



Drumbeat: January 28, 2012

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[BP emails reveal company veiling spill rate estimates from well even as rig sank](#)

NEW ORLEANS — On the day the Deepwater Horizon sank, BP officials warned in an internal memo that if the well was not protected by the blow-out preventer at the drill site, crude oil could burst into the Gulf of Mexico at a rate of 3.4 million gallons a day, an amount a million gallons higher than what the government later believed spilled daily from the site.

The email conversation, which BP agreed to release Friday as part of federal court proceedings, suggests BP managers recognized the potential of the disaster in its early hours, and company officials sought to make sure that the model-developed information wasn't shared with outsiders. The emails also suggest BP was having heated discussions with Coast Guard officials over the potential of the oil spill.

[Oil Increases This Week as Gasoline Surges, Greece Nears Debt Agreement](#)

Oil climbed this week as gasoline jumped to the highest level since August and amid signs Greece is near an agreement with its creditors.

Futures rose 1.1 percent this week after gasoline surged on speculation that refinery outages and plant closures will cut supplies. Olli Rehn, the European Union's commissioner for economic and monetary affairs, said an agreement is "very close" on private-sector involvement in a Greek debt swap.

[Refinery closings could push gasoline prices back to \\$4](#)

Gasoline prices could be edge higher this spring, thanks to the bankruptcy of a European refiner, the industry's latest casualty.

The U.S. east coast already sees the threat of a temporary spike in gasoline to \$4 or more per gallon for the summer driving season and could pay some of the highest prices in the nation, due to the shutdown of refining capacity in that market.

[Exxon to sell large part of Tomen stake for about \\$3.9 bln-sources](#)

(Reuters) - Exxon Mobil plans to sell a large part of its 50 percent stake in TonenGeneral Sekiyu KK back to its Japanese refining partner in a deal that could be worth about 300 billion yen, and will make an announcement as early as Monday, four sources with direct knowledge of the matter said.

Exxon Mobil will retain about a 20 percent stake in TonenGeneral but the deal will mark a de facto retreat from the world's third-largest economy by the U.S. oil giant, which is focusing its resources on emerging markets and development of natural resources.

[Kazakhstan's embattled opposition holds rare rally in nation's largest city](#)

ALMATY, Kazakhstan — Hundreds of opposition supporters protested the results of recent elections and the violent suppression of an oil workers protest at a demonstration Saturday in Kazakhstan's commercial capital.

[Arab League halts observer mission in Syria](#)

BEIRUT (AP) — The Arab League halted its observer mission to Syria on Saturday, sharply criticizing the regime of President Bashar Assad for escalating violence in recent days that has killed at least 80 people across the country.

The rising bloodshed has added urgency to new attempts by Arab and Western countries to find a resolution to the 10 months of violence that according to the United Nations has killed at least 5,400 people as Assad seeks to crush persistent protests demanding an end to his rule.

[US Embassy: US citizen kidnapped in Nigeria freed](#)

Foreign firms have pumped oil out of the delta for more than 50 years. Despite the billions flowing into Nigeria's government, many in the delta remain desperately poor, living in polluted waters without access to proper medical care, education or work.

[IAEA team heads to Iran to seek nuclear answers](#)

VIENNA (Reuters) - Senior United Nations nuclear inspectors headed to Tehran on Saturday to press Iranian officials to address suspicions that the Islamic state is seeking atomic weapons.

The U.N. International Atomic Energy Agency hopes Iran, which has indicated readiness to discuss the issue for the first time since 2008, will end years of stonewalling on intelligence pointing to an intention to develop nuclear arms technology.

[Iran Says It Could Terminate European Oil Sales Next Week](#)

Escalating retaliatory threats over the West's nuclear sanctions, Iran warned on Friday that it could terminate oil sales to Europe as early as next week, and it bluntly advised Arab oil producers that any attempt by them to replace Iranian exports would be considered unfriendly.

[Iran Oil Curbs Extend to 95% of Tankers in EU Insurance Rules](#)

(Bloomberg) -- European Union sanctions on Iranian oil will extend to about 95 percent of tankers because they are insured under rules governed by European law.

[Arab Gulf States Urged to Increase Pipelines After Iran's Oil Threats](#)

As Iranian threats to close the Strait of Hormuz intensify, some energy experts are calling on Arab Gulf states to find alternative ways to export their petroleum. Experts differ, however, on whether proposed pipelines are economically feasible or whether Iran will follow through with its threats.

