



Drumbeat: June 24, 2011

Posted by [Leanan](#) on June 24, 2011 - 10:53am

[Loss of Libya oil bigger disruption than Katrina-IEA](#)

(Reuters) - The loss of Libyan oil output since February represented a greater disruption to global oil supply than the aftermath of Hurricane Katrina in 2005, Richard Jones, the deputy head of the International Energy Agency, told Reuters Insider TV.

Jones, speaking in Reuters' Paris bureau, said that the initial disruption to oil output in Libya happened at a "fortuitous" time for European oil refiners as many were closed for maintenance.

"Now we're going into the summer driving season, those refineries which have returned to operation are about to ramp up their production."

[House defeats Libya authorization measure](#)

WASHINGTON — The House on Friday resoundingly defeated a resolution that would have given President Barack Obama limited authority to continue the American involvement in Libya in the NATO-led operation against Moammar Gadhafi's forces.

Just 123 members of the House voted for the authorization measure, while 295 voted against it. The congressional action has no immediate effect on American involvement but represents a repudiation of the commander in chief.

[Cracking the Permian to provide oil supplies for future](#)

While oil patches from the Bakken shale to the Eagle Ford have been getting a lot of attention in recent years, the oil industry is focussed increasingly on one of the oldest and richest basins in the country – the Permian Basin. Permian formations have long trapped hydrocarbons in shale and other tight sands and rock in what was formerly the Permian Sea, an area of what is now 110-degree-heat desert that stretches 100,000 square miles across West Texas and Southeastern New Mexico.

[Norway looks to state oil firm to slow output slide](#)

OSLO (Reuters) - Norway's government wants to extend oil production in aging fields

by empowering state firm Petoro to keep its commercial partners from moving on too soon, it said in a parliamentary report the opposition called "tame".

"The government wants to pave the way for a clear effort by the industry to maintain production at a very high level for generations to come," the government said on Friday in its first white paper on oil policy in seven years.

[White House Secret Delegation To Saudi Arabia Paved Way For Oil Move](#)

President Barack Obama sent a delegation of high-ranking advisers in secret to Saudi Arabia to pave the way for Thursday's surprise release of oil from strategic reserves, administration officials said.

Mr. Obama and his top economic and national security advisers began discussing how to cope with the economic impact of higher oil prices in late January, as U.S. gasoline prices began rising above \$3 a gallon for the first time since 2008. White House officials became more concerned after civil unrest in Libya disrupted oil shipments from the North African nation in late February.

[Fracking Gold Rush Lifts Halliburton Prices as Backlog Swells](#)

Halliburton Co. and Schlumberger Ltd. may have the power to charge higher prices for their oilfield services through 2012 thanks to a backlog of unfinished oil and natural-gas wells that tripled in the past year.

[Panel Rules Out Possibility of Selling Off Tepco](#)

TOKYO -(Dow Jones)- An independent panel of experts looking into the restructuring of Tokyo Electric Power Co. (9501.TO) on Friday ruled out the possibility of selling off the entire company to a third party, amid speculation that a sharp drop in the utility's share price has made the company an attractive take-over target.

"The panel is not considering a sale of the whole company, not now and not in the future," said Kazuhiko Shimokobe, chairman of the five-member panel and a bankruptcy lawyer, in a news briefing.

['Cars 2' fuels energy debate with green theme](#)

LOS ANGELES — Even the animated world of Lightning McQueen and Mater the tow truck is testing new energy sources to replace fossil fuels.

Pixar Animation mastermind John Lasseter says the company has no environmental agenda, but with "Cars 2," the blockbuster outfit does tap into today's eco-mindedness with a plot driven by oil vs. a cleaner alternative.

[Calif. 'dust-bowl': Real danger or a mirage?](#)

FRESNO, Calif. — Drive on Highway 99 or Interstate 5 between San Francisco and Los Angeles, and you will see plastic banners scattered among wine tasting ads and billboards hawking the latest pesticide.

"Man-made drought," the banners draped across fences and cotton trailers proclaim in large, bold letters.

"Congress-created dust bowl" and "Food grows where water flows."

