



Drumbeat: March 11, 2011

Posted by [Leanan](#) on March 11, 2011 - 10:31am

[Japan refiners at risk of lasting flood damage](#)

(Reuters) - The huge tsunami that struck Japan on Friday may do far more lasting damage to its refineries than the quake that preceded it, flooding them with corrosive seawater that can lead to months of repairs.

As U.S. Gulf Coast refiners know, sea water flooding can destroy refineries and their operating systems in minutes.

Murphy Oil's 125,000 barrel per day (bpd) Meraux, Louisiana, refinery took 9 months to return to full production after being completely flooded by Hurricane Katrina in August 2005.

[American energy companies brace for tsunami](#)

(Reuters) - Energy companies with operations along the Pacific coast of North and South America were on alert on Friday for the possibility of a tsunami set off by a massive earthquake off Japan.

[Mexico evacuates Pacific oil port, refinery safe](#)

MEXICO CITY (Reuters) - Mexico's state-run oil company Pemex evacuated 300 workers from its only oil port on the Pacific coast on Friday after a tsunami warning rippled down Latin America following a massive earthquake in Japan.

The Salina Cruz port in the southern state of Oaxaca does not export crude outside of Mexico and only ships oil products, like gasoline, to the domestic market.

[Canada crude-Synthetic premium rebounds with U.S. spreads](#)

CALGARY, Alberta (Reuters) - Canadian synthetic crude price spreads widened on Friday in line with bigger premiums for U.S. crudes with similar characteristics and a thicker differential between U.S. and world benchmarks, industry sources said.

[Libyan oil sector on its knees for months](#)

LONDON: No matter who eventually wins the lethal battles raging in Libya, the oil market will likely be starved of hundreds of millions of barrels for a long time, reshaping oil flows from west to east. Top quality Nigerian and Caspian crude grades have shot to multi-year highs and huge premiums to Middle Eastern grades, wrecking buying opportunities for emerging Asian economies. More of this oil will likely head to Europe's refiners who do not need to pay up the long-haul voyage on top of the Libyan war premium, unless they decide it is simply too expensive to run refineries.

[EU Considers Extending Sanctions To Libyan Oil Industry](#)

BRUSSELS -(Dow Jones)- The European Union is leaning toward extending its sanctions and freeze on assets involving Libya, as it may soon target Libya's oil industry as it seeks to raise the pressure on Libyan leader Col. Moammar Gadhafi, officials said Friday.

[Q & A with Sally Odland](#)

Sally Odland has worked 20 years as a geologist and project manager in mineral exploration for the U.S. Geological Survey, in oil and gas exploration for the private sector and in environmental remediation as a federal Environmental Protection Agency contractor.

She currently administers the Division of Marine Geology and Geophysics at Lamont Doherty Earth Observatory of Columbia University in Palisades. She holds advanced degrees in economic geology and business administration. Her 2006 MBA dissertation was titled: "Strategic Choices for Managing the Transition from Peak Oil to a Reduced Petroleum Economy."

[Will oil crunch price the Caribbean out of European tourism?](#)

As oil and food prices continue to rise and further levies are introduced on travel, could the Caribbean be priced out of the low to middle end of the European tourism market? This alarming prospect may be closer at hand than the region would wish if the situation in the Middle East was to deteriorate further.

So much so, that the Caribbean could face a tourism shock in 2012 equivalent to that experienced after the terrorist attack on the World Trade Centre in 2001 or the global financial crisis of 2007/8.

[Japan trails behind in 2010 wind power capacity rankings: survey](#)

TOKYO — Japan placed 18th in global rankings of new wind power installations in 2010,

creating 221,000 kilowatts of the renewable energy capacity, compared with the 16,500,000 kw of China, the world's front-runner, according to a recent study by an international trade association.

[Nunavut plans to promote country foods](#)

To fight hunger in Nunavut, the Government of Nunavut will spend \$1.7 million this year to set up community freezers and find ways to distribute more country foods, like Arctic char, caribou, seal and muskox, Nunavut's Economic Development and Transportation department revealed during the recent legislative session in Iqaluit.

...By promoting local foods, the territory may be able to reduce the growing levels of food insecurity, the department says.

[Saudi Arabia 'day of rage' protest fizzles](#)

Reporting from Riyadh, Saudi Arabia - A call for protests in Saudi Arabia that had been talked about for weeks drew only a handful of people Friday, allowing the kingdom to keep at bay for now the waves of political unrest that have battered the Middle East and North Africa.

In the end, the "day of rage," organized on Facebook and by word of mouth, fizzled. No protests occurred in any Saudi cities except for a small demonstration in Al-Ahsa in restive Eastern province, said Maj. Gen. Mansour Turki of the Interior Ministry. Turki said he did not know if any arrests were made in connection with the Al-Ahsa protest. Human-rights activists did not return phone calls seeking comment on the events.

[Hundreds Protest in Eastern Saudi Arabia](#)

RIYADH, Saudi Arabia—Hundreds of protesters Friday took to the streets in the eastern Saudi Arabian cities of al-Hofuf and Awamiya, a day after police broke up a march in the same region.

About 500 protesters, mainly Shiite Muslims who make up a large part of the population in the area, demonstrated in the oil-rich eastern province. Al-Hofuf sits on the east flank of the country's major oil field Ghawar.

[Cheapest place for a gallon of gas: Libya](#)

Today, gasoline costs the equivalent of 46 U.S. cents a gallon. Last week, the price was just over 62 cents.

Oil company officials in Libya say the drop had nothing to do with the traditional rules that drive prices, such as supply and demand: Gadhafi ordered the price cut to curry

favor with his unhappy people.

And in that way Libya is like the rest of the world: Oil prices have only a little to do with supply and demand.

[Crude tankers to face near-term Japan headwind - Wells Fargo](#)

(Reuters) - As one third of Japan's refining capacity shuts down following Friday's earthquake, near-term demand for crude tankers would suffer, Wells Fargo Securities said.

[Japan tsunami "bullish" to global fuel oil upcoming months: sources](#)

A tsunami triggered by a large earthquake that struck northeast Japan Friday and prompting the country's power operator to shut seven nuclear units will drive utility-grade low sulfur residual fuel oil (LSFO) prices higher, sources said Friday.

