



Drumbeat: October 27, 2010

Posted by [Leanan](#) on October 27, 2010 - 9:18am

Topic: [Miscellaneous](#)

[Cheap natgas threatens Nabors joint venture IPO](#)

(Reuters) - Nabors Industries Ltd said on Wednesday a planned initial public offering of oil and gas joint venture NFR Energy was not feasible at current U.S. gas prices, which the CEO said were "horrible."

..."Maybe in our business you've got to be optimistic," said Isenberg, 80, who over the past three years took home a total of \$147 million in salary and bonus. "But I'm not still personally buying any gas futures."

[Tailings ponds duck death toll rises](#)

Oilsands giant Syncrude said 350 birds have now died after landing on the Mildred Lake tailings pond Monday night, while Suncor said the grim tally on their ponds rose to 40 ducks.

On Tuesday, the Alberta government announced that about 250 ducks had to be euthanized after landing on tailings ponds in the Fort McMurray area belonging to Syncrude, Suncor and Shell.

[Russia, Ukraine fail to agree new gas deal](#)

KIEV (Reuters) - Russia and Ukraine were unable to agree a new gas supply deal sought by the cash-strapped Ukrainian government on Wednesday, leaving the threat of a new year gas war hanging in the air.

In January 2009, a pricing row between Moscow and Kiev resulted in a stoppage of Russian gas flows to Europe for about two weeks, tarnishing Russia's image as a reliable exporter and spurring a European quest for new suppliers.

[Security zone placed around Deepwater Horizon site](#)

NEW ORLEANS -- The federal government has set up a security zone around the wreckage site of the Deepwater Horizon drilling rig, which lies on the sea floor about 50 miles southeast of the Louisiana coast after it exploded and sank in April, leading to the massive BP oil spill in the Gulf of Mexico.

[Global extinction crisis looms, new study says](#)

A growing number of creatures could disappear from the earth, with one-fifth of all vertebrates and as many as a third of all sharks and rays now facing the threat of extinction, according to a new survey assessing nearly 26,000 species across the globe.

[Steve Forbes: Energy Crisis Over!](#)

Not because of some humongous breakthrough in alternative energies but because of new ways to access two sources widely used today: oil and natural gas. The recent news story about China's national oil company, Cnooc, purchasing a stake in Chesapeake Energy's Texas shale oil and gas fields and agreeing to pony up most of the capital to develop them underscores what an amazing transformation is taking place in the U.S.' energy picture.

The word "revolution" is overused, but it's truly appropriate when applied to these technological breakthroughs: hydraulic fracturing--a.k.a. fracking--and horizontal drilling. With fracking, drillers inject water, sand and chemicals deep underground to crack gas-bearing rocks. The technology, which has been around for a long time, has advanced dramatically. Literally trillions of dollars' worth of shale oil and gas can now be economically extracted.

[More firms expected to follow Conoco in gas shut in](#)

NEW YORK (Reuters) - ConocoPhillips shut in a small amount of its natural gas production in the third quarter, a move that could set the stage for other producers to curtail production as an oversupplied market depresses prices, an analyst said.

Conoco, the third-largest U.S. oil company, shut in about 180 million cubic feet of natural gas per day in North America, a minuscule amount of its total production.

[Drowning in Crude](#)

This week's inventory report from the department of Energy showed a huge increase of 5.007 million barrels of crude oil versus expectations for a build of 1 million barrels. Gasoline inventories, on the other hand were down 4.387million barrels versus expectations for a build of 625 thousand barrels. Finally, distillate inventories were down 1.613 million barrels, which was slightly more than the forecast for a draw of 1.5

million barrels.

[Gazprom Keeps Grip on Polish Pipeline](#)

Poland and Russia appear to have phrased their new gas agreement in a way that will only formally observe European Union rules on third-party access to the pipeline. In reality, Russia's Gazprom will keep nearly full control of the Yamal-Europe pipeline that supplies Poland and customers in Germany.