The signs in the Central Valley, which provides many of the nation's fruits and vegetables, are a reminder of California's decades-old water war, a conflict stemming from large numbers of people living and farming in areas where the resource is scarce.

[Asia joins global move to tap oil reserves](#)

TOKYO — Asian nations moved to release emergency oil stockpiles on Friday as part of a rare global coordinated action by consumer countries to prevent high energy prices from stunting a stuttering economic recovery.

The move, led by Washington and criticized by the oil industry as an unnecessary distortion of markets, suggests a fundamental shift on the part of industrialized nations toward intervention in commodity markets as an economic policy tool.

[Crude Oil Futures Decline on Slowing U.S. Consumption, IEA Reserve Release](#)

Oil fell, extending its biggest one- day drop in seven weeks in London, on concern slowing U.S. economic growth will reduce demand and after the International Energy Agency said its members will sell oil from reserves.

Brent dropped as much as 1.5 percent, extending yesterday's 6.1 percent decline, after the International Energy Agency agreed to release 60 million barrels to buyers starting next week. The U.S. Federal Reserve this week cut its forecasts for growth and employment this year and next.

"There are clear signs that the U.S. and Chinese economies are slowing," Roland Stenzel, an oil trader at E&T Energie Handelsgesellschaft mbH, said from Vienna. "The IEA triggered a lot of stop losses," he said, referring to the automatic instruction to buy or sell a commodity at a certain level.

[Goldmans and JP Morgan cut oil forecasts after IEA surprise](#)

JP Morgan cut its average forecast for Brent crude to \$100 a barrel in the third quarter, down from its previous projection of \$130.

Goldmans, the commodities uber-bull and one of the most influential investment banks when it comes to commodities investing, downgraded its expectation for Brent far less. It cut its third quarter forecast to \$105 to \$107 a barrel, a pull back it expects by the end of July.

[Gas price drop from tapping oil reserves could be weeks away](#)

NEW YORK (CNMoney) -- Boosting the nation's oil supply could lower gas prices as much as 50 cents a gallon, but relief at the pump is still weeks away.

[Tesco petrol price cut prompts rivals to follow suit](#)

Tesco cuts 3p from a litre of petrol and diesel after move to open up emergency reserves by the International Energy Agency.

[Instant view: IEA to release 60 million bbls oil from reserves](#)

"It could be a signal of the overall the level of concern about a slower global economy. We're seeing the euro pare some losses, but in the long run, if anything, lower oil prices should be a euro negative, as it has been energy and food prices driving euro zone inflation. This may be a knee-jerk, risk-positive reaction."

[Obama takes flak for tapping emergency oil reserves](#)

WASHINGTON (Reuters) – President Barack Obama took withering fire from the oil industry and Republicans for agreeing to release the nation's emergency oil supplies, a decision that senior officials said was prompted by the need to prop up the ailing economy.

Critics blasted the release of 30 million barrels of oil -- half of a global injection coordinated by the International Energy Agency -- as an ill-timed misuse of reserves at a time when U.S. supplies are relatively high, despite the loss of Libya's exports for the past three months.

[‘Head-Scratcher’ IEA Petroleum Release to Inflate U.S. Crude Supply Glut](#)

Oil producers tumbled the most in more than a year after the U.S. government announced plans to pour as much as 1 million barrels of stockpiled crude a day into an already-glutted market.

[More than political interest behind IEA move](#)

Does the International Energy Agency know something that the market ignores?

The release of the strategic petroleum reserve is prompting questions in the market. True, Libya oil production is out-of-action; refineries are demanding more oil as we move into the second half of the year, and high oil prices are affecting economic growth. All of that is plainly evident to the market. Yet, it appears that there is something more.

[Business group slams Obama over oil release](#)

NEW YORK (CNNMoney) -- Washington's most powerful business lobby panned the Obama administration's decision to tap the nation's strategic oil reserve Thursday, calling the move "ill-advised."

"Our reserve is intended to address true emergencies, not politically inconvenient high prices," Karen Harbert, CEO of the U.S. Chamber of Commerce Energy Institute, said in a statement.

