



Drumbeat: May 7, 2011

Posted by [Leanan](#) on May 7, 2011 - 10:01am

[Fuel crisis adds to Yemeni president Ali Abdullah Saleh's woes](#)

SANA'A // Yemen is facing a growing fuel crisis after its crude oil exports and main refinery were shut down more than a week ago.

The shortages began after tribesmen demanding that President Ali Abdullah Saleh step down cut a main oil pipeline in the central province of Marib last month, police said. The pipeline supplied the Aden refinery and the Ras Isa export terminal on the Red Sea.

For the last five days trucks and buses at petrol stations in major cities have waited in queues at least one kilometre long to get diesel and petrol, which station employees said ran out two days ago. Stations were also rationing diminishing petrol supplies.

[Libya: Gaddafi forces 'bomb oil storage tanks in Misrata'](#)

Rebels in Libya say Colonel Gaddafi's planes have bombed oil storage tanks in Misrata. Channel 4 News Chief Correspondent Alex Thomson says the city's port is the crucible of this conflict.

For sheer audacity in the teeth of NATO's "no-fly zone", it takes some beating.

[On the Edge with Kurt Cobb](#) - Max Keiser interviews Kurt Cobb.

[Bakersfield Oil Regulator Suspended in Suspected Turf War with State](#)

Bakersfield's top oil regulator, Randy Adams, has been suspended with pay over what some suspect is an ongoing turf war between local and Sacramento-based officials over how to review certain drilling-related activities.

The April 15 action appears to stem from Adams' approval of an oil producer's request to increase the volume of hydrogen sulfide -- a toxic drilling byproduct better known as sour gas -- it is allowed to inject into the ground.

[Senate Democrats call oil execs to testify on subsidies](#)

(CNN) - Senate Democrats are calling oil and gas industry executives to testify next week about the billions of dollars they get in tax subsidies at the same time they are earning enormous profits and consumers are facing steep price hikes at the pumps.

[Bus companies to strike if fuel shortage continues](#)

The committee of the bus companies of Buenos Aires City and Greater Buenos Aires warned that “several bus services had to reduce their frequencies, and could lead to a total strike due to the constant inconvenient with the fuel distribution.”

The committee also warned that there were also problems with the “security of the bus drivers who had to reduce the frequency of the service.”

[Petrol Shortage-Kenya: Petrol Shortage May Last Seven Days](#)

The fuel supply disruption across the country is likely to continue up to the weekend, leading oil marketers said yesterday. But the Ministry of Energy said it expected normal supply to have resumed by yesterday, insisting that there were adequate stocks of Super petrol in the country. Marketers said some correction of the anomaly took place yesterday, but it will take two to three days before the backlog created by a three-day hitch is cleared.

[A Memoir of Living Off the Grid](#)

Melissa Coleman’s father, Eliot, once suggested that evidence points to “the return to the land as a cyclical urge in history.” Some families work the land out of necessity, while others seek “the good life” through labor and simplicity. In the 1840s, Thoreau took to the woods to “live deliberately.” During the Great Depression, self-sufficiency was raised to new importance, and well-educated men like the writer and editor Elliott Merrick and the economist Ralph Borsodi found homesteading a rational and intellectual pursuit. The political climate of the late 1960s (and later the energy crisis of the ’70s) provoked back-to-the-land desires in many, including Eliot Coleman, who, inspired by Helen and Scott Nearing’s book “Living the Good Life,” moved in 1968 with his pregnant wife, Sue, to a remote 60-acre wood in coastal Maine. There, they developed sustainable, small-scale farming techniques that would help catalyze the organic movement.

[Bitcoin virtual currency challenges world’s centralized monetary systems](#)

If open-source advocate Scott Nelson is right, banking-industry executives around the world will soon be looking over their shoulders.

What they will be watching, according to the cofounder of Free Geek Vancouver, is an emerging digital currency called Bitcoin. As a peer-to-peer virtual currency, Bitcoin can be created, purchased, and traded in a decentralized manner without the use of a bank or payment processor.

[JPMorgan Boosts 2011 Oil-Price Forecasts as Producers Not Matching Demand](#)

JPMorgan Chase & Co. (JPM) raised its oil- price forecasts because OPEC and other producers aren't matching rising demand and consumers will take time to react to higher prices.

The bank boosted its 2011 Brent crude forecast to \$120 a barrel from \$110, and changed its estimate for West Texas Intermediate crude to \$109.50 from \$99. Forecasts for 2012 prices were raised to \$120 and \$114, respectively.

"While financial bushfires or perhaps a rapid resolution to the Libyan civil war could radically alter market dynamics, the balance of both risks and fundamentals still points to a supply-constrained world," JPMorgan analysts led by New York- based Lawrence Eagles wrote in a report yesterday.

