



Drumbeat: July 30, 2011

Posted by [Leanan](#) on July 30, 2011 - 9:42am

[Iran conducting seismic scans in Kuwaiti waters](#)

KUWAIT: Iranian geologists have been trespassing into Kuwait's territorial waters to conduct seismic scans in the Durra and Lulu offshore oil fields, according to a senior Kuwaiti oil sector official.

Speaking on condition of anonymity, the official said that Kuwaiti authorities are aware of the Iranian scientists' intrusion into Kuwaiti waters, "which happen at least once a month," suggesting that the scans aim to assess the oilfields' reserves.

[Explosion at Mexican oil refinery kills two](#)

(Reuters) - An explosion ripped through Mexico's second-largest oil refinery on Saturday, causing a massive fire and killing two workers, though production was not affected, state oil monopoly Pemex said.

The explosion occurred at the 315,000 barrel-per-day Tula refinery in central Mexico while the company was running a trial of its visbreaker, a processing unit used in the distillation of crude oil, a Pemex spokesman said.

[Mexico's Pemex To Award Its First Incentive Contracts Aug 18](#)

Carlos Morales, head of Pemex's exploration and production division, said during a conference call Friday that the re-opening of mature fields with new technology has great potential to compensate for the natural decline at other fields such as the super-giant Cantarell offshore complex.

Cantarell has fallen from a peak of about 2 million barrels a day in 2004 to about 460,000 barrels a day, according to Pemex figures. Morales said Cantarell has stabilized and will have significant production levels for a prolonged period of time.

[U.S. Gulf oil patch restores operations after Don](#)

HOUSTON (Reuters) - U.S. offshore oil and natural gas producers re-staffed their

production platforms in the Gulf of Mexico on Saturday, the day after Tropical Storm Don made landfall on the south Texas coast.

[Chinese help to be sought for fighting energy crisis](#)

ISLAMABAD: As part of efforts to ease the energy crisis in the country, Pakistani authorities will discuss with the Chinese officials the Pak-Iran gas pipeline project during the first meeting of the Pak-China Joint Energy Working Group (JEWG) to be held in Beijing on Aug 1-2.

[Gunmen kill 11 in sectarian attack](#)

QUETTA: Ten Shiite Muslims and another man were killed yesterday when gunmen opened fire in an apparent sectarian attack in southwestern Pakistan, police said. The shooting took place on the outskirts of Quetta, the capital of oil and gas-rich Baluchistan province, which borders Afghanistan and Iran. "Gunmen opened fire on a passenger van carrying Shiite Muslims. Ten Shiites and a passer-by were killed and four injured in the attack," senior police officer Jamil Ahmad Kakar said by telephone.

[Pakistan puts travel curbs on U.S. diplomats](#)

ISLAMABAD (AP) — Pakistan has placed new travel restrictions on American diplomats living in the country, a U.S. official said Saturday, in the latest sign of the breakdown in ties between Islamabad and Washington since the U.S. raid that killed Osama bin Laden.

[Five Workers For Occidental Oil Kidnapped In Colombia](#)

BOGOTA -(Dow Jones)- Five people doing contract work for Occidental Petroleum Corp. (OXY) were kidnapped in northeastern Colombia, an army official said Saturday.

The kidnapping occurred after the work day ended Friday while the workers were driving home on a rural highway in the oil-rich state of Arauca, said Gen. Jaime Reyes, commander of the Army's 18th Brigade.

[Can BP's investors give oil giant the time to learn from Shell's mistakes?](#)

Now powering ahead of BP with profits of \$8bn in the past three months alone, Shell is the largest oil company in Europe with an enviable pipeline of new oil and gas projects due to boost production this year. Lauded by investors and analysts, these are the same City faces who were back then pressing for the company to be taken over or split up – much like for BP today.

Although BP's accident is a completely different, more expensive problem, there are still parallels with Shell's historic corporate scandal – most notably its probable longevity.