[Obama Faulted for Tapping U.S. Petroleum Reserves by Republicans, Industry](#)

Republicans called the Obama administration's plan to tap the Strategic Petroleum Reserve a political move, while some Democrats said the effort to ease shortages may be too little, too late.

[Obama voter support from oil tap could be fleeting](#)

WASHINGTON (Reuters) – President Barack Obama stands to win a bump in voter support for his decision to tap emergency oil reserves, but the gains from lower fuel prices run the risk of evaporating before next year's election, political experts said.

[N.C. gas tax increase means more pain at pump](#)

RALEIGH - As consumers begin paying less tax on most things purchased at retail stores next month, they'll face even more pain at the gas pump.

The state gasoline excise tax will rise by 2.5 cents per gallon to a record 35 cents starting July 1 the same day the sales tax will go down by a penny statewide.

[House votes to ease rules for offshore drilling](#)

WASHINGTON – The House has approved a bill removing a barrier to companies seeking to drill for oil in some areas offshore.

The measure was approved Wednesday by 253-166 vote. It would give the Environmental Protection Agency six months to decide on air pollution permits for offshore rigs or platforms exploring for oil. It also limits challenges to the EPA's appeals board and restricts which emissions can be evaluated.

[Self-regulation the way forward for oil futures](#)

(Reuters) - While governments and regulators dither, IntercontinentalExchange energy hub has moved ahead of the curve, with steps to boost transparency that could increase the lure of its flagship Brent contract over its U.S. rival.

[China aims to find 6.5 bln T of oil reserves in 5 yrs - report](#)

(Reuters) - China aims to discover 6.5 billion tonnes of proven domestic geological oil reserves in the coming five years, China Land and Resources News, a newspaper run by the Ministry of Land and Resources reported on Friday.

The projection assumes the discovery of an average of 1.3 billion tonnes of proven geological oil deposits per year, slightly higher than discoveries in each of the past several years.

[China to cut import duty for oil products from July 1](#)

(Reuters) - China will cut the import duty for gasoline, diesel, jet kerosene and fuel oil from July 1, the ministry of finance said on Friday.

[Chinese warships cross high seas off Japan island](#)

TOKYO – Japan's Defense Ministry said Thursday 11 Chinese warships were spotted in international waters off the country's southern island of Okinawa.

No territorial violations were claimed by Japan, but the movements are sensitive because Japan and China have a dispute over small islands in the East China Sea.

[Iraq's largest oil refinery shuts down after fire](#)

Baghdad - Production at Iraq's largest oil refinery was halted after a fire caused serious damage to the complex, sources within the company operating the refinery said Friday.

Civil defence teams brought the fire under control four hours after it started, sending thick black smoke from the facility located in Beiji, some 200 kilometres north of Baghdad.

[Athabasca Oil Sands' ups reserve estimates; raises capex](#)

(Reuters) - Canada's Athabasca Oil Sands Corp said it increased its net resource volume by 10 percent and raised its capital expense to drill more wells.

The bitumen producer will now spend \$363.5 million in 2011 and expects to drill 14 wells, up from its earlier forecast of six wells, in the Deep Basin in Alberta.

[Yanukovich: 'We have no conflict with Gazprom, but gas price should now be less than \\$200'](#)

Ukraine is not conflicting with Russia over the gas price, Ukrainian President Viktor Yanukovich has said.

"This is not a conflict, but the difference of opinion, and we announced this immediately after coming to power," Yanukovich said in an interview with the French newspaper Le Monde, which was published on the Web site of the Ukrainian president on Friday.

[Belarus to sell its gas pipelines to Russia](#)

Belarus says it will sell its remaining stakes in its strategic natural gas pipelines to Russia's Gazprom for \$2.5 billion.

The deal will help the Kremlin-controlled gas giant secure exports to Europe that have been affected by pricing disputes with Belarus and neighboring Ukraine in recent years.

[Obama Says Withdrawal From Afghanistan Will Aid 'Nation-Building at Home'](#)

President Barack Obama, announcing a reduction of 33,000 troops in Afghanistan by September 2012, said it was "time to focus on nation-building at home" and offered a "centered course" for U.S. military engagement that he said would be rooted in pragmatism.