[Obama 'confident' US can fill any gap in oil supply](#)

(Platts) - After weeks of crude oil prices hovering around \$100/barrel because of turmoil in North Africa and the Middle East, President Barack Obama Friday sought to reassure Americans the US can weather the current price spike.

Obama did not propose releasing oil from the US' Strategic Petroleum Reserve, something Congressional Democrats have repeatedly requested in recent weeks, but said in televised remarks from the White House that an SPR release is possible if conditions worsen.

[No tsunami impact on Sakhalin projects](#)

Oil and gas projects near Sakhalin Island off Russia's far-eastern coast have seen little impact from the tsunami triggered by a massive earthquake in Japan, supermajors operating in the region said.

[Japan copper smelters shut on quake, raises supply concerns](#)

(Reuters) - Japan's two major copper smelters shut down operations due to power outages in northern Japan areas hit by a powerful earthquake, raising concerns about supply disruptions if it takes a long time to repair the infrastructure.

[US natgas rig count lowest in 13 mths- Baker Hughes](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States fell this week to the lowest level in 13 months, dropping 17 to 882, oil services firm Baker Hughes said on Friday.

[Think gas is expensive in Canada?](#)

A litre of regular in Canada has been hovering around \$1.30 in some parts and that's cheap – at least compared to pump prices in the United Kingdom.

In Britain, a gallon of gas sells for £6, which translates to \$9.40 in our Canadian currency. Converted to metric, this is comparable to paying \$2.07 per litre in Canada.

[Buick's Gas-Saving Strategy](#)

THE Energy Department calculates that 17.2 percent of a vehicle's fuel is consumed when its engine idles in traffic, adding up to billions of gallons burned at stop signs and traffic lights and in urban congestion. Put another way, 69 cents' worth of a \$4 gallon is wasted by idling.

To minimize this inefficiency, automakers are adopting so-called stop-start systems that virtually eliminate idling by shutting off the engine when the car or truck comes to a complete stop, then instantaneously restarting it when the driver's foot lifts off the brake (on cars with an automatic transmission) or engages the clutch.

[Growing number of bike cafés gear up to serve cyclists](#)

At bicycle cafés, travelers can stop for coffee, grab a bite to eat and get air in their tires or even a tune up, all at the same time. These cafés are proliferating across the country, enhancing the “in the saddle” experience for everyone from urban riders and hard-core cyclists to weekend warriors and tourists.

[6 energy experts address the economic impact of Middle East unrest](#) - by Richard Heinberg, David Fridley, David Hughes, Tom Whipple and Colin J. Campbell

With instability in the Middle East driving oil prices higher, huge cracks are widening in the global economy. In an effort to broaden the conversation about Middle East unrest and its impacts on oil prices and economies, the Post Carbon Institute offers six informed perspectives on what to expect in the days, weeks and months ahead.

Individuals, businesses and policy makers are made aware of the speed with which seemingly incremental price gains can topple global dominoes.

[Nuclear association: Japan reactor being cooled](#)

LONDON (Reuters) - The World Nuclear Association, the main nuclear industry body, said on Friday that it understood the situation at Japan's Fukushima plant after a massive earthquake was under control, and water was being pumped into its cooling system.

"We understand this situation is under control," an analyst at the association told Reuters.

[French police clear oil depot after fuel protest](#)

(Reuters) - French police cleared access to a fuel depot at Fos-sur-Mer on the Mediterranean coast after fisherman protesting over rising fuel costs blocked the site for several hours earlier on Friday, the local authorities said.

The fisherman, who are demanding government measures to offset an increase in fuel prices linked to a crude oil rally, prevented the loading of tens of fuel lorries at what is the largest depot in the southern French region of Provence-Alpes-Cote d'Azur.

[Witnesses: Yemen forces open fire on protesters](#)

SANAA, Yemen — Security forces opened fire on demonstrators taking part in protests throughout Yemen in what appears to be the biggest turnout in a month of unrest to demand regime change, eyewitnesses said.

In the southern port city of Aden, the witnesses say security forces shot at demonstrators trying to rip down photographs of President Ali Abdullah Saleh. Six protesters were wounded, one seriously, one medic said.

[Libyan military forces sock key oil port](#)

Ras Lanuf, Libya (CNN) -- The military forces of Moammar Gadhafi on Friday pounded Ras Lanuf, the key oil port once in the hands of rebel forces, and its leadership confidently vowed the retake all territory from the opposition.

Pro-Gadhafi forces cranked up an intense and steady bombardment of the city, believed to be by rocket, artillery and tank fire. A refinery was hit and a storage tank is on fire. Huge plumes of thick, black smoke can be seen.

[EU sanctions on Libya's oil billions take effect](#)

BRUSSELS — Multi-billion-dollar EU sanctions on Libyan leader Muammar Gaddafi's

regime came into force on Friday as European Union leaders argued over the next steps to force him from power.

The EU's Official Journal said the sanctions froze five state vehicles holding billions in assets and investments said to be under Kadhafi's family control.

[New head for the IEA](#)

Former Dutch Minister of Economic Affairs, Maria van der Hoeven, will be the next executive director of the International Energy Agency (IEA) said the agency today.

Hoeven will succeed Nobuo Tanaka of Japan who will serve until 31 August, completing four years of service.

[Rosneft Defends BP Venture, Tells TNK-BP to Back Off](#)

Russian state-controlled oil producer Rosneft said it is committed to the deal it struck with BP on an Arctic development and isn't in talks with TNK-BP Ltd. about replacing the U.K. oil major as a partner.

[Fuel shortage compels KESC to increase load shedding hours](#)

KARACHI: The Karachi Electric Supply Company (KESC) has to increase the duration of the fixed load shedding hours in the city as it has become impossible for the utility to maintain the present level of power supply in view of the erratic and significantly reduced gas supply and continuous oil price hike.

[Joseph Tainter: talking about collapse](#)

At the end of his monumental study titled "Decline and Fall of the Roman Empire" Edward Gibbon discusses the question of whether what happened to the ancient empire could happen in modern times, that in the late 18th century, when Gibbon was writing. His answer is that it could not; new hordes of barbarians couldn't destroy the civilized world because of gunpowder, cannons, modern armies and the like.