[Russia, Ukraine initial oil transit treaty](#)

KIEV (Itar-Tass) - Russia and Ukraine have initialled a treaty on oil transit through the Ukrainian territory, Russian Energy Minister Sergei Shmatko told reporters on Wednesday.

"Today the transit agreement was initialled," he said adding that "the agreement sets the oil transit rules for the two countries."

[Impact Of Rising Shipping Costs Will Likely Reach Vending Supplies Soon](#)

Sources inside and outside the industry are saying bulk vendors might do well to brace for higher prices of capsuled merchandise. Despite the inevitable suspicions of operators, who often accuse suppliers of seeking to boost their own bottom lines, what appears to be behind an anticipated price jump will mostly be related to costs associated with shipping.

[Review of Ben Parfitt's Fracture Lines \(report\)](#)

A Canadian study of shale gas fracking and its impact on water quality was released earlier this month. Entitled *Fracture Lines: Will Canada's Water be Protected in the Rush to Develop Shale Gas?*, the study was conducted by Ben Parfitt for the Program on Water Issues, Munk School of Global Affairs, University of Toronto. Parfitt's analysis is thoroughly sourced, with his fifty-page text being supplemented by another eight pages of detailed endnotes.

[Cressier refinery in Switzerland shut due shortage of French oil](#)

Zug-based Petroplus has announced it is shutting down operations at the Cressier refinery indefinitely "due to the labor strike at the southern port in Fos Sur Mer, France, which is disrupting the supply of crude to the refinery. The restart of the refinery is dependent on the outcome of the strike." The refinery, near Neuchatel, is one of the Switzerland's two oil refineries.

[Fuel price hike to boost refiners' bottom line](#)

China raised gasoline prices by around 3 percent in order to reduce deficits at the nation's two major refineries amid increasing international crude oil prices.

[Will there be enough energy to go around this winter?](#)

After last year's big freeze, the National Grid has assured Brits there will be plenty of energy to keep them warm this winter.

Last winter was the coldest recorded in the UK for more than 30 years. The big freeze, as it has become known, caused millions of pounds of disruption to business, damage to the UK's roads, and, worryingly for homeowners, the prospect of energy shortages.

[The Ecology of Consumption \(excerpts\)](#)

Ironically, the new economic Malthusianism comes closer in some ways than demographic Malthusianism did to the intent of Thomas Robert Malthus in his classic *Essay on Population*. Malthus's argument was principally a class one, designed to rationalize why the poor must remain poor, and why the class relations in nineteenth-century Britain should remain as they were. His greatest fear was that due to excessive population growth combined with egalitarian notions "the middle classes of society would . . . be blended with the poor." Indeed, as Malthus acknowledged in *An Essay on Population*, "The principal argument of this Essay only goes to prove the necessity of a class of proprietors, and a class of labourers." The workers and the poor through their excessive consumption, abetted by sheer numbers, would eat away the house and home (and the sumptuous dinner tables) of the middle and upper classes. He made it clear that the real issue was who was to be allowed to join the banquet at the top of society:

["Blood and oil" released in Iran](#)

"Blood and Oil" a book by Michael Klare has been rendered into Persian by Vahid Mousavi and published by Saghi.

[Son helps on home job -- by long distance](#)

His clients in Brooklyn, N.Y. - mostly homeowners looking to add energy efficiency to drafty 19th century houses - know architect Ryan Enschede is passionate about cutting energy use. It's the way, he said, that people can best fight production of greenhouse gases associated with heating or cooling a house. He considers sustainable architecture the cornerstone of his business.

[Military, gov't increase investment in algae fuels](#)

SOUTH SAN FRANCISCO, Calif. (AP) — The forest green algae bubbling in a stainless steel fermenting tank in a suburban warehouse may look like primordial pond scum, but it is a promising new source of domestically produced fuels being tested on the nation's jets and warships.