In a nationally televised speech, Obama sought to balance the demands of the military, which wanted to avoid a rapid withdrawal, and the sentiments of many Americans, who polls show think the war is no longer worth waging.

[Ahmadinejad loses fight over oil portfolio: parliament](#)

TEHRAN (AFP) – Iranian President Mahmoud Ahmadinejad's plan to merge the strategic oil ministry into an enlarged energy portfolio has been "cancelled," the official parliamentary website said on Tuesday.

"The merger of the two ministries has been cancelled and taken off the government's agenda to merge ministries," the website quoted Hossein Sobhani-Nia, a member of the parliamentary management committee, as saying.

[Living conditions deteriorate as Yemen impasse deepens](#)

SANAA (Reuters) - Clutching a textbook, Saleh al-Kawkabani struggled to concentrate on preparing for his high school exams, which in Yemen begin next week.

"In the morning, we wake up to the sound of gunfire and at night, it is scary pitch dark without electricity. And then you expect me to study?" the 18-year-old student said, sitting on the pavement near his house in the capital Sanaa.

[Norway lets watchdog loose](#)

Norway aims to raise the bar for oil and gas exploitation by giving state-owned Petoro more muscle to influence operators under a new white paper unveiled today.

[Fracking and Water: E.P.A. Zeroes In on 7 Sites](#)

The Environmental Protection Agency has chosen seven natural gas drilling sites where it will conduct case studies to evaluate the impact of hydraulic fracturing on local drinking water.

[Agency issues report on Arctic offshore drilling science 'gaps'; spill, climate data lacking](#)

ANCHORAGE, Alaska — Decision makers lack key scientific information on what effect oil and gas drilling would have in Arctic offshore waters, according to a report released Thursday that also acknowledges pro- and anti-development sides in the largely undeveloped region are unlikely to agree on what is a science "gap" and what is sufficient.

[Fusion Experiment Faces New Hurdles](#)

The \$3.5 billion ignition facility, derided by some critics as taxpayer-financed science fiction, is running into new challenges that may further delay and perhaps scuttle its goal.

Among those challenges is the unanticipated presence of particles that clog filters designed to prevent the escape of radioactive material. Officials have proposed bypassing the filters for some experiments and venting radioactive particles directly into the air.

Officials say the radiation risks to people living in the surrounding area and to Lawrence Livermore researchers not involved with the experiments will be negligible. But according to a worst-case scenario outlined in a draft environmental report, an average of one worker involved in the experiments could die every 18 years from cancer caused by radiation exposure.

[Expert: GA nuke plant issues not 'insurmountable'](#)

ATLANTA - Building the country's first brand-new nuclear power plant in a generation could take longer and cost the Southern Co. more than its approved \$6.1 billion budget, but the problems "are not insurmountable," an independent monitor testified Thursday.

[Futuristic U.S. Power Reactor May Be Developed Overseas](#)

The TerraPower "wave reactor" concept is backed by Microsoft's Bill Gates, is endorsed by Republican presidential hopeful Jon Huntsman Jr. and has gotten a receptive ear from President Obama's Energy Department.

[First Japanese robot enters damaged nuclear reactor at Japan plant](#)

Tokyo - A Japanese robot was sent Friday into a damaged reactor building for the first time to reduce the radiation exposure of workers, operator Tokyo Electric Power Co (TEPCO) said.

The unmanned robot 'Quince' developed by a team of researchers at Chiba Institute of Technology entered the building of reactor 2 at the Fukushima Daiichi Nuclear Power Station to install equipment to measure water levels inside.

[IAEA to End Fukushima Meeting Without Agreeing on New Nuclear Safety Rules](#)

The United Nations atomic agency missed a chance to strengthen international nuclear safety today when delegates concluded a meeting on Japan's Fukushima Dai-Ichi reactor meltdowns without implementing new policies.