It is clear that Gibbon saw the Roman collapse as mainly a military event: the Romans were overwhelmed by one wave of Barbarians after the other. But, like many other historians before him, Gibbon chronicled events without normally interpreting them in the sense we give today to the term - that is finding social, economic or political reasons to explain what happened.

Gibbon, living in the thriving and expanding world of 18th century Britain, just couldn't see that there was much more in the Roman collapse than a simple military problem. It would take time for historians to see the collapse of the ancient world as something related to our own destiny. With collapse impending, or perhaps already started, we can

start seeing that the Roman times are a foggy mirror of our times.

[The Full Seas Act and the college of the 21st century](#)

We just can't have a perpetually growing population, perpetually growing consumption, or perpetually growing economy. To think there is no limit to growth on a finite planet (Earth comes to mind) is equivalent to thinking we could have a stabilized economy on a perpetually diminishing planet. In other words, we could gradually squish the \$70 trillion global economy into one continent, then one nation, then one city... you get the picture. It's becoming an "information economy," right? So eventually we could squish it into your blackberry, leaving the rest of the planet as a designated wilderness area!

[John Michael Greer: Conserving the differences](#)

Nowadays, in a world where energy is no longer cheap and abundant, and is going to get a lot less cheap and abundant over the decades and centuries to come, we need to learn a new way to think about energy. Recognizing that energy is scarce and expensive is a good start, but it's possible to go a bit further than that, and recognize that what you need to do if you want to work with energy – especially scarce, expensive energy – is to conserve differences in energy concentration.

[US farmers fear the return of the Dust Bowl](#)

There is not much to be happy about these days in Happy, Texas. Main Street is shuttered but for the Happy National Bank, slowly but inexorably disappearing into a High Plains wind that turns all to dust. The old Picture House, the cinema, has closed. Tumbleweed rolls into the still corners behind the grain elevators, soaring prairie cathedrals that spoke of prosperity before they were abandoned for lack of business.

Happy's problem is that it has run out of water for its farms. Its population, dropping 10 per cent a year, is down to 595. The name, which brings a smile for miles around and plays in faded paint on the fronts of every shuttered business – Happy Grain Inc, Happy Game Room – has become irony tinged with bitterness.

[Decline of honey bees now a global phenomenon, says United Nations](#)

The mysterious collapse of honey-bee colonies is becoming a global phenomenon, scientists working for the United Nations have revealed.

[Japan's tsunami could hit economy hard](#)

The government has reported that as designed, they are closing down automatically, but the economic effects can be gauged by from happened the last time there was a major

earthquake in Japan, in September 2007, on the other side, the Japan Sea side, which closed down the largest nuclear power plant in Japan for more than year and a half. And so, Japan is highly dependent on these nuclear power stations. They may well have closed automatically and hopefully, there's no radiation problem, but the economic consequences of them closing, and we don't really know the damage yet, but from the 2007 example, these could be out of action for a very long time.

And for the world's second, third largest industrial economy, that's an extraordinary prospect to face.

[Commodities, energy markets grapple with shutdowns after Japan quake](#)

SINGAPORE (Reuters) - Japan's earthquake forced port closures and shutdowns of oil refineries and metal plants in the world's third-biggest economy on Friday, rattling commodity and energy markets as participants weighed up how quickly activity could return to normal.

[US reactors are safe, NRC says after Japan quake](#)

NEW YORK (Reuters) - U.S. nuclear plants, built to cope with the biggest earthquakes, are well prepared to withstand the kind that rocked Japan on Friday, the nation's nuclear regulator said.

Two U.S. nuclear plants along the California coast made preparations for a potential Pacific Ocean tsunami on Friday, but continued to operate normally.

[Russia needs investment, geographical expansion to maintain oil production](#)

MOSCOW (RIA Novosti) - Russia, the world's top crude producer, needs to pump billions of dollars into its oil industry and expand beyond the traditional oil area of West Siberia to maintain international leadership and reverse declining output, industry analysts say.

The global financial and economic crisis that spread to Russia in 2008 forced domestic oil companies to cut investment in the development of oil fields, which has resulted in oil output decline by 2-3% annually.

[Hidden energy crisis in the Middle East](#)

TEL AVIV - While most of the world is preoccupied with the impact of instability in the Middle East on oil prices and the world economy, a different kind of energy crisis is unfolding practically unnoticed. An ongoing reshuffle in natural gas supplies has left at least two countries - Israel and Jordan - without much of the gas they need.

In general, the politics of Middle Eastern gas will probably be just as dramatically affected by the upheaval as those of oil, but will follow a separate trajectory. Their effect will, at least initially, be more local in nature, and will vary for each country. However, the energy status quo in the region is slated to change dramatically.

[Oil States: Are They Stable? Why It Matters](#)

The shots that rang out in Brega, where this Libyan rebel patrolled a key refinery last week, truly were heard around the world—a world that relies on autocratic or troubled regimes of the Middle East and North Africa for one third of its oil.

[Steve LeVine: No end to the Tunisian contagion and \\$100-plus oil prices](#)

There's a presumption out there that things look tough in the Middle East, but that soon enough -- maybe by summer -- they will sort themselves out, and become the volatile prices of oil and gasoline. Not so, says veteran oil analyst Edward Morse, a student of history who correctly called the 2008 oil bubble while everyone else was still throwing money into the pot. "This is not a one-off disruption," Morse says. Instead, we're in a new age of geopolitical risk that threatens to disrupt the region for a decade or even longer.

[Steve LeVine: The violent day before the dreaded Day of Rage](#)

Today is a scheduled "Day of Rage" in Saudi Arabia. Organized on the Internet, the protest had been expected to be a likely dud. Now it might be different.

[Will Political Turmoil Collapse the Old Oil Order?](#)

The political turmoil in the Arab world may not only lead to much higher oil prices, but greater competition for resources and a shift in priorities for oil-producing nations. So says the author of *Rising Powers, Shrinking Planet*.

What's happening in North Africa and the Middle East, says Michael Klare, is the collapse of what he calls the "Old Oil Order."

[Eni Chief Scaroni Warns of Risk That Libya Could Turn Into a Failed State](#)

"What would be the worst potential outcome is to have a kind of Somalia situation in Libya that has no government for a long period of time," Chief Executive Officer Paolo Scaroni said in an interview with Bloomberg Television late yesterday. "But if this happens, this will not just be Eni's problem. It will be a problem for Europe, for everybody."