Herein lies the tale of how Shell regrouped from one scandal, to transform itself into a company that is today worth twice as much as BP, even though the pair are often mentioned in the same breath.

[Shikoku utility also urged to sway N-meet](#)

Shikoku Electric Power Co. has become the second utility to admit it was asked by the government's nuclear safety agency to sway opinion at public meetings on "pluthermal" nuclear power generation, a revelation that raises further questions about the watchdog's impartiality.

[The bright future of solar powered factories](#)

Most of the talk about renewable energy is aimed at electricity production. However, most of the energy we need is heat, which solar panels and wind turbines cannot produce efficiently. To power industrial processes like the making of chemicals, the smelting of metals or the production of microchips, we need a renewable source of thermal energy. Direct use of solar energy can be the solution, and it creates the possibility to produce renewable energy plants using only renewable energy plants, paving the way for a truly sustainable industrial civilization.

[Time for the Cairo Option?](#)

It's a perfect storm of both circumstance and social dysfunction really. A combination of extraordinary circumstances that have created a number very complex and threatening situation for the state, the nation and the world. I'm not just talking about the global debt crisis either, though that is the Sword of Damocles du jour. It's everything; the crazy historical revolutions in the Middle East, our involvement in the basket case that is Afghanistan and nuclear-armed Pakistan, the two-headed snake of peak oil and global climate change, the whole ball of wax.

[Chavez wants higher OPEC quota for Venezuela](#)

(Reuters) - Venezuela's President Hugo Chavez urged the OPEC producer group on Friday to raise its quota for the South American nation given its vast reserves in the Orinoco heavy crude belt.

Venezuela's quota is around 3 million barrels per day, but it aspires to produce far more than that in the coming years through ambitious joint venture projects in the Orinoco.

OPEC recently said Venezuela leapfrogged Saudi Arabia to become the world's No. 1 holder of crude reserves, with more than 296.5 billion barrels, albeit much of that tar-like extra heavy oil.

[Oil drops near \\$96 after weak US GDP report](#)

Oil fell nearly 2 percent Friday as investors grew uneasy about the U.S. economy's ability to grow significantly and the Congress' ability to act decisively to prevent a default on the nation's debt.

This morning the U.S. government said the economy expanded at a meager 1.3 percent annual rate in the second quarter after barely growing at all the first three months of the year.

The data raised questions about the strength of oil demand in the months ahead. At the same time, the clock continues to tick as Congress argues about raising the government debt limit before Tuesday's deadline to avoid a default.

[Washington unlikely to default](#)

Turning to energy, the price of NYMEX crude is currently trading around \$97 per barrel and only a global recession will cause it to decline significantly. As long as the world's nominal GDP continues to grow, the oil price will stay firm and when QE3 is unleashed, we can expect some fireworks. There is no way to sugarcoat it; the world's demand for liquid fuels has surpassed available supply and 'Peak Oil' is at our front door. Unfortunately, we have left it too late and all of us will have to deal with incredible price spikes and volatility.

[The U.S. economy is indeed shrinking](#)

It has been a constant theme in these columns that the global oil supply is under real threat. The facts to confirm this are everywhere if one were interested in pursuing the topic. (Google "Peak Oil" and see what comes up). A clear indication of a shift in supply is that Saudi Arabia, while it increased its output by 700,000 barrels per day, has kept more of its oil at home to benefit its own citizens with air-conditioning and desalinization projects.

So how do we confront a shrinking economy at work and at home? Brutal assessments will be the order of the day. Even though the top 10 percent of the population will manage to keep luxury businesses going for a time, the economy must shift away from businesses that feed the public's desires to those that address what people need to survive. Small enterprises will fare better. All businesses should start wondering whether their employees could get to work if they couldn't afford to fill the gas tank. Is your business near a transit network? These are tough questions.

[Russia's Game of Paper-Scissors-Rock...and Fuel](#)

Bulgaria is in the grip of a new fuel supply crisis.

Unsurprisingly, Russia plays a prominent role in the new episode of the energy game of nerves.

