



## Drumbeat: February 16, 2011

Posted by [Leanan](#) on February 16, 2011 - 10:22am

### [Chu blasted for favoring renewables over fossil fuels](#)

(Reuters) - Energy Secretary Steven Chu came under fire from Democrats and Republicans on Wednesday for his department's plan to seek a sharp rise in funding for clean-energy projects while paring research on fossil fuels.

Chu told a congressional committee that a nearly 12 percent increase in the Energy Department's new budget was necessary to make the United States competitive against other countries, create thousands of U.S. jobs and enhance national security.

### [Oil prices soar on Israel-Iran tensions](#)

NEW YORK — Oil price surged on Wednesday after Israel's foreign ministers said two Iranian warships planned to sail through the Suez canal en route to Syria.

### [Unrest in the Middle East and North Africa -- country by country](#)

(CNN) -- Unrest has spread across the Middle East and North Africa. Here's a look at what has happened -- and what is happening -- in various countries:

### [Alberta backs C\\$5 bln oil sands refinery plan](#)

CALGARY, Alberta, Feb 16 (Reuters) - The Alberta government is backing construction of a C\$5 billion (\$5.05 billion) bitumen refinery planned by Canadian Natural Resources Ltd (CNQ.TO) and North West Upgrading Inc as it seeks to develop energy-processing facilities in the province and create jobs.

Under the agreement, the culmination of more than a year of talks between the parties, the Western Canadian province will supply 75 percent of the feedstock and Canadian Natural the remainder for the 50,000 barrel a day plant.

### [Gazprom gives access to pipelines to all independent gas producers - Miller](#)

ROME (RIA Novosti) - Russian gas export monopoly Gazprom has given access to its gas transportation system to all independent gas producers, the company's chief Alexei Miller said on Wednesday.

Russian Prime Minister Vladimir Putin last week ordered the government and Gazprom to work on allowing access to pipelines for independent producers. He said it was necessary for long-term contracts for the infrastructure of facilities.

### [Russia receives security assurances of property rights from BP under Rosneft-BP alliance](#)

Russia received from British oil giant BP assurances in the security of property rights in creating a Rosneft-BP alliance under international law, Russian First Deputy Prime Minister Igor Shuvalov said on Wednesday.

BP and Rosneft agreed a \$16-billion share swap deal on January 14 under which Rosneft will give BP 9.5% of its stock in exchange for 5% of BP. The two companies also agreed to jointly undertake exploration and production projects on the Russian Arctic shelf.

### [Belarus achieves compromise with Gazprom for 2012-2014](#)

MINSK (Itar-Tass) -- Belarus has reached the absolute compromise with Gazprom on cooperation in 2012-2104, First Deputy Prime Minister Vladimir Semashko told the media on Wednesday. He said that on Tuesday he had met with Gazprom CEO Alexei Miller and discussed prospects for cooperation till 2014.

### [Study: Climate change linked to extreme rain](#)

While other studies have suggested that global warming may be partly responsible for increases in heavy precipitation, what's new in this study is the formal finding that human influence has "likely made intense precipitation stronger, on average, over the second half of the 20th century," says study co-author Frances Zwiers of the University of Victoria in Canada.

"The observed change cannot be explained by natural fluctuations of the climate system alone," he says.

### [Bill McKibben: Why Climate Change Is the Most Urgent Challenge We Face](#)

Bill McKibben, author and founder of the international environmental campaign 350.org, says that a global campaign to curb climate change, the ecological devastation that will result could make our planet uninhabitable. His appeal to citizens and policy-makers, the sixth video in the series "Peak Oil and a Changing Climate" from *The Nation* and On The Earth Productions, is a call to action as much as it is a sobering account of the damage we're already doing to our environment.

It's a "crisis breaking over our heads at this moment," he says as he points to wildfires in Russia and flooding in Pakistan as examples of the severe weather that will continue, and intensify, if we continue to ignore climate change. Failing to rein in the carbon in our atmosphere will mean more than just inhospitable weather. It also threatens global food production: "If we allow the temperature to increase anything like what people are projecting, we'll see grain yields fall by a third or more, simply because it will be too hot for things to grow," he says. "If it rains every day in a row for 30 days, you're out of luck, you are not growing anything. That's the kind of world we are building."

The most important policy change crucial to curbing this crisis, he says, is to force fossil fuel companies to pay the price for the damages they inflict on the environment. If the environmental movement harnesses mass action and civil disobedience tactics to their advantage, there's still a chance, McKibben says, that the earth's citizens can convince policy makers to crack down on big polluters.

### [Coal's hidden costs top \\$345 billion in U.S.: study](#)

(Reuters) - The United States' reliance on coal to generate almost half of its electricity, costs the economy about \$345 billion a year in hidden expenses not borne by miners or utilities, including health problems in mining communities and pollution around power plants, a study found.