Nearly 40 percent of seaborne traded oil passes through the Strait of Hormuz, which connects the Persian Gulf to the Indian Ocean and is bordered by Iran and Oman. Iran is threatening to block the route. Any closure of the strategic waterway would likely send oil prices soaring and have a significant impact on the global economy.

[Iran oil boss cautious on impact of EU embargo](#)

(TEHRAN) - The National Iranian Oil Company has no firm projection of the impact on world crude prices of a looming EU embargo on Iranian exports, its managing director said in comments published on Saturday.

Ahmad Qalebani told the government newspaper Iran that the size of any hike in prices would depend on the European Union's success in finding alternative output to make up for Iranian deliveries lost to the market.

"One cannot have an accurate prediction of prices, but it seems that in the future we will witness 120 to 150 dollars a barrel," Qalebani said.

[EU May Tap Oil Reserves After Iran Embargo Imposed in July, Oettinger Says](#)

Some European Union countries may tap their strategic oil reserves after an EU embargo cuts Iranian exports from July, the bloc's Energy Commissioner Guenther Oettinger said.

"We have enough storage capacities," Oettinger said in an interview today at the World

Economic Forum in Davos, Switzerland. “It is feasible,” he said, referring to the release of stockpiles.

[El Segundo, Chevron at odds over oil company's taxes](#)

El Segundo wants to hike taxes on the Chevron refinery, but the oil company — and many residents — are resisting.

[Scientists Beg Obama To Slow Arctic Drilling Rush](#)

In his State of the Union address, President Obama announced he would push forward with new offshore drilling — which includes the pristine waters of the Beaufort Sea, Chukchi Sea, and Cook Inlet off Alaska’s coast. The U.S. Geological Survey (USGS) wrote a report in June 2011 that described dozens of areas that required further scientific research before taking the risks of disrupting the unique ecosystems on behalf of the oil industry. Now, nearly 600 scientists from around the world have signed an open letter urging President Obama and Interior Secretary Ken Salazar to base Arctic drilling decisions on science, not politics.

[Obama loves oil — Not!](#)

Nothing more clearly indicates U.S. President Barack Obama’s economic muddledom and ideological stubbornness than the dog’s breakfast of energy policies revealed in Tuesday’s State of the Union address. The good news is that hydrocarbons are back (as long as you forget Keystone XL). The bad news is that “clean” energy isn’t going away. Instead it’s “all of the above.”

[Resist the pipeline and find a new, greener way](#)

Many Kansas and Nebraska residents, including Nebraska’s governor and state representatives, oppose the pipeline because it would traverse the Ogallala Aquifer, the main source of drinking water in the Upper Midwest, and threaten the beautiful and sensitive Sand Hills area. Haunted by the 2010 Gulf oil spill, many worry about a leak that could have disastrous consequences in local areas.

But the danger runs much deeper.

[New York’s Fracking Deliberations Inch Along](#)

In yet another sign that New York has slowed efforts to green-light fracking of natural gas, officials at the state Department of Environmental Conservation canceled a meeting of a drilling advisory panel this week for a second time.

[There will be oil](#)

So, now that North Dakota is poised to pump oil at the rate of an OPEC country, can we at last retire the notion that the world is in the clutches of “peak oil”?

[How Not To Argue That We’re Running Out Of Oil](#)

I made a New Year’s resolution to spend less time on this blog explaining why other people are wrong.

But New Year’s resolutions are meant to be broken — and some things just beg for intervention. That’s unfortunately the case with “Oil’s Tipping Point Has Passed”, an essay in the current issue of *Nature* by James Murray, an oceanographer at the University of Washington, and David King, a chemist who was chief scientific advisor to Tony Blair and now heads the Smith School of Enterprise and the Environment at Oxford.

[Peak Oil: Preaching to the Laupahoehoe Choir](#)

Last night, I spoke at the Laupahoehoe Community Association meeting and shared the perspective I have gained from watching the world oil supply subject evolve over a short five years.

I related how I have attended four Peak Oil conferences, most recently as Hawai’i County’s representative. The first thing I learned was that the world has been using twice as much oil as it has been finding for 20 to 30 years – a trend that continues.

[Extra scrutiny urged on design of Hanford nuke-waste plant](#)

WASHINGTON – A federal oversight panel is raising new concerns to the Department of Energy about potentially serious flaws in the design of a first-of-its-kind, \$12 billion waste treatment plant that is being built for the nation’s largest radioactive cleanup.

[What Sweden can teach us about nuclear waste](#)

Last year, the Energy Department set up a commission to figure out what to do with the country’s nuclear waste after a planned repository at Nevada’s Yucca Mountain was nixed. This week, the commission came back and advised a “consent-based approach” to choosing a new site. How would this work?

