



Drumbeat: October 11, 2010

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Topic: [Miscellaneous](#)

[Pemex's Exit From 'Drill, Baby, Drill' Oil Policy May Hurt Cicsa, Tenaris](#)

Petroleos Mexicanos's plans to scale back drilling by 60 percent next year at its \$11 billion Chicontepec oil field will hurt Mexican oil services providers as they lose contracts to companies such as Halliburton Co. and Schlumberger Ltd., analysts said.

Pemex, as Latin America's biggest oil producer is known, is shifting its strategy on Chicontepec and earmarking the majority of the field's 2011 budget of 21 billion pesos (\$1.7 billion) for research after output missed forecasts, Chief Executive Officer Juan Jose Suarez Coppel said Oct. 1 in an interview.

loan guarantee on a new reactor in Maryland is a sign of how much the landscape has been transformed.

Essentially, the Energy Department argued that Constellation's project is so risky that the company must pay a high fee or provide other assurances of repayment if it wants the taxpayers to guarantee its construction loans. Constellation said the government's demand was "unreasonably burdensome."

[Constellation Pullout From Md. Nuclear Venture Leaves Industry Future Uncertain](#)

If the "nuclear renaissance" is not dead, it appeared in a coma for most of the country following the collapse of Constellation Energy's plan to build a third reactor on Maryland's Chesapeake Bay shore, energy officials said this weekend.

[India's nuclear power generation exceeds target](#)

Mumbai (IANS) Electricity generation from India's nuclear power plants exceeded its target for the first time in nearly half a decade, mainly due to the availability of imported fuel, an official said here Monday.

[EU is suddenly busy with energy projects](#)

BRUSSELS --EU seed funds to offset the recession after the 2008 financial crisis are breathing life into major -- and sometimes long-ignored -- energy projects, raising hope that another midwinter Russia gas cutoff won't leave many West Europeans shivering.

In the past two years, the EU has spent euro3.8 billion to draw investors to scores of pipeline networks and power grids valued at almost \$30 billion.

"Out of the total of 59 energy projects, 56 have been started to date," says a recent report from EU Energy Commissioner Guenther Oettinger seen by The Associated Press. The projects span the EU from Spain to the Arctic to Greece.

The boom is being driven by the EU handout and nightmare memories of Russian gas cutoffs. In 2006 and last winter, a dozen EU nations suffered drops in Russian gas shipments. Last winter, at least 10 people froze to death in Poland when temperatures fell to -13 F (-25 C).

[Iraq has the oil stores, but does it have the know-how?](#)

By announcing that Iraq's proved reserves had jumped from 115 billion barrels to 143 billion, he effectively added two Algerias or four Norways to the oil world. But what is the real significance of this announcement? Everything and nothing.

Nothing, because oil in the ground is essentially useless. Neither markets nor OPEC will take account of these new reserves until Iraq backs up its impressive numbers with action. The contracts awarded to international oil companies such as Shell, BP, Malaysia's Petronas and the China National Petroleum Corporation (CNPC) add up to output of 12.5 million barrels per day within seven years, which would make Iraq the world's largest producer.

[Sanctions hit Iran petrol imports](#)

Iran's oil minister has said petrol imports have fallen to their lowest level in more than a decade owing to international sanctions over the country's nuclear programme but insists domestic production remains sufficient to meet demand.

Although Iran sits on the world's third-largest oil reserves, it lacks sufficient refining capacity and until recently imported about a third of its 66.5m litres of petrol needs.

[Saudi Aramco to Supply Asia Full Crude Oil Volumes for Loading in November](#)

Saudi Arabian Oil Co., the world's largest state-owned oil company, will supply full contractual volumes of crude to Asia for loading in November, according to refinery officials in China and Taiwan.

Saudi Aramco, as the company is known, will provide 100 percent of cargoes sold under long-term contracts for a 12th month, according to a survey of refinery officials, all of whom asked to remain unidentified, citing confidentiality agreements with the Middle East producer.