Those costs would effectively triple the price of electricity produced by coal-fired plants, which are prevalent in part due to their low cost of operation, the study led by a Harvard University researcher found.

### [Angola Plans to Cut Crude Oil Exports by 13% in April](#)

Angola plans to reduce daily crude oil exports by 13 percent in April from a month earlier, a preliminary loading program obtained by Bloomberg News shows.

Africa's second-largest oil producer plans to ship 45.1 million barrels, or 1.50 million a day, down from 53.7 million, or 1.73 million a day, according to the program.

### [Former Nigeria anti-graft czar starts campaign](#)

ABUJA, Nigeria -- Nigeria's former anti-corruption czar Nuhu Ribadu kicked off his presidential campaign Wednesday ahead of April elections, promising to be the candidate of the oil-rich nation's teeming and frustrated youth.

### [Nigeria's Taliban-Inspired Uprising in North Sparks Christian-Muslim Divide](#)

A mounting campaign of violence in northern Nigeria by Islamic militants inspired by Afghanistan's Taliban movement is deepening religious tensions in Africa's top oil

producer before elections in April.

### [Clashes erupt as Mexican president visits city](#)

OAXACA, Mexico—Police fired tear gas and clashed for several hours Tuesday with teachers protesting a visit by President Felipe Calderon to the colonial city of Oaxaca.

The protests are reminiscent of unrest that paralyzed the southern city for five months in 2006 and left at least a dozen people dead.

### [Two Iranian Warships May Pass Through Suez Canal, Israel's Lieberman Says](#)

Israeli Foreign Minister Avigdor Lieberman said that two Iranian gunboats are planning to sail tonight to Syria through Egypt's Suez Canal in what he called a "provocation."

"Regretfully, the international community isn't showing readiness to deal with the recurring Iranian provocations," Lieberman said today in a speech in Jerusalem. "The international community must understand that Israel can't ignore forever these kinds of provocations."

### [How to End US Reliance on Dictators](#)

The worst-case scenarios of some foreign policymakers are nightmares induced by fear of change. What if Persian Gulf autocrats fall? Might we not be facing another oil embargo? No. Petrostates stay afloat by madly pumping oil and gas, not by withholding it from their best customers. The global reality of peak oil—whether already past, present, or future—ensures the spigot remains open. What if Islamists come to power in democratic elections (as in Gaza and Lebanon)? The President of the United States calls to congratulate the winner, and expresses hope for the future of the relationship. Respect for democracy demands no less. Should democracy break out in the Middle East, will Israel find the new neighbors less willing to get paid by the US to play along with its colonization of Palestine? Absolutely. Again, respect for human rights and international law—'declaratory' American values—demands no less.

### [Northeast Dems assail Obama's heat aid cuts](#)

WASHINGTON — President Barack Obama's proposal to cut nearly in half a \$5.1 billion home heating aid program for the poor has drawn howls from some of his staunchest allies — Northeastern Democrats.

The region is suffering through one of its harshest winters in years, and the lawmakers say the cuts could imperil more than 3 million families nationwide who need the money to stay warm. With no help from the White House, Northeast lawmakers expect an uphill fight as Congress takes a hard line on spending aimed at reducing the budget deficit.

## [Rooftop Pipe-Dream](#)

Be wary of the booming market for pint-sized, roof-mounted windmills.

## [Exxon Struggles To Find New Oil](#)

HOUSTON—Exxon Mobil Corp., the world's largest publicly traded oil company, is struggling to find more oil.

In its closely watched annual financial report released Tuesday, the company said that for every 100 barrels it has pumped out of the earth over the past decade, it has replaced only 95.

It's a conundrum shared by most of the other large Western oil-producing companies, which are finding most accessible oil fields were tapped long ago, while promising new regions are proving technologically and politically challenging.

## [Steve LeVine: The coming misery that Big Oil discusses behind closed doors](#)

When big-thinkers at companies with the most skin in the energy game are behind closed doors and they discuss how the world really looks going forward, do they say that there are bumps in the road but that things will be fine, just fine, as they suggest publicly? Three years ago, we got a glimpse into the room when Royal Dutch/Shell issued a scenario forecasting the world in 2020. Based on current economic and energy-use patterns around the world, Shell said that energy supplies will be so tight that they will tip the world into a full-blown crisis in which governments will force their populations to reduce driving, use less electricity, and pay an extremely steep increase for what they do consume. There will be a massive, decade-long economic slowdown, and geopolitical power will shift dramatically to energy-producing nations, the company said.

Today, Shell returned with an update. The company said that the 2008 financial crisis interrupted the slide it predicted, but that the clock has begun ticking again. If the world does not change how it uses energy, its scenario will hold true.

