



Drumbeat: October 12, 2010

Posted by [Leanan](#) on October 12, 2010 - 9:23am

Topic: [Miscellaneous](#)

[Oil industry attention turns to Iraq amid concerns about US production post Gulf spill](#)

LONDON (AP) — Iraq's oil production is increasingly important to meet world energy demand, industry executives meeting in London said Tuesday, as they predicted that the political fallout from the Gulf of Mexico spill will have a long-term impact on U.S. production.

After years of sanctions and war, Iraq — home to some of the world's largest reserves — is finally finding the political stability necessary for oil extraction.

"Iraqi supply is one of the largest game changers," International Energy Agency executive director Nobuo Tanaka told the annual Oil & Money conference.

moves ahead, he suggested during a seminar cosponsored by Inter-American Dialogue and Florida International University's Cuban Research Institute. "The question of whether we provide a lifeline to Cuba's economy has become academic," he said. "We're starting a new ballgame here, and have had some spring training. But others are crowding into the lineup."

Participants immediately dismissed rumors of the Chinese already drilling off Cuba. But they also indicated that China could eventually play an important role in parts of Cuba's oil industry beyond exploration and production.

[Gulf drilling ban lifted if you 'play by the \(new\) rules'](#)

WASHINGTON — The Obama administration on Tuesday lifted the moratorium on deepwater exploratory oil drilling in the Gulf of Mexico — provided companies follow new safety rules.

"Operators who play by the rules and clear the higher bar can be allowed to resume", Interior Secretary Ken Salazar said at a news conference.

[GM denies having 'lied' on Chevrolet Volt electric claims](#)

General Motors has shifted into damage-control mode -- just like its bad ol' days -- as it

fighters media blasts about the new Chevrolet Volt "extended-range electric." Several news outlets charge that they were misled about Volt's powertrain and that it isn't as unconventional or gas-mileage thrifty as billed.

[Why did Google bet \\$1 million on Shweeb?](#)

Out of those frequent discussions evolved Barnett's idea for Shweeb, a system of personal, pedal-powered monorail pods that he hopes can one day become an alternative form of urban transit. With Shweeb, pods hang from an elevated track that, theoretically, would stretch to destinations throughout a city.

[California's green-jobs numbers paint a mixed picture](#)

For Jerry Brown and many of his fellow Democrats, the future of California's struggling labor force hinges on a clean energy industry they say is poised to take off.

They picture a green California where hundreds of thousands of people work to install solar panels and build electricity-powered cars.

The numbers, however, tell a less gung-ho story, at least when it comes to meeting the immediate challenge of putting to work the 1.3 million people statewide who have lost their jobs since 2007.

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[Gulf spill will mean higher costs, fewer small operators](#)

LONDON — The Gulf of Mexico oil spill will push up costs and reduce the number of offshore oil and gas operators in U.S. waters for a long time to come, oil company executives told an industry conference on Tuesday.

[Gov't: Offshore drilling ban to be lifted Tuesday](#)

WASHINGTON — The Obama administration is lifting a moratorium on deepwater oil drilling that was imposed in the wake of the massive Gulf of Mexico spill, officials said Tuesday.

The Interior Department scheduled a 1 p.m. news conference in which Interior Secretary Ken Salazar is to "discuss the current suspensions on deepwater drilling," the Interior Department said.

[FACTBOX - Oil spill claims total \\$1.2 billion in seven weeks](#)

(Reuters) - The Gulf Coast Claims Facility, created to compensate people and businesses for damages related to BP Plc's Gulf of Mexico oil spill, has paid \$1.2 billion in claims since the organization took over the process from the oil company on Aug. 23.

[BP's cleanup of Alabama beaches to begin](#)

ORANGE BEACH, Ala. — BP says it plans to start deep-cleaning Alabama's beaches next week.

Company spokesman Ray Melick said Monday the process will begin as soon as a weekend of concerts and boat races wraps up in Baldwin County. Melick says the company doesn't want to interfere with the tourist season.

[Gas station reps blame speculation for latest price spike](#)

Area gas purchasers said there's no real reason for the price increase, but investors are driving up the price.

The increase isn't tied to the typical supply-and-demand indicators that determine price, such as weather events, refinery problems or other reasons for a shortage, said Bob Astor, wholesale fuels business manager for Shipley Fuels Marketing.

"There's no weather to speak of, no major refinery problems. No storms were an issue in oil refining states, so they can't blame that. There's more than adequate inventory," Astor said.