[Is Fukushima a Roadblock, or Just a Speed Bump?](#)

Three months after the Fukushima Daiichi accident in Japan, energy experts are moving past analyzing the accident itself and trying to divine what it means for the

future of nuclear power. Three experts from Platts, the energy newsletter publishing company, suggested on Thursday that it might be minimal. The three spoke in a webinar sponsored by Westinghouse, the reactor manufacturer.

[Ford Steps on the Gas in Asia](#)

Alan Mulally is planning on a 50 percent production boost, and that depends largely on expansion in China and India.

[Hybrid cars' share of sales stalls](#)

Despite months of high gas prices, a bevy of new fuel-stingy cars with conventional gas engines may be eating into sales of pricier gas-electric hybrids.

Sales of high-mileage, high-value conventional compacts such as the Hyundai Elantra, Ford Focus and Chevrolet Cruze are hot, while hybrid sales have stagnated.

[Sports car buyers cite fuel economy as top factor for first time](#)

For the first time, sports car buyers say they are taking fuel economy into consideration as one of the top 10 factors in deciding on a vehicle, a new annual survey says.

That's just one of the surprising findings in the the New Vehicle Customer Study from Maritz Research, which has been conducted for more than 30 years.

[Build bike paths and the people will ride](#)

"On the weekends it's not bad out here because the trucks are off the road. But it's a chicken and the egg situation: people would like to cycle, but the first thing they say is 'It's not safe'. What comes first, the infrastructure or the cycling?"

A new survey appears to show it's the infrastructure.

[Five Ethanol Myths, Busted](#)

We must develop a multitude of alternatives to address our future energy needs. One such alternative is ethanol, which is domestically generated and sustainable. However, there are many myths surrounding ethanol, and I've come across a lot of them in my work at Argonne National Laboratory. I'm a mechanical engineer in the lab's Transportation Technology R&D Center, so I've spent a lot of time researching ethanol.

Here are counterpoints to five prevalent myths about ethanol.

[Spring deadline lapses, still no solar panels on White House](#)

WASHINGTON — Last October, the Obama administration announced plans to install solar panels on the roof of the White House by the spring of this year, returning the power of the sun to the pinnacle of prominence a quarter-century after Jimmy Carter's pioneering system was taken down.

Spring has come and gone, and the promised panels have yet to see the light of day.

[Can North Africa Light Up Europe With Concentrated Solar Power?](#)

HAMBURG, Germany -- Twenty-five years after Gerhard Knies conceived of powering Europe with the Sahara Desert's sun, the North Africa Solar project has grown into something considerably more than a mere mirage, but it's still less than a reality.

[Chile court blocks giant Patagonia dam project](#)

SANTIAGO (AFP) – A Chilean court ordered the suspension of a project to build a complex of giant hydroelectric dams in the Patagonian wilderness, bowing to appeals by lawmakers and environmental groups.

The appeals court in the southern port city of Puerto Montt ordered a stay "which means the project is paralyzed until the essence of the matter is resolved," the judiciary said in a statement.

[Middle East's Push Toward Renewable Energy Spurred by Rising Oil Prices](#)

There's a revolution sweeping the Middle East that has nothing to do with street uprisings or Twitter protests. It's a clean energy upheaval with international implications that could transform the Arab world from North Africa to the Persian Gulf.

Solar plants are cropping up in Jordan and Morocco. Wind farms are being built in Egypt and Tunisia. Eight Arab nations and the Palestinian territories have a renewable energy target, and at least five more are taking serious steps to promote the domestic use of clean energy. Some of the most surprising movement is happening in oil-rich countries like Saudi Arabia and Qatar.

[Budget amendment would repeal increase to Focus on Energy funding](#)

Eau Claire (WQOW) - The state budget has sparked debate surrounding an energy efficiency program.

This week, dozens of businesses across the state sent a letter to the governor asking him to veto a measure that scales back funding for Focus on Energy. Focus on Energy is a program that promotes energy efficiency.

[Albany Mulls Altering Way State Permits Power Plants](#)

Utility customers would be able to pay off the cost of making their homes more energy efficient through charges on their monthly electric bills and the process of getting permits for new power plants would be streamlined under a bill that state lawmakers in Albany were expected to pass on Wednesday night.

