



## Drumbeat: August 19, 2011

Posted by [Leanan](#) on August 19, 2011 - 9:13am

### [EU panel calls for embargo on Syrian oil as deaths mount](#)

(CNN) -- A day after the United States imposed stiff economic sanctions on Syria, a European Union body proposed an embargo Friday on Syrian crude oil.

In Syria, meanwhile, despite the intensified world pressure for President Bashar al-Assad to halt the violence and step down, his security forces continued their tough offensive against protesters. Reports have emerged of at least 23 deaths and a defiant outpouring of mass demonstrations Friday.

The European Union's political security committee meeting in Brussels, Belgium, made the embargo proposal.

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### [Saudi Arabia's policy of stability at all costs may backfire](#)

Saudi Arabia is widely perceived as leading the counter-revolution against the Arab Spring uprisings. In reality, the kingdom's response is centered, as its foreign and domestic policy has long been, on "stability." The Saudis don't want anti-Saudi forces, including such enemies as Iran and Al-Qaeda, to increase their influence in the Middle East.

### [US natgas rig count hits 6-month high--Baker Hughes](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States climbed to its highest in nearly six months, rising four this week to 900, data from oil services firm Baker Hughes showed on Friday.

### [Mexico oil thieves may steal near \\$500 mln this year](#)

VILLAHERMOSA, Mexico (Reuters) - Mexico is set to lose nearly half a billion dollars to oil thefts this year if illegal pipeline taps continue to grow unchecked, the CEO of state oil monopoly Pemex said on Thursday.

Pemex director Juan Jose Suarez said on Thursday organized crime gangs have stolen oil and gas worth \$285 million so far this year and could easily reach losses of \$490 million by the end of 2011.

"We are losing the equivalent of about 20,000 barrels per day of crude," Suarez said at an event in Villahermosa, Tabasco, an oil producing state on the Gulf of Mexico coast. Mexico produces around 2.6 million barrels of oil per day.

### [Rafael Ramírez: Venezuela's oilman finds more reserves for the colonel](#)

Rafael Ramírez should be ranked as one of the most powerful men in the world. As the Venezuelan minister for energy, he is also head of the country's state oil company – and, therefore, now controls the world's biggest proven oil reserves.

In a little-reported development, Opec recently certified that the South American nation was number one in national reserves, after a vast field of what was previously classified as tar was redefined as extra heavy crude. La Faja, as the heavy oil belt along the Orinoco river is referred to, contains nearly 220bn barrels. That takes Venezuela's reserves to 297bn – close to 20% of the world's oil – and leapfrogs it over Saudi Arabia on 265bn.

### [Mongolia plans to build refineries to boost oil supplies](#)

Mongolia, which is forced to import virtually all of its refined oil products and frequently faces chronic fuel shortages, is to begin building an oil refinery early next year in an effort to meet domestic demand and reduce dependence on neighboring Russia for energy supplies.

### [Saudi Arabia Delivers Oil to Yemen](#)

Saudi Arabia delivered on Tuesday the final oil shipment within a grant of three million barrels to Yemen to the Aden Refinery which will process the quantities to be distributed for all provinces to tackle the fuel crisis.

Some 350000 barrels were unloaded, officials said, pointing out that the government has been importing diesel and benzene to meet the local demand.

### [A Snapshot of Brazil](#)

Brazilian offshore drilling activities are faring much better than worldwide operations. Total average utilization for Brazil's mobile offshore drilling fleet is 94 percent, which compares quite favorably to the global average of 80 percent. Similarly, average dayrates are much higher in Brazil than compared to the rest of the world. Currently, rigs (i.e. drillships, jackups, and semisubs combined) are garnering rates in the high-\$310s while global average dayrates are in the mid-\$230s.

### [Pakistan to borrow \\$300m from local banks to build gas pipeline](#)

KARACHI: Pakistan plans to borrow \$300 million from local banks to build a pipeline that will carry natural gas from Iran, easing its worst energy crisis that is curbing economic growth.