## [Pemex Board Member Proposes Oil Export Cuts, El Universal Says](#)

Petroleos Mexicanos, the state-owned company, should cut crude exports by 71 percent to 400,000 barrels a day to boost domestic refining, board member Fluvio Ruiz said, according to El Universal.

Pemex, as the oil producer is known, needs to reduce exports and pay less tax to invest more in refining capacity, the Mexico City-based newspaper said today, citing a statement from Ruiz.

### [US Senator Will Halt Obama Nominee Over Deep-Water Drilling Permits](#)

A U.S. Senator said Tuesday he would block President Barack Obama's nominee to head the U.S. Fish and Wildlife Service until the administration issues at least 15 permits for deep-water drilling exploration.

"Louisianans are desperate to get back to work," Sen. David Vitter, (R., La.) said in a press release. "I love fish and wildlife, but my top economic priority is to stop the economic devastation caused to humans by the moratorium."

### [Egypt-inspired protests gain pace across region](#)

(Reuters) - Anti-government protests inspired by popular revolts that toppled rulers in Tunisia and Egypt are gaining pace around the Middle East and North Africa despite political and economic concessions by nervous governments.

Clashes were reported in tightly controlled oil producer Libya, sandwiched between Egypt and Tunisia, while new protests erupted in Bahrain, Yemen and Iran on Wednesday.

### [Mexico risks losing large areas to drug cartels](#)

MONTERREY, Mexico — Mexico is struggling to avert a collapse of law and order along its northern border in a region that generates a quarter of its economic output, with two states already facing the threat of criminal anarchy.

Even after four years of dramatic military sweeps, drug cartels in Chihuahua and Tamaulipas are extending their control over large areas and the state governments seem powerless to stop them.

### [Saudi to start storing crude in Japan as scheduled](#)

TOKYO (Reuters) - State-run Saudi Aramco will start storing crude oil in Japan this month as scheduled, with the first ship carrying about 1.9 million barrels of crude set to arrive on Feb. 23, state-run Japan Oil, Gas and Metals National Corp (JOGMEC) said on Tuesday.

The move is aimed at helping Japan stock up its reserves while giving Saudi Arabia, the top oil exporter, better access to Asian markets.

## [Analysis: Over-Pressured Formations Pose Challenge to Drilling in GOM](#)

In a study designed to evaluate and address exploration and production (E&P) drilling risks associated with over-pressured formations, it was found that dramatically different magnitudes of overpressure were found to exist in all 149 deepwater wells studied in the deepwater U.S. Gulf of Mexico Lower Tertiary Wilcox play.

## [Stuxnet rattled Iran but atom work goes on: report](#)

VIENNA (Reuters) – The Stuxnet computer worm caused relatively limited damage to Iran's nuclear program and failed to stop the Islamic republic stockpiling enriched uranium, a U.S.-based think-tank said in a report.

## [FEATURE-"Darkness Inc" means power cuts to weary Senegalese](#)

DAKAR (Reuters) - When Senegalese tailor Ousmane Tom threw out the foot-operated machines in his Dakar workshop and converted to electricity, he thought business would take off.

But six years later, he is regretting the move as power cuts paralyse thousands of small outfits like his in a West African country whose long-held ambition of becoming an emerging market economy looks as remote as ever.

## [Eventually we'll have unlimited cheap clean energy. But that will not help us or our kids.](#)

Optimists about energy give glowing forecasts of new technologies, often with wildly underestimated estimates of when when these can generate substantial fractions of our energy. In the real world technologies take decades to evolve from the laboratory to commercialization. And then building new energy sources on a large scale takes decades. Here we sketch out realistic timelines.

## [Will Green Nukes Save the World?](#)

As a climate scientist, I'm well-aware of the perils of global warming and I've long favored a timely switch to alternative energy sources. However, I've also drawn the line at nuclear power, having been an anti-nuke protester in college. I was therefore horrified when prominent environmentalists first began to suggest that nuclear power is preferable to fossil fuels, as though their apocalyptic climate rhetoric had trapped them into minimizing the risks of meltdowns, radioactive waste, bomb proliferation, and nuclear terrorism.

But my attitude changed recently when I raised this subject with an environmental scientist friend whose son is training to become nuclear engineer. "He's working on a new kind of reactor," my friend explained, "It can't melt down, it makes only minimal waste, and it can't be used for making bombs. It doesn't even use uranium, which is rare

and dangerous to handle; it uses thorium instead, which is common and safer to work with."

### [Energy Department wants natural gas at Hanford](#)

KENNEWICK, Wash. (AP) -- The Energy Department is planning to run a natural gas line under the Columbia River to the Hanford nuclear reservation to fuel cleanup plants.

The Tri-City Herald reports the 29-mile long, 6-inch diameter pipeline would cost about \$22 million, including \$1 million for boring under the river near Richland.

