



Drumbeat: January 2, 2012

Posted by [Leanan](#) on January 2, 2012 - 9:03am

[Hunt for Gas Hits Fragile Soil, and South Africans Fear Risks](#)

KAROO, South Africa — When a drought dried up their wells last year, hundreds of farmers and their families flocked to local fairgrounds here to pray for rain, and a call went out on the regional radio station imploring South Africans to donate bottled water.

Covering much of the roughly 800 miles between Johannesburg and Cape Town, this arid expanse — its name means “thirsty land” — sees less rain in some parts than the Mojave Desert.

Even so, Shell and several other large energy companies hope to drill thousands of natural gas wells in the region, using a new drilling technology that can require a million gallons of water or more for each well. Companies will also have to find a way to dispose of all the toxic wastewater or sludge that each well produces, since the closest landfill or industrial-waste facility that can handle the waste is hundreds of miles away.

[Disposal Halted at Well After New Quake in Ohio](#)

An official in Ohio said on Sunday that the underground disposal of wastewater from natural-gas drilling operations would remain halted in the Youngstown area until scientists could analyze data from the most recent of a string of earthquakes there.

The latest quake, the 11th since mid-March, occurred Saturday afternoon and with a magnitude of 4.0 was the strongest yet. Like the others, it was centered near a well that has been used for the disposal of millions of gallons of brine and other waste liquids produced at natural-gas wells, mostly in Pennsylvania.

[Fracking Threats Seen Hollow in Calfrac Bonds Beating Peers: Canada Credit](#)

Calfrac Well Services Ltd. (CFW)’s bonds are outperforming peers as investors bet that U.S. regulators will continue to allow the practice of hydraulic fracturing, which accounts for almost 90 percent of its sales.

[Russia 2011 oil output at new post-Soviet record high](#)

(Reuters) - Oil output in Russia, the world's top crude producer, reached a new post-Soviet high of 10.27 million barrels per day (bpd) last year, up from 10.15 million bpd in 2010, the Energy Ministry said on Monday.

[Petroplus French Refinery Halt May Mean Death of Normandy Site, Union Says](#)

Petroplus Holdings AG (PPHN)'s refining halt at units in Normandy today may mark the plant's end, a union said, shrinking the crude-processing industry in France that may have posted losses of 800 million euros (\$1.04 billion) in 2011.

Europe's largest independent refiner by capacity, unable to buy adequate oil because of a credit freeze, will halt refining at three of its five plants, including at Petit Couronne in northern France, Antwerp and Cressier in Belgium and in Switzerland, it said in a statement Dec. 30. The sites have a combined processing capacity of 337,300 barrels of crude a day.

[Drivers cut short journeys by 165 miles to beat fuel costs](#)

The average British car driver travelled 165 miles fewer in 2011 than in the previous year because of rising petrol prices.

[Oil will keep GCC warm if the world freezes over](#)

The continued struggle by Europe and the US to shrug off the malaise from the financial crisis of 2008 is likely to restrict growth - even in the buoyant Asian economies that supported high oil prices last year.

"Europe has now entered another recession, only a little more than two years after the last recession ended," says Joachim Fels, an analyst at Morgan Stanley, in a research note. "Our US base case remains anaemic growth of just over 2 per cent next year. Unsurprisingly against this backdrop, growth prospects for emerging-market economies have dimmed further."

[Nigerians plan mass strike as fuel subsidy ends](#)

Unions in Nigeria say they'll call a nationwide strike "within days" after the government removed a fuel subsidy that has doubled prices in some parts of the country, Nigeria's Daily Times reported.

[Oil slick hits coast of Nigeria](#)

Orobiri - Nigerian villagers say oil washing up on the coast comes from a Royal Dutch Shell loading accident last month that caused the biggest spill in Africa's top producer in

more than 13 years.

[Exxon Gets 'Disappointing' \\$750 Million After Venezuela Seizure](#)

Petroleos de Venezuela SA (PDVSA) must pay about \$750 million to Exxon Mobil Corp. (XOM), a 10th of what the U.S. company is seeking, for assets nationalized by Venezuelan President Hugo Chavez in 2007, according to two people with knowledge of the case.

The International Chamber of Commerce in New York, an arbitration court, gave a "favorable" ruling to Venezuela's state oil company, a spokesman for PDVSA, as the Caracas-based company is known, said yesterday.

[Libya's al-Sedr oil port resumes operations - official](#)

(Reuters) - Libya's al-Sedr oil port has resumed operations and will see the first oil shipment sail on Tuesday or earlier, an official from Waha Oil Co said, months after the terminal stopped running during a civil war that ended Muammar Gaddafi's rule.

"The port was damaged by the Gaddafi regime and the facilities are now operational," the official, who asked not to be identified, told Reuters on Sunday night.

[Iran issues 'Arash ultimatum' to Kuwait](#)

Iran said that it would launch full-scale unilateral development of the disputed offshore Arash gas field in the Persian Gulf if Kuwait does not respond to its offer of joint development, according to a report.

[Iran's navy tests cruise missile as part of drill](#)

TEHRAN, Iran (AP) — Iran's navy said it test-fired a surface-to-surface cruise missile on Monday during a drill in international waters near the strategic Strait of Hormuz, the official IRNA news agency reported.

[Iran Makes Nuclear Fuel Rod, Offers to Restart Talks](#)

Iran produced its first nuclear fuel rod, state-run news agencies reported, as the country offered to restart international talks over its atomic program.