### [Cuba seeking oil spill agreement with Mexico](#)

The Cuban government and state oil company CubaPetróleo (Cupet) are seeking to reactivate an 11-year old cooperation agreement with Mexico and state oil company Pemex, Mexican daily Milenio reported.

### [The explosive truth behind Fukushima's meltdown](#)

Japan insists its nuclear crisis was caused by an unforeseeable combination of tsunami and earthquake. But new evidence suggests its reactors were doomed to fail.

### [Ottawa set to reveal new coal-plant regulations](#)

Tougher emissions regulations for new coal-fired electricity plants in Canada are on the way.

Environment Minister Peter Kent announced Friday that new rules will be published next week and will be open to a 60-day consultation period.

### [American labor unions take opposing views on proposed oil pipeline from Canada to Texas](#)

WASHINGTON — A Canadian company's plan to pipe oil from Alberta to the U.S. Gulf Coast is pitting traditional Democratic allies against each other.

Two unions said Friday they oppose the 1,700-mile Keystone XL pipeline. That opposition aligns them with environmentalists but pits them at odds with the Teamsters, one of the largest and most influential unions.

The Transport Workers Union and the Amalgamated Transit Union say they're concerned that the \$7 billion pipeline could pollute groundwater and cause health problems near the Texas refineries where the oil will go.

### [A Climate Change 'Bummer Outer' Comes to Washington](#)

Johnsburg, N.Y. -- If you think the record droughts, famines, storms and floods that many scientists say are being caused by climate change are bad now, Bill McKibben is setting out to assure you that these effects will only get worse, more expensive and

harder to avoid.

### [Is oil from Alberta really climate's linchpin?](#)

Some of the world's most prominent climate activists are headed to D.C. to protest a proposed pipeline that would bring Alberta's unconventional oil to the Gulf Coast. Is this the make-or-break point for global action on climate change or more overheated rhetoric?

### [Straight Talk About Your Future](#)

This is a first for us at Post Carbon Institute/Energy Bulletin: an online 'creative' fundraising campaign. We want to create a presentation deck for all the HUNDREDS of people who have asked us over the years for our slides. But rather than just dump our slides on people, we want to develop a presentation deck and story that is easy to present and personally resonant. Richard has written a fantastic script that presents our oil journey in a truly accessible way, we are now looking to turn this into something really user friendly and inspiring to present. If we're able to raise the funds, not only will we create the slideshow but will train volunteers so that they can deliver it in their own communities.

While we're not seeking much (we're very adept at getting a lot of bang for our buck), the end product will be a powerful educational tool that all of us can use to raise awareness and 'basic literacy' within our homes and communities.

### [The supply of money in an energy-scarce world](#)

Money has no value unless it can be exchanged for goods and services but these cannot be supplied without the use of some form of energy. Consequently, if less energy is available in future, the existing stock of money can either lose its value gradually through inflation or, if inflation is resisted, be drastically reduced by the collapse of the banking system that created it. Many over-indebted countries face this choice at present — they cannot preserve both their banking systems and their currency's value. To prevent this conflict in future, money needs to be issued in new, non-debt ways.

### [John Michael Greer: The twilight of meaning](#)

1. Pull the plug on current popular culture in your own life. Cutting back a little doesn't count, and no, you don't get any points for feeling guilty about wallowing in the muck. Face it, your television will do you more good at the bottom of a dumpster than it will sitting in your living room, and the latest pirate zombie romantic mystery, with or without Jane Austen, is better off gathering cobwebs in a warehouse; you don't need any of it, and it may well be wrecking your capacity to think clearly.

2. Replace it with something worth reading, watching, hearing, or doing. You may well have your own ideas about what goes in this category, but in case you don't, I have a

suggestion: go looking among things that are older than you are.

### [U.S. Plans First Sale of Offshore Oil Leases Since Gulf Disaster](#)

WASHINGTON — The Interior Department is preparing to hold its first sale of offshore oil leases in the Gulf of Mexico since the Deepwater Horizon disaster last year, federal officials announced Friday.

