



Drumbeat: February 9, 2011

Posted by [Leanan](#) on February 9, 2011 - 1:29pm

[New drilling method opens vast oil fields in US](#)

A new drilling technique is opening up vast fields of previously out-of-reach oil in the western United States, helping reverse a two-decade decline in domestic production of crude.

Companies are investing billions of dollars to get at oil deposits scattered across North Dakota, Colorado, Texas and California. By 2015, oil executives and analysts say, the new fields could yield as much as 2 million barrels of oil a day - more than the entire Gulf of Mexico produces now.

This new drilling is expected to raise U.S. production by at least 20 percent, or a million barrels per day, over the next five years. And within 10 years, it could help reduce oil imports by more than half, advancing a goal that has long eluded policymakers.

[BG raises gas production targets amid reports of 'glut'](#)

BG, the fast-growing oil and gas exploration company, dismissed predictions of a "global gas glut" as the group raised its production targets, sending shares to an all time high.

[Chevron Sees Deepwater Drilling In Gulf Restarting Before Year End](#)

HOUSTON -(Dow Jones)- Oil giant Chevron Corp. said Wednesday it expects the federal government to start issuing permits for deepwater drilling in the Gulf of Mexico, which will allow drilling to resume before the end of the year.

[Aramco Confirms Lease of Japan Crude Storage Capacity](#)

Saudi Aramco, the world's largest oil exporter, expects this quarter to deliver the first cargoes of crude to storage tanks it leases from Japan Oil, Gas and Metals National Corp. on the island of Okinawa.

[EXCLUSIVE-Saudi asked U.S. to stop oil lawsuits-Wikileaks](#)

LONDON (Reuters) - Saudi Arabia in 2007 threatened to pull out of a multi-billion dollar Texas oil refinery investment unless the U.S. government intervened to stop state company Saudi Aramco being sued in U.S. courts for alleged oil price fixing, according to U.S. diplomatic cables seen by Wikileaks.

Deputy Saudi Oil Minister Prince Abdulaziz bin Salman Al-Saud at a July 8 meeting with U.S. embassy staff in Riyadh said he wanted the U.S. to grant Saudi Arabia sovereign immunity from lawsuits by ordering a Dept. of Justice statement of interest (SOI) on its behalf, one cable said.

[Steve LeVine: Digging out the truth about Saudi oil](#)

A senior Saudi Arabian oil official said in 2007 that the kingdom has 388 billion barrels of recoverable crude oil reserves, about 45 percent more than official public estimates. But about the same time, a retired Saudi Aramco executive met with U.S. diplomats in Dhahran, and asserted that the country's figures in general are wildly overblown, and that it is headed for a production peak around 2020, followed by a slow decline, according to new Wikileaks cables.

The issue is pivotal. Put simply, the price of oil -- the price you are paying at the pump, indeed the cost of everything in your home -- is wholly determined by what oil traders think Saudi reserves and production capability really are.

[WikiLeaks: Saudi oil reserves exaggerated; decline inevitable](#)

Oil industry analysts point out another variable: the use of alternative energy sources. A U.S. cable from 2009 says the Saudis want to develop renewable energy sources, including nuclear power, to meet the rapidly growing demand for electricity. That could have the effect of reducing the need to divert crude from exports to fuel domestic electricity generation.

The 2009 cable says analysts believe "a civilian nuclear program ... is the only possibility the Kingdom has to generate sufficient electricity to meet projected demand from economic and population growth and increasing affluence without wastefully burning large quantities of fuel oil."

[WikiLeaks: Saudi Arabia has a serious oil leak](#)

For Saudi Arabia, a decline in reserves and the capability to quickly produce large quantities of oil would devastate its standing in Opec (countries are given a production quota based on their proven reserves) and also in the Middle East.

Without oil, Saudi Arabia is just another desert country in the Middle East. More specifically, without oil, Saudi Arabia is no longer a country that can throw its weight around internationally, as was famously demonstrated in 2006 when Britain's Serious Fraud Office squashed an investigation into Prince Bandar bin Sultan bin Abdul Aziz al-

Saud and arms company BAE, for corruption. BAE allegedly paid the prince more than 1 billion in bribes over 20 years. The SFO killed the investigation on the order of the British attorney general Lord Goldsmith, who cited “national interest”. Tony Blair took “full responsibility” for the decision as well.

[Wikileaks gives a boost to peak oil theories](#)

I'll leave the blog below in tact, but really I should point out that the reason the oil price hasn't moved is that the person quoted in the Wikileaked cable, Sadad al Husseini, is a well-known peak oil theorist who has said this in public many times before.

[Phil Flynn: Is This All They Got?](#)

Still the concerns about Egypt and now pirates may play a pivotal role in prices. Also perhaps some verification on “Twilight in the Dessert” because of a Wikileaks document, quoted on the Guardian Newspaper stating that Saudi Arabia's oil reserves were overstated by 300 billion barrels. I can hear the peak oil believers all over the globe say, “See, I told you so”.