[Chugoku Electric shuts Shimane No. 2 reactor, leaving Japan with only 3 reactors online](#)

TOKYO — Chugoku Electric Power Co on Friday took its 820-megawatt No. 2 reactor at its Shimane nuclear plant offline for planned maintenance.

The shutdown leaves only three reactors operating in Japan out of a total of 54, as public concerns about safety in the wake of the Fukushima nuclear disaster have prevented the restart of reactors shut down last year for maintenance.

[California orders hike in number of super clean cars](#)

California, long a national leader in cutting auto pollution, pushed the envelope further Friday as state regulators approved rules to cut greenhouse gas emissions from cars and put significantly more pollution-free vehicles on the road in coming years.

The package of Air Resources Board regulations would require auto manufacturers to offer more zero- or very low-emission cars such as battery electric, hydrogen fuel cell and plug-in hybrid vehicles in California starting with model year 2018.

[Electric-Car Use to Reach Tipping Point in 2015, Better Place's Ofer Says](#)

Better Place LLC, a U.S. startup developing charging stations for electric vehicles, predicts the “tipping point” for electric car use will come as soon as 2015, Chairman Idan Ofer said today.

“The fact is that because we are making it convenient for customers and the moment people realize there is no disadvantage to owning an electric car” they will buy the models, Ofer said in an interview with Bloomberg TV in Davos, Switzerland.

[Solar CEOs Predict Boom in China Will Ease Glut in 2012: Energy](#)

China may double its installations of solar panels this year, absorbing excess production that depressed prices and margins in 2011, chief executive officers from two of the industry's top five manufactures said.

[EPA Rejects Palm-Oil Based Biodiesel for Renewable Fuels Program](#)

The Environmental Protection Agency said that biodiesel made from palm oil doesn't meet the requirements to be added to its renewable fuels program because its greenhouse-gas emissions are too high.

In a regulatory filing today, the EPA said that palm-oil biodiesel, which is primarily produced in countries such as Malaysia and Indonesia, provides reductions of as much as 17 percent in greenhouse-gas emissions compared to traditional diesel fuel, falling short of a 20 percent reduction necessary to qualify under the law.

[Spain Suspends Subsidies for New Renewable Energy Power Plants](#)

Spain halted subsidies for renewable energy projects to help curb its budget deficit and rein in power-system borrowings backed by the state that reached 24 billion euros (\$31 billion) at the end of 2011.

“What is today an energy problem could become a financial problem,” Industry Minister Jose Manuel Soria said in Madrid. The government passed a decree today stopping subsidies for new wind, solar, co-generation or waste incineration plants.

[Midwest utility to shut coal-burning power plants](#)

AKRON, Ohio -- FirstEnergy Corp. on Thursday said it will retire six coal-fired power plants, including four in Ohio, because of stricter federal anti-pollution rules.

The six older and dirtier plants will be closed by Sept. 1.

[Racing Up \(and Down\) the Performance Index](#)

Watching the rankings of countries by environmental performance over the last six years has been an occasion for admiration, mingled with bursts of skepticism and even disbelief. It is seldom a surprise that Scandinavian countries occupy at least four spots in the top 15, given their lauded environmental sensibilities (excepting, perhaps, Norwegian whalers and Danish fishermen).

But it was always a surprise to someone who lived in the former Soviet Union that Russia, whose Communist forebears oversaw the dewatering of the Aral Sea, the emergence of pervasive air pollution in cities like Dnepropetrovsk and the Chernobyl nuclear disaster, ranked just a few notches below the United States — or in one case, above — in the 2006, 2008 and 2010 Yale and Columbia’s Environmental Performance Index.

[Activists Crack China’s Wall of Denial About Air Pollution](#)

But faced with an Internet-led brush fire of criticism, the edifice of environmental propaganda is collapsing. The government recently reversed course and began to track the most pernicious measure of urban air pollution — particulates 2.5 microns in diameter or less, or PM 2.5. It decreed that about 30 major cities must begin monitoring the particulates this year, followed by about 80 more next year.

The Ministry of Environmental Protection also promised to set health standards for such fine particulates “as soon as possible.” Last week, after years of concealing its data on such pollutants, Beijing began publishing hourly readings from one monitoring station.

[Striking right balance for clean energy](#)

Malaysia's rich endowment of oil and natural gas has powered the country's development for decades. However, this resource is fast depleting and global prices have risen to unprecedented levels. The country is challenged to meet burgeoning local demand for oil and gas.



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