The proposed sale, encompassing more than 20 million acres of the Western gulf, is scheduled for Dec. 14. It will be the first sale in the part of the gulf bordering Texas since the summer of 2009 and the first sale of any kind in the gulf since March 2010.

### [Shell closes valve at North Sea oil leak](#)

LONDON (Reuters) - Royal Dutch Shell said it had moved closer to stemming Britain's biggest oil spill for over a decade by closing a valve from which crude had been seeping for over 8 days.

"Closing the valve is a key step," said Glen Cayley, Technical Director of Shell's exploration and production activities in Europe.

### [Protesters close off Colombia field](#)

Protesters are blocking access to a major oil field in eastern Colombia operated by Canada's Pacific Rubiales to demand the company employ more people from neighboring areas, a trade union leader said on Friday according to a report.

### [Russia moves closer to new oil export duty](#)

MOSCOW (Reuters) - Russian ministries agreed on Friday to introduce a new tax regime to cut oil export duties starting from Oct. 1 and the final decision now hinges on Prime Minister Vladimir Putin, a Finance Ministry spokesman told Reuters.

The spokesman said the agreement was reached at a meeting with Russia's Deputy Minister Igor Sechin, who oversees the country's energy sector.

### [Exodus from Tripoli: Foreigners prepare to flee as rebels near capital](#)

BENGHAZI, Libya — An international body said Friday it would mount an operation to evacuate thousands of foreigners trapped in Tripoli by rebel advances that have put Moammar Gadhafi's capital under siege.

### [Abengoa Offered \\$133.9 Million U.S. Loan Guarantee For Biomass](#)

Abengoa SA (ABG), Spain's largest biofuel producer, was offered a \$139.9 million loan guarantee from the U.S. Energy Department to build a cellulosic ethanol plant in Hugoton, Kansas.

The project will convert 300,000 tons of corn stalks and leaves into 23 million gallons (87 million liters) of ethanol a year, the Energy Department said today in a statement. The plant will also have a 20-megawatt biomass electric generator fueled by leftover plant material. Seville-based Abengoa is expected to add 300 construction jobs and 65 permanent ones.

### [Colin Campbell on embedded energy](#)

So in other words, this is the collapse of the world we have known. Ireland enjoyed a few years of artificial financial prosperity known as the Celtic Tiger, but has gone bankrupt now with 15% unemployed. It can't do much about it as it is locked into the euro and unable to adjust exchange rates. The EU and IMF are offering bail outs to repay the speculators at the expense of the ordinary people who are now condemned to poverty for years. But ironically it might be a blessing prompting a reversion to the sustainable life of Jimmy Mulroe. The situation in Greece seems even worse, but they may find a solution in default, which in turn may torpedo the euro. That would be no bad thing, prompting a reversion to local currencies and eventually returning to a system of barter avoiding all the financial manipulation.

### [No shirt, no shoes, no problem. Interview: Dmitry Orlov](#)

The whole compound thing I think is, you know, silly in general. I've heard from a lot of people who are in, say, investment banking, and, you know, don't really trust what they're doing. So on top of doing investment banking they're also building some sort of a bunker. That seems to be the mindset: "We'll keep doing what we're doing, but if it all falls apart then here's our little self-contained Plan B."

And I don't think the world is that tidy.

### [A New Economic Reality?](#)

As the global economy continues to sputter, is there still a chance of recovery or has an economic paradigm shift occurred, creating a new normal? We'll talk this hour with Post Carbon Institute Senior Fellow Richard Heinberg, whose latest book is "The End of Growth: Adapting to Our New Economic Reality" (New Society Publishers, 2011).

### [Jeff Rubin: Time for Canada to find new trading partners](#)



Oil now accounts for almost half of Canada's export earnings, and the Canadian dollar, already trading at a premium to the greenback, is behaving more like a petro currency every day. This has made getting full value for energy exports never more important.

Yet you would have to go back to the early 1980s made-in-Canada oil prices during the controversial National Energy Program to see as big a gap between world oil prices and what Canadian oil producers are getting paid for their oil today.