[Ex-Aramco Official: US Cable Wrong to Dispute Saudi Reserves](#)

A former executive of Saudi Arabian Oil Company, known as Saudi Aramco, who was referenced in a leaked U.S. diplomatic cable saying the kingdom's oil reserves were overstated by 300 billion barrels, said he was misquoted.

Sadad al-Husseini, a former head of Saudi Aramco's exploration unit, told Dow Jones Newswires that he had “no doubt that the figures Aramco is publishing officially are actually right.”

[Saudi oil reserves could be 40% lower than estimated: US Embassy cable](#)

The Maldivian economy is dependent on oil to such an extent that it spends a quarter of its GDP on it – US\$245 million – mostly marine diesel. The 15 percent increase in oil prices over the past five months has led to the Maldives spending almost US\$100,000 more on fossil fuels, per day.

[Energy: WikiLeaks Says That Peak Oil Could Be Coming Soon. Is It?](#)

So is the world really on the brink of peak oil? The trust is we still don't know—though Saudi Arabia's opacity about its reserves doesn't help us at all. Oil prices have been rising in recent months, in part driven by muscular demand from the developing world—especially China—which has been recovering from the recession much more quickly than the U.S. Predicting the future of fossil fuels is hard—new production techniques,

like ultradeepwater drilling or hydrofracking natural gas, can suddenly extend seemingly depleted reserves, though at an environmental cost. Oil won't be going away any time soon—but it's not likely to be getting any cheaper either.

[Saudi oil seen steady, kingdom's clients not asking for more](#)

LONDON/SINGAPORE: Saudi Arabia will this week tell regular customers how much oil they will receive next month, and the signs so far are supply will be little changed as the leading exporter resists market pressure to produce more.

As oil has climbed to \$100, well above Saudi Arabia's preferred range of \$70-\$80 a barrel, the kingdom has said it is ready to pump extra oil but only if justified by demand. "We cannot put oil in markets that don't need it," Saudi Oil Minister Ali al-Naimi has said.

Industry sources said they have not requested increased supply and that demand from China has been constrained by refinery maintenance.

[\\$200 a Barrel Oil? This Man Says, "No Way!"](#)

Hogwash.

That's one man's verdict on the chance of seeing oil prices top the \$200 per barrel mark.

That man is Nansen Saleri, President and CEO of Quantum Reservoir Impact, and former head of reservoir management at Saudi Aramco.

[Clinton, Bush to speak at CERAWeek](#)

Former presidents Bill Clinton and George W. Bush will headline a March 11 forum during CERAWeek 2011.

The annual energy insights conference will be held March 7 to 11 at the Hilton Americas – Houston. This year's theme is "Leading the Way: Energy Strategies for a World of Change."

[Enbridge offers B.C. First Nations additional pipeline benefits](#)

Enbridge Inc. will spend hundreds of millions of dollars on communities affected by its controversial Northern Gateway pipeline, the company said as it provided new details on its efforts to win favour with British Columbia First Nations groups.

In addition to a 10 per cent equity stake, which it has offered to all aboriginal groups

along the route of its \$5.5-billion line, Enbridge is pledging to pour 1 per cent of pre-tax earnings into a community trust that is expected to receive \$100-million over 30 years.

[Fox Falsely Suggests Off-Shore Drilling Will Prevent High Gas Prices](#)

The co-hosts of *Fox & Friends* and their guest, Fox Business host Stuart Varney, falsely suggested that domestic oil drilling could prevent gas prices from rising. In fact, economists and experts, including some in the Bush administration Energy Department, have admitted that offshore drilling would not substantially affect oil prices in the near future.

[Book review: "The Tyranny of Oil" by Antonia Juhasz](#)

In the tradition of Ida Tarbell's expose of Rockefeller and his predatory business practices, Juhasz argues that oil companies have once again started to become as big and powerful as Standard Oil was before its breakup. Indeed, culminating in the merger of Exxon and Mobil, many of the former components of Standard have now re-connected, leaving the world with just half a dozen large independent oil companies.

Juhasz also argues that their massive size has enabled the new oil behemoths to become as dangerous to American democracy as the court found Rockefeller's trust to be in 1911, particularly when it comes to squeezing out smaller competitors, strong arming their own retailers and running drilling operations and refineries that are dangerous to workers and to neighboring communities.

[European governments enlist "green bonds" to battle climate crisis](#)

Austerity is the new watchword in a Europe that's encumbered with massive public debt. Governments are now turning to "green" bonds to cover the cost of transitioning Europe to clean sources of energy.

[Toward an Efficient Energy Future](#)

The answer does not lie simply in becoming entirely independent (i.e., generating all of the energy needed for the U.S within the U.S.), but rather in changing the way we receive, consume and manage our resources -- and getting the American public to understand the issues.

