantle about 650 production platforms that are no longer used.

Interior Secretary Ken Salazar said a formal notice issued Wednesday would make energy production in the Gulf safer and prevent potentially catastrophic leaks at wells that in some cases have been abandoned for decades.

[Gov't: BP Well to Be Sealed - for Good - Sunday](#)

(AP) The U.S. government's point person on the Gulf of Mexico oil spill says the well that blew out is expected to be permanently sealed and declared dead by Sunday, nearly five months after a rig explosion set off the disaster.

[Russia may let more firms tap offshore oil and gas fields](#)

MURMANSK, Russia (Reuters) - Russian Natural Resources Minister Yuri Trutnev said on Wednesday that his ministry has proposed to expand the list of companies that have the right to develop offshore oil and gas fields.

[Pemex Plans to Raise as Much as \\$12 Billion of Debt to Fund Exploration](#)

Petroleos Mexicanos, Mexico's state-owned oil company, plans to raise \$10 billion to \$12 billion this year, Arturo Delpech, associate managing director of finance, said in Beijing.

The funds may be raised through various means, including selling bonds and bank loans in domestic and international markets, Delpech told reporters at the LatinFinance Investors Forum in the Chinese capital today.

[Total Plans to Step Up Energy Exploration Rather Than Making Acquisitions](#)

Total SA, Europe's third-biggest oil company, pledged to explore more aggressively in frontier regions, saying it prefers to boost production of oil and natural gas by making discoveries rather than acquisitions.

"We need to be a little bit more aggressive and take a little bit more risk which means being in more frontier areas rather than traditional ones," Chief Executive Officer Christophe de Margerie told investors at a presentation in London today.

In the past Total hasn't been aggressive enough in exploration, preferring to venture into known areas using in-house engineering skills, he said. "We could have taken more risk in Brazil -- we didn't. We made a mistake."

[Solar-Panel Prices May Decline Less Than Expected](#)

Prices for photovoltaic panels that convert sunlight into electricity may fall about 10 percent next year, less than analysts forecast, as European demand increases.

[Studies: Green offices improve workers' health](#)

Workers who moved from conventional office buildings to eco-friendly ones report less absenteeism and greater productivity, according to two studies by researchers at Michigan State University.

[Poland At Full Steam Toward National Electricity Group](#)

The Polish government is pushing ahead with its plan of creating a dominant electric energy group, ignoring objections by Poland's antitrust regulator. In its strategy of building large domestic-owned groups, the government is not afraid to appear like it is re-nationalizing by bidding for previously state-owned firms or "privatizing" by selling its assets to companies it already controls.

[Russia, Norway sign border deal for Arctic energy](#)

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['\\$100 a fair price for oil'](#)

Venezuelan Oil Minister Rafael Ramirez said \$100 per barrel is a fair price for crude oil on the global market, according to local media reports.

His comments echoed the position of Libya, which said last week that Opec needed prices to rise to \$100 because the higher costs of imports like food had eroded the income of member nations.

"One hundred dollars per barrel is a fair price because it would reward the value of our natural resources and sustain the important investments that all oil producing countries make in order to maintain our production capabilities," Reuters quoted Ramirez saying.

[Trio of storms swirls over Atlantic Ocean](#)

MIAMI (Reuters) - A trio of potentially dangerous storms swirled over the Atlantic Ocean on Tuesday as Tropical Storm Karl formed in the Caribbean on a path that could take it over oil-production facilities in Mexico's Bay of Campeche.

[Anadarko states force majeure on Diamond rig](#)

Anadarko Petroleum has moved to cancel a contract to use a rig owned by Diamond Offshore Drilling, citing the US suspension of drilling in the Gulf of Mexico, Diamond Offshore said today.

[FACTBOX - Refineries affected by Enbridge's pipeline outage](#)

NEW YORK (Reuters) - Some refineries in the Midwest are using crude in storage or seeking alternative supplies following the shutdown of Enbridge's (ENB.TO) 6A pipeline outage due to a leak on Sept. 9.

Others have been less impacted as they were taking units down for planned seasonal maintenance.

[Shell Starts Expansion of Athabasca Oil Sands Project](#)

Shell, as operator of the Athabasca Oil Sands Project (AOSP), announced the successful start of production of a 100,000 barrels per day expansion of its oil sands operations in Canada. The new Jackpine Mine will combine with existing production from the Muskeg River Mine to feed the Scotford Upgrader, which processes the oil sands bitumen – heavy oil – for refined oil products. Construction for an expansion of the Scotford Upgrader is underway, and will come on-stream in 2011.