[All that hype won't sell electric cars](#)

NEW YORK (CNMoney.com) -- If you thought electric cars were about to take over the world's highways, a new report by auto analysts at J.D. Power Associates says, "Not so fast."

By 2020, the vast majority of new cars sold around the world will run on gasoline, not electricity, according to the report "Drive Green 2020: More Hope Than Reality." In ten years, just 7.3% of passenger vehicles sold globally will be hybrids or plug-in cars of some kind, the study predicts.

[Hazard of lithium batteries on planes sparks debate](#)

WASHINGTON — Safety advocates have warned for more than a decade that someday an air shipment of lithium batteries like those used in cameras, cell phones and countless other products would catch fire, causing a plane to crash and people to die.

That day may have arrived last month.

[Innovations to boost airborne energy have wind at their back](#)

Kites and blimps may be the next big thing in wind energy and may even power your home one day – and we're not talking decades from now. Think years.

Why? The higher you go up, the stronger and the steadier the wind and the more energy you can grab. Scientists say that a wind turbine high in the sky could generate 20 times more energy than a traditional model standing 200 feet off the ground.

[Chris Martenson: Mike Shedlock on the Economy, Deflation and Where to Invest This Year](#)

I am a firm believer in peak oil. I don't know how anyone can deny it.

Given peak oil, and given the demand from China for oil and other commodities, the

world is on a crash course of demand that cannot be filled.

China is growing at 8-10% a year (assuming you believe the stats). Can China keep growing at that rate forever? For even 10 more years? What about India? Brazil?

Either we get some serious energy breakthroughs, China slows, or the standard of living drops in the US, UK, and Europe. Well China does not want to slow, and the US and Europe are fighting hard to maintain a standard of living that is not sustainable.

Historically these situations end up with war. That is an observation, not a prediction.

[Oil Snaps Three-Day Rally on Crude Stockpiles, Dollar Strength](#)

Oil declined for the first time in four days in New York on signs that U.S. crude supplies are rising and as the dollar strengthened, curbing investor demand for commodities.

Futures dropped as much as 1.2 percent before an Energy Department report today that may show crude inventories increased by 1 million barrels last week, according to a Bloomberg News survey of analysts. The American Petroleum Institute said yesterday stockpiles surged 6.4 million barrels, the most since March. The dollar climbed against all except one of its 16 most-traded peers.

[Jeff Rubin: Tightening oil markets will bring speculators back](#)

With oil prices now already above \$80 per barrel and likely to hit triple-digit levels within months, you can expect to hear a lot more about the role of speculators in the marketplace. It's always easier to find a convenient whipping boy than to recognize that depletion and the prospect of ever more costly fuel in the future are the real problems.

[Petrobras Finds 'Large Accumulations' of Oil in Sergipe-Alagoas Basin](#)

Petroleo Brasileiro SA, Brazil's state-controlled oil company, said it found "large accumulations" of oil in a well named Barra in the Sergipe- Alagoas Basin.

[Karachaganak team hit with \\$1.2bn tax](#)

Kazakhstan has prepared new tax claims worth a total of \$1.2 billion against ENI and BG Group's Karachaganak gas project, according to reports.

[Audit Chamber warns Exxon Neftegaz over Sakhalin-1 spending](#)

The Russian government may replace Exxon Mobil as operator of Sakhalin-1 oil and gas project for raising its spending to \$95.3 billion from \$42.8 billion for the period until 2055, Audit Chamber auditor Mikhail Beskhmelnitsyn said on Tuesday.

[Sakhalin-1 'may see change of guard'](#)

The ExxonMobil-led Sakhalin-1 development could see a change of operator, an official from Russia's budget watchdog claimed.

"Today, their (foreigners') place may be taken up by Russian companies," Interfax quoted Audit Chamber representative Mikhail Beskhmelnitsyn saying after he was asked if he would rule out the possibility of dismissing ExxonMobil as the project operator.