[Bulgarian Regional Minister Assuages Fears of Hwy Price Hike over Lukoil Crisis](#)

The halted production of bitumen by Lukoil Bulgaria will not lead to an increase of the construction cost of Trakiya highway in southern Bulgaria.

The statement was made Saturday by the Minister of Regional Development and Public Works, Rosen Plevneliev, who said there are large producers of bitumen in neighboring Greece and Romania.

[Bulgaria unblocks state jet fuel reserves](#)

(Reuters) - Bulgaria will release 1,800 tonnes of jet fuel from its state reserves to help the country's Black Sea airports after their supplier, oil refinery LUKOIL Neftochim, was forced to stop sales, the economy and energy minister said on Saturday.

[Iran resumes gas exports to Turkey after blast](#)

TEHERAN — The flow of Iranian gas is to resume to neighbouring Turkey on Saturday a day after a pipeline explosion, a spokesman for the national gas company was quoted by the Fars news agency as saying.

'This pipeline is going through the final stages of repair and the flow of gas will resume on Saturday at noon,' the National Iranian Gas Co's (NIGC) Majid Boujarzadeh said.

[U.S. review: Iraq deadlier now than a year ago](#)

(AP) BAGHDAD - Frequent bombings, assassinations and a resurgence in violence by Shiite militias have made Iraq more dangerous now than it was just a year ago, a U.S. government watchdog concludes in a report released Saturday.

The findings come during what U.S. Special Inspector General for Iraq Reconstruction Stuart W. Bowen Jr. called "a summer of uncertainty" in Baghdad over whether American forces will stay past a year-end withdrawal deadline and continue military aid for the unstable nation.

[Increasing oil demand in India, China leading to price rise: US president Barack Obama](#)

WASHINGTON: US President Barack Obama on Friday said that the increasing

demand of oil in countries like India and China is leading to the rise in oil prices.

[Obama hails deal on increasing auto fuel-economy standards](#)

Reporting from Washington— Set against the stalemate of the debt-ceiling debate, President Obama on Friday hailed agreement on an ambitious increase in auto fuel-economy standards as evidence that compromise and progress are still possible.

The agreement, which Obama called "the single-most important step we've ever taken as a nation to reduce our dependence on foreign oil," was hammered out in weeks of negotiations involving automakers, environmentalists, unions, White House officials and the state of California.

[Fuel efficiency: Will new rules cure US addiction to foreign oil?](#)

Energy-security experts praised the new agreement as key to reducing America's reliance on foreign oil.

"This is a big deal," Andrew Holland, senior fellow with the American Security Project, a bipartisan public-policy and research organization, wrote on his blog. "It is important that the United States as a whole uses less oil because the sheer volume of oil imports harms American competitiveness and drives down the value of the dollar."

[Obama Fuel-Efficiency Goals Put Automakers Ahead of 100-Year Pace](#)

When President Barack Obama proposed new fuel-economy standards today, he set a pace that's more aggressive than the industry has managed in the past four years -- or for any sustained period in the last 100.

[New vehicle fuel-efficiency standards make sense](#)

The new standards represent the Obama administration's most significant step toward cleaning the air, cutting greenhouse gases and reducing oil consumption since the president took office.

[Some Good News for the Planet](#)

There is at least some positive news from Washington: a major agreement to bring American consumers cleaner cars — dramatically cutting greenhouse gas pollution, raising fuel economy standards and increasing Detroit's ability to compete in world markets.

[Farewell to OPEC](#)

Here's a bit of good news - too late for Libya, but maybe in time for Iran. Regimes we don't feel obliged to buy oil from today, we may not feel obliged to fire missiles into tomorrow. The reason is simple. They can't use their oil revenue against us, against our friends, or against their own people.

[Japan Ending Nuclear Age Risks \\$5 Trillion Economy as Komatsu, Sharp Walk](#)

Japan's Fukui prefecture helps Sharp Corp. make solar cells, generates cash for BHP Billiton Ltd. and keeps the lights on in the Kansai area, which has an economy the size of Mexico's and is home to Panasonic Corp.