[Coping with the drop in oil supplies](#)

It is not surprising that tensions in North Africa and the Middle East have dominated the discussion at this year's CERAwake annual oil and gas conference. The general view is that, as of now, the world can easily cope with the drop in supply. Dan Yergin, chairman of CERA, the consultancy hosting the conference, told FT Energy Source: "This is a manageable disruption."

But many fear the situation will get worse before it gets better. And there is widespread uncertainty about how the situation will evolve.

[Russia's clout rises with oil prices](#)

With the price of oil climbing to more than \$100 a barrel, Russia has a little more weight to throw around on the world stage, and is doing just that.

The stepped-up flow of petro-dollars into the government's coffers relieves what had been a worrisome budget deficit and lessens the urgency of reform. Good relations with the West - and especially the "reset" with Washington - are not quite so pressing when the economy is in good shape.

[Qatar set to power further ahead](#)

DOHA // Qatar's new energy and industry minister thinks the emirate's oil and gas sector can become an even greater global force.

But a lack of immediate development prospects in its "upstream" oil and gas extraction sector could present a problem.

[Saudi oil customers seek steady supply](#)

JEDDAH: Although the global oil market is facing supply disruption due to unrest in Libya, fellow OPEC member, Saudi Arabia is expected to keep its contracted oil supply volumes to most customers in Europe unchanged in April from March.

"Aramco had communicated with us about additional supplies but we have not explored that option. We did not ask for more because we do not need any more Arab Heavy barrels," Reuters quoted one European customer, who asked not to be named. "There will be no change in our allocation from March."

[Problems facing country worsening, warns ex-FM](#)

Pakistan's dissenter former foreign minister Shah Mahmood Qureshi yesterday presented a virtual charge-sheet against the government of his own Pakistan People's Party (PPP), saying that a poor law and order situation, the energy crisis, food inflation, dictation from foreign donors, bad governance and rampant corruption in every department had ruined the life of ordinary people.

[America Facing Crude Awakening](#)

I share the hope of living long enough to drive a fuel cell automobile. I think it's a great idea because I don't want my petro-dollars going to people who hate us and wage jihad against us. But I don't expect that's going to happen in the next five years and the "next energy crisis" is here and now.

That's why it is so disappointing that Obama has done nothing to accelerate exploitation of our own domestic energy sources or build more nuclear power plants. He doesn't breathe a word about American energy independence. He can't say the words "clean coal," though the technology exists today.

[How Can Average Americans Lower the Price of Oil in Half?](#)

The next important step is to hold the U.S. Congress and White House responsible for lowering the price of gas to two dollars a gallon. This will spur growth and create jobs as businesses begin to expand. How can we accomplish this simple goal of \$2 a gallon gasoline?

Write U.S. Senators and demand they make an immediate plan to lower gas prices to \$2 a gallon by the end of April or they will no longer be employed come election time.

[China May Boost Spot LNG Purchases This Year, JPMorgan Says](#)

China will boost spot purchases of liquefied natural gas this year as the country's terminal capacity increases and term contracts start in 2012, said JPMorgan Chase & Co.

[Natural Gas, Scrutinized, Pushes for Growth](#)

"Really, the future for the commodity has never been brighter," said David Blackmon, the chairman of the Texas state committee for America's Natural Gas Alliance, which organized the Kenedy meeting. Already Texas produces close to one-third of the natural gas in the country, and Mr. Blackmon's organization is eyeing ways to increase utilization of the fuel, in power generation and in fleet vehicles.

Yet the state's renewed commitment to gas comes at a time of sharply increased scrutiny for the gas industry. Gas burns more cleanly than coal, its chief rival in electricity generation. Gas prices have also been low in the past few years, which is good

for the power and home-heating sectors and manufacturers like fertilizer plants that also use it.

[Analysis: European Unconventional Gas Could Rival North America](#)

The size of European unconventional commercial gas reserves rival that of North America, according to a major new study by IHS Cambridge Energy Research Associates (IHS CERA). The study, *Breaking with Convention: Prospects for European Unconventional Gas* estimates Europe's total unconventional gas in place could be 173 trillion cubic meters (Tcm), or 6,115 trillion cubic feet (Tcf).

[Pressure Rises On Shale Gas](#)

Concerned about environmental damage, a pair of Canadian provinces have stepped up scrutiny of two unconventional means of extracting fossil fuels from the ground.

Quebec halted shale-gas extraction, while Alberta ordered tests on the environmental effects of the country's vast and growing production from its oil-sands deposits.

[In Pinedale, Wyo., Residents Adjust to Air Pollution](#)

The upper Green River basin in southwest Wyoming has polluted-air days for a combination of reasons: its geography, in a valley at 7,000 feet; its typical winter weather that produces sun on highly reflective snow; and its economy, heavily based on natural gas drilling, which scientists say produces smog's underlying chemical base.

[Mthombo: A white elephant in the making](#)

South Africa's national oil company, PetroSA, is pushing hard for Cabinet to approve its "Project Mthombo", a new oil refinery to be built at Coega in the Eastern Cape.

But it is now widely acknowledged that the world has reached "peak oil", the time when global oil supplies can no longer rise to match demand. In a future of declining oil supplies and rising prices, Project Mthombo would become the country's biggest white elephant -- one that it can ill afford.

[Land Locked: U.S. Wilderness Protection Act Benefits the Climate--Hunters Like It, Too](#)

Whereas the 2009 law's language does not address global warming, environmentalists are overjoyed at the climate benefits protecting so much land will bring. As such, it is one of the most significant expansions of U.S. wilderness protection in the past quarter century.

[State losing jobs by delaying energy projects](#)

California could be losing billions of dollars and thousands of jobs by dragging its heels on energy projects, according to a report released today by the U.S. Chamber of Commerce.

[Should West Help Oil States Kick the Oil Habit Too?](#)

As countless lessons in history have taught us, one thing that fledgling democracies can ill afford is a sudden economic shock or cultural upheaval. If we start to wean ourselves off oil, isn't there a danger we leave the reformed yet still forming new powers-that-be in the Middle East hanging without a lifeline?