[Gas price to drop as oil joins commodities plunge](#)

NEW YORK – Investors finally hit the brakes on oil, gold, silver and food prices. This week's sharp sell-off doesn't mean commodity prices' stunning rise over the last several months is over, but it is good news for anyone planning a road trip this summer.

Oil prices fell 15 percent this week, the steepest decline in two and a half years, just as average U.S. pump prices were approaching \$4 a gallon. Gasoline prices fell imperceptibly to consumers' eyes Friday — one-tenth of a penny to just over \$3.98 per gallon — but that ended a 44-day streak of rising prices. Prices will soon drop noticeably and some analysts said they could hit \$3.50 by summer.

[Shell Philippines rolls back pump prices](#)

Shell Philippines said the reductions reflect the "decline in international product prices."

World oil prices fell sharply on Friday.

[Obama takes aim at Big Oil, says gas prices hurt](#)

INDIANAPOLIS — President Barack Obama said Friday that high gasoline prices are sapping the spending power of Americans, as he tried to limit political fallout by linking it to public hostility toward oil companies.

"We've got high gas prices, that have been eating away at your paychecks, and that is a headwind that we've got to confront," Obama told auto plant workers in remarks to promote his policies to wean Americans from foreign oil dependence.

Public anger over rising costs at the pump has put pressure on Obama to look for ways to provide quick relief for consumers as he seeks re-election in 2012.

[Central Asia feels gas pinch as Russia cuts supply](#)

ALMATY, Kazakhstan - A shortage of fuel in Russia is hurting millions beyond its borders in Central Asia, where former satellite states still rely almost completely on Moscow's gas supplies -- and its decisions to tighten the taps from one day to the next.

Russia's government responded this week to domestic fuel shortages by hiking export fees and imposing a temporary export ban on fuel, measures that threaten to cause severe deficits in impoverished Kyrgyzstan and Tajikistan.

[Crude Oil Prices Reverse: Where Next?](#)

Well, according to the theory, if oil was 40% too high, and if no one is taking the spectre of peak oil too seriously (in which case the "fundamental" value is the replacement cost (i.e. what it will cost to find and produce more oil)), then at some point in the not-too distant future the price of oil "ought" to explore $\$90/1.4 = \64 (Brent).

Whether it does or not, will be a good test of how much the "Peak Oil" idea is gaining traction.

[Venezuelan oil refinery partially paralyzed](#)

CARACAS, Venezuela - Venezuela's state oil company says the failure of an air circulation system has affected production at the South American country's largest refinery, but the problem will not affect oil shipments.

[Report doubles BC shale-gas estimate](#)

A new assessment of the shale gas contained in the Horn River basin of north-eastern British Columbia more than doubles the province's estimated unconventional reserves.

A report released today from the National Energy Board (NEB) and British Columbia Ministry of Energy and Mines puts the marketable shale gas in the basin at 78 trillion cubic feet, including 75 Tcf of undiscovered resources.

[Iran foils pirate attack on UAE tanker](#)

MOSCOW (RIA Novosti) - The Iranian Navy on Saturday thwarted an attempt by

pirates to hijack an oil tanker from the United Arab Emirates, Press TV reported.

The UAE-flagged oil tanker was sailing from Bahrain to the Red Sea when it was attacked by two pirate boats.

[Syrian Tanks Storm Baniyas a Day After 40 Protesters Killed](#)

Syrian tanks stormed the coastal city of Baniyas today, and protesters tried to keep them out by forming human chains amid deadly confrontations with security forces, according to a rights activist.

The U.S. called yesterday for a "strong international response" to Syria's crackdown. Security forces killed as many as 40 people and arrested hundreds during demonstrations on Friday, according to the London-based Syrian Human Rights Committee. Syria denied the reports, according to al-Jazeera.

[Libya Criticizes Aid Plan that Skirts Government](#)

Libya has sharply criticized an international plan to send millions of dollars in assistance to rebels and civilians.

Deputy Foreign Minister Khaled Kaim said Friday that Libya is "one sovereign state." He said the planned use of the funds amounted to "piracy on the high seas."

[Libyan tribal chiefs urge amnesty to all fighters](#)

Libya's tribal chiefs have urged a general amnesty for all fighters engaged in the oil-rich nation's civil war, as Amnesty International said the regime's siege of Misrata could be a war crime.

Rebels, meanwhile, braced for a new ground assault by Moamer Kadhafi's forces on Misrata, the main bastion of the insurgents in western Libya.

[Ecuador referendum likely to boost Correa's power](#)

QUITO (Reuters) – Ecuadoreans were to vote on Saturday over a reform package President Rafael Correa's rivals say would give the leftist leader too much power over courts and media critics in the South American OPEC member nation.

[Chubu Electric Board Considers Nuclear Plant Closure, Postpones Decision](#)

Chubu Electric Power Co.'s board met to discuss a possible closure of its sole nuclear

plant after Japanese Prime Minister Naoto Kan expressed concern the facility may not be able to withstand a powerful earthquake and tsunami.