[PDVSA to Sell \\$3 Billion Bond to Meet Dollar Demand](#)

Petroleos de Venezuela SA, the state oil company, plans to sell \$3 billion of bonds in the local market as part of effort to meet demand for U.S. currency.

[Poor trading margins cloud annual Asia oil bash](#)

Traders attending the annual Asian oil industry bash will likely be in a darker mood as firms struggle with poor trading margins, even as expansions from last year's nascent recovery stiffen competition in a crowded market.

In the 12 months since the last Asia Pacific Petroleum Conference (APPEC), several companies, including oil major BP, have restructured their trading business, while some brokerages have ceased regional operations.

[U.S. energy policy: It's complicated](#)

We should be able to come up with a coherent energy strategy -- if only Congress weren't too paralyzed by partisan bickering to enact one.

[Bad News for Oil Drilling in Mexico](#)

The moment someone asked why anyone would want to leave Mexico in the first place, I chimed in, "Wouldn't you? The whole country is ready to collapse."

I received nothing but blank stares.

"How do you figure?" the bartender asked, a confused look on his face.

I responded casually, "Pour me another pint and I'll tell you."

[The Promise of Fusion: Energy Miracle or Mirage?](#)

The U.S. has invested billions of dollars trying to create a controlled form of nuclear fusion that could be the energy source for an endless supply of electricity. But as a federal laboratory prepares for a key test, major questions remain about pulling off this long-dreamed-of technological feat.

[What good's a Volt without an outlet?](#)

If you think trying to find an outlet for your laptop at the airport is a chore, wait until you have to find an outlet for your electric car at the hotel.

[Car makers ride on India car sales boom](#)

INDIA : More than 200,000 cars were sold in India in August.

According to a report, all car makers in the country posted their best-ever sales figures.

And the festive season starting in the country, automakers are hopeful of even better sales.

[Israel lags far behind world in renewable energy](#)

A new report by the international renewable energy research organization REN21 found that Israel is lagging far behind the rest of the world in producing electricity from renewable energy.

The report found that 18% of the world's electricity is produced from renewable energy but only 0.4% in Israel.

[Why landfill mining could be the next big thing](#)

It might sound like a load of old rubbish, but landfill mining could be the next resources idea to sweep Britain and the rest of Europe. UK company Advanced Plasma Power (APP) has formed a joint venture to dig up a giant landfill site in Belgium, and will recycle half the rubbish and convert the rest into renewable electricity. The project, which will become operational by 2014, is thought to be the first of its kind in the world.

[Hacking the low tech future](#)

The technology industry has grown up in an age of cheap and abundant energy, and that has shaped, deeply and fundamentally, the way it sees the world, what it chooses to make, and how it designs what it does. You have to think only of the short lifespan of the devices, the fact that they are discarded, not upgraded, when technology moves on; or the emerging service designs based on the world of the cloud; and always on, on demand access. But the age of cheap and abundant energy is coming to a close. It is about to become scarcer and more expensive. How does the technology energy need to respond?

It's worth, quickly, making the case about energy, for not everyone believes this. John Michael Greer, in his book *The Ecotechnic Future*, uses the analogy of a group of field mice who find one day that someone has dumped a huge pile of grain in a corner of their field. They eat it and multiply, until the grain starts to run out.

[Soils and Souls](#)

Wendell Berry, who farms in his native Henry County, Kentucky, has become a kind of

poet laureate of the sustainable agriculture movement, exploring culture and agriculture in verse, short stories, and novels. Establishing himself as a leading critic of industrial farming with his 1977 non-fiction book *The Unsettling of America*, he has been relentless in his analysis of the disastrous consequences of a consumption-obsessed, profit-driven society on both the human and the natural world.

[China overtakes U.S. as biggest energy consumer - IEA](#)

(Reuters) - China has become the world's largest energy user, having overtaken the United States, the head of the International Energy Agency said on Tuesday.

"China is now the largest energy consumer by our definition," the executive director of the Paris-based IEA, Nobuo Tanaka, told an industry conference.

"Probably half of the oil demand increase comes from China. Nobody knows when it (will) slow down."

[IEA Head: Half Of Oil Supply By 2015 To Come From Offshore Output](#)

LONDON -(Dow Jones)- Half of the world's oil supplies could come from offshore production by 2015, the head of the International Energy Agency said Tuesday.

Offshore production currently provides one third of global oil supply, but this is set to change rapidly in the coming years, Nobuo Tanaka, Executive Director of the International Energy Agency, told reporters on the sidelines of the Oil & Money Conference.

[FACTBOX - China's options for gas supplies](#)

BEIJING (Reuters) - Russian gas from East Siberia may not make it to China by end-2015, as Moscow hopes, as China will be sufficiently supplied by other sources and can afford to wait.