[Corporate control? Not in these communities](#)

The citizens of Mt. Shasta have developed an extraordinary ordinance, set to be voted on in the next special or general election, that would prohibit corporations such as Nestle and Coca-Cola from extracting water from the local aquifer. But this is only the

beginning. The ordinance would also ban energy giant PG&E, and any other corporation, from regional cloud seeding, a process that disrupts weather patterns through the use of toxic chemicals such as silver iodide. More generally, it would refuse to recognize corporate personhood, explicitly place the rights of community and local government above the economic interests of multinational corporations, and recognize the rights of nature to exist, flourish, and evolve.

Mt. Shasta is not alone. Rather, it is part of a (so far) quiet municipal movement making its way across the United States in which communities are directly defying corporate rule and affirming the sovereignty of local government.

[ANALYSIS - Somali pirates grow bolder, world response lags](#)

(Reuters) - Hijacking oil tankers and using captured merchant vessels with hostage crews as giant motherships, Somali pirates grow bolder by the week, far outpacing a loosely coordinated global response.

Somali pirates seized their second oil tanker in two days on Wednesday, capturing a Greek ship carrying Kuwaiti oil to the United States after taking an Italian oil vessel.

"The piracy situation is now spinning out of control," said Joe Angelo, managing director of industry association INTERTANKO. "If piracy in the Indian Ocean is left unabated, it will strangle... crucial shipping lanes with the potential to severely disrupt oil flows to the US and the rest of the world."

[Home heating assistance seen at record high](#)

NEW YORK — High energy prices, high unemployment and a cold winter are prompting a record number of households to seek home heating assistance.

The National Energy Assistance Directors' Association will announce Wednesday that 8.9 million households are expected to qualify for financial help this winter, up from 8.3 million last winter. It's the third year in a row the number of households needing assistance has set a new high.

The chief reason is the economy, according to Mark Wolfe, Executive Director of NEADA. "We have this group who weren't poor before the recession, who are poor now and scrambling for whatever they can get," Wolfe says. "It's a tough situation."

[Husky oil upgrader running at about half capacity](#)

CALGARY, Alberta (Reuters) - Husky Energy Inc's Western Canadian heavy oil upgrader is running at 40 percent to 50 percent of capacity as the company makes repairs following a fire last week, a spokesman said on Wednesday.

The 82,000 barrel a day plant is expected to run at those rates until repairs are

completed around the end of this month, Husky's Graham White said in an email.

[BP plans Thunder Horse work, crude diff rises-trade](#)

(Reuters) - BP Plc plans maintenance in March at its Thunder Horse platform in the Gulf of Mexico, traders said on Wednesday, which has helped to boost the crude's differential THH- in the U.S. cash crude markets.

[Saudi oil reserves 'overstated' - WikiLeaks](#)

The United States fears Saudi Arabia may not have enough oil reserves to prevent world prices rising sharply, according to cables from its embassy in Riyadh published on Wednesday. The cables, obtained by WikiLeaks, urge Washington to take heed of a warning from a former Saudi government oil executive that the kingdom's crude oil reserves may have been overstated by as much as 40%.

US diplomats reported that Sadad al-Husseini, the ex-head of exploration at Saudi oil monopoly Aramco, "disagreed" with Aramco's analysis that it had reserves of 716 billion barrels and that would rise to 900 billion barrels in 20 years.

[Saudi oil reserves 'exaggerated'](#)

Saudi Arabia may have overstated its crude reserves by as much as 40%, prompting US fears that the Middle East powerhouse may not have sufficient spare production capacity to keep the lid on soaring oil prices, according to confidential cables released by whistleblower website Wikileaks.

[Bombs kill 7 in ethnically tense Iraqi city](#)

SULAIMANIYAH, Iraq — A suicide bomber posing as a dairy deliveryman struck a Kurdish security headquarters Wednesday, setting off a series of rapid-fire attacks against the oil-rich Iraqi city of Kirkuk that killed seven and wounded up to 80 people.

Within minutes, two more bombs exploded nearby, sending dark plumes of smoke into the clear winter sky and ending a six-month lull in violence in a city rife with simmering ethnic tensions located 180 miles (290 kilometers) north of Baghdad.

[Mystery Over Detained American Angers Pakistan](#)

LAHORE, Pakistan — The case of Raymond A. Davis, a former United States Special Forces soldier who is being held in connection with the deaths of two Pakistanis, has stirred a diplomatic furor, sending the precarious relationship between the United

States and Pakistan to a new low, both sides say.

Mr. Davis, 36, was driving in dense traffic in this city on Jan. 27 when, he later told the police, two Pakistani men on a motorcycle tried to rob him. He shot and killed both and was arrested immediately afterward by police officers who say he was carrying a Glock handgun, a flashlight that attached to a headband and a pocket telescope.