[Utilities circle Exxon, Shell gas storage sites-sources](#)

(Reuters) - At least two utilities are eyeing the German gas storage assets of Exxon Mobil Corp (XOM.N) and Royal Dutch Shell Plc, valued at up to 1 billion euros (\$1.30 billion), people familiar with the matter said Wednesday.

[Power-Coal Demand in China May Drop on Use Curbs, Hydro Output, Daiwa Says](#)

Demand for power-plant coal may slow in China, the world's biggest energy consumer, as electricity generation continues to be "depressed," Daiwa Capital Markets Ltd. said in a note.

"Given that the third quarter is a peak season for hydropower generation, which has guaranteed dispatch, we expect weakness in thermal-power output in September given the double-whammy impact," Dave Dai, a Hong-Kong based analyst for Daiwa, said in the note today.

[U.S. says Iran intimidating UN nuclear inspectors](#)

The United States accused Iran on Wednesday of intimidating UN inspectors investigating its nuclear program in an effort to influence their findings – a move an American diplomat suggested allowed the International Atomic Energy Agency to consider "appropriate action."

[Four Factors for Energy's Future](#)

Fatih Birol, chief economist with the International Energy Agency, laid out four major factors that will include the future of energy. He made his statement at the World Energy Congress, which is underway this week in Montreal, Quebec.

Dr. Birol said the world energy sector faces unprecedented uncertainty. This is due in part to questions regarding the pace and pattern of economic recovery following the recession. A big part of the recovery is due to non-OECD countries rebounding. Uncertainty remains over whether or not those economies will remain relatively insulated from weaknesses still evident in developed economies in the U.S. and western Europe.

[China rejects US trade complaint over clean energy](#)

BEIJING (AP) -- China rejected a U.S. union's trade complaint over Beijing's support for clean energy industries and said Wednesday such criticism is hypocritical at a time when China is under pressure to cut greenhouse gas emissions.

[Toyota announces 6 new hybrids, electric cars](#)

NEW YORK (CNNMoney.com) -- Toyota Motor Co. will put out six all-new hybrid vehicles worldwide by 2012, a Toyota spokesman confirmed.

The vehicles will all be new models, not updated versions of current models like the Prius, Toyota spokesman John Hanson said.

[The Long and the Short of It: Existential Comfort in the Age of Hopkins and Greer, Part III](#)

On first consideration, even second, Greer seems to be telling a story of tragic necessity. As players in this drama it would be possible to imagine that we would feel compelled to tear out our eyes or fall on our daggers. But this is not the mood of Greer's book which, though not exactly hopeful, does not present a feeling of desperation. Why? Because, it turns out, we are not actually players in this drama. Instead, we are, for the most part, spectators sitting knowingly beyond, even, the chorus. It is here, perhaps, where Hopkins and Greer are furthest apart.

[Current farming practices unsustainable, expert says](#)

At the current rate of consumption, mankind will quickly consume the Earth's limited resources, sustainable agriculture expert Fred Kirschenmann said Tuesday afternoon.

Kirschenmann spoke about the future of food production and energy use before an audience of about 30 at a Master's Tea in Saybrook College. Without new methods of

farming, he said, the world's food supply could become increasingly unstable.

[X Prize Calls for Clean-burning Cookstoves](#)

The X PRIZE Foundation is teaming up with Indian's Ministry of New and Renewable Energy and the Indian Institute of Technology Delhi to host a global competition to develop and deploy clean, efficient cookstoves.

The competition seeks to combat indoor air pollution and decrease the role of inefficient cookstoves in contributing to climate change.

[An inconvenient truth about OPEC](#)

OPEC will not be able to meet the world's energy needs.

The three major organisations that forecast long-term oil demand and supply – the International Energy Agency (IEA), the Organisation of Petroleum Exporting Countries (OPEC), and the United States Energy Information Administration (EIA) – along with oil companies and consulting firms, believe that OPEC will reconcile predicted global demand and non-OPEC supply. But they are wrong: OPEC output will not meet such projections, because they are based on flawed and outdated forecasting models.

[Oil Falls For Second Day as Inventories Rise, Enbridge Begins Pipe Repairs](#)

Oil fell for a second day as traders bet U.S. crude inventories dropped less than initially forecast and Enbridge Energy Partners LP got permission to restart a ruptured pipeline supplying the U.S. Midwest.

