



## Drumbeat: November 11, 2011

Posted by [Leanan](#) on November 11, 2011 - 9:39am

### [Oil Riches Pile on China Doorstep as Clashes Delay Drilling](#)

To China, the world's biggest energy consumer, another Saudi Arabia of oil may lie beneath the ocean to its south. Escalating regional tensions mean large-scale drilling may be slipping further into the future.

The South China Sea may hold 213 billion barrels of oil, or 80 percent of Saudi Arabia's reserves, according to Chinese studies cited in 2008 by the U.S. Energy Information Agency. The world's second-largest economy claims "indisputable sovereignty" over most of the sea, including blocks off Vietnam that Exxon Mobil Corp. and Russia's Gazprom OAO are exploring.

### [Stuart Staniford: Global Liquids Production reaching New Heights in October](#)

Still not peak oil (or at least not peak liquid fuels). With the IEA and OPEC both reporting through October (and the EIA through July) it seems reasonably likely that October has pipped the pre-Libya heights of January.

### [How's it feel to already be living in a post-peak oil apocalypse?](#)

The International Energy Agency says peak oil came and went -- in 2006. The only reason we're not already paying \$10 a gallon for gas and generally Mad Maxing it up is that there was this thing called a recession.

### [Crude Futures Head for Longest Run of Weekly Gains in New York Since 2009](#)

Oil headed for the longest run of weekly gains since April 2009, on speculation that signs of U.S. economic growth and Europe's steps to contain its debt crisis will support fuel demand.

Crude climbed as much as 0.8 percent in New York and is poised for a sixth weekly increase. The number of Americans filing applications for unemployment benefits fell to a seven-month low, a Labor Department report showed yesterday. Italy's Senate approved a key budget bill today to clear the way for new leadership, while Greece formed a unity government.

### [As Oil Production Rises, Libya Expects to Hit Prewar Levels by June](#)

TRIPOLI, Libya — The acting Libyan oil minister, Ali Tarhouni, said on Thursday that so much progress was being made in resuscitating the country's oil fields that production would return to more than 40 percent of its prewar level by the end of the year and completely recuperate by June.

### [Frontline Jumps Most Since 1998 as Demand to Charter Oil Tankers Builds](#)

Frontline Ltd., the top global operator of supertankers, headed for its biggest weekly gain since December 1998 on signs of stronger demand to charter the largest crude-oil carriers.

### [Tanker-Derivatives May Shift from Half-Century-Old System to Spur Trading](#)

Traders and investors who bet on the cost of shipping oil may decide next week to move pricing of derivatives away from a method dating back half a century in an effort to spur use of the contracts.

About 50 users of the tanker derivatives will meet Nov. 17 to vote on scrapping so-called Worldscale points as a basis for prices, Jeremy Penn, chief executive officer of the London-based Baltic Exchange, said in an interview yesterday. If a consensus is reached, prices will be uniformly expressed in dollars a metric ton starting in January, he said.

### [LNG Boom May Prompt Russia to Court Qatar in Gas Project](#)

Russia may use a meeting of the world's largest natural gas exporters to forge partnerships with rivals designed to boost production as international trade in the fuel booms.

### [Obama delays oil pipeline, Neb. claims victory](#)

LINCOLN, Neb.—Nebraska rancher Bruce Boettcher was ecstatic when he learned the rumors swirling out of Washington were true: plans to build a 1,700-mile oil pipeline from Canada to Texas were on hold to study how environmentally sensitive areas in his state could be avoided.

He'd fought the project with neighbors whose land also sits atop the Ogallala aquifer, a massive underground water supply in the pipeline's path -- and at the epicenter of the national debate. Nebraska officials including its Republican governor pushed against the project, as had environmentalists and national groups.

## [Keystone Pipeline May Not 'Survive' U.S. Delay, Flaherty Says](#)

(Bloomberg) -- The U.S. State Department's decision to delay its review of TransCanada Corp.'s \$7-billion Keystone XL pipeline until after next year's presidential election may doom the project and accelerate Canada's efforts to ship crude to Asia, Canadian Finance Minister Jim Flaherty said.

## [Canada's PM says oil pipeline still has US support](#)

CANNES, France (Reuters) - Canadian Prime Minister Stephen Harper said on Friday he sees overwhelming U.S. support for TransCanada Corp's Keystone XL oil pipeline to Texas from Canada's oil sands, despite recent signs of reticence in Washington.