[Iran prosecutor warns against opposition rally](#)

TEHRAN, Iran — Iran's state prosecutor on Wednesday said the opposition should not stage its own rally in support of Egyptian protesters, warning of repercussions if it does so.

[Riches, Fear Ensure Central Asia Stability](#)

ALMATY, Kazakhstan — Central Asia's authoritarian leaders, having crushed dissent during decades in power, are likely to use a mixture of oil and gas revenues, repression and cosmetic reforms to meet any threat of Egyptian-style protests.

Few in the strategic region, which covers an area twice the size of Saudi Arabia, expect their entrenched and aging leaders to succumb to the wave of public anger sweeping parts of the Arab world.

[Russia's Putin wants independent gas producers to get access to pipelines](#)

Russian Prime Minister Vladimir Putin on Wednesday ordered the government and the country's gas giant Gazprom to work on allowing access to pipelines for independent producers.

"I am asking the Energy Ministry and Gazprom to work on possible priority access to pipeline facilities for all independent producers," Putin told a government meeting on the development of the energy industry, adding that the decision must be taken quickly.

[Russia's Medvedev speaks tough on disputed islands](#)

MOSCOW — Two days ago, Japan demanded once again that Russia return several islands it has held since the end of World War II.

On Wednesday, Russian President Dmitry Medvedev made it clear he won't do that. In fact, he said Russia will send more weapons to the disputed islands to keep them secure.

[Shell Discusses Asset Swap for LNG Role](#)

Royal Dutch Shell may offer Gazprom assets in Asia in exchange for a deal to expand Russia's only liquefied gas export plant, part of talks on a wider global alliance.

Shell wants to add a third liquefied natural gas production unit at the \$22 billion Sakhalin-2 venture north of Japan, raising output 50 percent.

[Gazprom could reach pre-crisis gas production levels by end of year](#)

Gazprom could reach the pre-financial crisis levels of gas production by the yearend, the Russian energy giant's CEO, Alexei Miller, said Tuesday.

In the pre-crisis year 2008, Gazprom produced 549.7 billion cu m of natural gas. In 2010, Gazprom produced 508.6 bcm, or 10% more than in 2009.

[Teeny Janitors Attack Gulf Spill, Then Vanish](#)

There are ocean bacteria called "methanotrophs." They hang around, usually in smallish numbers, but because they love chewing on methane, when the accident happened Kessler figures they got their chance to be fruitful and multiply – and multiply they did.

[The Splendor of Cities](#)

This is a point Edward Glaeser fleshes out in his terrific new book, "Triumph of the City." Glaeser points out that far from withering in the age of instant global information flows, cities have only become more important.

That's because humans communicate best when they are physically brought together. Two University of Michigan researchers brought groups of people together face to face and asked them to play a difficult cooperation game. Then they organized other groups and had them communicate electronically. The face-to-face groups thrived. The electronic groups fractured and struggled.

[Visionary alternatives to boost food security](#)

For the time being, fossil fuels are considered our most essential natural resource. But the long-term picture for demand and value of oil looks suspect. The use of energy alternatives will ultimately drive down what now seems like unabated interest in this commodity. Alternative sources will progressively serve a larger share of the market. From minuscule beginnings, exponential growth will eventually overwhelm the marketplace with alternative sources of energy.

Farmland will prove to be of greater long-term strategic value than oil and gas. The importance of this commodity gains increasing recognition with each passing day.

Euromoney magazine went so far in December 2008 as to title an article "Agriculture: Farmland is the New Gold".

[Jeff Rubin - Food: What's really behind the unrest in Egypt](#)

It's more than coincidence the Arab world is convulsing with social unrest just as the United Nations Food and Agricultural Organization's widely watched price index recently soared past the previous food price peak set in the summer of 2008. After all, didn't those same prices ignite food riots throughout the world only three summers ago?

When 40% of your population lives on less than \$2 per day, soaring food prices isn't about cutting back on luxury spending. This is particularly telling when record prices include basic grains such as wheat, of which Egypt is the world's largest importer.

[Dignity, Bread and Liberty; the start of peak food revolutions](#)

Prices in Egypt are up 17 percent because of a worldwide surge in commodity prices that has many factors, but speculation on Wall Street and big banks is a key one. The European Commission yesterday published a new version of a report on commodities, which acknowledged a link between speculation and price increases. A previous version of this report argued that there was no evidence of such link, but this clashed with Sarkozy's agenda for the G20. Hence, Michael Barnier redrafted the report.

[Egypt, Inkblots, Agendas and Feeding 9 Billion](#)

For many reasons going forward, building an energy menu that reduces, rather than exacerbates, environmental and geopolitical risks is about as close to a no brainer as anything can get these days.

And population absolutely matters. Condoms are indeed a green technology. But whatever happens with population policy (or climate and energy policy or Middle East policy), it's clear the world would do well to end its protracted slumber party on agricultural research and development, which bears far too much resemblance to the longstanding bipartisan inattention to the need for intensified energy inquiry.