### [House Republican amendment would block use of higher ethanol blends in vehicles](#)

A Republican lawmaker has offered an amendment to a House Republican spending bill that would block the Environmental Protection Agency from implementing a program to allow newer vehicles to fuel with higher blends of ethanol in their gasoline.

### [Electric cars are nice, but the market still wants some muscle](#)

This is the year of the electric car, or so one might believe based on the headlines of recent months, with new vehicles like the Chevrolet Volt plug-in hybrid and Nissan's electric Leaf racking up awards and rolling into car showrooms.

So, what should we make of this month's Chicago auto show, where potential customers will find the spotlight shining not only on the latest lithium-ion-powered wonders, but also on some of the most powerful cars ever to roll off an assembly line?

### [Wholesale prices up sharply due to higher energy costs](#)

WASHINGTON — Wholesale prices rose sharply in January due to higher costs for gas, pharmaceuticals and other goods. Excluding the volatile food and energy categories, wholesale prices rose by the most since October 2008.

### [Food spike puts 44 million in poverty](#)

The rise in food prices since last June has shoved 44 million people into dire poverty, the World Bank says in its latest report on the global food crisis.

### [Lester R. Brown: World One Poor Harvest Away From Chaos](#)



Everything now depends on this year's harvest. Lowering food prices to a more comfortable level will require a bumper grain harvest, one much larger than the record harvest of 2008 that combined with the economic recession to end the 2007-08 grain price climb.

If the world has a poor harvest this year, food prices will rise to previously unimaginable levels. Food riots will multiply, political unrest will spread and governments will fall. The world is now one poor harvest away from chaos in world grain markets.

### [Deffeyes: Déjà vu](#)

This has been a *déjà vu* week for me.

The Wikileaks messages suggest that the U.S. Embassy in Saudi Arabia now suspects that the Saudi oil reserves are overstated. In 1977, Colin Campbell published that opinion and the evidence for it. Also, the Embassy thinks that the Saudis do not have substantial unused production capacity. Matt Simmons published a whole book about the Saudi capacity in 2005.

And now, the International Energy Agency (IEA) has become worried that oil prices have again become a substantial percentage of the Gross Domestic Product (GDP). I said essentially the same thing on pages 40-41 of *When Oil Peaked*.

### [Jeff Rubin: Wikileaks reveals imminent Saudi oil peak](#)

Chronic delays in new development and over-reporting of reserves by Aramco paint an illuminating picture of an oil industry that has struggled merely to keep up with depletion. Production is still below the levels reached in the 1970s. And thanks to the Saudi economy's voracious appetite for its own massively subsidized oil, less of its near-peak production is available for export every year.

While the U.S. embassy cables acknowledge Saudi Arabia still has the capacity to raise prices should it withhold supply, it no longer has the capacity to prevent prices from rising because it can't boost production sufficiently to meet world demand.

If Saudi Arabia no longer has an ability to raise production, who does?

### [Whither the price of oil? Experts say prices will rise - but reality may decide otherwise](#)

There is an extraordinary disconnect between what the experts write about oil prices, and what is likely to happen out in the real world. The pundits inhabit an economist's perfect dream world, where oil prices respond to changes in supply and demand that are driven mainly by production costs and economic conditions. In the real world, it's a lot more complex.

The question of price is back on the table, because oil just broke through the \$100-per-

barrel level for the second time in history. (The first time was July 2008, when it briefly reached \$147 per barrel before falling back to a low of \$33 the following December.) But the experts have concluded that, this time, cheap oil is never coming back.

### [Peak Oil Is Real But The "Paper Barrels" Of Arab Countries Are Not](#)

Without having found any new fields, without any advancement in technology, some of the Arab oil producers announced increases in Proven Reserves of over 100%. For some time, Wall Street referred to these fictitious numbers as "Paper Barrels" and ignored them. But as time passed, they began to be accepted in the mainstream.

### [Shell report predicts peak oil now or soon, ponders 'Depression 2.0'](#)

The industrial doomsday scenario put forward by peak oil theorists isn't just for far flung voices on the Internet anymore.

Peak oil is not a problem of Earth's supplies: there's plenty of oil in a variety of forms. The difficulty is in how much energy it takes to recover and process it. And if it hasn't happened already, soon the demand for energy commodities will soar past existing production capacity and crash headlong into the brick wall of declining discoveries.

### [Shell's alarmist ways seem out of touch](#)

The good news is that oil companies, particularly majors like Shell, are notoriously bad at predicting the future of their own business.

In the last three years alone, the industry missed seeing the coming of the financial crisis, which led to a return to sub-economic oil prices and the scrapping of many of its projects, and failed to predict the revolutionary impact of new fracturing technology and horizontal drilling that made North America awash with natural gas.

Meanwhile, peak oil predictions came and went, and the world seems awash in oil.

