



## Drumbeat: January 7, 2012

Posted by [Leanan](#) on January 7, 2012 - 10:09am

### [Pumping Up TAPS: Four years of stability](#)

The economic, political and technological forces that have always driven oil prices will continue to do so in the future, but with a difference, longtime oil industry analyst Roger A. Herrera told Petroleum News Nov. 28.

“In 2008 the first recent economic recession, I could argue, was triggered by the high price of oil. It was affecting everything we were doing,” Herrera said. “However, today oil is a follower, not a leader. That was forcefully demonstrated during the battle in Libya a few months ago when 1 billion barrels per day of oil production effectively dried up and there was virtually no effect on world oil prices.”

### [IEA Has No Immediate Plan to Release Oil Stockpiles on Iran](#)

(Bloomberg) -- The International Energy Agency, the adviser to U.S., Germany and Japan, isn't planning an immediate release of emergency oil stockpiles in response to the tension in the Middle East.

“We remain prepared to respond to any significant oil supply disruption, but as no specific supply disruption is under way, we are not actively considering any action at the present time,” the Paris-based adviser said on its website today.

### [Iran accuses US and EU of trying to wage 'economic war'](#)

IRANIAN OFFICIALS have struck a defiant posture in response to a proposed oil embargo by the European Union, calling the intensified efforts to halt Iran's nuclear programme, including new sanctions by the United States, tantamount to “an economic war” and vowing to conduct a new round of military drills near the Strait of Hormuz.

### [Tensions rise in Gulf as key powers plan new war games](#)

TENSIONS on the shipping lanes in the Persian Gulf have escalated amid threats of an EU embargo on Iranian oil, with the announcement of new naval exercises by Iran and news that Israel and the US are planning to carry out their most extensive joint manoeuvres.

Britain is also sending its most formidable warship to the Gulf for its first mission as tensions rise in the strategically vital region.

### [India exploring ways of making oil payments to Iran](#)

India is exploring all options to find a way out to make oil payments to Iran as there are chances that Turkey, through which it is making payment, may come under pressure after a fresh round of U.S. sanctions imposed on Iran.

India currently pays Iran about \$1 billion every month through Turkey for the 370,000 barrels a day of crude oil it buys from the world's fourth-largest oil producer.

### [EU Iran Oil Sanctions Likely to Be Phased In Over Time, Official Says](#)

A European Union embargo on Iranian oil will probably be phased in to protect countries with the greatest reliance on imports from the country, according to an EU official familiar with the talks.

### [Shipowner Bombed in 1980s Says Gulf Crude Flow to Withstand Hormuz Crisis](#)

A Greek shipowner whose family's oil tankers were hit by missiles during the 1980s Iran-Iraq war said he expects Persian Gulf crude exports to continue after Iran's threats to block shipments through the Strait of Hormuz.

### [Japanese foreign minister in Saudi Arabia for talks on oil](#)

Riyadh - Japanese Foreign Minister Koichiro Gamba arrived in the Saudi capital of Riyadh Saturday for talks on securing his country's oil needs in light of an Iranian threat to close shipping through the vital Strait of Hormuz, said sources in the Japanese embassy.

### [Iran state firm says it owes no oil to Italy](#)

(TEHRAN) - The state-owned National Iranian Oil Company said on Saturday that it does not owe some \$2 billion in oil shipments as claimed by Italy, in remarks that could be aimed at undermining EU unity over banning oil purchases from Iran.

### [Tiny port, new energy battleground](#)

CALGARY — In a remote Aboriginal recreation centre on the shore of the Douglas Channel in British Columbia's North Coast, Canadian regulators are kicking off historic

hearings on Tuesday on the proposed \$5.5-billion Northern Gateway oil sands pipeline. By the time they are finished in two years, thousands of Canadians will have had their say on the giant project.

### [Improving economy: More jobs, higher pump prices](#)

NEW YORK – As the U.S. economy recovers and adds more jobs, Americans are paying the price at the gas pump.

The government said Friday that the nation's unemployment rate dropped to 8.5 percent, the same day that gasoline prices hit an average of \$3.35 a gallon, the highest ever for this time of year.

Gasoline prices are rising again after falling in the last months of 2011. Motorists are buying less gas than they did a year ago, but pump prices are rising with higher oil prices.

### [Exxon Settles Lawsuit Over Gulf of Mexico Offshore Oil Lease Against U.S.](#)

Exxon Mobil Corp. (XOM), the largest publicly traded oil company, settled its lawsuit against U.S. Interior Secretary Kenneth Salazar over the government's decision to cancel offshore leases that may yield "billions of barrels of oil."