[Armageddon time again, already?](#)

Apocalypse, again? It seems like just yesterday that a broad-based commodity price spike set off food riots across the world and spawned innumerable disaster scenarios. The global economic recession punctured that bubble and inflation more or less vanished in the developed world. But suddenly, here we are again, only with destabilizing climate change and outright revolution added directly to the mix.

[Drilling technology sparks new oil boom](#)

Gary Williams recalls the last time the oil industry showed up in his tiny town of Waskada, Man. Crews punched holes in the prairie ground, then disappeared as suddenly as they arrived when those holes came up empty.

But that was 30 years ago. This time, it's different. Armed with new drilling technology and eager to reap the rewards of oil's high prices, companies are tapping complex geological formations, and the crude is flowing, adding Manitoba to Canada's list of significant oil-producing provinces.

...The oil-drilling boom promises what one company executive calls a "quiet revolution" in the industry. It could reduce the U.S. appetite for imported oil – including, potentially, from the oil sands. And the technological breakthrough could put the brakes on future price increases by bringing new, relatively low-cost supplies to the market – not just in North America but around the world.

[Oil Rises From Lowest in Eight Days Before U.S. Supply Report](#)

Oil rose in New York from the lowest in eight days on speculation that the U.S. Energy Department will report a smaller increase in the country's crude supplies than originally forecast.

Futures advanced as much as 0.8 percent after the American Petroleum Institute said yesterday inventories fell 558,000 barrels to 346 million barrels last week. The Energy Department will publish its numbers today. Before the release of the API data, analysts surveyed by Bloomberg News predicted the department will show supplies in the world's biggest consumer of the commodity climbed 2 million barrels.

[Qatar Blames Regional Unrest For Oil Price](#)

Global energy markets appear to be reacting to the political unrest unfolding in Egypt and elsewhere in the Middle East, the Qatari oil minister said.

Qatari Oil Minister Mohammed al-Sada said oil markets were reacting to unrest in the Middle East by pushing the price of crude oil to more than \$100 per barrel on some markets for the first time since the global recession hit in 2008.

[Money for nothing](#)

After demand crashed in 2008 and 2009, oil-producing countries were quick to decrease extraction and supply. They are yet to ramp up production. Although they promised to do so on January 24, which should moderate international crude prices, beyond a certain level, supply adjustments to demand become difficult. On the back of sustained demand, there is a peak level of production possible. This is called the 'peak oil' theory. Until then, prices rise. Only after the peak is reached does the price rise

trigger a fall in consumption to the level of available supply.

[Global Crude Oil Prices: Three Critical Issues to Watch](#)

The global economy is highly sensitive to the supply of crude oil, at present the dominant form of energy used to power the gamut of domestic and industrial processes around the world. The current unrest in Egypt raised some degree of concern in major markets and sent Brent prices above the U.S. \$100 per barrel mark for the first time since 2008. In 2009, a correlation was seen between global crude oil prices and attacks on oil and gas installations in Nigeria's Niger Delta region. With the bitter aftertaste of the last economic crises still lingering, some analysts fear that spiraling crude oil prices may reverse the current – even if sluggish – global economic recovery.

[WikiLeaks: Saudi Oil May Have Peaked Already](#)

This won't come as a surprise to anyone who's been following the oil industry over the past few years. Matthew Simmons' *Twilight in the Desert*, which I reviewed six years ago, made a detailed case that Saudi Arabia's production capacity had pretty much maxed out already, and *Business Week* published an article three years ago based on internal Saudi documents that said much the same: the Saudis could pump 12 million barrels a day in short spurts but only 10 million barrels on a steady basis – and that's all there is. Production capacity just isn't going up.

[Energy: OPEC and peak oil](#)

As the oil price hit \$100 a barrel, OPEC declared that it has spared capacity and the Guardian published a cable via WikiLeaks showing that peak Saudi oil is near.

[Saudi oil reserves may be overstated by up to 40%, US cables reveal](#)

LONDON: The US fears that Saudi Arabia, the world's largest crude oil exporter, may not have enough reserves to prevent oil prices escalating, confidential cables from its embassy in Riyadh show.

[Saudi Oil Reserves and the WikiLeaks Chinese Whispers Effect](#)

At first glance it looked like a story to shake the world: the WikiLeaks cable suggesting Saudi Arabia's oil reserves -- the most bountiful on the planet -- may have been overstated by 40%.

It opened the door to a future in which oil would be depleted far more quickly than anybody believed -- raising the threat of sky-high prices and cut-throat competition for scarce resources.

But a conversation this morning with the man whose comments set off the furore,

revealed a Chinese-whispers chain that ended up giving the apparent imprimatur of the U.S. diplomatic service to a misunderstanding over oil figures.