Crude inventories are at their highest level for this time of year in a decade, according to data yesterday from the American Petroleum Institute. The Energy Department is forecast to report an inventory decline later today. OPEC doesn't plan to change output quotas at its next meeting amid the recovery of world oil demand, the group's president said.

“The market is taking a breather before the Energy Department numbers,” said Andrey Kryuchenkov, an analyst with VTB Capital in London. “Inventories are still plentiful. We'll probably have to wait for seasonal demand to improve.”

[Enbridge Allowed to Start Midwest Oil Pipeline by End of Week, U.S. Says](#)

Enbridge Energy Partners LP will be allowed to restart a key oil pipeline supplying the

U.S. Midwest by the end of the week, following the repair of a rupture, a federal official said.

Enbridge has already submitted a restart plan, said Carl Griffis, Chicago-area senior engineer from the Pipeline and Hazardous Materials Safety Administration, who was on the scene of the leak in Romeoville, Illinois. The government doesn't see any "systemic problems" with the pipeline, Griffis said in an interview late yesterday.

[Gasoline Shipments to U.S. Slide as Profit Margin Vanishes](#)

Bookings of tankers to ship European gasoline across the Atlantic fell in August as the profit margin from the trade slid to the lowest level in a year.

[OPEC Won't Change Output Quotas Even as Demand Recovers, Pastor Says](#)

The Organization of Petroleum Exporting Countries doesn't plan to change output quotas at its next meeting amid the recovery of world oil demand after the recession, OPEC President Wilson Pastor said.

[Tropical Storm Threatens Yucatan Resorts, Oil Wells](#)

Tropical Storm Karl is set to hit Mexico's Yucatan Peninsula today and may threaten oil wells and rigs in the western Gulf of Mexico in the next day, while in the Atlantic, Hurricane Igor continued on a course toward Bermuda.

Karl was 45 miles (75 kilometers) east of Chetumal nearing landfall on Yucatan's east coast, the National Hurricane Center said in a statement at about 6:50 a.m. Cancun time. Karl was forecast to cross land before entering the Bay of Campeche, where state-owned oil company Petroleos Mexicanos has wells.

[Is Oil Heading For \\$150 A Barrel?](#)

Some people still maintain that it was oil at \$147 a barrel that sparked the credit crunch. When US motorists saw how much they were paying for a gallon of gasoline, they stopped spending, the argument goes. The rest is history.

I don't fully buy that argument, there were a lot of other things going on in the summer of 2008, but I can see how the oil price surge helped to accelerate the looming crisis.

[Cnooc Interest in Brazil Assets Driven by China Need for Energy, Chemicals](#)

Cnooc Ltd., China's biggest explorer for offshore oil and gas, may add to the nation's fivefold increase in direct investment in Brazil this year as demand for raw materials increases.

[`Appalled' Pa. gov. shuts down reports on protests](#)

HARRISBURG, Pa. – Information about an anti-BP candlelight vigil, a gay and lesbian festival and other peaceful gatherings became the subject of anti-terrorism bulletins being distributed by Pennsylvania's homeland security office, an apologetic Gov. Ed Rendell admitted.

Rendell, who claimed he'd just learned about the practice, said Tuesday that the information was useless to law enforcement agencies and that distributing it was tantamount to trampling on constitutional rights. In recent weeks, several acts of vandalism at drilling sites spurred the inclusion of events likely to be attended by environmentalists and the bulletins began going to representatives of Pennsylvania's booming natural gas industry.

[BP cited for North Sea safety failures: report](#)

LONDON (AFP) – BP failed to comply with emergency regulations on oil spills at four out of five of its North Sea installations which were inspected last year, a report said Wednesday, citing official records.

[San Bruno wasn't riskiest PG&E pipeline](#)

The pipeline that exploded in last week's disastrous San Bruno fire wasn't ranked as the riskiest in the region in a report prepared last year when Pacific Gas & Electric Co. was seeking to raise rates.

The Bay Area News Group reported that lines in Fremont and Livermore were rated at the top of the risk analysis when PG&E told state regulators that they needed to raise rates to help pay to replace the lines.

[Amish population growing, heading west](#)

Amish communities are now in 28 states, and the continent's population will double by 2024 if the annual growth rate of around 5% continues, the survey says. The highest rates of growth over the past year were recorded in New York (19%), Minnesota (9%), Missouri (8%), Wisconsin (7%) and Illinois (7%). The survey attributes the population boom to Amish families tending to be large, with five children or more on average.

