



Drumbeat: June 10, 2011

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[China May crude imports top 5 mln bpd](#)

BEIJING (Reuters) - China's crude oil imports in May topped 5 million barrels per day for a fifth consecutive month, as limited domestic output growth prompts the world's second largest consumer to persistently tap imported fuels to power economic growth.

Customs data showed China, which depends on imports for more than 55 percent of its oil demand, brought in 21.55 million tonnes of crude oil last month, almost flat with 21.54 million tonnes in April.

[NYMEX-Crude closes down for 2nd week on Saudi oil offer](#)

NEW YORK (Reuters) - U.S. crude futures fell on Friday, closing lower for a second week on news that Saudi Arabia was offering more oil to Asian refiners and on a report it would jack up daily production in July.

The dollar strengthened against the euro, also pressuring crude as it prompted oil investors to shed riskier assets.

[US natgas rig count slips 8 to 879-Baker Hughes](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States fell by eight this week to 879, the first drop in three weeks, data from oil services firm Baker Hughes showed on Friday.

The gas-directed rig count hit a 16-month low of 866 three weeks ago. The count is down 11 percent from its 2010 peak of 992 in mid-August, its highest since February 2009, when 1,018 rigs were drilling for gas.

[How Credible is the Report of Increased Saudi Production?](#)

Yes, it could be true, but there is virtually no reason to think that it is.

[Do Recent Squabbles Signal the Demise of OPEC?](#)

After OPEC wrapped up one of the most heated meetings in its recent memory, some are wondering (maybe hoping?) if the high-profile dissension hints at a collapse of America's least-favorite oil cartel.

[Pemex to Include Offshore Gulf Fields in Contract Proposals](#)

Petroleos Mexicanos, Latin America's biggest oil producer, is preparing a pair of offshore contracts allowing companies such as Exxon Mobil Corp. (XOM) and BP Plc to gain access to the Mexican side of the Gulf of Mexico.

[Ukraine PM says may break gas contract with Russia](#)

Ukrainian Prime Minister Nikolai Azarov hinted during a TV address on Friday that the country could break its gas contract with Russia.

[Rival Yemen protests urge Saleh to quit, return](#)

(Reuters) - Tens of thousands of Yemenis took to the streets of the capital on Friday in parallel protests -- one demanding the country's wounded leader surrender any claim to power, another calling him back home.

[32 dead in Syrian crackdown, assault](#)

BEIRUT (AP) — Syrian forces shelled a town in the country's restive north and opened fire on scattered protests nationwide, killing at least 32 people on Friday, activists said. Hundreds of Syrians streamed across the border into Turkey, trying to escape the violence.

[Pro-drilling group offers expenses-paid trip to Department of Energy hearing in western Pa.](#)

SCRANTON, Pa. — A natural gas industry group is offering an all-expenses paid trip to pro-drilling landowners in the Northeast's Marcellus Shale to get them to attend a public meeting by the U.S. Department of Energy on the issue of hydraulic fracturing, a newspaper reported Friday.

[Govt must go all out to restart suspended nuclear reactors](#)

The serious power shortage that began with the crisis at Tokyo Electric Power Co.'s Fukushima No. 1 nuclear power plant must be prevented from spreading throughout the country at all costs.

[We can't afford subsidies for renewable energy](#)

What is clear so far is that renewable energy is less reliable and more expensive than abundant energy from gas or coal. It is also more expensive than nuclear.

[GM offers cheaper Volt](#)

NEW YORK (CNNMoney) -- General Motors announced Friday a cheaper, stripped-down version of its Chevrolet Volt plug-in hybrid for the 2012 model year.

The base price of a 2011 Volt is \$41,000 while the base price of the 2012 Volt will be a little lower: \$39,995. To make up for that \$1,005 price drop, the base Volt will no longer have navigation -- although it will still have the computer touch-screen -- and it won't have the upmarket Bose stereo.

[The Peak Oil Crisis: The Gathering Storm](#)

The world is beginning to look a lot like the August of 1914 or perhaps the summer of 1939 all over again. This time instead of the great powers of central Europe dragging the rest of us into a European affair, it seems that nearly every corner of the earth is facing some sort of imminent disaster that could combine into a very unpleasant situation.

In America, where we have been living beyond our means for decades, the time has come to pay the piper. Trillion dollar deficits, rising unemployment, printing of money, \$4 gasoline, a weakening dollar and entitlements are combining into a grim outlook for our immediate future. Add to this the toll taken by climate change - unprecedented outbreaks of tornadoes, massive floods, and record droughts - throw in a hurricane or two and we are on the way to serious disruptions.

[Oil Declines on Concern Fuel Demand May Slow as Banks Raise Interest Rates](#)

Crude oil declined in New York, trimming a weekly gain, amid speculation demand will falter as Asia's central banks raises interest rates to curb inflation and the U.S. job market weakens.

