



## Drumbeat: April 16, 2011

Posted by [Leanan](#) on April 16, 2011 - 10:21am

[Oil Without Apologies](#): *John Watson, Chevron's CEO, says Americans must stop taking affordable energy for granted. That means more 'oil, gas and coal.'*

An economist by training, soft-spoken by nature, the 53-year-old Mr. Watson is hardly some swaggering wildcatter. Yet in a year of speeches, he has emerged as one of the industry's foremost energy realists. No "Beyond Petroleum" (BP) for him. On energy, he says, America "has a lot to learn."

Starting with the argument—so popular among greens and Democrats—that we are running out of oil. "Peak oil"—the theory that global oil production will soon hit maximum levels and begin to decline—is a favorite among this crowd, and it is one basis for their call for more biofuels and solar power. Mr. Watson doesn't dismiss the idea but explains why it remains largely irrelevant.

In theory, he says, "we've been running out of oil and gas for a long time," yet technology creates new opportunities. Mr. Watson cites a Chevron field long in decline down the road in Bakersfield—to the point that for every 100 barrels of oil "in place," the company was extracting only 10 or 20. But thanks to a new technology called steam flooding, Chevron is now getting 70 to 80 barrels. "Price creates incentive, and energy will be developed if there's demand for it at the price you can develop it," Mr. Watson says. In that sense, "oil and gas are plentiful."

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## [Crude Oil Rises After U.S. Consumer Sentiment, Industrial Output Increase](#)

Oil rose for a third day in New York as better-than-forecast U.S. consumer confidence and industrial data bolstered optimism in the economy of the world's biggest crude-consuming country.

Futures increased 1.4 percent after the Thomson Reuters/University of Michigan April preliminary index of consumer sentiment advanced to 69.6 from 67.5 the prior month. The Federal Reserve said U.S. production at factories rose 0.8 percent in March, the fifth straight gain.

## [Oil May Rise on Mideast Unrest, Saudi Arabian Output Cuts, Survey Shows](#)

Crude oil prices may increase on speculation unrest in the Middle East will curb exports as Saudi Arabia reduces production, a Bloomberg News survey showed.

Fifteen of 33 analysts, or 45 percent, forecast crude oil will increase through April 21. Nine respondents, or 27 percent, predicted prices will decline and nine projected little change. Last week, 49 percent of respondents said futures would gain.

### [Oil Prices Will Ease in 2012 on Stimulus Withdrawal, Russia's Kudrin Says](#)

Russia, the world's biggest energy exporter, expects the price of oil shipments to the global market to start decreasing next year as governments begin to withdraw stimulus measures, Finance Minister Alexei Kudrin said.

Urals, the nation's major export oil blend, will stay above \$90 a barrel for 12 months to 18 months, Kudrin told a press briefing in Washington, D.C., yesterday. The price will probably fall to \$60 a barrel in the next two years and stay at that level for about six months, he said, reiterating a forecast he made a year ago.

### [US natgas rig count drops 4 to 885-Baker Hughes](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States fell by four this week to 885, its second straight weekly decline, data from oil services firm Baker Hughes showed on Friday.

### [Iran called for foreign companies' cooperation in oil industry: minister](#)

Iranian Oil Minister Masoud Mirkazemi, in the inauguration ceremony of an international oil show opened here Friday, asked foreign companies to cooperate with Iran in the oil industry.

Mirkazemi said that political stability and economic power of the country are privileges for engagement in Iran's oil industry.

### [Russia cancels tax break for Rosneft's Vankor field](#)

(Reuters) - Russia has decided to cancel a tax break for Rosneft's Vankor oil field as of May 1, Finance Minister Alexei Kudrin said late on Friday.

Vankor, a key driver behind Russia's record-high oil production, was one of 22 east Siberian fields exempt from full export duty, set at \$423.7 per tonne this month.

### [Ohio shale deposits hold potential for oil, gas, jobs](#)

Thousands of feet below the surface of Ohio, encased inside a rock formation millions of

years old, is a veritable ocean of oil and natural gas that could be worth billions of dollars and create thousands of jobs.

### [NATO Claims Unity on Libya Operation as Russia Questions Military Actions](#)

NATO countries sought to bridge differences over their Libya mission as Russia said the alliance's actions may be exceeding those authorized by the UN Security Council.

NATO Secretary General Anders Fogh Rasmussen told reporters after a meeting of NATO foreign ministers today in Berlin that he's confident his request for additional ground-attack aircraft will be met, even though the U.S. and France rejected deploying more planes.

### [Clinton: Allies looking for ways to fund Libya rebels](#)

BERLIN (Reuters) - Secretary of State Hillary Clinton said on Friday that NATO allies were searching for ways to provide funds to Libya's rebels.

"The opposition needs a lot of assistance, on the organizational side, on the humanitarian side, and on the military side," Clinton told reporters after a meeting of NATO foreign ministers in Berlin.

### [Obama Sees Libya Stalemate on the Ground, Qaddafi Ousted 'Over Long Term'](#)

Forces loyal to Muammar Qaddafi shelled Libya's rebel-held coastal city of Misrata as President Barack Obama said the conflict has become a "stalemate on the ground militarily."

Qaddafi is "getting squeezed" in many ways, Obama said in an interview with the Associated Press. "I think over the long term, Qaddafi will go and we will be successful."

### [Nigeria's President Jonathan Eyes Election Win Against Divided Opposition](#)

Nigerian President Goodluck Jonathan will probably win tomorrow's election in Africa's top oil producer, bolstered by the opposition's failure to agree on a single candidate to stand against him.

### [100 tons of readiness](#)

If BP's Macondo well blowout happened today, oil companies say they would be far better prepared to respond than they were a year ago. One reason sits in an out-of-the-way fabrication yard in northwest Houston.