What makes Fukui key to production of global brands is the reason it got the nickname "Nuclear Ginza." The prefecture on the Japan Sea coast north of Osaka is home to 14 reactors in atomic plants, the highest concentration in the world.

[N.R.C. Lowers Estimate of How Many Would Die in Meltdown](#)

ROCKVILLE, Md. — The Nuclear Regulatory Commission is approaching completion of an ambitious study that concludes that a meltdown at a typical American reactor would lead to far fewer deaths than previously assumed.

The conclusion, to be published in April after six years of work, is based largely on a radical revision of projections of how much and how quickly cesium 137, a radioactive material that is created when uranium is split, could escape from a nuclear plant after a core meltdown. In past studies, researchers estimated that 60 percent of a reactor core's cesium inventory could escape; the new estimate is only 1 to 2 percent.

[How to Pick a Site for a Nuclear Waste Dump](#)

The United States can find a way to dispose of its nuclear waste, even if the current program is at an impasse, according to the blue-ribbon commission established by President Obama after he ended the government's planning for making Yucca Mountain in Nevada the nation's nuclear waste repository.

[Volunteer Towns Sought for Nuclear Waste Sites, Panel Says](#)

U.S. communities should be encouraged to vie for a federal nuclear-waste site as a way to end a decades-long dilemma over disposing of spent radioactive fuel, a commission established by President Barack Obama said.

[Clean-tech funding disappears into a cloud of IPOs](#)

Fast short-term profits are driving investment in social networking companies, while green-tech firms that have a longer slog to profitability are suffering.

[Robert Bryce: T. Boone's Windy Misadventure And the Global Backlash Against Wind Energy](#)

Three years ago this month, T. Boone Pickens launched a multi-million dollar crusade to bring more wind energy to the US. "Building new wind generation facilities," along with energy efficiency and more consumption of domestic natural gas, the Dallas billionaire claimed, would allow the US to "replace more than one-third of our foreign oil imports in 10 years."

Those were halcyon times for the wind industry. These days, Pickens never talks about wind. He's focused instead on getting a fat chunk of federal subsidies so he can sell more natural gas to long-haul truckers through his company, Clean Energy Fuels.

[Green energy: California poll finds overwhelming support](#)

A new statewide survey of environment issues conducted by the Public Policy Institute of California found more residents favor climate change policy, want to cut greenhouse gas emissions and believe they are already experiencing the effects of global warming.

"This is a clear mandate that people want to move beyond dirty energy," said David Graham-Caso, Los Angeles Sierra Club spokesman.

[BMW unveils stunning i8 plug-in supercar](#)

The BMW i8 four-seat sports car concept goes from 0 to 62 mph in less than five seconds and only sips from its backup gas engine. It can drive up to 18 miles on electric power alone before the three-cylinder gas engine kicks in.

Its top-end performance should be breathtaking considering it's a "green" car. It will be electronically governed at more than almost 140 mph.

[Removing Barriers to Salmon Migration](#)

OLYMPIC NATIONAL PARK, Wash. — Beginning late this summer, one of the most promising and pure acts of environmental restoration the region and the nation have ever seen will get under way here, experts say, in the form of the largest dam removal project in American history.

It will demolish two massive hydroelectric dams, one of them 210 feet high, that block the otherwise pristine flow of the Elwha River, nearly all of which is within the boundaries of this remote national park.

[The suspicious suspension of a climate scientist](#)

"You have to wonder: this is the guy in charge of all the science in the Arctic and he is being suspended just now as an arm of the interior department is getting ready to make its decision on offshore drilling in the Arctic seas," Jeff Ruch, president of the group Public Employees for Environmental Responsibility, told the Guardian. "This is a cautionary tale with a deeply chilling message for any federal scientist who dares to publish groundbreaking research on conditions in the Arctic."



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