### [Crude Falls to \\$80 in Fourth Weekly Drop; Brent's Premium Reaches Record](#)

Oil fell, dipping below \$80 a barrel in New York for the first time in more than a week, on concern that slower economic growth will erode fuel demand. Brent crude traded at a record premium to U.S. prices.

Crude lost as much as 3.9 percent, dropping with worldwide equity markets and headed for its fourth weekly decline amid concern Europe's debt crisis will spread. U.S. crude supplies unexpectedly rose last week, the Energy Department said Aug. 17. Supply disruptions in the North Sea and Africa have boosted Brent to \$25.95 a barrel above New York futures, which have tumbled 30 percent from their peak this year.

### [Global LNG-Asian LNG prices rise above \\$15/mmBtu on demand](#)

(Reuters) - Asian liquefied natural gas (LNG) spot prices for September rose above \$15 per million British thermal units (mmBtu) during the week, with strong Asian demand keeping prices high.

"Asian markets were holding just north of the \$15 level for cargoes as the demand for LNG continues to ramp up," ICAP analysts said in a note.

### [Korea's KOGAS eyes Russian LNG - Gazprom source](#)

(Reuters) - South Korea's KOGAS is in talks with Russia's Gazprom to buy liquefied natural gas (LNG) from a plant in Vladivostok due on stream in 2017, a source at Gazprom told Reuters on Friday.

The source also said that the Russian gas export monopoly may double the plant's annual capacity to 20 million tonnes if talks with the Korean company, the world's largest corporate buyer of LNG, are successful.

### [Stagflation signs: Bond yields down. Gold up](#)

NEW YORK (CNMoney) -- Is that a disco ball I see?

Stocks plunged Thursday after several economic reports in the United States raised more worries about stagnant growth and higher inflation.

I wish there was a word to describe such a scenario. Oh yeah. There is! Stagflation. Remember that old chestnut from the 1970s? Gas lines and what not? Good times. Or not.

### [Exxon Sues U.S. Interior Department Over Canceled Gulf of Mexico Leases](#)

Exxon Mobil Corp. sued the U.S. Interior Department, asking a judge to set aside the agency's decision to cancel offshore leases that may yield "billions of barrels of oil."

### [Iran re-starts Turkey flows](#)

Iran resumed natural gas exports to Turkey on Thursday after a week-long halt following an explosion on the pipeline, the Iranian Oil Ministry's website, SHANA, reported on Friday.

### [Nigerian Navy Arrests Vessel With Suspected Stolen Crude Oil in Delta](#)

Nigeria's navy arrested a vessel carrying 441,953 liters of suspected stolen crude oil in the country's southern Niger River delta, Jerry Unoarumhi, a navy commander, told reporters today in the oil industry hub of Port Harcourt.

### [Maersk Drilling Puts Rig Expansion on Hold](#)

Maersk Drilling, the oil rig unit of Denmark's largest company, may put its expansion on hold because the cost of building platforms is rising and takeovers are too expensive.

### [Obama, Allies Call on Syria's Assad to Quit](#)

Syrian security forces killed at least 12 protesters and arrested more than 300 people after U.S. President Barack Obama, in concert with European allies, called on Bashar al-Assad to step down.

### [Gulfsands faces risk of extra EU sanctions on Syria](#)

LONDON (Reuters) - British oil firm Gulfsands Petroleum could face difficulties with future projects if the European Union follows the United States in toughening sanctions against Syria.

The U.S. on Thursday imposed new sanctions on Syria, including a ban on U.S. imports



of Syrian oil products, raising the possibility that the EU could also act as part of an effort to financially isolate the government of President Bashar al-Assad.

### [Sudan: Islamic Scholars Say Government Not to Blame for Rising Prices](#)

South Sudan's breakaway last month denied the North from around 75% of the country's oil production of 500,000 barrels a day.

Oil exports accounted for most of the revenue and hard currency source in pre-separation Sudan. Officials in Khartoum have warned for several months about the economic impact of the South's secession and have adopted tough austerity measures earlier this year which included reducing subsidies on sugar and petroleum products.