[Can thorium clean up nuclear energy?](#)

So far Lightbridge is the only US firm experimenting with thorium, and there's no government-funded program to develop it. But other countries (and their governments) are interested in thorium's promise.

[Economic forces drive transition from fossil fuels](#)

Economic forces, such as oil priced above \$100 and finite energy resources, will continue to drive the adoption of energy efficiency and non-fossil fuel energy technologies despite a partisan debate that has led to a stalemate in U.S. energy and climate policy, speakers at the eighth annual Green Energy Summit said Thursday.

[Fears for a Big Australia](#)

It seems the Immigration Department has very good reason to know that none of the levels of immigration or work-force growth it has recently pursued are either responsible or compatible with a sustainable population. This emerges from *Long-Term Implications*, a significant report which the Immigration Department commissioned and funded but is now trying to discredit.

[Richard Heinberg: Earth's limits: Why growth won't return - food](#)

Industrial societies have skirted what would otherwise have been limiting factors to food production using irrigation, new crop varieties, fertilizers, herbicides and pesticides, and mechanization—as well as expanded transport networks that allow local abundance to be shared globally. In terms of productivity, 20th century agriculture constituted an unprecedented story of success: grain production increased an astounding 500 percent (from under 400 million tons in 1900 to nearly two billion in 2000). This achievement

mostly depended on the increasing use of cheap and temporarily abundant fossil fuels.

[Will Water Set the World on Fire?](#)

It is then clear that a majority of the world's population is quickly losing its access to adequate water supplies necessary for maintaining production and consumption, and will therefore fall deeper into sickness, hunger and bloody warfare. Although the financial elites in power are most likely aware of these trends and their implications, it is still a situation unlike any other they have ever encountered in history. Destruction of water ecosystems in India and China, along with the tense dynamic between India and Pakistan, reflect irreversible environmental trends that will unfold in a very chaotic, non-linear manner, and the ensuing outcomes will be largely outside of the control of financial power elites.

[Oil Plunges as Japan's Refiners Shut Plants After Earthquake](#)

Oil fell below \$100 a barrel in New York for the first time in more than a week after Japan's strongest earthquake in at least a century forced refiners to shut several processing plants.

U.S. crude futures were headed for their first weekly decline in a month following the temblor in the world's third-largest oil user. A fire at Cosmo Oil Co.'s refinery in Chiba, outside Tokyo, is spreading, a Fire Department spokesman said. JX Nippon Oil & Energy Corp. closed refineries in Sendai, Kashima and Negishi. In London, Brent crude was set for its first weekly decline in seven.

[Japanese Quake Forces Evacuation Near Nuclear Reactor; Oil Refinery Burns](#)

Residents near a Tokyo Electric Power Co. nuclear reactor were ordered to evacuate because of a possible radiation leak as Japan's strongest earthquake in a century shut power plants and oil refineries.

[Japan trying to fix nuclear plant cooling problem](#)

(Reuters) - A cooling system for a nuclear reactor was not working after a powerful earthquake in Japan, prompting the government to declare an emergency situation as a precaution although it said there was no radioactive leakage at present.

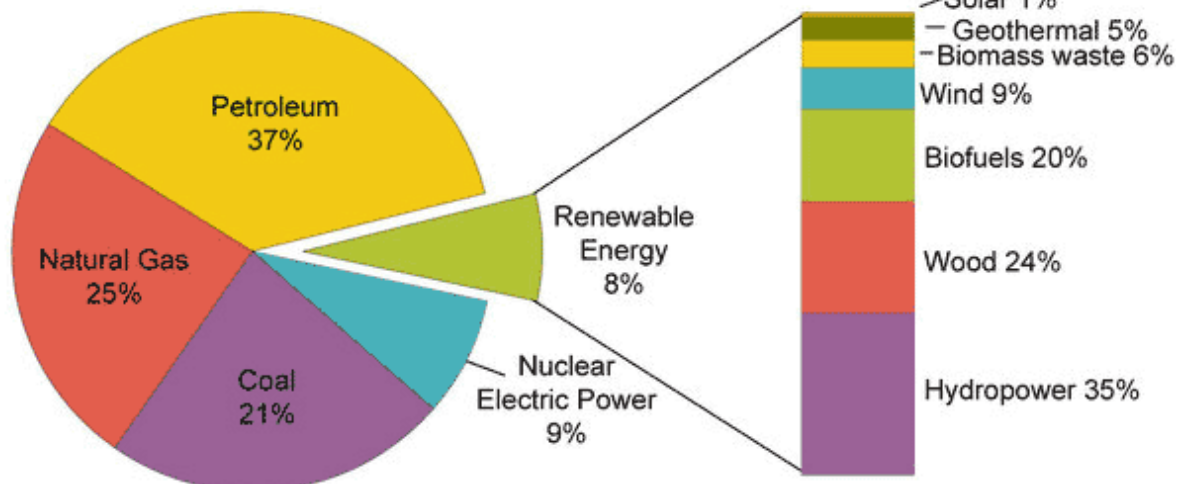
Residents that live within a 3 km radius of Tokyo Electric Power's Fukushima Daiichi nuclear plant have been told to evacuate, Japan's Chief Cabinet Secretary Yukio Edano told a news conference.

[Good Graph Friday: The energy we consume](#)

U.S. Energy Consumption by Energy Source, 2009

Total = 94.578 Quadrillion Btu

Total = 7.744 Quadrillion Btu



Note: Sum of components may not equal 100% due to independent rounding.

Source: U.S. Energy Information Administration, *Annual Energy Review 2009*, Table 1.3, Primary Energy Consumption by Energy Source, 1949-2009 (August 2010).

Skyrocketing gas prices have shocked Americans. So, what is the breakdown of energy source consumption? Solar power? 1%. Petroleum: 37%.

Stolen Oil: A Gusher of Cash for Mexican Drug Cartels

In the early hours of a frosty February morning, a resident in the Central Mexican town of Amozoc heard suspicious noises in the field near his house. He called for help. When the state agents arrived, they found a truck trying to leave the area — with a whopping 5,000 gallons of crude oil in the back. The three men on board had drilled a hole into a major oil pipeline that runs through the town and sucked the fuel into their truck through a hose. Worst of all, the alleged culprits were town policemen.