[Wikileaks proves fears of oil crisis](#)

The cables released by Wikileaks prove the fears of the US that the oil reserves of Saudi Arabia - the world's largest oil exporter, are seriously overstated. It means that Saudi Arabia cannot deliver enough oil to prevent prices escalating. According to a number of experts the situation may present a serious threat for the global economy.

[Crisis and the gas pump](#)

Never underestimate Americans' capacity for denial. The upheaval in Egypt reminds us of lessons that, despite decades of warnings, we have consistently sidestepped: the United States and the rest of the world will depend on oil for the indefinite future, global oil markets remain hostage to political crises that cannot be predicted or controlled, and we have not taken the prudent steps that would reduce — though not eliminate — our vulnerability to catastrophic oil interruptions.

[Putin pressures Russian oils to pump, hold prices](#)

ST PETERSBURG, Russia Feb 9 (Reuters) - Russian Prime Minister Vladimir Putin said the world's top oil producer must pump at 2010's post-Soviet peak level, but issued a stern warning on fuel prices and vowed more oversight of the oil trade.

[Big Oil Bangs the Drum for Natural Gas](#)

Oil prices may have stormed back into the headlines by crossing the ominous \$100 a barrel threshold in recent weeks. But while this has happened the world's largest oil and gas companies have been banging the drum for an altogether less newsworthy fuel—natural gas.

ExxonMobil, Royal Dutch Shell and now BG Group have been arguing that significant changes are afoot in the unglamorous world of natural gas that could have a big impact on patterns of energy consumption, carbon dioxide emissions and the balance of power in volatile energy markets.

[Indonesia's first LNG receiving terminal to be delayed to 2012](#)

(Reuters) - Indonesia's first liquefied natural gas receiving terminal near the capital Jakarta will begin operating in the first quarter next year, a delay from an expected September 2011 start, said chief economic minister Hatta Rajasa on Wednesday.

[Russia Set to Boost Helium Production as U.S. Sells Stockpile](#)

Russia, already the largest producer of crude oil and natural gas, is weighing up plans to become the biggest supplier of helium, the inert gas vital for medical scanners, welding tools and rocket fuel, as the U.S. sells reserves from storage.

Russia's remote, undeveloped gas fields in eastern Siberia, are helium rich and could hold a third of the world's remaining resources, said Vadim Udut, head of OAO Geliymash, a Moscow-based helium research company that advises gas-export monopoly OAO Gazprom. The country may build storage caverns, he said.

[El Paso warns of cold weather effect on pipeline](#)

A substantial amount of natural gas production is still offline.

Total U.S. marketed gas production was off about 6 percent on Monday, down from around 9 percent last Friday, said Matt Marshall, senior energy analyst with Bentek Energy in Evergreen, Colorado.

[Iran finds way round petrol sanctions](#)

In spite of stiffer sanctions, Tehran is finding gasoline on the open market, analysts say. It has diverted production from some of its petrochemical plants and, working through intermediaries, is paying a premium to Chinese and smaller international trading companies outside the reach of the US.

"Do the Iranians have enough gasoline to cope? They really do, they're OK. They saw this coming a long time ago," says Jamie Webster of PFC Energy, an energy consulting firm.

[Pirates seize Greek tanker off coast of Oman](#)

ATHENS, Greece – Pirates seized a Greek-flagged supertanker with 25 crew members off the coast of Oman on Wednesday, Greece's Merchant Marine Ministry said.

The Irene SL was sailing 200 nautical miles (360 kilometers) east of Oman with a cargo of 266,000 tons of crude oil and a crew of seven Greeks, 17 Filipinos and one Georgian when it was attacked, the ministry said. It earlier mistakenly identified one of the crew as Ukrainian.

[Norwegian house ratifies Arctic border agreement with Russia](#)

The Norwegian parliament on Tuesday ratified an accord reached with Russia on demarcating the two countries' maritime border in the Barents Sea, removing another hurdle to tapping suspected vast oil and gas reserves in the Arctic region.

[S. Sudan prepares to be world's newest country](#)

JUBA, Sudan — The mud-hut town of Juba has earned a promotion to world capital later this year. Only Southern Sudan needs far more than its own currency and a national anthem: Most of the roads here are dirt and even aid workers live in shipping containers.

...Juba is oil-rich but lacks the embassies and skyscrapers of other world capitals. There was only a mile or two of pavement here just a year ago, and the local archives are stored in a tent. Many, though, see great potential, and are excitedly looking forward to controlling their own destiny.

[Suleiman Says Egypt Talks Are Alternative to `Chaos'](#)

Egyptian Vice President Omar Suleiman said the dialogue he has opened with opposition movements is the only alternative to the “chaos” of regime change, as protests to demand a faster transition regained momentum.

[BLM sued -- again -- over Montana oil and gas leases](#)

Environmental groups have sued the Bureau of Land Management for not giving enough consideration to greenhouse gas emissions during the sale of oil and gas leases at sites scattered across Montana.