### [After Egypt, people power hits like a tsunami](#)

(CNN) -- It began with the self-immolation of an unemployed college graduate in Tunisia. Now, newfound people power in the Middle East and North Africa is spreading fast.

Bolstered by the toppling of Hosni Mubarak in Egypt, popular uprising has now taken root in a part of the world where it has not been a part of the trajectory of change. On Tuesday, the birthday of the Prophet Mohammed, parts of the Muslim world were on fire, the people clamoring for change.

## [Revolution Germ Will Spread in Arab World](#)

Few bets are safer today than that we will see more uprisings in the Middle East in 2011, though maybe not everywhere. One of the ironies of revolution is that it is hardest to do where it is needed most. Hosni Mubarak was a dictator, but his rule was neither absolute nor bloodthirsty.

## [Anti-government protests spread to Libya](#)

CAIRO – Hundreds of Libyans calling for the government's ouster clashed with security forces early Wednesday in the country's second-largest city as Egypt-inspired unrest spread to the country long ruled by Moammar Gadhafi.

## [Egypt's protests flare despite military warning](#)

CAIRO – Labor unrest unleashed by Hosni Mubarak's ouster flared again Wednesday in Egypt despite a warning by the ruling military that protests and strikes were hampering efforts to improve the economy and return life to normal.

## [Yemen protesters clash with regime loyalists, police](#)

SANAA (AFP) – Anti-regime protesters and Yemeni President Ali Abdullah Saleh supporters clashed in Sanaa for a fourth day straight Wednesday, while police dispersed protesters in Aden, AFP correspondents reported.

Three journalists were among those beaten up by Saleh supporters in the clashes near Sanaa University between students demanding the president's ouster and supporters of his ruling General People's Congress (GPC).

## [Oil Rebounds From 11-Week Low on Libya Unrest, U.S. Supply Drop](#)

Oil rebounded from an 11-week low in New York on signs U.S. stockpiles are shrinking and as political protests in the Middle East spread to Libya and Bahrain.

Futures rose for the first time in four days after the industry-funded American Petroleum Institute yesterday said crude inventories slid 354,000 barrels in the seven days ended Feb. 11. Energy Department data today may show stockpiles increased 2 million barrels. Hundreds of people are demanding the ouster of the Libyan government, the Associated Press reported today.

## [Gas Buyers Seek End of Europe's Two-Tier Pricing](#)

The biggest difference between natural gas and crude oil prices in eight months is fanning calls by Europe's largest power producers to scrap the almost 40-year-old system for setting their fuel costs.

E.ON AG, Germany's biggest gas importer, asked suppliers last year to sell it fuel at spot-market rates rather than at prices tied to oil products, two people with knowledge of the matter said this week. GDF Suez SA, operator of Europe's largest natural-gas network, said in September it was negotiating a stronger link to spot prices for long-term purchases. North Sea Brent crude costs \$54 a barrel more than U.K. gas, the most since May 3, according to data compiled by Bloomberg.

### [Norway gas exports to Britain resume](#)

(Reuters) - Gas exports from Norway to Britain were ramping up on Wednesday following a brief shutdown at the Nordic country's biggest offshore gas field, Troll, and reduced capacity at a major gas processing plant, Kaarstoe.

### [New Zealand: Gas prices hurting families](#)

Petrol prices are forcing some families off the road and on to the footpath as filling up gets more costly.

### [LNG-Tanker Rates Doubling as Ship Glut Erodes:](#)

Record demand for liquefied natural- gas is causing the decade-long glut of vessels that carry the fuel to disappear, doubling freight rates and at least tripling profit for shipping lines Golar LNG Ltd. and Exmar NV.

### [Schork Oil Outlook: How Dear Is Oil?](#)

Let's assume oil averages \$100 this year. Based on historical relationships, that should translate in to a retail cost for gasoline of around \$3.35. Is that dear?

No, no it is not. After all, how can a commodity which we use more of today than we did thirty years ago, but does not cost anymore, be considered dear?

### [How much oil does Saudi Arabia actually have?](#)

Is it 260bn or 550bn barrels? Should we believe the Americans or the Saudis? The answer may lie in the provenance of the information.

## [Matt Simmons's Failed 'Peak Oil' Price Wager](#)

When I heard about Tierney's \$5,000 bet, I contacted Simmons (an acquaintance here in Houston) about a wager. I would win if the average prices of West Texas Intermediate was below \$200 per barrel; he would win if the price was at or above \$200 per barrel. I did not adjust the price for inflation like Tierney did, but then again, I would have probably made the bet for \$100 (where I certainly would have indexed the price for inflation).

The bet was not for money but for a formal dinner party for one hundred, with the loser paying and getting to invite 25 guests and the winner inviting 75 guests. The venue was picked and the proprietor contacted with the estimated tab being \$125 per person.