[Chinese, Saudis ink security pact](#)

RIYADH - CHINA and Saudi Arabia have agreed to set up a joint security commission, in the latest sign of growing ties between the two countries, the kingdom's official SPA news agency reported on Monday.

[Saudi Arabia looking for investors in water and power](#)

Saudi Arabia has asked for private sector investment to help it meet a growing demand for power and water.

The state run Saline Water Conversion Corp is restructuring its business and has plans to take on private sector participation so as to reduce subsidy costs to the government.

[Energy crisis worsens](#)

The energy crisis in Pakistan has worsened as power shortfall is now nearly 3,000 megawatts behind demand.

Up to 10 hours of load shedding is being observed in urban areas, while in rural parts of the country, power outages have grown to 12 hours a day.

[Plan for 20-day oil stocks to avert shortage](#)

ISLAMABAD: Drawing a lesson from last month's fuel shortages, the government has decided to import about two million tons of petroleum products in about 45 days and has asked private marketing companies to maintain at least 20 days of oil inventory to ward off another fuel crisis ahead of winter and Haj.

Sources told Dawn that the government was striving to build adequate inventories of almost all petroleum products to cover 20 to 21 days of domestic oil requirements.

[Poor scenario of power generation & energy source](#)

Bangladesh is facing a dual energy crisis with the same root cause. The most apparent

crisis is a power shortage forcing load shedding in both urban and rural areas. The table shows that the installed capacity is only 5823 MW and the maximum supplied was 4698 MW in August 2010. The present generation shortfall exceeds more than 1000 MW during peak hours. The daily shortages in power and the list of problems coming with it are largely due the lack of investments in new power generating capacity over the last decade.

[Our infrastructure: Utilities working to avert an energy crisis](#)

Distributing electricity and natural gas with aging equipment could have an impact on public safety and the economy. Local utilities say they are working hard to keep up.

[PetroChina Discovers Major Oil Reservoir in Xinjiang](#)

PetroChina has found commercial oil flows at wells in the Mobei oilfield in the oil-rich Xinjiang Autonomous region of Northwest China, and it expects to add new crude oil reserves of tens of millions metric tons, parent China National Petroleum Corp. said in its in-house newsletter Monday.

[Demand for used cars shifts into overdrive](#)

Auto dealers have seen a shortage of used cars this year, leaving them scrambling to keep their inventories up, sometimes resorting to purchasing cars online.

While some segments are improving, there's still a shortage of trucks and SUVs stemming from auto manufacturers curtailing production two years ago as fuel prices spiked and the economy tanked.

[Herman Daly: The big population question](#)

Should we be thinking about the number simultaneously alive or the cumulative number ever to live?

[Foes Outspend Backers of Proposition 23](#)

At the start of the campaign for California's Proposition 23, the ballot measure that would suspend the state's global warming law, opponents darkly warned that the Texas oil companies backing the initiative would spend as much as \$50 million to win the election.

But with three weeks until Election Day, it is the No on 23 coalition of environmentalists, investors and Silicon Valley technology companies that is raking in the cash, taking in

nearly twice as much money as the Yes on 23 campaign.

[Trees planted for global climate campaign](#)

BERLIN — Environmental campaigners planted trees, collected rubbish and rallied against pollution on Sunday for what organisers aimed to make the world's biggest day of climate-change activism.

The 10/10/10 event known as the "Global Work Party" kicked off in Australia and New Zealand before spinning its way across the globe via more than 7,000 community events in 188 countries.

[Carbon-Storing Forests, Farms May Compete for Australian Land, Study Says](#)

Carbon-storing forests may compete with agriculture for land in Australia, the world's fourth-largest exporter of wheat, if the nation introduces emissions trading, according to a research report.

“Large areas of land could become more profitable” as sites for plantations to absorb greenhouse gas emissions, depending on the price at which carbon trades, the Australian Farm Institute said today. A cap-and-trade system “would potentially generate new competition for agricultural land.”