[No plans to change Sakhalin-1 operator-Russia oilm](#)

(Reuters) - Russia has no immediate plans to change the operator of the Sakhalin-1 oil and gas project off the Pacific coast, currently led by U.S. major ExxonMobil, Energy Minister Sergei Shmatko said on Wednesday.

[Kiev: Russian-Ukrainian gas contract no longer legal](#)

As Ukrainian Prime Minister Nikolai Azarov announced at a cabinet meeting today, the 10-year natural gas supplies contract between Naftogaz of Ukraine and Gazprom dating back to January 2009 does not comply with Ukrainian legislation. According to the PM, Ukraine will voice its position on the matter during today's meeting of the intergovernmental committee on economic cooperation with Russia.

"We are going to let our Russian colleagues know that the existing agreement cannot satisfy us," Azarov stated. "The market conditions have changed, and the price calculation formula, therefore, requires changing," he added.

[Russia's TNK-BP to explore shale gas in Ukraine](#)

(Reuters) - BP's Russian joint venture, TNK-BP, is expected to sign a memorandum on shale gas exploration in Ukraine, materials from the Russian government press service, seen by Reuters on Wednesday, showed.

[China to Offer Shale-Gas Blocks to PetroChina, Sinopec, Cnooc in Auction](#)

China will offer shale-gas blocks to the nation's biggest energy companies as the world's

largest polluter aims to increase the use of cleaner-burning fuels to help reduce carbon dioxide emissions.

[Shale gas's fractured hope](#)

Poland and Russia are negotiating the extension of a gas supply deal that could secure Russia's supply of gas to Poland until 2037. Polish Treasury Minister Aleksander Grad said recently that the deal should include flexible long-term conditions, in light of a liquid natural gas pipeline in development and large-scale domestic shale gas deposits.

[Alaska's untapped oil reserves estimate lowered by about 90 percent](#)

(CNN) -- The U.S. Geological Survey says a revised estimate for the amount of conventional, undiscovered oil in the National Petroleum Reserve in Alaska is a fraction of a previous estimate.

The group estimates about 896 million barrels of such oil are in the reserve, about 90 percent less than a 2002 estimate of 10.6 billion barrels.

[Nigerian crude exports up in December - sources](#)

LONDON (Reuters) - Nigeria will export more crude oil in December, pushing its sales well over 2.1 million barrels per day (bpd) and far above its OPEC output target as its onshore oilfields recover from years of political violence.

Nigerian crude exports will rise to an average of around 2.15 million bpd in December, up from about 2.10 million bpd in November, trade sources said on Wednesday, citing provisional loading allocations.

[French Power Workers to Resume Strike; Prices Jump on Expected Output Cut](#)

French power-plant workers are set to go on strike this evening in protest against planned pension reforms, cutting output at all types of plants, a representative for the CGT union said.

[Conoco third-quarter profit up, output lower](#)

(Reuters) - ConocoPhillips, the third-largest U.S. oil company, said on Wednesday that its quarterly profit more than doubled, as crude oil and natural gas prices rebounded from a year earlier.

[PetroChina Profit Beats Estimates as Crude Prices, Output Rise](#)

(Bloomberg) -- PetroChina Co., Asia's biggest company by market value, posted a 13 percent gain in third- quarter profit, beating estimates, as the oil and gas producer increased output to benefit from higher crude prices.

[Uganda plans its first oil refinery in 2-5 yrs](#)

(Reuters) - Uganda has received interest from Asian and European firms for its first oil refinery, to be built in public-private partnership in two-to-five years, the African nation's minister of state for energy said on Wednesday.

[Iran resumes Turkey exports](#)

Iran resumed gas exports to Turkey today after a 10-day halt due to repairs being carried out on export infrastructure.