## [Iraq to auction 12 energy fields in 2011: ministry](#)

BAGHDAD (AFP) – Iraq will offer 12 oil and gas exploration sites later this year in a fourth energy auction since mid-2009, oil ministry spokesman Assem Jihad told AFP Wednesday.

"The ministry is getting ready to offer 12 exploration sites for auction this year," Jihad said, noting that the fields included both oil and gas resources, but did not specify how many of each.

## [Congo Wants Oil, Gas Pipelines From Eastern Border to Atlantic](#)

Democratic Republic of Congo wants to build a pipeline network to transport oil and natural gas from the east of the country to the Atlantic Ocean, Oil Minister Celestin Mbuyu said.

The Central African country is aiming to increase its oil production and is currently allocating blocks of land to companies for exploration. In October Congo signed an accord with Uganda and Kenya to study the construction of a pipeline that will transport crude oil from deposits near its eastern border to ports on the Indian Ocean. Congo's only coast is on the Atlantic.

## [Govt to pay up to half of fuel subsidy](#)

PANIPAT, India (Reuters) – The government will now cover up to half of the subsidy outgo of state-run oil companies from selling fuels at rates that are below cost, as their losses mount with crude staying above \$100 a barrel.

The subsidy, also referred to as under-recoveries, could reach as much as 1 trillion rupees, oil minister S. Jaipal Reddy said, higher than a 750 billion rupee estimate by the head of Indian Oil.

### [Mexican drug gangsters menace natural gas drillers](#)

MEXICO CITY (Reuters) – Gunmen claiming to represent a powerful drug cartel have threatened to attack isolated natural gas well drillers unless they pay to operate in parts of northern Mexico, two industry sources said.

### [Many OPEC ministers will not be in Riyadh](#)

Not all OPEC ministers will attend an international energy conference in Saudi Arabia next week, and informal talks on oil output policy may include only Gulf members, OPEC delegates told Reuters.

The Organization of the Petroleum Exporting Countries is not scheduled to meet formally to debate output policy until June.

But after an oil market rally to above \$100 a barrel, ministers have been expected to hold discussions on the sidelines of the International Energy Forum (IEF) in Riyadh.

### [Petrobras faces depletion risks-Credit Suisse](#)

Production will gain steam in the first half thanks to the ramp-up of the P-57 platform and the pilot drillings in the Lula wells. Yet, output may begin to feel the impact of depletion in the mature fields around the Campos basin -- which account for half Brazil's production. The stock is trading at a 23 percent premium to rivals, "an exaggerated gap," they noted.

### [ExxonMobil in big reserves leap](#)

ExxonMobil said its oil and gas reserve additions last year more than doubled its production levels, marking the biggest jump in more than a decade.

### [Russia Embraces Offshore Arctic Drilling](#)

MOSCOW — The Arctic Ocean is a forbidding place for oil drillers. But that is not stopping Russia from jumping in — or Western oil companies from eagerly following.

Russia, where onshore oil reserves are slowly dwindling, last month signed an Arctic exploration deal with the British petroleum giant BP, whose offshore drilling prospects in the United States were dimmed by the Gulf of Mexico disaster last year. Other Western oil companies, recognizing Moscow's openness to new ocean drilling, are now having similar discussions with Russia.

New oil from Russia could prove vital to world supplies in coming decades, now that it has surpassed Saudi Arabia as the world's biggest oil producer, and as long as global

demand for oil continues to rise.

### [Russia withdraws from trans-Balkan oil pipeline project - paper](#)

Russia is withdrawing from the trans-Balkan Burgas-Alexandroupolis oil pipeline project, Russian business daily Vedomosti said on Wednesday, quoting sources close to the board of the project operator.

Russia's Transneft, Rosneft and Gazprom Neft, which jointly hold a 50 % stake in project operator Trans-Balkan Pipeline B. V., are expected to announce their withdrawal at a meeting of the supervisory council and shareholders in Rome on Thursday.

### [Russia's Gazprom, Slovenia to create South Stream gas pipe JV in March 2011](#)

Russia's gas giant Gazprom plans to establish a joint venture with Slovenia's gas transport company Geoplin Plinovodi in March 2011 to oversee construction of the Slovenian part of the South Stream pipeline project intended to bring Russian gas to Europe across the Black Sea, Igor Schyogolev, co-chairman of the Russian-Slovenian intergovernmental commission, said on Wednesday.

"As a result of this project, Slovenia will become one of the leading transit states in the Balkans," said Schyogolev who is also Russia's communications minister.

### [Armenia and Iran to build fuel pipeline](#)

YEREVAN (AFP) – Construction will begin this year of a pipeline taking oil from Iran to Armenia, boosting the isolated ex-Soviet state's energy security, the Armenian energy minister said on Tuesday.