[Urban farming yields small climate gains](#)

Farming in and around cities is sustainable, but the gains in terms of climate are limited. To really make a difference we must change our eating habits. This conclusion was reached by Wageningen University researchers (The Netherlands) from PPO, who calculated for Almere council the likely climate gains from large-scale urban farming in the planned Oosterwold. This 4,000 hectare development with housing, offices and farms is intended to become the vegetable garden of Almere. The study calculates what this urban farming would mean in terms of fossil fuel usage, greenhouse gas emissions and food kilometers.

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[Crude Oil Futures Slip on Concern That Demand Recovery Is Not Fast Enough](#)

Oil gave up earlier gains as the dollar recovered and traders bet that demand isn't rebounding fast enough to justify this month's increase.

[Gas up more than 8 cents in the last two weeks](#)

CAMARILLO, Calif. — A new survey finds the average price of regular gasoline in the United States has jumped 8.23 cents in the past two weeks.

[Hedge Funds Raise Bullish Bets on Oil to Five-Month High](#)

Hedge funds raised bullish bets on oil to the highest level in more than five months amid speculation that the Federal Reserve will enact further stimulus measures to keep the economic recovery on track.

[China's Unipet Reduces Diesel Exports in October to Meet Domestic Demand](#)

China International United Petroleum & Chemical Corp., the nation's largest oil trader, plans to reduce diesel exports for a second month in October because of increased domestic demand, a company official said.

[Iran ups its reserves cache](#)

Iran today unveiled a massive boost in its estimated oil reserves, a move which sees it wrest back its place as the holder of the third-largest reserves base in the world.

Reuters quoted Oil Minister Massoud Mirkazemi telling a news conference that Iran had 150.31 billion barrels of reserves, up from previous estimates which ranged from 132 billion to 138 billion barrels - and he said that figure would be revised even higher soon.

[OPEC May Maintain Oil Output in Vienna on Uneven Economic Growth](#)

OPEC may leave oil production quotas unchanged when it meets in three days' time because signs of a recovery in fuel demand have yet to emerge among the world's developed economies.

The oil market is “a little oversupplied,” Mohamed al- Hamli, the oil minister of the United Arab Emirates, the third- biggest producer in the Organization of Petroleum Exporting Countries, said Oct. 9. OPEC members are all exceeding their allotted quotas after prices surged 78 percent in 2009 and a further 4 percent this year.

[Russia's Novatek set to produce 43 bcm of gas in 2011](#)

(Reuters) - Russia's largest independent gas producer, Novatek, expects to produce 43 billion cubic metres (bcm) of gas in 2011, up from the 37 bcm planned this year, its spokesman said Monday.

Novatek announced the higher production target during a visit by Prime Minister Vladimir Putin, who launched the third phase of production at its largest production asset, the giant Arctic Yurkharovskoye field.

[Marseille Port Strike Continues; Fuel Shipped Overland as Refineries Shut](#)

A strike by workers at the French port of Marseille’s oil terminals entered its 15th day, forcing the government to transport fuel by road and rail to avoid shortages as refineries in the region began shutting down.

[Japan "urges China to set up communication system"](#)

(Reuters) - Japanese Defence Minister Toshimi Kitazawa on Monday urged his Chinese counterpart to set up a bilateral maritime communications system quickly following a row over disputed islands, Kyodo news agency said.

[Aramco-Total Venture Plans to Sell \\$1 Billion Bond, Credit Agricole Says](#)

Saudi Aramco, the world’s largest state-owned oil company, and Total SA plan to sell Islamic bonds valued at \$1 billion this year to fund construction of their Jubail oil refinery, Simon Eedle, global head of Islamic banking at Credit Agricole SA, said in Abu Dhabi today.

[U.S., Chinese firms enter shale deal](#)

The China National Offshore Oil Corp. will pay Chesapeake Energy \$2.2 billion for a one-third interest in a South Texas oil and natural gas shale project and will pay billions of dollars more for its share of development costs over the next several years.