## [Keystone Delay Helps Obama Rekindle Environmentalist Support](#)

Delaying a decision on TransCanada Corp. (TRP)'s Keystone XL oil pipeline will help President Barack Obama repair frayed relations with environmentalists as he runs for re-election.

## [Rio marchers protest Brazil's oil royalty plan](#)

RIO DE JANEIRO (Reuters) - Thousands of demonstrators rallied in Rio de Janeiro on Thursday against an oil law that could cost the beachside city and surrounding state billions of dollars in revenues.

The protest comes as lawmakers in Congress continue to wrangle over a proposal to distribute the proceeds of Brazil's booming energy industry more widely among states, a dispute that has slowed the development of massive offshore reserves and created a political headache for President Dilma Rousseff.

## [Venezuela's Perez would revise Cuba oil deal](#)

(Reuters) - A leading opposition candidate hoping to challenge Venezuela's Hugo Chavez at next year's presidential election would revise preferential oil deals with Cuba and other Central American nations if he wins.

## [Sinochem Plans to Raise Up to 35 Billion Yuan in Biggest China IPO in 2011](#)

Sinochem Corp. plans to raise as much as 35 billion yuan (\$5.5 billion) in an initial public offering to fund an oil refinery project, in what would be China's sixth-biggest IPO.

### [Sinopec to Pay \\$3.54B for Stake in Galp Unit](#)

China Petrochemical Corp., Asia's biggest refiner, said it agreed to pay \$3.54 billion for a 30 percent stake in Galp Energia SGPS SA (GALP)'s Brazilian unit, the nation's largest overseas acquisition this year.

### [China says no reason to target its firms over Iran](#)

BEIJING (Reuters) - China and Iran have normal business ties which should not be targeted by any new sanctions on Iran over its nuclear program, the Chinese Foreign Ministry said on Friday, repeating that in any case sanctions were not the solution.

### [Iraq govt warned Exxon against Kurdish deals-official](#)

(Reuters) - Iraq's government warned Exxon Mobil last month that any oil exploration contract it signed with the Kurdistan Regional Government would be illegal and could result in termination of its deal to develop the West Qurna oilfield, a senior Iraqi oil official said on Friday.

### [PG&E finds corrosion on gas pipelines](#)

Pressure tests on natural gas pipelines in California led PG&E revealed a leak on a 24-inch pipe in Palo Alto, Calif.

The leak was on a section of the pipeline that exploded in San Bruno, Calif., last year, killing eight people and destroying 38 homes.

### [Pa. shale rules fall short, critics say](#)

HARRISBURG, Pa., Nov. 11 (UPI) -- Proposed legislation in Pennsylvania outlining development of the Marcellus shale play doesn't do enough to protect the state's environment, critics say.

### [ConocoPhillips 'negligent' over Bohai Bay](#)

ConocoPhillips China's oil leak in Bohai Bay was a major accident caused by negligence, Chinese marine authorities have found.

### [How To Put A Value On Oil Damaged Life In The Gulf](#)

A law passed after the Exxon Valdez oil spill requires the government to assess the biological damage from big spills so fines can be fixed and damage paid for. The National

Academy of Sciences has a report describing the methods and metrics of determining the "ecosystem services" that have been lost due to the BP oil spill in the Gulf of Mexico.

### [Utility: Japan nuke crews' conditions improving](#)

NARAHA, Japan—The utility that runs Japan's tsunami-crippled nuclear station says conditions for thousands of workers there have improved significantly -- although it may take decades to safely close the facility. To show off the progress, it allowed media into the plant's main staging area Friday for the first time.

### [Germany to Resume Search for Nuclear Waste Site, Minister Says](#)

Germany will restart the search for a site to store its most dangerous nuclear waste, working to achieve a "national consensus" on the issue first, the environment minister said.

### [How to rebuild our nation's roads and rails](#)

#### **So where does the money come from?**

I would be much more aggressive placing tolls on roads and bridges, which would create a revenue stream that can be leveraged. There are hundreds of billions that could be raised from pension funds, trust funds, even foreign investors.

#### **This administration wants to make big bets on high-speed passenger rail. How realistic is that?**

You tell me what the price of gas is, and I'll tell you what I think of high-speed rail. Unless we want to price gasoline like Europe, I don't think European-style high-speed passenger rail will ever be workable. Maybe we'll see it work in the Northeast corridor and California -- but to build out the top 30 cities on high-speed rail would cost \$1 trillion.