The 365-kilometre (227-mile) pipeline from the Iranian city of Tabriz to Eraskh in Armenia follows the opening of a gas pipeline from Iran and will provide the country with an alternative to Russian energy imports, which were disrupted by the Georgia-Russia war in 2008.

### [BP faces new oil spill lawsuit by Ohio, NY funds](#)

NEW YORK (Reuters) – State pension funds in Ohio and New York filed an amended complaint against BP Plc seeking to recover investment losses due to the Gulf Coast spill, when BP shares tumbled by nearly half, wiping out more than \$90 billion of value.

The funds filed the case in the U.S. District Court in the southern district of Texas seeking compensatory and punitive damages against the oil company.

### [Suit says BP official resigned over safety issues](#)

HOUSTON – A former official with BP's drilling operations in the Gulf of Mexico resigned just months before last year's oil spill because of disagreements with the oil giant over its commitment to safety, according to a class-action federal lawsuit related to the spill.

Documents filed Monday night in Houston claim Kevin Lacy, BP's former senior vice president for drilling operations for the Gulf of Mexico, reached a mutual agreement with the company to resign in December 2009 because he believed the company was not adequately committed to improving safety protocols in offshore drilling operations to the level of its industry peers. The Deepwater Horizon rig explosion occurred on April 20, 2010, killing 11 workers and causing the worst oil spill in U.S. history.

### [Crews unearth gas pipe eyed in deadly Pa. blast](#)

ALLENTOWN, Pa. – A 4-foot-long section of natural gas pipe suspected of causing a massive explosion and fire that killed five people has been unearthed and will be transported to an engineering firm for analysis.

### [Chevron to fight multi-billion Ecuador ruling](#)

NEW YORK (CNNMoney) -- Chevron has vowed to fight a multi-billion dollar judgment from an Ecuadorian court accusing the oil company of polluting the Amazon rainforest.

"The Ecuadorian court's judgment is illegitimate and unenforceable," said Chevron, in a press release Monday. "It is the product of fraud and is contrary to the legitimate scientific evidence."

### [Ecuadoreans Plan to Pursue Chevron in Other Countries](#)

CARACAS, Venezuela — Armed with a \$9 billion ruling against Chevron in Ecuador but little chance of collecting it there, representatives for Ecuadorean villagers said Tuesday that they were looking at waging legal battles against the company in more than a dozen countries where it operates, hoping to force Chevron to pay.

### [Toxic Nevada mine lawsuit seeks \\$5M from BP, ARCO](#)

RENO, Nev. – Neighbors of a toxic mine in northern Nevada have filed a class-action lawsuit against BP America and Atlantic Richfield Co. accusing them of intentionally and negligently concealing the extent of the contamination leaking off the abandoned site for decades.



The suit filed in U.S. District Court in Reno on Monday seeks a minimum of \$5 million on behalf of at least 100 residents in the rural town of Yerington where the old Anaconda copper mine opened in 1941.

### [The wells run cheap](#)

Two weeks ago the offshore industry body Oil and Gas UK said that Scotland's offshore sector needs to rebuild its reputation to halt the drift of graduates towards renewables. In the wake of such a catastrophic tragedy as the Gulf of Mexico oil spill, it is incomprehensible to many that a call to order is being heralded.

How can an industry as dirty as oil say that such a trend is short sighted? It is as clear as day to any rational and disinterested person that the oil industry is dying. While there may be up to a trillion barrels worth of oil still to be drilled, the repercussions of its uses over the past century and a half are undoubtedly being felt. It is time to put a cap on the poison.

### [Cities are 'magnet' for white families with kids](#)

"It's a new magnet for white families with children — cities that are expensive to live in but are attracting people who want to be in an urban setting and are having children," says William Frey, demographer at the Brookings Institution.

The makeup of the youth population provides a glimpse of the USA of the future.

### [FAA forecasts 80% increase in fliers by 2031](#)

WASHINGTON — The embattled airline industry will see solid long-term growth over the next 20 years, with yearly passenger totals climbing from 713 million to nearly 1.3 billion, the government predicted Tuesday.

### [Greenest cars? Not all are electric or hybrids](#)

Plug-in electric vehicles may be the hip newcomers on U.S. streets this year, but they aren't the only eco-friendly stars, a scorecard of greenest cars reveals Tuesday.

The natural gas Honda Civic GX wins top honors for the eighth year, earning 54 points, followed this time by the all-electric Nissan Leaf and the gasoline-powered, two-seater, the Smart Fortwo, according to the 14th annual environmental ratings by the private American Council for an Energy-Efficient Economy (ACEEE.)

### [Soaking Up the Sun to Squeeze Bills to Zero](#)

GOLDEN, Colo. — The west-facing windows by Jim Duffield's desk started automatically tinting blue at 2:50 p.m. on a recent Friday as the midwinter sun settled low over the Rocky Mountain foothills.