Chesapeake Energy, an Oklahoma City-based domestic exploration company,

announced the deal Sunday night, saying it will help speed development of resources on 600,000 acres in the Eagle Ford shale play that could help keep natural gas prices low and boost production of unconventional U.S. oil resources.

[Russia's oil giant to hit Asian markets](#)

Lukoil, the second largest oil producer in Russia, wants to enter the Asian markets. Currently, the company's shares are traded in New York, London and Frankfurt. Recently, the company's management purchased a part of its holding of shares from ConocoPhillips. These shares may go to the Asian trading floor that picked up the interest of the Russian companies after the IPO of Rusal.

[Population: It's the infrastructure, stupid. Or is it?](#)

I was at the local pub a few weeks ago with a friend and her husband, both of whom work in defence. He was keen to catch up and discuss my involvement in the fledgling Stable Population Party, and as it turned out, to rebut concerns I have about population growth.

More infrastructure, he said, would solve everything.

He'd barely considered peak oil or other finite resources, the loss of arable land, food security, water supply, carbon emissions or climate change. Nope, it's all about infrastructure.

[The Viscous Nature of Oil in Winter](#)

...Economic "winter" that is!

The more expensive the oil, the more everything costs. Every step of production is influenced by oil's price. As price rises, it acts as a tax on the consumer. Given a constant income level, spending more on energy means spending less on other goods and services which themselves also cost more.

[Summary of annual meeting of the Association for the Study of Peak Oil-USA \(ASPO-USA\)](#)

What is interesting about this meeting is the range of backgrounds of the individuals that attend and speak. There were practicing and academic economists, persons working in the oil and gas industry, ecologists, a congressman (Roscoe Bartlett), and a Navy admiral (Lawrence Rice). With all of these backgrounds, the basic consensus of the group is that oil production is in fact peaking now as production has been within 5% of the same level of production around 83 to 85 million barrels per year over the last five

years, and will begin to irreversibly decline within the next five years. Additionally, the current economic downturn and high unemployment levels are directly tied to the precipitous rise in oil price from 2003 to summer of 2008.

[Feds to study oil spill's effect on bluefin tuna](#)

NEW ORLEANS — The National Marine Fisheries Service will study whether the Gulf of Mexico oil spill has hurt the bluefin tuna population to the point that the fish should be placed on the endangered species list.

[Panhandle tourism officials blame losses on spill](#)

FORT WALTON BEACH, Fla. -- Three Florida Panhandle counties say the oil spill in the Gulf of Mexico had a devastating effect on local tourism.

Compared with August 2009, tax revenue from short-term rentals declined 27 percent in Walton County in August. Santa Rosa County reported a 22 percent drop. Okaloosa County had a drop of 35 percent.

[China Said to Permit Argentine Soy Oil Imports, Easing Six Months of Curbs](#)

China will allow the two largest state-owned grains and oilseeds trading companies to import soybean oil from Argentina, easing restrictions imposed in April, said two traders with direct knowledge of the matter.

[Masdar City overhaul cuts \\$3.3bn from costs](#)

The cost of Masdar City, Abu Dhabi's signature carbon-neutral development, is expected to drop by as much as 15 per cent, or US\$3.3 billion (Dh12.12bn). The savings will come as the project adapts to a slower property market, its chief executive said. A 10-month review of Masdar identified technology choices that are now not viable and pushed back the huge project's completion date. Costs, previously estimated at \$22bn, were reduced significantly as a result of the review, said Dr Sultan al Jaber, the chief executive of Masdar, which is wholly owned by the Abu Dhabi Government.

[Murray plan 'falls short' on climate](#)

PLANS to cut farmers' water rights in the Murray-Darling river system have underestimated climate change, according to farming and green groups.

...Despite farming groups responding with outrage at the severity of the proposed cuts, the fine detail of Friday's report suggests that a return to a wetter climate may be

needed to reach some of the environmental goals.



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