[U.S. EPA releases draft plan for fracking study](#)

WASHINGTON (Reuters) — U.S. environmental regulators issued a draft plan on Tuesday outlining how they will determine whether a technique for drilling natural gas harms supplies of drinking water.

Congress commissioned the Environmental Protection Agency to study hydraulic fracturing, or "fracking", after complaints that the process pollutes water. The EPA is slated to make public initial results of the study by the end of next year.

[Buffalo, NY bans hydraulic fracturing](#)

NEW YORK (Reuters) — The city of Buffalo, New York, banned the natural gas drilling technique of hydraulic fracturing on Tuesday, a largely symbolic vote that demonstrates concern about potential harm to groundwater from mining an abundant energy source.

The city council voted 9-0 to prohibit natural gas extraction including the process known as "fracking" in which chemicals, sand and water are blasted deep into the earth to fracture shale formations and allow gas to escape.

The ordinance also bans storing, transferring, treating or disposing of fracking waste within the city.

[Tar sands are a blot on Canadian politics – as well as the landscape](#)

The money to be made from Canada's tar sands has blinded its government to the risks to water, climate and the biosphere

[Peak Oil](#)

Optimistic estimations of peak production forecast the global decline will begin by 2020 or later, and assume major investments in alternatives will occur before a crisis, without requiring major changes in the lifestyle of heavily oil-consuming nations. These models show the price of oil at first escalating and then retreating as other types of fuel and energy sources are used.

Pessimistic predictions of future oil production operate on the thesis that either the peak has already occurred, or that peak oil production is imminent. The International Energy Agency (IEA) has theorized production of conventional crude oil may have peaked in 2006.

[Fiat Currencies Are Worthless](#)

The Energy Report: You've said you're bullish on uranium. Could you tell me your investment thesis there?

Kevin Bambrough: The investment thesis on uranium really stems first from the fact that I'm a believer in peak oil. The major oil discoveries were made in the 1960s and 1970s, and the world's major oil fields on most continents have already peaked in terms of production. Now, the discoveries are getting smaller and those that get headlines from time to time are really irrelevant compared to the scale of global consumption. We still get something like 50% of our energy from oil. That statistic?and the fact that the U.S. is a massive importer of oil and runs a substantial trade deficit - has led me to the view that energy prices in the U.S. will go up dramatically. Also, in looking at the cost of coal production, we don't properly account for the environmental costs. I don't think we've begun to come close to accounting for greenhouse gases or general pollution.

[Deepwater Spill Was Just a Global Warming Fraud Excuse](#)

The Obama Administration is exploiting the oil spill as an excuse to shut down domestic

oil production, something the Hard Left has sought for decades.

[That 70's Show: Why Do We Want to Relive the Oil Crisis?](#) (Rep. Dan Burton, R-IN)

Nothing has happened yet in Egypt to cut down on the availability of oil from the Middle East. Yet the mere increase in the risk of that happening has sent oil to \$100 a barrel. If the situation in the region should escalate or spiral out of control and disrupt oil shipments through the Straits of Hormuz, the Suez Canal or both – even for a short time – the consequences for our economy and our national security would be devastating.

[One on One: Jane McGonigal, Game Designer](#)

Were you able to build such a game?

Yes. I created World Without Oil, which was a six-week simulation of a peak-oil scenario, where demand outstrips supply of oil. Players signed up for six weeks and were asked to imagine living in a world without oil and document the experience. We were able to convince 1,700 people to do that, and they created thousands of videos and blog posts explaining how they were playing the game and coming up with creative solutions to the problem.

How did that move into the real world?

When we had the real gas crisis in the United States a year later, the people who had played the game were able to implement their oil-saving techniques that they had learned from the game. We reached out to some of these people and found out that they had a strategy in place and coped better than their neighbors.

[Fate of the World: New Environmental Computer Game](#)

Oil Crisis: Mankind stands at the brink of two disasters: the specter of Peak Oil alongside that of climate change. Can you transition society from oil-dependency to a sustainable energy solution without causing major energy shortages or destroying the environment?

[Some consumers resist 'green' light bulbs](#)

Faced with a U.S. phaseout of incandescent light bulbs starting next year, some consumers are taking pre-emptive steps: They're stockpiling the bulbs.

[UAE's nuclear power programme on track](#)

ABU DHABI // The capital's nuclear programme is progressing well but must now begin to pay greater attention to areas surrounding nuclear fuel supply and disposal, and protection of facilities, said a review board set up by the emirate's Government.

[Feds fast-track mid-Atlantic offshore wind energy](#)

NORFOLK, Va. (AP) -- The government could issue leases for four new East Coast wind farms by year's end as part of a streamlined approval process designed to quickly identify the nation's most promising areas for offshore wind energy, the U.S. Department of the Interior said Monday.

[Govt: voluntary rules for wind farm bird impacts](#)

WASHINGTON – The Fish and Wildlife Service Tuesday proposed voluntary guidelines for onshore wind energy developers to avoid bird deaths and other harm to wildlife as part of the Obama administration's big push for renewable and clean energy.