Here, nearly nine months after the idea was hatched, the Marine Well Containment Co.'s \$1 billion oil spill-containment system is ready to go — and, with any luck, will never have to be used.

### [BP Won't Be Singled Out for Extra Conditions to Drill, U.S. Regulator Says](#)

BP Plc, owner of the Gulf of Mexico well that exploded a year ago next week, won't be singled out for extra conditions when attempting to resume exploration in deep waters, according to the chief U.S. drilling regulator.

### [New State Dept Review Affirms Keystone XL Pipeline Safety Standards](#)

CALGARY -(Dow Jones)- A new environmental review of TransCanada Corp.'s (TRP) controversial Keystone XL pipeline expansion has reaffirmed an earlier report that the pipeline meets environmental safety standards.

The 320-page supplemental draft environmental impact statement appears to be a victory for the pipeline expansion, which would take up to 1.1 million barrels a day of crude oil from Canada 1,900 miles to refineries on the U.S. Gulf Coast.

### [Qatargas boosts gas shipments to Japan post quake](#)

DUBAI, United Arab Emirates (AP) -- A Qatari state-controlled gas producer said Saturday it has agreed to send Japan more than 60 extra tanker shipments of liquefied natural gas to help power the Asian nation in the wake of its tsunami disaster.

### [Power shutoffs to start Monday](#)

About 55,000 We Energies customers are expected to face disconnection for failing to pay their bills, a utility spokesman said Friday.

The Milwaukee utility will begin customer disconnections on Monday, and has mailed 30,000 disconnection notices since March to customers who are in arrears, spokesman Brian Manthey said.

The number of customers who would be disconnected is up slightly from last year, but down from the peak of 60,000 in 2008, he said.

### [Peak oil stage](#)

The economy of most countries in the 20th century was built on oil. For some, oil brought unprecedented wealth and power. For others it brought repression and new

forms of economic colonialism. Few oil producing countries have used their wealth wisely. But in many countries oil has been a curse. But in the 21st century, we can see that our continued dependency on oil threatens the future of all of us, both rich and poor. As supplies fall further behind demand, the world faces economic crisis and western countries are scrambling to secure their access to the last reserves.

### [Gas sippers, new or used, command top dollar](#)

A new Toyota Prius these days starts at around \$22,000, which might prompt the cost-conscious buyer in this fragile economy to scout around for a used version.

But even a two-year-old model of the hybrid fuel miser costs almost as much, at about \$20,800, according to National Automobile Dealers Association.

And don't expect dealers to come down much on the price of either one.

### [Clouds Part for U.S. Solar Industry](#)

Solar advocates mounted a last-minute push Monday to prevent sweeping cuts to a federal loan guarantee program for clean energy development in a Republican budget plan. The cuts would have essentially closed the program, which is popular with solar power developers, and rescinded billion of dollars in loan commitments for dozens of projects.

A bipartisan group of legislators joined the campaign to spare the program, and in a conference call on Thursday with reporters, Harry Reid, the Senate majority leader, announced that the cuts had been averted.

### [Sunshowers: Group to offer free workshops on installing solar water heaters](#)

More people are looking at energy alternatives with a mind to reducing costs.

With that in mind, Post Carbon London — a group focused on helping Londoners act on issues surrounding peak oil and global warming — is offering a series of free work shops to provide the public with information about installing solar water heating.

### [Geothermal gains momentum](#)

“Geothermal energy” was not on the syllabus when Brad Will earned his architecture degree at Cornell University in 1984.

Fast-forward to 2011 and Will, a board member of the Westchester-Hudson Valley chapter of the American Institute of Architects and principal at Kingston-based Ashokan Architecture, has his architect's stamp on 25 commercial geothermal structures and five

private homes.

### [U.S. Expands Seeding of Biomass](#)

This week the federal Department of Agriculture announced a host of renewable energy and energy efficiency projects in rural America, and Agriculture Secretary Tom Vilsack is touring the Midwest, seeding biomass projects as he goes.

### [Qatar to get national 'green policy'](#)

DOHA: Qatar will develop a national policy to manage air pollution, greenhouse gas emissions and the broader challenges of climate change.

### [Industry Challenges Study that Natural Gas 'Fracking' Adds Excessively to Greenhouse Effect](#)

"This study lacks credibility and is full of contradictions," Russell Jones, senior economic adviser for the American Petroleum Institute, based in Washington DC, said on his organization's website. "The main author is an evolutionary biologist and an anti-natural-gas activist who is not credentialed to do this kind of chemical analysis."

### [Online Calculator Allows Households to Track Carbon Footprint](#)

ScienceDaily — Tips to reduce your carbon footprint frequently include buying compact florescent light bulbs, taking your own bag to the grocery store or buying local produce. But how much difference do these actions make?

A new study by researchers at the University of California, Berkeley, suggests that who you are and where you live make a big difference in which activities have the largest impact.

### [G.O.P. Pushes to Deregulate Environment at State Level](#)

In the past month, the nation's focus has been on the budget battle in Washington, where Republicans in Congress aligned with the Tea Party have fought hard for rollbacks to the Environmental Protection Agency, clean air and water regulations, renewable energy and other conservation programs.

But similar efforts to make historically large cuts to environmental programs are also in play at the state level as legislatures and governors take aim at conservation and regulations they see as too burdensome to business interests.

[Take it to climate court?](#)

Global warming lawsuits are a misuse of the judiciary branch.

[On Pinwheels, Networks and Resilience](#)

I had an utterly minor experience today that helped reinforce my personal sense of where to focus if the goal is fostering a relatively smooth ride as human populations and appetites crest in coming decades.



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