Market dynamics have shifted in the past few years to put China in a stronger bargaining position for an eventual annual supply of 60-80 billion cubic metres of Russian gas initially agreed in 2006.

Below are details of options China has, according to analysts and Reuters reports.

[Gazprom aims for major gas expansions](#)

MOSCOW (UPI) -- Moscow aims to invest billions of dollars in its natural gas sector to

expand output by as much as 50 percent, Russian Prime Minister Vladimir Putin said.

Putin said his country has the ability to increase gas output to 35 trillion cubic feet of gas per year, up from the current rate of 22 trillion cubic feet, as early as 2030.

[Russia to Fund 400 Bln U.S. Dollars on Gas by 2030](#)

Russian gas export may grow to 520 billion cubic meters by 2030 and Russia will invest over 400 billion U.S. dollars into the sector development, said Energy Minister Sergei Shmatko on Monday.

"In general, the volume of investment until 2030 is estimated at 12.3-14.7 trillion rubles (412-493 billion dollars) in fixed prices as of January 1, 2010," said the minister at a conference devoted to the development of Russia's gas sector.

[Oil giant's exit deals blow to NZ hopes](#)

Oil exploration off New Zealand has been dealt a blow by ExxonMobil's decision to abandon its Great South Basin prospect.

The company held 90 per cent of a permit off the Southland coast; New Zealand's Todd Energy held the rest.

The partners are estimated to have spent tens of millions of dollars assessing mainly gas prospects in one of the harshest deepwater prospects in the world.

[Russian oil export duty to rise in November](#)

Russia's oil export duty may rise in November by 22.5-25.5 U.S. dollars per ton, to 289-292 dollars, the Finance Ministry said Tuesday.

[Refinery Status: Enbridge Line 6A At Reduced -3-](#)

Enbridge Inc. said Monday that its crude oil delivery pipeline, Line 6A, will operate at reduced rates for an indefinite period of time to facilitate further integrity inspections along the span. Line 6A services ExxonMobil's Joliet, Illinois, refinery and Citgo's refinery in Lemont, Illinois.

[UK should fund gas-fired carbon capture: adviser](#)

(Reuters) - A recent global gas glut means Britain should fund carbon capture and

sequestration (CCS) for gas-fired as well as coal-fired power plants, the government's chief scientific adviser told Reuters.

[Africa: China in Region - The Lies, the Half-Truths And Facts](#)

Highlighting the Chinese commodities crunch set against the global backdrop of the American-led global economic implosion, Naidu makes it plain that the Chinese interest in Africa is resource-driven, with nearly 80 per cent of Chinese imports classified as oil or petroleum-based since 2000. Nancy Dubosse offers a similar summary based upon the Chinese divergence from national development agendas in aid dependent nations like Angola and Zambia to focus on the extractive sector.

[Africa: Oil is a Far Cry From Being Continent's Curse](#)

Johannesburg — THERE is no African oil curse, maintains global oil and gas expert Dr Duncan Clarke, only an inherited and continuing curse of politics.

Responding to the frequently cited "curse" theory that is linked to Africa's natural resources, Clarke says: "The oil industry already contributes in huge measure to continent-wide economic growth and investment partnerships with the state and its national oil companies, and acts as a pillar of corporate governance in Africa. The misuse of oil revenues, where it exists, is a government matter, not a corporate one."

[Entergy: Justice Dept. opens civil investigation](#)

NEW ORLEANS — Entergy Corp. says the Justice Department is conducting a civil investigation of competitive practices of its regulated power units.

The New Orleans-based company disclosed the investigation prior to the opening of financial markets Tuesday.

[Europe May Ease Jet Carbon Fees](#)

BRUSSELS — The transportation chief of the European Union said Monday that airlines based in the United States could receive an exemption, at least in part, from European carbon regulations if Washington moved to reduce greenhouse gas emissions at home.

"We are ready to negotiate and to talk about these issues and not only make declarations," Siim Kallas, the European commissioner for transportation, said during a news conference. "Adequate measures from other countries can be taken into account."

[Time is now to plan for new sea level](#)

The Olympia City Council is wise to plan now for sea level rise and its effects on the downtown business district.

City officials have agreed to spend \$75,000 on an engineering analysis on the use of barriers and sea walls to keep rising tides from flooding downtown streets and businesses.

[Climate change could lead to Arctic conflict, warns senior Nato commander](#)

One of Nato's most senior commanders has warned that global warming and a race for resources could lead to conflict in the Arctic.