Futures slipped for the first time in four days, losing as much as 1.1 percent. South Korea's central bank raised rates for a third time this year, and U.S. jobless claims unexpectedly increased. The Organization of Petroleum Exporting Countries forecast a "tightening" oil market as demand for its crude rises, two days after members of the producer group failed to agree on output increases.

[Rising food and oil prices are biggest threat to recovery, says World Bank](#)

A fresh surge in oil prices and a rise in the cost of food pose the biggest threats to the recovery of poor countries from the global recession of 2008 and 2009, according to the World Bank.

[OPEC: Demand outstrips OPEC supply](#)

An OPEC report suggests that world demand for its oil is outstripping the present supply.

The monthly demand forecast from the Organization of The Petroleum Exporting Countries says estimated OPEC crude production last month averaged 28.97 million barrels a day. It also says that demand this year for OPEC oil is expected to average a daily 29.9 million barrels.

[El Badri moves to reassure world after Opec meeting](#)

VIENNA // Opec denied yesterday that its failure to reach a decision on crude supplies for the second half of this year meant the oil exporter group had lost relevance.

Abdalla el Badri, the Opec secretary general, insisted that it could still take action in the event of an oil shortage.

[Why OPEC fracture changes nothing](#)

Despite one of the organisation's most influential members, Saudi Arabia's oil minister Ali Naimi, describing the meeting as 'one of the worst we've ever had', Komilikis told Citywire that he doubts whether the implications of this disagreement will be far reaching.

[Saudi offers Asian refiners more oil - sources](#)

(Reuters) - Top oil exporter Saudi Arabia has offered more crude to Asian refiners in July, evidence that it is taking steps to unilaterally increase supplies after OPEC talks collapsed earlier this week.

[Watch out for falling gasoline prices](#)

The failure of oil-producing nations to agree this week on boosting output sparked worries that the price of crude and gasoline could be headed higher again.

But a number of oil industry watchers think those worries are misplaced.

"Right now the real story is not so much what's happening in Vienna," where OPEC

leaders met, said Nansen Saleri, CEO of oil reserve adviser Quantum Reservoir Impact. “The real story is what's happening in Libya and what’s happening in the global economy, particularly in the U.S.”

[Good Graph Friday: Want to be a pocketbook patriot? Stop driving](#)

The Great Recession has prompted many consumers to say that they want to buy more American-made products, and rely less on imports.

One of the best things they could do to reduce our trade deficit is turn off their engines.

[Natural Gas – the Coming Shale Gale](#)

The “proved reserves” figures reported by the Energy Information Agency are a relatively small part of America’s natural-gas resource base, which has increased dramatically in recent years. On April 27 of this year, the nonprofit Potential Gas Committee, which is comprised of a group of experts in the field, estimated the U.S. future gas supply at 2,170 trillion cubic feet – enough natural gas to satisfy America’s consumption for 100 years, and a huge 42 percent increase over the committee’s assessment just four years earlier.

[Iraqi pipeline exploration hits an explosive obstacle](#)

For the past year they have been scouring the seabed from the Al Faw peninsula to Iraq's offshore oil terminals, clearing the way for a vital new pipeline. Now, just as their task nears an end, the team of former military divers has made a dramatic discovery.

[U.S. Plants Gird for the Next Fukushima](#)

If a nuclear plant in the United States had a serious accident and the managers asked for help from a neighboring company, chances are that the nuclear Samaritans would arrive with radios that worked on a different frequency, or with emergency pumps that required hoses of a different size or pressure rating, industry officials say.

[Biofuels From Algae, Wood Chips Are Approved for Use by Passenger Airlines](#)

Airlines won the backing of a U.S.- based technical-standards group to power their planes with a blend of traditional fuel and biofuel from inedible plants, the Air Transport Association said today.

[Mozambique to Enforce Fossil, Biofuel Mix in 2012, Noticias Says](#)

Mozambique's government will next year begin to enforce a mixture of fossil and biofuels which may save the country up to \$22 million, state controlled daily Noticias reported, citing Energy minister Salvador Namburete.

[Electric Company Of Saudi Arabia Warns Country May Run Out Of Oil By 2030](#)

The electricity company of Saudi Arabia has set off alarms to warn that oil in this country could be depleted by 2030 if left unchecked domestic consumption. According to a report of this company, it is estimated between 2.5 and 3.4 million barrels a day.

[Our car-buying habits are fickle](#)

In a move reminiscent of drug dealers peddling their addictive wares to school kids in order to guarantee, um, future market growth, Saudi Arabia's Prince Alwaleed bin Talal recently opined that the world's largest producer of crude would like to maintain a target price of around US\$70 to US\$80 a barrel for its crude lest its most ardent clientele - that's us - kicks its highoctane habit.