Bird advocates who had lobbied for mandatory standards warned that the new guidelines would do nothing to stem bird deaths as wind power builds up across the country.

[Vestas Sales Forecast Beats Estimate, Share Expands](#)

Vestas Wind Systems A/S, the world's largest wind-turbine maker, forecast sales will increase to a record this year after it gained market share in 2010.

[We still don't know when wind power will break even, admits energy minister](#)

Ministers still do not know when wind power will pay for itself, the Government admitted tonight.

Energy Minister Charles Hendry told MPs governments had spent £2.2 billion supporting wind power over eight years - and it was impossible to predict when the energy source would prove profitable without grants.

[Solar energy firms threaten legal action over feed-in tariffs](#)

Solar energy firms are threatening to take legal action against the government after ministers said they could stop large-scale commercial "solar farms" from hoovering up a green electricity subsidy.

[City Is Looking at Sewage Treatment as a Source of Energy](#)

New York City's sewage presents a daunting and costly challenge: it creates foul odors and often contaminates waterways.

But the city is now casting its sewage treatment plants and the vast amounts of sludge, methane gas and other byproducts of the wastewater produced by New Yorkers, as an asset — specifically, as potential sources of renewable energy.

[Sustainable Food Policy Is More Than Chickens And Goats](#)

“Colorado provides less than 1 percent of the food consumed in the Denver metro area,” said Katherine Cornwell. “That makes us very food insecure, were anything to disrupt the food delivery system.” Cornwell is Denver’s Healthy Eating Active Living program manager, under the auspices of the Department of Environmental Health. She is also a member of Denver’s newly formed Sustainable Food Policy Council (SFPC).

[A "Life-Sized Lego Set" for Creating Self Sustaining Towns](#)

The farmer-engineers of Open Source Ecology are bringing high-tech savvy to the age-old pastoral dream. Their Global Village Construction Set project is an ongoing sustainable design experiment that aims to develop plans for the forty machines necessary to build "a self-sufficient modern life from low-grade, abundant local resources." Things like a compressed-earth brick-making machine and a self-propelled tractor (which looks a bit like the Batmobile repurposed for plowing).

[Obama's Big, Bold Bet on High-Speed Rail](#)

Six weeks ago, I warned that President Obama's much maligned high-speed-rail program was becoming a " high-stakes gamble."

Well, the President just went all in.

[India resists efforts to ban pesticide](#)

India is the world's largest producer, exporter and user of the low-cost pesticide, which farmers across the rest of the country continue to use on tea, cotton, rice and other crops. Officials say a ban would jeopardize the country's food security at a time of rising demand and leave millions of farmers without an affordable alternative.

[When The Water Ends: Africa's Climate Conflicts](#)

As temperatures rise and water supplies dry up, semi-nomadic tribes along the Kenyan-Ethiopian border increasingly are coming into conflict with each other. *When the Water Ends* focuses on how worsening drought will pit groups and nations against one another.

[Global warming fix heats up hearing with EPA chief](#)

WASHINGTON — The head of the Environmental Protection Agency is in for some grilling by Congress this year, so much so that a top House Republican joked that she should line up a permanent parking spot at the Capitol.

[Proof Obama is not caving on regulation: The EPA](#)

While Republicans scream bloody murder, the Obama administration is moving to limit greenhouse gas emissions.

[Keep Courts Out of Climate Policy, G.O.P. Lawmakers Say](#)

A petition from three Republican lawmakers is novel: all three lawmakers have expressed skepticism about the reality of human-caused global warming, yet in their brief they say that the political system, not the courts, should deal with the problem.

[EU Climate Chief Says More National Carbon Registries Will Open This Week](#)

The European Union will allow more national carbon registries to reopen this week and is looking at ways to stop “crimes against the system” after hackers roiled the market, EU Climate Commissioner Connie Hedegaard said.

[Scottish and Southern gets ready to store carbon in North Sea](#)

The proposed project will design and develop a full chain, post-combustion CCS facility which will be capable of capturing the CO₂ from one 385 MW combined cycle gas turbine unit at Peterhead Power Station. Current plans are that the CO₂ will then be transported via an existing underground pipeline to St Fergus for further compression and then transported via an undersea pipeline to an existing gas reservoir in the North Sea operated by Shell U.K. Limited that will have ceased production.

[The rising oceans](#)

Today there are more than 140 million people and a trillion dollars in infrastructure in the first one metre above high tide level around the world.

[Engineers urge government to act now to 'climate-proof' UK infrastructure](#)

Extreme weather events such as floods, droughts, heatwaves and more intense storms are expected to become more common as the world warms. This means vital infrastructure – including transport, sewage and water treatment, and electricity and communications networks – is vulnerable to severe damage. But the UK is unprepared

for these effects, according to the leading professional bodies for engineers.



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