The comments, by Admiral James G Stavridis, supreme allied commander for Europe, come as Nato countries convene on Wednesday for groundbreaking talks on environmental security in the Arctic Ocean.

[Crude Oil Futures Decline in N.Y. Before OPEC Meeting as Dollar Strengthens](#)

Crude dropped for a second day after Saudi Arabia signaled that OPEC may leave production targets unchanged at its Oct. 14 meeting and the group lowered its forecast for demand for its oil.

Saudi Arabia's Oil Minister Ali al-Naimi said the market is "very well-balanced" and prices between \$70 and \$80 a barrel are "ideal." Sanford C. Bernstein & Co. cut its forecasts for 2011 and 2012 oil prices because of high stockpiles.

[Crude Oil to Stay Below \\$84 on Bollinger Band Hurdle: Technical Analysis](#)

Oil will remain below \$84 a barrel in New York this week because of chart resistance marked by a Bollinger Band, according to Cameron Hanover Inc.

Crude, which reached a five-month high of \$84.43 a barrel last week, won't sustain rallies to revisit that price because the market is "overbought," said Peter Beutel, president of the energy adviser in New Canaan, Connecticut. Futures fell today for a second day after advancing 12 percent in the past three weeks.

[OPEC May Maintain Quotas After Saudi Minister Says Market 'Well-Balanced'](#)

OPEC ministers gave their strongest indication yet that they will leave oil-production

quotas unchanged at this week's meeting as faltering growth in some of world's biggest economies stifles demand.

The market is "very well-balanced," Saudi Arabian Oil Minister Ali al-Naimi said late yesterday as he arrived in Vienna for the Oct. 14 meeting of the Organization of Petroleum Exporting Countries. Shokri Ghanem, chairman of Libya's National Oil Corp., said in London today there's no need for to alter quotas, echoing comments made by Qatari Oil Minister Abdullah al-Attiyah in an Oct. 10 interview.

[OPEC Trims 2010 Demand Outlook for its Crude as External Supplies Increase](#)

The Organization of Petroleum Exporting Countries trimmed its demand forecast for its members' crude for this year as production from outside the group grew the most since 2002.

[PetroChina's Biggest Refinery to Process 9% More Oil as Fuel Demand Climbs](#)

PetroChina Co. will increase crude- oil processing at its biggest refinery by 9 percent this year from a year earlier as demand gains, an official said.

Refining volume at the plant in the northern city of Dalian will rise to 17.5 million metric tons, or 350,000 barrels a day, said a refinery official, who declined to be named because of company rules. The facility's oil-processing volume rose to a record of 16.03 million tons in 2009, parent China National Petroleum Corp. said in January.

[French strikers step up their campaign](#)

Strikers tried to shut down France today with airports, public transport, schools and the postal service all hit in a showdown over government attempts to raise the retirement age.

Refinery workers also walked out, leading one union to warn of looming petrol shortages.

[French Refineries, Nuclear Reactors, Ports Disrupted by Nationwide Strike](#)

A nationwide strike by French refinery, power and gas workers lowered crude processing rates and cut power output while the possibility of fuel shortages loomed as Marseille oil terminals remained blocked.

Workers at ten of the country's 12 refineries voted to strike today and others may follow, CGT union representative Christian Votte said by telephone. Deliveries to and from plants on strike will be blocked and refining rates reduced, he said.

[Energy majors set sights on Turkmenistan](#)

ASHGABAT, Turkmenistan (UPI) -- A scheduled visit by executives from Chevron and Total is indicative of the long-term energy potential for Turkmenistan, a government leader said.

Baymurat Hodzhamammedov, the deputy prime minister of Turkmenistan, said his country was expecting a visit by executives from Chevron and Total "in the near future," the Turkmen news agency Turkmenistan.ru reports.

[Shell CEO criticizes Gulf spill](#)

The head of Royal Dutch Shell says that his company would never have made the mistakes that led to BP's devastating Gulf of Mexico oil spill.

But Shell CEO Peter Voser acknowledges that the industry as a whole is not prepared to deal with a spill of that size.

[Exxon, Chevron's Africa Ambitions Face Risk From State Curbs](#)

Oil producers led by Exxon Mobil Corp., Chevron Corp. and Tullow Oil Plc tripled spending in sub-Saharan Africa to \$30 billion a year in a decade, finding twice the U.S.'s remaining reserves. The flow of cash is now at risk as nations from Uganda to Ghana tighten control of the industry.

Explorers face being stripped of licenses or awarded less favorable contracts as governments seek to reassert authority over their natural resources. There's also the challenge of operating in countries emerging from civil war such as the Democratic Republic of Congo and Sierra Leone.