The accord "will allow ExxonMobil to develop this very large, but technically challenging, resource as quickly as possible using a phased approach," Patrick McGinn, a spokesman for Irving, Texas-based Exxon, said in an e-mail yesterday.

### [Hugo Chavez has reason to smile](#)

Talk of foreign companies cancelling Venezuelan oil projects abounds in some business circles. But aside from Exxon and ConocoPhillips, western multinationals have stayed, perhaps because the stakes of leaving are so high.

"ChevronTexaco is still there. European oil companies are there from Italy and France; the Russians, Chinese, Indians and Brazilians are there," Golinger told Al Jazeera. "Foreign companies shouldn't try to use their political and economic power to undermine local laws."

### [Tanker encounters ice near Bering Sea island](#)

ANCHORAGE, Alaska – A Russian tanker carrying fuel for an iced-in Alaska city that without a delivery could run out of crucial supplies before winter's end encountered ice early Friday in the eastern Bering Sea.

The ice was not a surprise. The 370-foot tanker Renda will have to go through more than 300 miles of sea ice to get to Nome, a city of about 3,500 people on the western Alaska coastline that did not get its last pre-winter fuel delivery because of a massive storm.

### [Second Tunisian man sets self on fire in 2 days](#)

TUNIS, Tunisia (AP) — A hospital official says a second man has set himself on fire in Tunisia, two days after a similar case.

### [13 killed in attacks in northeast Nigeria](#)

MAIDUGURI, Nigeria—Members of a radical Muslim sect attacked a church in northeast Nigeria during a worship service, part of a series of assaults that killed at least 13 people, authorities said Saturday.

### [Is Ed Markey Fracktracking?](#)

Wait, did Rep. Ed Markey really just give a shout out to hydraulic fracturing? Back in July, the ranking member of the House Natural Resources committee was warning that “fracking” — a technique for unlocking natural gas and oil held in dense rock — could “turn stretches of forest into lifeless dunes.”

### [Natural gas price drop won't derail shale drilling](#)

Because of a warm winter and the expansion of shale gas drilling, the price of natural gas is as low as its been in a decade or more. The development of the Utica Shale in eastern Ohio isn't threatened by these rock-bottom prices because energy producers never were solely, or even primarily, focused on natural gas anyway.

### [2012 – Welcome to the Jungle](#)

As I mentioned earlier, there is no way – the math doesn't add up – to make the collective solar, wind, hydrogen and other energy sources we have make up for the lack of oil. The only aircraft which run on electricity are the kind my neighbor's kid runs with a radio-control joystick. The only cars which run on electricity have a short range and take forever to recharge – and it's not like you can sell them used; either – not when replacing a battery array is somewhere north of \$10,000.

### [Japan makes new rules for nuclear plants](#)

TOKYO (AP) – Japan says it will soon require atomic reactors to be shut down after 40

years of use to improve safety following the nuclear crisis set off by last year's tsunami.

Concern about aging reactors has been growing because the three units at the Fukushima Dai-ichi plant in northeastern Japan that went into meltdown following the tsunami in March were built starting in 1967. Among other reactors at least 40 years old are those at the Tsuruga and Mihama plants in central Japan, which were built starting in 1970.

### [U.S. to Block New Uranium Mines Near Grand Canyon](#)

The Obama administration is set to announce on Monday that it will block new uranium mining on one million acres in northern Arizona near the Grand Canyon, lobbyists and Interior Department employees who had been informed about the decision said on Friday.

### [Welcome windfall for an industry in need](#)

Saudi Arabia's commitment to industrial-scale solar power represents a windfall to an industry that is in need of cash.

### [Chinese Companies Prefer Dying to Being Bought, JinkoSolar Says](#)

Chinese solar-panel makers, which supply more than half the world market, will respond to the supply glut by shutting factories or their entire businesses rather than merging, a JinkoSolar Holding Co. (JKS) official said.

### [Acid test for 'evil twin' of climate change](#)

ABOARD THE AURORA AUSTRALIS: They call themselves Team Acid and are trawling the Southern Ocean with fine nets to see if the shells of tiny marine snails are thinning because of ocean acidification.

Scientists label this acid trend "the evil twin of climate change".

### [An Arctic methane worst-case scenario](#)

Let's suppose that the Arctic started to degas methane 100 times faster than it is today. I just made that number up trying to come up with a blow-the-doors-off surprise, something like the ozone hole. We ran the numbers to get an idea of how the climate impact of an Arctic Methane Nasty Surprise would stack up to that from Business-as-Usual rising CO<sub>2</sub>.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).