No decision was made on whether to idle the No. 4 and No. 5 reactors at Hamaoka plant during the meeting in Nagoya today, Tokyo-based spokesman Akio Miyazaki said by telephone. The board will reconvene at a future date, he said, without elaborating.

[Japan anti-nuclear protesters rally after PM call to close plant](#)

(Reuters) - Several thousand Japanese anti-nuclear protesters marched in the rain on Saturday, welcoming a call from the prime minister to shut down a plant in central Japan and urging him to close more to avoid another nuclear crisis.

[800 workers at Fukushima plant get belated health checkups](#)

FUKUSHIMA — Some 800 workers have spent more than a month dealing with the nuclear crisis at the Fukushima Daiichi power plant but they have only recently started to receive medical checkups, officials of the plant operator Tokyo Electric Power Co said Saturday.

It took nearly two months after the crisis erupted following the March 11 quake and tsunami to start regular health checks as the health ministry had initially only required them to be performed after the crisis had ended, assuming that the crisis would not be prolonged, according to the officials.

[Mont. Senate Race Will Turn on Energy, Climate, Natural Resource Issues](#)

Democrat Jon Tester has tried to steer a middle course in his first term in the Senate between safeguarding Montana's natural beauty and protecting its economic interests as he sees them -- whether that means allowing wolf hunting or opening new areas of the forest to logging.

[Spain May Soften 2020 Renewable Energy Goal as Electricity Subsidies Grow](#)

Industry Minister Miguel Sebastian is devising plans for Spain to stick to its pledges on low-carbon energy as voters struggle to pay their energy bills amid the worst economic slump in at least 60 years.

Subsidies for renewable energy and cogeneration plants, which turn excess industrial heat into energy, rose 8 percent to 7.1 billion euros last year, to comprise 39 percent of the country's electricity bill. The regulator had forecast a decline of 10 percent.

[Brazil's Petrobras to boost ethanol production](#)

BRASILIA (AFP) – Brazil's state-controlled energy giant Petrobras will boost its production of ethanol as part of a government effort to contain fuel prices, Energy Minister Edison Lobao announced.

"We are going to make rapid advances to produce (an additional) 10, 12, 15 percent in three to four years," Lobao told reporters. "With this, Petrobras will be transformed into an important factor in the supply and pricing of ethanol."

[Diesel From Soybeans Sparks \\$560 Million Investment by ADM, Cargill](#)

Archer-Daniels-Midland Co. (ADM), the largest grain processor, and Cargill Inc. are spearheading a push to invest about \$560 million in new biofuel refineries in Brazil, a country that already has twice the capacity it needs.

[Masdar Conducts Measurement Tests to Discover U.A.E. Wind Energy Potential](#)

Masdar, the Abu Dhabi government-owned renewable energy company, is conducting tests to determine the feasibility of building a wind farm in the United Arab Emirates.

Masdar is conducting the wind speed measurements in parts of the UAE though these are at a "very early stage," said Burgess Baria, the company's associate account manager for renewable energy.

[Science good, markets bad](#)

Martin Nowak, Professor of Mathematics and Biology at Harvard University, thinks George Orwell's Big Brother was on to something. According to Professor Nowak, "[T]he knowledge that our behaviour is being observed -or that it may be observed -could provide policymakers with new leverage to deal with climate change."

In his book SuperCooperators, written with Roger Highfield, Prof. Nowak offers specific examples: "Energy costs of individual households could, for example, be published by local newspapers. Companies could be ranked according to their emissions and their investments in climate protection. Stickers [on gas guzzlers] could be used to mark out the polluting vehicles with pitiful efficiency."

[Can a Water Plan Work Without an Environmental Goal?](#)

The National Research Council sent a baker's dozen of scientists and engineers out to California last year to weigh in on one of the nation's most complicated political and scientific conundrums: how to please all of the parties with claims on the waters of the Sacramento and San Joaquin Rivers, while ensuring the preservation or restoration of critical species and their habitats.

[Big Oil digs deep as if spill never happened](#)

Wild weather may be an end result of our fossil fuel addiction, but away from Tornado Alley it is business as usual for Big Oil. After the BP disaster the Obama Administration imposed a moratorium on offshore drilling, which was lifted in October.

[Green Smoke Is Sighted as Vatican Releases Glacier Report](#)

Climate change is shrinking the world's mountain glaciers, whose retreat creates new risks for humans and sensitive ecosystems alike, warns a new report commissioned by the Roman Catholic Church.

"The widespread loss of ice and snow in the world's mountain glaciers is some of the clearest evidence we have for global changes in the climate system," concludes the analysis, which will be delivered to Pope Benedict XVI. It was assembled by an international team of experts at the behest of the Pontifical Academy of Sciences, the Vatican's non-denominational scientific arm.



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