Such oil theft has become increasingly common in Mexico amid a breakdown in law-and-order in certain states. Last year, the government oil monopoly Petroleos Mexicanos or Pemex detected 712 such pipeline taps — a fivefold increase compared to the 136 spotted in 2005. It represents a significant loss of government income at a time when revolution in the Middle East has pushed crude oil prices to nearly \$100 a barrel. (The Amozoc haul would be the equivalent of about 120 barrels or roughly \$12,000.) Adding to the alarm, detectives working on several cases have traced the thefts to drug cartels, such as the Zetas, an indication that the country's overlords of crime have branched out into yet another line of business.

Oil keeps flowing to China and EU

European and Chinese companies continue to buy oil from Libya, benefiting Muammar Gaddafi's regime with hundreds of millions of dollars even as western powers impose financial sanctions aimed at forcing Libya's leader from power.

[Dialogue is the way forward: Saudi minister](#)

RIYADH — Dialogue, not protest, is the best way to bring about change in Saudi Arabia, Foreign Minister Prince Saud Al Faisal said on Wednesday as the country braced for possible protests in the world's top oil exporter.

[Saudi Arabia protests could be calamitous for oil market](#)

Saudi Arabia is synonymous with oil. Its massive reserves provide 90% of the country's revenues and 40% of its gross national product. More important still, the kingdom has historically been the world's largest producer and exporter of oil, a market fulcrum without which global energy markets would be thrown into turmoil.

[Ex-CIA Chief Says Saudi Arabia Is Vulnerable](#)

I spoke with Woolsey about his experience behind the wheel of the Volt, political unrest in the Middle East, and the current price of oil. He believes the Volt is a major success, and sees widespread adoption of (and conversion to) plug-in hybrids—especially if running on biofuel—as an effective strategy for alleviating our vulnerability to oil price shocks. "If new cars had that, they don't need to be all electric," Woolsey said. "Three-quarters of the cars in the country go less than 40 miles a day."

Moreover, Woolsey believes that it's "quite possible" that the recent political unrest in Egypt, Tunisia and Yemen could reach Saudi Arabia, with profound impacts on global oil markets.

[Saudi police deploy ahead of planned protests](#)

(AP) RIYADH, Saudi Arabia - Hundreds of police deployed in the Saudi capital Friday ahead of planned protests calling for democratic reforms as the government tried to prevent the wave of unrest sweeping the Arab world from spreading in the oil-rich kingdom.

Police blocked roads and set up random checkpoints in Riyadh, searching residents around a central mosque as large numbers of people gathering for Friday prayers raised the prospect of them later spilling into the streets for mass demonstrations.

[Gulf Arab Ministers Try to Buy Quiet With Aid Dollars](#)

Foreign ministers from the six-member Gulf Cooperation Council pledged \$20 billion in financial aid in Bahrain and Oman on Thursday, the Associated Press reports. Growing protests in Bahrain and Oman have shaken the other members of the GCC, raising concerns the political earthquake rocking the Middle East will affect key OPEC

members. Global oil prices have already spiked due to unrest.

[Libya Fighting Centers on Oil Fields as NATO Mulls Action](#)

Libyan forces loyal to Colonel Muammar Qaddafi drove rebels from the Mediterranean oil hub of Ras Lanuf as anti-regime forces said they will seek to secure oil regions in Africa's third largest producer.

[S&P cuts and suspends Libya ratings](#)

CAIRO – International ratings agency Standard & Poor's on Thursday downgraded Libya's sovereign rating to junk status and suspended its ratings for the country. Also, the rebel-led government in the nation's east said it would honor existing contracts with international oil companies.

The twin developments spotlighted the challenges confronting an oil-rich nation that just weeks ago was well on the path to redemption after enduring years of sanctions as a pariah supporter of terrorism.

[Eni's Libyan oil production near complete halt](#)

The chief of Eni, the biggest gas exporter from Libya, said Thursday that oil production across the battle-torn country is near a complete halt and that the Italian company's output is down to little more than supplying power to Libyan households.

[Estonia's state power firm in US oil shale deal](#)

TALLINN, Estonia (AFP) – The state power firm of Estonia, a Baltic nation that all but covers its energy needs using oil extracted from shale, said Thursday that it was taking over a major US shale-sector player.

[Rising Oil Prices Create Political Cushion for Iran](#)

The sudden rise in oil prices amid uncertainty and upheavals in the Middle East could create a political cushion for Iran. Prices are likely to remain high and volatile as long as protests, and concerns about supply disruptions, continue across the region. The global economy has limits on what prices it can handle. But Iran will clearly benefit multifold from higher prices, especially given its own economic problems.

[Saudis Key to Securing Oil During Unrest](#)

HOUSTON -- A former U.S. ambassador to five Middle East nations said March 9 the

United States should stand by its traditional friends in the region to secure oil supplies.

Ryan Crocker, who served as U.S. ambassador to Iraq, Pakistan, Syria, Kuwait and Lebanon, said Saudi Arabia is key to stabilizing markets with its 3.5 million barrels per day of excess capacity.

[Woe betide world's oil users if Saudis aren't talking true](#)

The big question is whether the spare capacity story is true. For many years, doubts have been raised about the ability of OPEC to keep raising production to meet global demand as the old super giant fields – among them the North Sea, Mexico's Cantarell and Alaska's Prudhoe Bay – go into terminal decline. OPEC has met the challenge, with a little help from its non-OPEC friends. Canada, thanks to the Alberta-munching oil sands projects, has turned into an export middleweight. After decades of decline, U.S. production is up by more than 10 per cent since 2007 because of the prolific Gulf of Mexico and clever new exploration and drilling gizmos.

Saudi Arabia's ability to act as the swing producer forever, however, is open to question. Six years ago, Matt Simmons wrote a book called *Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy*. Using as much technical information as he could find – Saudi Arabia's oil reserve data are notoriously opaque – he warned that some big Saudi fields were in decline and that peak production might be dangerously close.

[Kissinger throws cold water on Mideast optimism](#)

HOUSTON (CNNMoney) -- Former Secretary of State Henry Kissinger delivered a sobering analysis on the unrest sweeping across the Middle East Thursday, telling leading energy industry experts that the recent protests may not pan out as smoothly as some hope.