The Islamic clerics said that merchants should repent, seek forgiveness and work in accordance with the principles of Islamic law adding that nothing justifies the high prices. Saleh accused merchants of boosting prices ten-fold.

### [Uganda: Oil Debate Needs to Happen in Uganda, Not Washington](#)

A working paper recently published by the Washington DC based Centre for Global Development (as reported in the Daily Monitor earlier this week), argues that Uganda's future oil revenues should be distributed equally, in cash, to all Ugandan citizens.

Under such a scheme, during peak oil production--about six years from now--every Uganda man, woman and child would receive an annual cash payment of around \$50, depending on the world price of oil. This would be a huge boost for low-income households. All of this, the authors say, would benefit the economy as a whole and, over time, generate more tax revenue for government.

### [Pickens won't give up on natural gas](#)

T. Boone Pickens made his latest energy pitch Thursday in Amarillo, dropping names, recounting exchanges with Saudi royalty and referring glowingly to 4,000 trillion cubic feet of natural gas in the U.S. just waiting to be used.

As he campaigns across the country for a bill to jump-start a switch to natural gas vehicles, Pickens paints America as a shaky foreign-oil addict facing rehab and in need of a nudge in the right direction. And he says he's just the man to do it.

### [Marcellus Gas production continues steady growth in PA](#)

Marcellus Shale natural gas production in Pennsylvania continued its rapid rise in the first half of 2011, according to figures released this week by the state Department of

### Environmental Protection.

The state's 1,632 producing Marcellus wells pumped out 432.5 billion cubic feet of gas during the first six months of the year - a 60 percent increase from the amount of gas produced in the second half of 2010.

### [Environmentalists could undermine shale-gas plans, Alberta cabinet documents suggest](#)

EDMONTON — Leaked Alberta cabinet documents suggest the province is worried environmental groups will undermine public support for shale gas development by spreading “misinformation” about health and environmental effects of chemical fracking.

### [ConocoPhillips: China oil spills almost cleaned up](#)

SHANGHAI (AP) — The local unit of ConocoPhillips apologized Friday for oil spills in China's Bohai Bay and said the cleanup from the leaks is almost complete, with minimal impact to the environment.

No oil remains on the sea's surface from the leakages, ConocoPhillips China said in a statement, emphasizing it intends to ensure such incidents do not recur.

### [Yellowstone oil spill cleanup will last into fall](#)

BILLINGS, Mont. — The cleanup of a major oil spill in the Yellowstone River has proven more difficult than expected and could go on for several more months, an Exxon Mobil Pipeline Co. executive said Thursday.

### [Drilling for oil in Arctic Ocean is fraught with danger](#)

This month the US approved four wells for drilling by Shell Oil in the Arctic Ocean off Alaska, an energy frontier. But Shell's plan to recover after an oil spill is completely inadequate, given the region's remoteness and weather.

### [Deal with oil reality, or else](#)

WHEN it comes to insurance, most of us work on the principle that it is better to be safe than sorry.

We insure our house against the unlikely event of fire, but this logic deserts us when it comes to the really big things, like oil depletion.

### [Homo sapiens are wise in name only](#)

Humanity passed peak fish in 2004, peak oil in 2006 and is likely to encounter growing scarcities of other primary resources, including mineral nutrients, in coming decades. Yet our demand for all resources - including minerals, energy and water - will more than double, especially in Asia. If all the world were to live like contemporary Australians or Americans, it would require four planet Earths to satisfy their wants, the Global Footprint Network says.

### [Saudi Arabia's Nuclear Energy Ambitions](#)

The main driver for KSA's plans to build reactors is that at the rate that it is burning its own oil, it may have substantially less to export in just a decade or so. At a minimum, it may lose the excess capacity the rest of the world relies on when there are disruptions in supplies from other countries. One scenario suggested by energy analysts that follow oil markets is that within two decades most of the KSA output would be used for domestic consumption.