Around his plant-strewn work cubicle, low whirring air sounds emanated from speakers in the floor, meant to mimic the whoosh of conventional heating and air-conditioning systems, neither of which his 222,000-square-foot office building has, or needs, even here at 5,300 feet elevation. The generic white noise of pretend ductwork is purely for background and workplace psychology — managers found that workers needed something more than silence.

Meanwhile, the photovoltaic roof array was beating a retreat in the fading, low-angled light. It had until 1:35 p.m. been producing more electricity than the building could use — a three-hour energy budget surplus — interrupted only around noon by a passing cloud formation.

### [Builders offer MPG-like home efficiency labels](#)

Just as cars are sold with miles-per-gallon labels, more new homes this year will sport labels estimating monthly energy bills.

KB Home, one of the nation's largest builders, announced Monday its plans to have an EPG (Energy Performance Guide) on each of its U.S. homes by the end of this month, and other production builders plan to follow.

### [3 States Challenge Federal Policy on Storing Nuclear Waste](#)

WASHINGTON — The attorneys general of New York, Connecticut and Vermont sued the Nuclear Regulatory Commission on Tuesday, challenging a new commission policy stating that nuclear waste can be safely stored at a nuclear power plant for 60 years after a reactor goes out of service.

### [Earth's Limits: Why Growth Won't Return](#)

Problems arising from speculative overreach, real estate bubbles, and the inherent Ponzi dynamics of our global debt-based financial structures are endemic and profound. Still, if these were our only difficulties, we might reasonably expect that eventually, once they are sorted out (however painful the process may be), growth will return.

Indeed, that is what nearly everyone assumes. It's a matter of "when," not "if" growth resumes.

### [Speaker tells Wofford crowd that energy is at forefront of 21st century issues](#)

The increasing interplay between declining oil reserves, food prices, the availability of cheap transportation and the overall quality of life Americans enjoy is likely to be the definitive issue of the 21st century and one that elected officials ignore at the country's peril, a noted energy scholar told a packed house at Wofford College's Leonard Auditorium on Tuesday morning.

"I spent years studying subjects like politics and economics," said Richard Heinberg, author of nine books focusing on sustainable energy and a senior fellow-in-residence at the Post Carbon Institute. "It was quite a while before I realized energy was the most important subject of all."

### [Tracking trash will teach us to waste less](#)

In the 1930s, waste was rare in North America because there was so little to go around that every scrap of cloth, every bite of food, and every bit of anything usable was used. Not only did this reduce the amount of garbage produced, but it allowed families to survive.

We have come a long way from that way of thinking in a very short time.

### [Opponents square off over Wash.'s coal-fired plant](#)

OLYMPIA, Wash. — Opponents squared off in Olympia Tuesday over how quickly the state's only coal-fired power plant in Centralia, Wash., should transition to cleaner energy sources.

Canadian-based TransAlta's facility is the state's single largest source of greenhouse gas emissions, and is seen as key to state efforts to reduce global warming pollution.

### [EU 'low-carbon roadmap' aims for 25% cuts by 2020](#)

Energy savings could slash greenhouse gas emissions by 25% by as early as 2020, according to a draft copy of the EU's long-awaited 'roadmap for moving to a low-carbon economy in 2050,' seen by EurActiv.

### [If Greenhouse Gas Emissions Stopped Now, Earth Would Still Likely Get Warmer, New Research Shows](#)

ScienceDaily — While governments debate about potential policies that might curb the emission of greenhouse gases, new University of Washington research shows that the world is already committed to a warmer climate because of emissions that have occurred up to now.

## [UN climate chief warns warming can cause conflict](#)

Global warming is a looming threat to stability and national security around the world, and militaries should spend some of their ever-expanding budgets on reducing carbon emissions to avoid "climate chaos," the U.N.'s top climate official said Tuesday.

Christiana Figueres, head of the U.N. climate secretariat, warned of the destabilizing effects created by growing water stress, declining crop yields and damage from extreme storms in some of the world's poorest countries, which could set off mass international migration and regional conflicts.

## [Climate Change May Cause 'Massive' Food Disruptions](#)

(Bloomberg) -- Global food supplies will face "massive disruptions" from climate change, Olam International Ltd. predicted, as Agropcorp International Pte. said corn will gain to a record, stoking food inflation and increasing hunger.

...In fact, it is possible temperatures would continue to escalate even if all cars, heating and cooling systems and other sources of greenhouse gases were suddenly eliminated, said Kyle Armour, a UW doctoral student in physics. That's because tiny atmospheric particles called aerosols, which tend to counteract the effect of greenhouse warming by reflecting sunlight back into space, would last only a matter of weeks once emissions stopped, while the greenhouse gases would continue on.



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