[Billionaire Cline Talks Clean as Coal Mines Supply Most Energy Since 1970](#)

Cline foresaw that the dwindling Appalachian supply, coupled with what he expected would be rules to force all power plants to add scrubbers to remove pollutants, would make Illinois coal attractive. If plants had to clean the coal anyway, Cline reasoned, why not use inexpensive Illinois stock?

[Peak Oil Experts Fear Big New U.S. Job Losses, Economic Downturn](#)

Ralph Nader helped conclude a cutting-edge energy conference Oct. 9 in Washington, DC by describing what the public must do to reduce predicted new job losses and similar hardship.

"Deal with public sentiment," he told a rapt audience at the annual convention of Association for the Study of Peak Oil & Gas, USA (ASPO-USA) in urging steps to achieve better-informed voters and consumers. "Half the population doesn't believe in global warming."

[DBEDT serious about Hawaii's energy future](#)

An e-mail I received Monday morning from Richard Ha, a farmer on the Big Island and co-chair of the Geothermal Working Group, sheds light on the seriousness of Hawaii's dependence on foreign oil.

Just back from a Peak Oil conference in Washington D.C., where dozens of top energy experts, economists and human rights activists convened to discuss declining reserves of extractable oil, Ha reported back that peak oil was expected to hit in two to five years. Peak oil is the highest point of world oil production before it begins to decline.

[Wind could supply fifth of world energy: Greenpeace](#)

BEIJING (AFP) – Wind power could meet about a fifth of the world's electricity demand within 20 years, an industry group and environmental watchdog Greenpeace predicted in a new report released on Tuesday.

[Google to help build East Coast wind farm](#)

NEW YORK (CNNMoney.com) -- Google is investing in a new wind farm power grid to be located off the East Coast of the United States.

"We just signed an agreement to invest in the development of a backbone transmission project off the Mid-Atlantic coast that offers a solid financial return while helping to accelerate offshore wind development -- so it's both good business and good for the environment," announced the search engine company in a blog on Monday night.

[In Big Oil Texas, Democrat looks to sun and wind](#)

HOUSTON (Reuters) – As a former oil entrepreneur, Bill White is by no means a foe of Big Oil, the engine at the heart of the Texas economy.

But if the Democrat wins the state governor's race next month, he will be spending lots

of time working with two other resources in abundance in Texas -- sun and wind -- and trying to make the whole state much more energy efficient.

[GE Expands Solar Business as Immelt Seeks to Mirror Wind Growth](#)

General Electric Co., which has become the world's second-biggest wind turbine maker in less than a decade, is expanding production of two thin-film solar products to increase its renewable-energy business.

[Taiwan Cement plans large solar power plant](#)

TAIPEI (AFP) – Taiwan largest cement maker plans to build a large solar power plant, the company and local media said Monday, confirming a trend for the island's companies to focus increasingly on green technologies.

[Scottish Wind May Gain in `Overdue' Review of U.K. Costs](#)

Scotland, source of almost half the U.K.'s renewable energy, may benefit from a proposal to scrap the 20-year-old rule blamed for impeding wind and sea power.

Ofgem, Britain's electricity-grid regulator, said it will take comments until Nov. 17 from energy companies and academics on changes that may abolish the system that charges the highest carriage rates to generators furthest from consumer centers. It's due to make a decision next year.

[India solar power plans over-subscribed](#)

NEW DELHI (Reuters) – India will begin rolling out hundreds of megawatts of solar power by December next year, ahead of an initial target for an ambitious plan that seeks to zoom production from near zero to 20 gigawatts by 2022.

[New research questions hydroelectric emissions](#)

GENEVA (AFP) – Scientists have found that some reservoirs formed by hydroelectric dams emit more greenhouse gases than expected, potentially upsetting the climate-friendly balance of hydroelectric power.

[Global warming threatens 80pc plant, animal species](#)

Less than 20 percent of plants and animal species in the world's tropical forests may remain in their current form by the end of the century due to global warming, a new study says.

[Large Swaths of Earth Drying Up, Study Suggests](#)

The soils in large areas of the Southern Hemisphere, including large parts of Australia, Africa and South America, have been drying up in the past decade, a new study finds.

[Population shifts 'substantially influence' emissions](#)

Changing population dynamics could "substantially influence" future greenhouse gas emissions, a study has suggested.

A team of US and Austrian researchers found that urbanisation could increase emissions by up to 25% in some developing nations.

However, industrialised countries could see emissions fall by about 20% as a result of ageing populations.



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