[Gridlock on Chinese Highways Sends Coal to Four-Month High](#)

China is driving up world coal prices as clogged roads and railways from Beijing to Tibet restrict deliveries in the world's fastest-growing major economy while the country tries to build stockpiles ahead of winter.

[Pirates abandon hijacked ship off Tanzania's coast after crew locks itself in safe room](#)

NAIROBI, Kenya - The European Union Naval Force says that pirates have abandoned a French-flagged ship they had attacked.

The EU Naval Force said Wednesday that the pirates couldn't get control of the Maido because the crew had locked itself in a safe room. The attack took place Tuesday about 100 miles (160 kilometres) east of Tanzania.

[E.ON to Take \\$3.6 Billion Charge After Acquisitions as Power Demand Slides](#)

E.ON AG, the German utility that bought French, Spanish and Italian power plants in 2008, said it took a 2.6 billion-euro (\$3.6 billion) charge to reflect lower asset values as electricity demand trails expectations.

[Back-to-Back Drives in the Chevrolet Volt and Nissan Leaf](#)

The Nissan Leaf and Chevrolet Volt take different approaches to environmentally friendly motoring, and they look about as dissimilar as Laurel and Hardy. But how do they compare on the road? While Nissan and Chevrolet have recently allowed some journalists to drive their vehicles at separate events, I had the opportunity last week for a rare back-to-back turn at the wheel.

[WTW: the watchword for fleets of the future](#)

The future looks bleak for the humble motor car.

With an estimated three-quarters of a billion cars on the planet, that might sound like a strange thing to say. But take a look around and you begin to see the problems facing the automotive industry.

[Masdar: 'No silver bullet' for problems facing cleantech city](#)

Masdar City was meant to be the world's first carbon neutral city. Based in Abu Dhabi, its creators envisioned a glittering city in the desert, entirely self-powered, and after the initial building stage, having no net effect on the world's carbon emissions.

But the plans have taken a major knock in the last 18 months. Lending for real estate dried up in the wake of the Dubai financial crisis, companies proved reluctant to move in to the new commercial space and the developers quickly realised their initial plans for the energy mix were too ambitious.

[President Obama and business: What went wrong](#)

Nothing has been "nationalized." Unions have been kicked to the curb on the Employee Free Choice Act. Google's \$60 billion tax loophole and all the others -- still in place. The health-care reform, heavily modeled on that of Massachusetts Gov. Mitt Romney's work, is a big boost to insurers. The sweetheart deal in Medicare Part D for big pharma remains untouched. Much of the stim was taken up by tax cuts. George W. Bush at least talked about peak oil; not Mr. Obama.

[Aerotropolis doomed by changing world economy](#)

The problem, however, is the unjustified assumption underlying their enthusiasm that all else in the world will remain equal. The energy crisis is the reason it won't.

Every aspect of life in modern, industrialized civilization is backed by cheap oil, which is now known to be depleting globally. As the reserves of cheap oil decline, we're turning increasingly to unconventional oil, which is expensive because it is hard to discover,

extract and process. Tight supplies and shortages will boost the price sky high.

[Electromagnetic pulse impact far and wide](#)

The sky erupts. Cities darken, food spoils and homes fall silent. Civilization collapses.

End-of-the-world novel? A video game? Or could such a scenario loom in America's future?

There is talk of catastrophe ahead, depending on whom you believe, because of the threat of an electromagnetic pulse triggered by either a supersized solar storm or terrorist A-bomb, both capable of disabling the electric grid that powers modern life.

[FedEx Inaugurates New Solar-Powered Hub at Cologne Bonn Airport](#)

The hub in Cologne is one of the most modern FedEx hubs in the world. Its fully-automated sorting system can process up to 18,000 packages and documents per hour. The roof features the largest FedEx Express solar power installation worldwide and represents one of the largest rooftop solar installations in North Rhine-Westphalia, with an area of 16,000 square meters, producing about 800,000 kilowatt hours per year.