[Algeria eyes huge domestic shale gas reserves](#)

HOUSTON (Reuters) - Oil and gas producer Algeria is sitting on huge reserves of shale gas that it now intends to develop with the help of international partners, the OPEC member's energy minister said on Wednesday.

The African nation of Algeria, already a major exporter of oil and natural gas, could become an even bigger exporter in the coming years as it develops up to 1,000 trillion cubic feet of natural gas trapped in shale rock more than 1,000 meters (3,280 feet) below the surface.

[A fear of fracking may slow natural gas trend](#)

Natural gas could be a major source of low-cost electricity nationwide, as an upsurge in domestic production drives costs down and looming environmental mandates encourage utilities to retire power plants that run on dirtier-burning coal.

But energy experts and executives at the CERAWeek conference in Houston on Wednesday described a landscape of obstacles still standing in the way of natural gas producers. Chief among them: public fears about water contamination from the hydraulic fracturing process that is essential to unlocking natural gas in U.S. shale formations.

[Nexen eyes Gulf of Mexico drilling permits in 2Q](#)

HOUSTON (Reuters) - Nexen Inc hopes to see permits issued in second quarter for appraisal drilling at Appomattox in the U.S. Gulf of Mexico, Nexen's chief executive said on Wednesday.

"I think we still do have a shot at getting licenses, potentially in the second quarter," Marvin Romanow, Nexen's president and chief executive, told Reuters on the sidelines of the 2011 CERAWeek conference.

[BP CEO apologizes to oil industry for Gulf spill](#)

HOUSTON — BP PLC chief executive Bob Dudley opened a speech to a major oil industry conference in Houston with an apology to the industry for the Deepwater Horizon disaster that killed 11 workers and led to a halt to deepwater drilling in the Gulf of Mexico.

Addressing the CERAWeek conference, Dudley assured BP is working to prevent a recurrence of last year's explosion and oil spill.

[Analysis: U.S. offshore drillers still reeling from spill](#)

(Reuters) - Oil drilling in the deepwater Gulf of Mexico is still stuck in neutral even after U.S. regulators last month issued the first new drilling permit since the deadly 2010 Macondo well blowout.

Nearly a year after BP Plc's mile-deep Macondo well ruptured in April 2010, triggering an explosion aboard the Deepwater Horizon drilling rig that killed 11 people, executives at the high-profile CERAWeek energy conference in Houston marked few reasons for optimism about a recovery of drilling in the Gulf.

[Crying wolf? Oil companies that fought the drilling moratorium will survive](#)

So while the Macondo spill left its mark on the players involved, namely BP and Transocean, the firms most responsible for the mess, and the ensuing moratorium hurt many others in the oil industry, drilling is back. Oil prices are high, and demand doesn't seem to be going away. Companies that have made it this far will likely be fine -just as soon as they get the permits to drill.

[Pa.'s attempts to track gas drilling waste flawed](#)

The natural gas industry's claim that it is making great strides in reducing how much polluted wastewater it discharges to Pennsylvania rivers is proving difficult to assess because of inconsistent reporting by energy companies — and at least one big data entry error in the state's system for tracking the contaminated fluids.

[Scrapping the fuel duty rise will hurt Britain economically](#)

A small fuel duty increase means less consumption. The Green party wants to ease the strain by scrapping the VAT rise.

[US Republicans assail Obama as gas prices rise](#)

WASHINGTON (AFP) – US President Barack Obama's Republican foes on Thursday blamed his energy policies and efforts to combat climate change for soaring oil and gasoline prices and called for boosting domestic production.

[Ten Don'ts for Our Government on Gas Prices](#)

As gas prices in the United States continue to soar, policymakers in Washington are eager to point fingers and offer solutions. Most of the ideas are not new, and some are certainly much better than others, but they will inevitably be part of the debate. As legislators turn their attention to gas prices, here's a straightforward list of what *not* to do.

[Oil prices soar in spite of sharp increase in U.S. production under Obama](#)

Domestic oil production is soaring, but so are global prices. It should be obvious that yet more drilling can't have any significant impact on oil prices — particularly since the U.S. Energy Information Administration has been making that precise point for years now.

[House Republicans to push series of energy bills](#)

WASHINGTON (Reuters) – Republicans in the House of Representatives said on Thursday they would seek to combat rising oil and gasoline prices with a series of bills this year aimed at spurring domestic energy production.

[Oil at \\$100 Kills Brain Cells, Impairs Logic](#)

It must be the noxious fumes or the stratospheric prices because crude oil crossing the \$100 threshold makes normally thoughtful individuals funny in the head.

The early symptoms of high oil price syndrome, or HOPS, can easily be masked or confused with a more generalized form of lazy economic thinking.

[When We Demand Cheap Gasoline, We Are Demanding Disaster](#)

There are four major symptoms to my addiction and yours, and in 2011 they are all getting worse.

[Making Every Oil Calorie Count](#)

AS turmoil in Libya pushes up the price of oil, American consumers are once again feeling the sting of \$3.50-a-gallon gasoline. But the impact of costly crude on our lives and economy extends far beyond the pump. Virtually everything we consume — from hamburgers, running shoes and chemotherapy to Facebook, Lady Gaga MP3s and “60 Minutes” — is produced from or powered by fossil fuels and their byproducts, all of which could grow more costly as the price of petroleum rises.

The problem is that there is no easy way to quantify how much total energy we consume. Fortunately, there’s a great model already in widespread use: the nutritional information that appears on the back of every food product. Why not create the same sort of system for energy?

[Budget hawks: Does US need to give gas and oil companies \\$41 billion a year?](#)

Desperately seeking fiscal savings, Congress and President Obama are scrambling to find anything in the federal budget that can be thrown overboard, from child nutrition aid to funding for military bands.

But the American people might be on to something. In a poll conducted for NBC and the Wall Street Journal, three-quarters of respondents favored "eliminating tax credits for the oil and gas industries."

[U.S. gas prices are a joke ... in Norway](#)

NEW YORK (CNNMoney) -- Americans often fret about the price of gasoline, which has surged dramatically in recent days, fueled by turmoil in oil-producing nations in the Middle East and North Africa.

But the price of gas in America lags far behind its European counterparts. While Americans tear their hair out at the pump, Europeans watch them enviously from across the Atlantic.