[Grow your satisfaction – not the GDP](#)

The common prescription for our woes, as defined by the current economic model, is to get more stuff and find satisfaction through material possessions. However, we know that this economic model, based on an infinite growth of gross domestic product over time, is destined to fail in providing both satisfaction and sustainability. We are seeing the coming end of this model, with too few resources to feed infinite growth. Oil production has peaked and the effects of climate change continue to show themselves, both the result of our overconsumption of natural resources.

Another model must come into being if we are to transition smoothly and happily into a post-oil economy. Several models have been presented, including a no-growth or steady-state model. I've just come across another model called plenitude, which is a much more optimistic look at economics. Rather than looking for a no-growth economy, something that often sounds scary and dismal, economist Juliet Schor looks to diversification of time resources.

[Hong Kong to replace coal with nuclear](#)

A consultation put to the people of Hong Kong suggests an increase in nuclear capacity to supply half of electricity as a major plank of its climate change strategy.

[Thousands of green jobs could drive growth, says Huhne](#)

"Green jobs" could ease the impact of spending cuts and drive the recovery, Energy Secretary Chris Huhne has said.

He told MPs thousands of new jobs could be created and the insulation industry "enormously" increased as part of the coalition government's "green deal".

[Seed Warriors target global hunger](#)

As food riots return to Africa, a Swiss documentary asks how the world will be fed in just a few decades when global warming causes major losses in food production.

[Climate change talks in US next week](#)

Representatives from the 17 nations responsible for 80 per cent of the emissions thought to be the cause of global warming, including Australia, will meet in New York next week.

US special envoy for climate change Todd Stern said on Tuesday the meeting will take

place on September 20 and 21, as part of ongoing global talks on reducing harmful emissions that cause climate change.

[Oil Industry Targets Schwarzenegger](#)

LOS ANGELES – The oil industry is going after Gov. Arnold Schwarzenegger, the California Republican.

The issue is Mr. Schwarzenegger's strong opposition to a proposition on the ballot this November that would suspend a landmark greenhouse gas bill passed by the Legislature in 2006 mandating that carbon emissions be rolled back to 1990 levels by 2020. The oil industry has invested millions of dollars in getting the initiative on the ballot and has made clear it was ready to spend millions more to get it passed, arguing that the bill would cost the state jobs and raise energy prices.

[Oil companies split on bid to suspend global warming law](#)

Three are bankrolling Proposition 23, but one opposes it and others are neutral or on the sidelines. A national industry group issues an appeal for money to back the initiative.

[States are climate battlegrounds](#)

The nation's premier state-led climate programs are under attack by a growing coalition of industry, tea party and conservative activists.

[Kazakhstan set to sell its greenhouse gas emission quotas](#)

Kazakhstan plans to sign an agreement with the Chicago Climate Exchange this year to sell its greenhouse gas emission quotas, the country's deputy environment minister said on Wednesday.

[Women Agree with Science on Global Warming More Than Men Do](#)

Women are the more scientific sex regarding climate change, a new survey suggests.

Women are more likely than men to support the scientific consensus on the reality of global warming caused by humans, according to sociologist Aaron McCright, an associate professor at Michigan State University. He analyzed eight years of Gallup Poll data to perform one of the first in-depth studies on how men and women think about climate change.

[Arctic: MEPs and MPs debate retreating ice, governance needs and seal product import ban](#)

Retreating Arctic ice that could open up new oil and gas reserves and fisheries and hence require stronger international governance, Arctic wildlife management, and the impact of the 19 August European Court of Justice preliminary ruling suspending the EU ban on seal product imports, took centre stage at a meeting of MEPs and MPs in Brussels on 13-15 September.

[Arctic species under threat, report warns](#)

London, England (CNN) -- Polar bears clinging to melting ice sheets have become one of the most frequently used images to portray the perils of climate change.

But a new report by the U.S. Center for Biological Diversity (CBD) and UK-based Care for the Wild International (CWI) is bringing attention to the predicament of other equally endangered Arctic species.

[Arctic Sea Ice Continues Its Summer Slide](#)

The ice this summer did not pull back as much as it did in 2007, when an unusual conjunction of winds, atmospheric pressure and temperatures caused the biggest ice retreat since satellites began tracking conditions in 1979. But it's clear that a downward trend, which many Arctic specialists are convinced will lead to open-water summers around the North Pole later in the century, has not abated.



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