[UK awards one of top world tidal power projects](#)

(Reuters) - Britain has awarded one of the world's largest planned tidal power projects to a consortium of utility International Power, Morgan Stanley and tidal technology firm Atlantis Resources Corporation.

[China Has 170 Gigawatt Wind Power Project Pipeline, Consultant MAKE Says](#)

China has a total wind turbine project pipeline of more than 170 gigawatts in different stages of development, MAKE Consulting said in a report.

The Chinese market will grow by a compound annual growth rate of 17 percent between 2010 and 2015 and will account for some 38 percent of the global wind power market in five years, the Hoejbjerg, Denmark-based industry consultant said in a note on its website today.

[Kimberly-Clark rolls out tube-free Scott toilet paper](#)

The 17 billion toilet paper tubes produced annually in the USA account for 160 million

pounds of trash, according to Kimberly-Clark estimates, and could stretch more than a million miles placed end-to-end. That's from here to the moon and back — twice. Most consumers toss, rather than recycle, used tubes, says Doug Daniels, brand manager at Kimberly-Clark. "We found a way to bring innovation to a category as mature as bath tissue," he says.

[China Hydropower Dams in Mekong River Give Shocks to 60 Million](#)

The Mekong and its tributaries provide food, water and transportation to about 60 million people in Cambodia, Laos, Thailand and Vietnam. Their livelihood is now threatened as their governments turn to hydroelectric dams along the river to generate power and create revenue.

China, hungry for electricity to fuel its breakneck growth, has already built four hydropower dams on the Mekong, completing the first one in 1993 without consulting its downstream neighbors.

...“What the Chinese are doing shows a selfish lack of concern for the serious damage their dams will ultimately do to the downstream countries,” Osborne says.

[Japan to give 2 billion dollars to grease wheels at stalled biodiversity summit](#)

Japan will provide 2 billion U.S. dollars over three years to assist developing nations tackle issues of biodiversity erosion, Prime Minister Naoto Kan announced to delegates from more than 190 countries Wednesday at a UN biodiversity summit.

[LNG boom will double WA emissions: Greens](#)

The Australian Greens want all new liquefied natural gas (LNG) plants forced to sequester their greenhouse gas, claiming coal and gas projects proposed for Western Australia alone could almost double the state's annual emissions.

Greens senator Scott Ludlam on Wednesday released his calculations of the emissions from new LNG plants and coal power stations proposed for his home state to 2016, as well as two big emitting iron ore projects.

[Japan 'won't abandon' Kyoto climate treaty](#)

Koreans are working very hard to sell our cell phones and cars and so on and we try to make the money. But we have to spend more than US\$140 billion per year to buy energy. And 97 per cent of our energy comes from abroad, including your country. And our fossil fuel dependency is more than 80 per cent. So that's the Korean situation and how to overcome this, that's our immediate concern and our agenda.

[Global warming issue may determine key races in Virginia](#)

GOP congressional candidates have questioned proposals to curb climate change. Polls suggest several House races may turn on whether the incumbent voted for the 'cap and trade' bill in 2009.

[Educators take aim at climate change](#)

As a group that is traditionally politically conservative and somewhat suspicious of big government, hunters and anglers in the United States seem an unusual choice for conveying a message about the need for climate-change regulation. And yet it was precisely this group that the US National Wildlife Federation (NWF) began courting — with considerable success — in its drive for national climate legislation in 2007.

[Arctic shipping will hasten ice melt, study says](#)

Global shipping firms are not only taking advantage of melting ice in the Arctic Ocean — they're actually helping to drive the meltdown that continues to unlock sea routes across the top of the world.

And as a rapidly warming Arctic encourages more ship traffic through Canada's Northwest Passage and along other polar routes, the sooty emissions from passing freighters will significantly accelerate climate change in the region, according to a new Canadian-American study that, for the first time, predicts the potential impact of engine exhaust particles on the Arctic environment.



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