### [Sumitomo May Expand Sodium-Ion Battery Sales to Carmakers](#)

Sumitomo Electric Industries Ltd. (5802) plans to sell a sodium-ion battery it is developing to makers of electric and hybrid passenger cars, expanding beyond the original target of commercial-vehicle fleet operators.

### [India Solar Projects Face Financing Crunch as Banks Near Limits](#)

Government-sponsored banks that funded India's nascent solar industry when commercial lenders were wary may begin curbing financing, according to an official from a U.S. agency that finances developing country projects.

### [Euro Debt Crisis Slowing Solar Panel Installs, SMA Solar Says](#)

Europe's debt crisis will cause global solar-panel demand to fall this year before returning to "moderate growth" in 2012, Germany's biggest solar-power company by market value said.

### [Biggest Silicon Maker Slows Expansion, Cuts Tennessee Workers](#)

The Hemlock Semiconductor Group, the world's biggest maker of polysilicon, is delaying plans to expand at a site in Tennessee.

Hemlock, based in the Michigan town of the same name, has put off plans to add additional phases at its Clarksville, Tennessee plant because of a lack of demand, Jerrod Erpelding, a company spokesman, wrote in an e-mail today. He said the company is cutting a "small percentage" of the 2,500 contractors working at the site.

### [Solyndra: Energy Department failed to sound alarm as solar company sank](#)

At a number of points in its troubled history, the solar company Solyndra faced dire financial problems that threatened its survival. Yet at each crisis, Energy Secretary Steven Chu and officials at his agency failed to take steps that critics say could have limited taxpayer losses when the company collapsed last summer.

### [Cameron Scored 'Own Goal' With Solar Subsidy Cuts, CBI Says](#)

Prime Minister David Cameron's government scored an "own goal" by cutting subsidies for solar energy four months earlier than planned, the U.K.'s biggest business lobby group said.

### [Molycorp Cuts Rare-Earth Forecast as Profit Misses Estimates](#)

Molycorp Inc. (MCP), owner of the largest rare-earth deposit outside China, posted third-quarter profit and revenue that missed analysts' estimates after sales volumes were less than it had forecast.

### [Egypt shows faith in renewable energy with wind farm tender](#)

Bidding for a 1,000 megawatt wind farm has begun, and shows the Egyptian government's intent to meet its ambitious renewable energy target.

### [More homes heat with wood, raising pollution risks](#)

As energy prices rise, and winter approaches, more Americans are turning to wood to heat their homes, some hurrying to cash in on tax credits for efficient stoves that expire next month.

This upswing is prompting federal officials, concerned about the health and environmental impact of burning wood, to update 23-year-old certification criteria for stoves and set the first requirements for outdoor wood boilers, which heat water that's piped into homes.

### [The Unlikely Champion of a Water Bottle Ban](#)

"This is a big issue for us, and we are trying to proactively address it," he said in an interview for an article in Thursday's paper on a decision by the National Park Service director to scuttle a planned water-bottle ban that park personnel, Xanterra and its fellow concessionaire, Delaware North, had spent months preparing for.

"We would like to see the ban of all petroleum-derived plastic water bottles in national parks," Mr. Lane said.

### [With Anger Over Dirty Air Rising, Beijing Tries Tours of Monitoring Center](#)

BEIJING — Environmental officials who have resisted releasing comprehensive data about air pollution here in the capital announced that they would take action to address increasing complaints that the government's monitoring system fails to report on the most dangerous airborne particles emitted by the growing ranks of cars and trucks.

### [Coal Project Hits Snag as a Partner Backs Off](#)

WASHINGTON — The leading American effort to capture carbon dioxide from coal plants has hit a stumbling block that could imperil the project and set back a promising technology for addressing global warming, people involved in the venture said.

### [Africa: Contesting a 'Just Transition to a Low Carbon Economy'](#)

Obviously, the transition to a low carbon or green economy has massive implications for labour. Historically, the labour movement in South Africa has neglected environmental issues. This is largely because of a widespread understanding that environmental protection threatened jobs.

### [China Plans to Challenge EU Over Aviation Emissions by Year-End](#)

Chinese airlines aim to take the European Union to court by the end of the year over its plan to enforce emissions curbs on flights to and from the region's airports, an official with China's air travel association said.



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