[Ecological Reality Is Not What You Hypothesize](#)

This year, in *The Wealth of Nature: Economics as if Survival Mattered* (New Society 2011), John Michael Greer, his own understanding of the interconnectedness of all things within the earth ecosystem firmly in place, asks mainstream, neo-classical economists to take the same journey—to get out in the real world and base their economic theories on what they find, rather than on what the mathematics say they ought to find. In particular, he points out that current economic theory and policy is only exacerbating our headlong trajectory into “Nature’s brick wall.”

[John Michael Greer: Santa isn't bringing gigawatts](#)

Through the clouds of wishful thinking that too often make up what we are pleased to call a collective conversation on the subject of energy, a ray of common sense occasionally shines through. This week’s ray came by way of a study on the Earth’s thermodynamic balance, soon to be released in no less a scientific publication than the Proceedings of the Royal Society. The study found among other things that there’s a fairly modest upper limit to the amount of energy that wind farms can extract from the atmosphere without changing the climate.

So far, at least, the peak oil blogosphere hasn’t responded to this study at all. That’s not surprising, since the idea that renewable energy resources might also be subject to environmental limits is about as welcome in most alternative circles these days as a slug in a garden salad. These days, for many people who consider themselves environmentally conscious, a vision of giant wind turbines in serried ranks as far as the eye can see fills a pivotal emotional need; it allows them to pretend, at least to themselves, that it’s possible to support today’s extravagant lifestyles on renewable energy – to have our planet, one might say, and eat it too.

[Technocracy’s Endgame: Global Smart Grid](#)

The dark horse of the New World Order is not Communism, Socialism or Fascism: It is Technocracy.

[Does life online give you 'popcorn brain'?](#)

Clifford Nass, a social psychologist at Stanford, says studies show multitasking on the Internet can make you forget how to read human emotions. When he showed online multitaskers pictures of faces, they had a hard time identifying the emotions they were showing.

When he read stories to the multitaskers, they had difficulty identifying the emotions of the people in the stories, and saying what they would do to make the person feel better.

"Human interaction is a learned skill, and they don't get to practice it enough," he says.

[Thieves steal copper ground wire, cut power to 3,800 homes](#)

[Modest New Steps on the Food Supply](#)

The global food crisis is getting a fresh round of high-level attention. At their first-ever summit meeting on Thursday, agriculture ministers for the Group of 20 major economies agreed on an action plan to tackle food supply problems as well as high and volatile prices for major commodities.

Perhaps the most significant element will be the creation of a new information system designed to shine a brighter light on global grain flows and reserves. In the past some countries, notably China and India, have treated this kind of information as state secrets. Both traders and scientists have long complained about the lack of reliable global statistics, especially regarding stockpiles.

[Our oil-dependent culture is sleepwalking into the future](#)

What is agriculture going to look like 30 years from now? Probably a lot like agriculture 130 years ago.

[Gillard Stares Down 'Electoral Annihilation' With Carbon Tax](#)

A year after ousting her predecessor, Prime Minister Julia Gillard is counting on the same political skills she used then to hold her party together as she pushes a climate-change plan opposed by 60 percent of Australian voters.

With the least-liked government in almost four decades and the lowest personal popularity in 13 years, Gillard is wooing legislators across Australia for the package.

[Mexico's \\$8 Billion Power Projects May Cut California Emissions](#)

Mexico expects foreign investment in renewable energy to almost triple this year to \$8 billion, helping U.S. states such as California to slash carbon emissions, said the head of the Latin American nation's investment promotions agency.

[A Region With Big Climate Vulnerability and Bigger Distractions](#)

Climate change may be the last thing that leaders of revolution-riddled countries in the Middle East want to deal with now. But before long, experts say, the problems caused by rising global temperatures could disfigure the land they are fighting over.

From disappearing snow in Lebanon to rising seas threatening Bahrain to flooding in Tunisia and Egypt, climate change already is giving the Middle East and North Africa a good deal to worry about. And those who work in the region note that governments -- struggling to maintain power and in some cases engaging in all-out warfare with their citizens -- are losing valuable time needed to adapt.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).