As cynical as that may be (and also impossible if you believe the "peak oil" theorists), the truly sad part is that it would almost assuredly keep us mainlining petrochemicals. We are, all evidence suggests, short-sighted when it comes to gas prices, our attention span that of an ADD'ed 12-year-old who just sold all his Ritalin to fund his purchase of a Honda mini-bike (OK, it wasn't Ritalin; they didn't have it in my youth). In short, our car-buying habits are notoriously fickle.

[John H. Sinfelt, Who Helped Introduce Unleaded Gas, Dies at 80](#)

John H. Sinfelt, a chemical engineer whose research for an oil company helped lead to the introduction of unleaded gasoline and significant reductions in air pollution, died on May 28 in Morristown, N.J. He was 80.

[DECC accepts warning of rising peak oil risks](#)

Experts have urged the government to shield the UK against rising oil prices and market shocks as part of a major consultation which revealed a widespread concerns that global oil production will peak before 2030.

The Department of Energy and Climate Change (DECC) yesterday published the results of a call from chief scientific advisor David Mackay for evidence to help predict the uncertain future supply and demand of crude oil.

[Time for politicians to fall into step as military sounds the retreat on fossil-fuels dependency](#)

“Such large-scale challenges will require large-scale solutions. To successfully meet these challenges, US policymakers must provide a clear and predictable market signal for investment, development, and scale-up of clean-energy technologies.”

So, who wrote that? The American Wind Energy Association, or some single-issue campaign group set up to protect the wild spaces threatened by oil drilling?

No. It was signed off by Gordon Sullivan, a former US Army chief of staff, and a bevy of his fellow top brass, in a research paper looking at how to defend America’s strategic interests as well as its economic welfare.

[Too many mouths to feed? Get stuffed](#)

So, to solve the problem of rising food prices, we need investment: in devoting more land to food production, in improving crop yields by using the best techniques available, and in reducing waste by making sure the food we grow is properly preserved and transported speedily to market. None of this sounds like a product of ‘natural limits’. The real limiting factors are poverty and a fearfulness about long-term investment, not nature.

The too-many-people mindset exemplified by Friedman and Gilding actually helps to prevent that necessary investment. The Malthusian outlook suggests that what we need is not more tractors and fertiliser but more condoms and sterilisation; not growing world demand but tightening belts. The conclusion we’re invited to draw is that there is no point in trying to innovate and invest our way around problems because they are the symptoms of a planet that is simply too small to cope with too many people demanding too much stuff.

[U.S. Goes On An Energy Starvation Diet](#)

Contrary to peak-oil promoters and other pooh-pooh-ers of American potential, our country is rich in energy resources. These include 1.2 trillion barrels of oil, 2,500 trillion cubic feet of natural gas and 486 billion short tons of coal — plenty to power millions of jobs and trillions of dollars in economic output for hundreds of years. Policies that prevent their extraction defy logic.

[Throgmorton to run for city council](#)

A long-term priority for Throgmorton is enhancing Iowa City’s sustainability. He’s a backer of the city’s Riverfront Crossing redevelopment plans to create a more walkable downtown — plans he hopes will feature an Amtrak like connecting Iowa City to Chicago and Des Moines.

“In the longer run, we face the challenge, and really the opportunity, of becoming a much more sustainable and resilient place,” Throgmorton said. “By that I mean responding to the challenge of global climate challenge and peak oil.”

[Greer: A bridge to somewhere](#)

Last week's discussion of the twilight of the electrical grid in an age after abundance turned out to be timely, in an ironic sort of way. Whatever conversations it might have set in motion in the peak oil blogosphere were all but drowned out by a flurry of proclamations that some energy resource or other would keep the grid up and running for the foreseeable future.

[Will Sen. Inhofe's New Energy Adviser Moderate the Raging Climate Skeptic?](#)

Sen. James Inhofe (R-Okla.), the Senate's most vehement climate science critic, has hired a new point man on energy and environmental policy whom conservatives love and greens -- believe it or not -- respect.

[Expiry of emissions pact in 2012 bedevils talks](#)

BONN, Germany—Climate negotiators are exploring "constructive and creative" solutions so that wealthy countries keep trying to reduce greenhouse gas emissions even when binding commitments expire next year, the U.N. climate chief said Monday.

[World Bank Prototype Carbon Fund Syndicate Agreement Extended Through 2023](#)

The World Bank's Prototype Carbon Fund extended an agreement until as late as 2023 to help govern the syndicate including six governments and 16 companies.

[U.S. Is Falling Behind in the Business of 'Green'](#)

Many European countries — along with China, Japan and South Korea — have pushed commercial development of carbon-reducing technologies with a robust policy mix of direct government investment, tax breaks, loans, regulation and laws that cap or tax emissions. Incentives have fostered rapid entrepreneurial growth in new industries like solar and wind power, as well as in traditional fields like home building and food processing, with a focus on energy efficiency.

But with Congress deeply divided over whether climate change is real or if the country should use less fossil fuel, efforts in the United States have paled in comparison. That slow start is ceding job growth and profits to companies overseas that now profitably export their goods and expertise to the United States.



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