### [Alabama Nuclear Reactor, Partly Built, to Be Finished](#)

The directors of the Tennessee Valley Authority unanimously approved a plan on Thursday to finish the partly built Bellefonte 1 nuclear reactor, a project on which the authority spent billions of dollars in the 1970s and '80s but dropped in 1988 because of cost overruns and declining estimates of power demand.

The revived reactor, in Hollywood, Ala., is not expected to be completed before 2018 to 2020 — or about a half-century after the project was first announced, and following nearly a quarter-century of limbo.

### [Obama's Automotive Fuel Standards Must Go](#)

Lost in the hysterics regarding America's near plummet off the face of the fiscal earth earlier this month was President Obama's announcement that new automobiles sold in 2025 would have to average 54.5 miles per gallon (mpg). Presently, fuel efficiency averages about 27 mpg. Can it be done? Probably. Should it be done? Probably not.

### [Audi shows off unique one-plus-one 'urban concept'](#)

Audi is showing off a tiny commuter car concept electric that would fit into the smallest parking spots, maybe into the motorcycle spots. It's designed for driver and an occasional plus-one passenger who, to make best use of space, sits sort of behind and at an angle to the driver.

### [Chevy Volt may be running out of juice](#)

## DETROIT — Is the Chevrolet Volt running out of juice?

Even as the maker begins its long-promised production ramp-up, a new study suggests that potential buyers are rapidly losing interest in the plug-in hybrid vehicle.

## [U.S. Marines: Use less oil, be more lethal](#)

At a desert base in California, the Marines are testing devices that may help them become a deadlier, more self-reliant fighting force.

## [Power price freeze cools bold ambitions](#)

Dubai's decision to freeze the price of power and water could set back investment in both renewables and fossil fuels.

## [World's Wind Turbine Markets Keep Trucking, Mostly](#)

Global wind turbine markets have weathered recent economic storms with remarkable aplomb, according to new study by IHS's Emerging Energy Research division.

## [Feds seeking ocean wind farm projects in RI, Mass](#)

NORTH KINGSTOWN, R.I. (AP) — The federal government is seeking proposals to develop wind energy farms off the coasts of Rhode Island and Massachusetts, U.S. Interior Secretary Ken Salazar said Wednesday.

## [A Dim Bulb of an Idea](#)

While CFLs are more expensive to buy, they are much cheaper over their lifespan, because they use much less energy (even more so with the cost of CO<sub>2</sub> factored into taxes on electricity). Thus, on a straightforward cost-benefit basis, it seems to make sense for most people to switch from incandescent bulbs to the new, greener technology.

This is what is great about technological solutions to climate change: If an alternative option is cheaper, people will start using it.

## [How to stop demographic suicide](#)

In the first three months of this year, Manitoba's population increased by 2,700 souls. In that same period, Nova Scotia's population declined by 1,100.

...Why is Manitoba's population swelling, while Nova Scotia's thins? One word: immigration. Manitoba recruits newcomers aggressively; Nova Scotia doesn't.

Immigration is helping to power and sustain the Prairie province's boom in natural resources and manufacturing, with unemployment at only 5.7 per cent, well below the national average of 7.2 per cent. The largest Maritime province, meanwhile, struggles with labour shortages and an unemployment rate of 9.5 per cent.

### [Bashing E.P.A. Is New Theme in G.O.P. Race](#)

WASHINGTON — The Environmental Protection Agency is emerging as a favorite target of the Republican presidential candidates, who portray it as the very symbol of a heavy-handed regulatory agenda imposed by the Obama administration that they say is strangling the economy.

### [Dust storm envelops Phoenix, downs power lines](#)

PHOENIX (AP) — A giant wall of dust rolled through the Phoenix area on Thursday for the third time since early July — turning the sky brown, creating dangerous driving conditions and delaying some airline flights.

### [Record for billion-dollar weather disasters tied](#)

With four months still to go in 2011, the United States has already tied its yearly record for the number of weather disasters with an economic loss of \$1 billion or more, the U.S. government reported Wednesday.



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