[Putting the Canadian Association of Petroleum Producers above Canada](#)

There are many economic gains to be made in exploiting the Tar Sands, and limited production could actually benefit Canada and go a little towards assuring our future in an increasingly uncertain world. But there are also many major short term gains to be made from exporting this oil to Asia, especially China.

According to Canadian economist Jeff Rubin (one of the few economists who actually understands economics and the role of energy), Canada is losing over \$1bn per month in revenue, because they are selling the product at West Texas Intermediate price, rather than world price, as they would to China. However, even Rubin falls a little short on this one, as he fails to note that these companies pay very little tax anyway, compared to their income, and most of the profit leaves the country. Exporting oil to China would actually push Canada's economy further down.

[George F. Will: America's oil boom](#)

In 2011, for the first time in 62 years, America was a net exporter of petroleum products. For the foreseeable future, a specter is haunting progressivism, the specter of abundance.

[Good Bye and Good Riddance to 2011](#)

I've long been a proponent of the "peak oil" theory that says oil production has peaked, demand for petroleum products is soaring as China, India and other developing nations become more prosperous, and the price of oil will hit a permanently higher plateau that will cause considerable economic hardship in America's auto-centric economy. I still believe that. What I did not anticipate was the Marcellus shale revolution. (I'll withhold any judgment on the environmental impact of the new natural gas-drilling technologies until more authoritative data comes in.) Clean-burning gas will supplant dirty coal as the preferred fossil fuel for electric power generation and, in an added benefit for those who worry about Global Warming, will significantly reduce greenhouse gas emissions.

[David Nadel Positions For 2012: A Smorgasbord of Global Small Cap Champions](#)

Our investments in materials stocks are focused on companies which produce commodities that are in finite, and in some cases declining, supply. We think this creates a positive pricing dynamic in an investment context of essentially infinite supply of fiat currency in the developed world. As the U.S. dollar, euro and Japanese yen "race to debase" via aggressive money-printing, we expect the price of some commodities to continue to show an upward bias. Consider that the world has already passed "peak-oil" production on a per-capita basis, or consider that gold production adds merely 1.4% to supplies per year, or consider that more than 90% of the silver ever mined has functionally disappeared by being consumed or discarded.

[There Will Be Oil - Versus - Peak Oil Now](#)

Claiming there is an oil limit on the economy and why peak oil is inevitable is usually

talked down by saying its an unsure theory at best, and controversial, fear mongering or defeatist at worst. The totally simple numbers which prove it are however not Einstein-type mathematics and are not impossible to understand - - only by the badly intentioned or plain stupid.

[After Three Decades, Tax Credit for Ethanol Expires](#)

WASHINGTON — A federal tax credit for ethanol expired on Saturday, ending an era in which the federal government provided more than \$20 billion in subsidies for use of the product.

The tax break, created more than 30 years ago, had long seemed untouchable. But in the last year, during which Congress was preoccupied with deficits and debt, it became a symbol of corporate welfare. Fiscal conservatives joined liberal environmentalists to kill it, with help from a diverse coalition of outside groups.

[Gotham Greens: Sustainable Farming in the Big Apple](#)

In an effort to bring needed fresh produce closer to home with far greater sustainability, a movement in urban agriculture is rapidly gaining momentum. New York City, having such a large and diverse population, is a metropolis ripe for green urban agriculture and is now home to an innovative commercial operation called Gotham Greens.

[For Entrepreneurial 'Change Agents,' a Green M.B.A.](#)

As we noted in a post in August about a new survey, an increasing number of colleges are beginning to offer courses or entire programs devoted to green business practices in response to growing demand.

Such programs teach students how to manage a business's social and environmental impact in addition to focusing on profits. The latest school to add its name to this list is Bard, the liberal arts college 90 miles north of New York City, which this month announced that it would begin offering an M.B.A. program centering on sustainability.

[More storms on the way unless we learn to manage the land](#)

He discounts the argument that we are seeing the impact of global warming. "The whole global warming argument misses the point. Yes, we are facing an environmental disaster. Yes, it is urgent. Yes, it is caused by our own activities. But we have misdiagnosed the problem ... In terms of dealing with Australia's problems, the global warming industry is a giant con."

[Food, fuel saving is the way forward](#)

The United Nations has designated 2012 as the International Year of Sustainable Energy for All. Broadening access to sustainable energy is essential in solving many of the world's challenges including food production, food security and poverty. For a rapidly developing economy such as India it is all the more critical that there is sustained production and consumption of energy but it is done in a manner that advances environmental sustainability.

Apprehensions that India is rapidly moving towards energy insecurity are real. Energy fuels economic growth, and without growth, it is nearly impossible to lift people out of poverty. So, the challenge of ensuring growth in a sustainable manner is daunting. Obviously, there is no one-step, simple solution to the issues of hunger, poverty and climate change.

[Pakistan fumes over UN carbon credits to India](#)

Pakistan plans to challenge a decision of a UN agency to grant carbon credits to India on a hydropower project.

According to Pakistani officials, India secured the carbon credits for its 45-MW Nimoo-Bazgo project without mandatory environmental impact assessment clearance from Pakistan.

[Carl Pope: Climate Dawn](#)

So what was so great about Q4 of 2011?

Quite simply, the world proved that, if we stick at it, we can do it. After 40 years of U.S. government inaction, the Obama administration completed setting a comprehensive set of carbon emission standards for cars and trucks, standards that, overall, will reduce the carbon footprint of a mile of driving by more than 50 percent by 2025.



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