[Save fuel, save lives with these proven gas-saving tips](#)

Don't warm up the engine by idling awhile before driving. That used to be the rule, but modern cars don't need it and can suffer from it. Just drive a bit gently at first to warm the oil and get it circulating properly.

[Opponents of oil drilling win reprieve for northern Norway](#)

Oslo - Opponents of oil drilling in pristine sea areas off northern Norway won a reprieve Friday, when the government said it would not allow test drilling off Lofoten and surrounding areas.

Prime Minister Jens Stoltenberg said at a news conference it was a good compromise for the country that would offer a "balanced" approach to oil, gas, fisheries and the environment.

[Sen. Rand Paul slams administration over toilets, light bulbs](#)

Sen. Rand Paul, R-Ky., lambasted the Energy Department today, saying the agency forces Americans to buy toilets that don't flush properly and light bulbs they don't want in the name of energy efficiency.

[Why do conservatives hate trains so much?](#)

Amtrak passengers pay more of the cost of their transportation than do drivers on the interstate. About 62 percent of Amtrak's operating expenses, according to the Department of Transportation, comes from fares. According to the Federal Highway Administration, the percentage of highway spending paid for by users — in the form of gas taxes and tolls — is headed below 50 percent.

[How high-speed rail could help the U.S.'s aging infrastructure](#)

I think there are two major costs. If you look at our infrastructure, it's aging. Recent estimates say it's costing us \$200 billion a year. If you look at things like trucks, just sitting in traffic. So that's a long-term cost in terms of our bridges, our water, our energy. But the other part of it is we need to start dealing with creating a new infrastructure that really gets around this whole issue of congestion, and high-speed rail is part of it. Unless you want to be building airports everywhere.

[GM doubling output of Chevrolet Volt as gas prices rise](#)

General Motors now plans to more than double its production of the Chevrolet Volt extended-range electric car.

And GM is adding a second shift and 1,000 jobs at the Michigan plant where the plug-in car is made.

[New York Transportation Chief Defends Bike Lanes](#)

“When you put these bike lanes down, you are improving the safety of everyone who uses that street,” Ms. Sadik-Khan said. (She spoke specifically of lanes separated from vehicular traffic by a buffer.) “The safety gains that you get are really unmatched with any other type of treatment.” But in a sidelong reference to recent travails, Ms. Sadik-Khan conceded that redesigning streets could be “painstaking work.”

[China Congress Pushes Gas, Nuclear Over Coal in Energy Plan](#)

China, the world’s biggest polluter, said it would accelerate its use of renewable energy and cleaner-burning fuels including natural gas over the next five years to cut pollution and reduce reliance on coal, which generates about 80 percent of the nation’s electricity.

[Saudi Arabia embraces solar energy](#)

YANBU // Saudi Arabia wants to meet its two fastest-growing needs - jobs and electricity - by making the materials used to absorb power from the sun.

The government hopes to create up to 15,000 jobs in the next decade by nurturing a solar industry, from solar farms to assembly plants, to factories that make raw materials.

[Showdown on Vermont Nuclear Plant’s Fate](#)

WASHINGTON — The Nuclear Regulatory Commission on Thursday rejected all challenges to extending the operating license of the Vermont Yankee nuclear plant, setting up a confrontation between the reactor’s owner and the Vermont Legislature, which has blocked a state certificate needed to keep the plant running.

[Restaurants feel bite of higher food costs](#)

He said the price of gasoline, up about 40 cents for a gallon of unleaded regular in

Galesburg in the past three weeks, has had a trickle-down effect on everything.

“The last time gas prices took this big a jump, the economy in general shut down,” he said. “It really makes people think twice about going out to eat.

“I’m just hoping it’s short term. What short term means, whether it’s a month or a month and a half, I don’t know,” Lieber said.

[Why World Food Prices Will Keep Climbing](#)

What began in the '70s as a dream, the idea of using idle farmland to diminish dependence on oil, quickly became a nightmare, as political influence made it increasingly hard to shift production back to feeding the world. World fuel ethanol production has tripled since 2004 to more than 21 billion gallons; in the U.S., the share of grain production dedicated to fuel ethanol production doubled over the last four years to 28.7%.

[Hawaii as a Microcosm in the Study of Peak Oil](#)

It appears everyone understands the problems, with even the Republican candidate for Governor in last fall’s election trumpeting his commitment to a green economy for the island state. On the surface, it appears all the pieces are in place for a transition, but how will the state overcome its inertia and existing infrastructure?

[The Peak Oil Catastrophe-In-Waiting](#)

The United States continues to slumber while a catastrophe lies in wait. Increasing numbers of analysts and policymakers are warning of another super price spike for oil and the likelihood of "peak oil" more generally.

[A success that looks like failure](#)

The West’s long run as top dog may be ending. But the values that made it great, consumerism included, have been sold on to the rest of the world.

[House Panel Votes to Strip E.P.A. of Power to Regulate Greenhouse Gases](#)

WASHINGTON — A House subcommittee voted on Thursday to strip the Environmental Protection Agency of its power to regulate greenhouse gases, chipping away at a central pillar of the Obama administration’s evolving climate and energy strategy.

[Electric dreams must step off the gas](#)

When you boil down the carbon price debate, a big chunk of Australia's greenhouse gas emission cuts this decade is meant to come by way of a switch from coal-fired power stations to gas. Start with the oldest, dirtiest brown coal-fired plant and, in an orderly way, progress through the fleet until either we are no longer burning coal to generate electricity, or carbon capture and storage is up and running (and pigs are loaded and ready for take-off).

[Sydney could be swamped warns climate expert](#)

Sydney could be swamped by sea waters once a year, instead of once every one hundred years, if nothing is done to address climate change.

[Study Says Navy Must Adapt to Climate Change](#)

A report commissioned by the United States Navy concludes that climate change will pose profound challenges for the sea service in coming decades, including a need to secure Arctic shipping lanes, prepare for more frequent humanitarian missions and protect coastal installations from rising seas.

The 15-month study, conducted by the National Research Council, accepts the scientific consensus that the climate is changing and that the effects are being felt now. Of particular consequence to American naval forces – the Navy, Marine Corps and Coast Guard – are the melting polar ice cap, rising seas and increasingly frequent severe storms and droughts that could lead to famine, mass migration and political instability.



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