



## Drumbeat: February 25, 2012

Posted by [Leanan](#) on February 25, 2012 - 10:54am

### [Mexico's January oil exports lowest since mid-2010](#)

(Reuters) - Mexico's oil exports in January were the lowest since mid-2010 as the state-oil monopoly diverted more crude to domestic refineries.

State-owned Pemex said Friday the country exported 1.191 million barrels per day in the first month of 2012, the lowest level in 19 months and a drop from the 1.282 million bpd shipped in December.

### [Oil Caps Longest Rally in Two Years on Iran](#)

Oil capped its longest rally since January 2010 as escalating tension with Iran threatens supplies and on signs of a global economic recovery.

Futures advanced above \$109 a barrel for the first time in almost 10 months as sanctions against the Persian Gulf nation make it more difficult to sell oil. Iran dismissed UN atomic inspectors' concerns that nuclear-weapon work is occurring, a document acquired by Bloomberg News showed. U.S., French and South Korean consumer confidence gained, reports showed today.

### [Gas prices keep climbing](#)

NEW YORK (CNNMoney) -- Paying at the pump grew even more painful Saturday, as gas prices climbed for the 18th day in a row.

The price of unleaded gasoline inched higher again overnight, rising 2.7 cents to a nationwide average of \$3.67 a gallon on Saturday, according to the motorist group AAA. That's almost a 30-cent increase from a month ago when the nationwide average was \$3.38 a gallon.

### [Do High Oil Prices Doom The US Economy?](#)

As I explored briefly in my column on the politics of gas prices this is less straightforward than it might first appear. As Michael Levi writes we've traditionally

wanted to distinguish between supply shocks and demand shocks as drivers of price spikes. When oil gets expensive because of a supply disruption, that hurts America. But when oil gets expensive because there's lots of demand and economic growth, that's just a sign of growth. But perhaps this time it's different. The US isn't as big a slice of the global demand pie and "western economies can be on their knees, but oil demand can still be on the upswing due to healthy growth in China, India, and other emerging economies (not least those that also export oil)."

### [Whatever the reasons, oil prices look set to rise](#)

Yesterday, Brent was a scary \$123 a barrel and WTI more than \$108.

Yet oil prices were just as high this time last year, on the back of demand from the developing economies and the Arab Spring. Since then, growth has slowed in China while Libya has started pumping oil again. Provided the Israelis don't bomb Iran's nuclear facilities, a slowing global economy in 2012 should bring down oil prices.

However, there's an alternative view. The dip in petroleum prices in the latter half of 2011 may be the aberration, not the current rise. Last June Saudi Arabia started pumping more oil because it is desperate for extra revenue to head off internal unrest. In August, the International Energy Agency (IEA), the West's oil guardian, released petroleum from its emergency stockpile in a bid to deflate prices. These moves were one-offs and difficult to repeat. Yet oil is still going up.

### [Push to Export Natural Gas Could Threaten U.S. Energy Security](#)

Natural gas is the key to energy security in the United States, say many people, thanks to the vast shale gas reserves now accessible via hydraulic fracturing and horizontal drilling. Others have embraced it as a "bridge fuel" – a fossil fuel with an environmental footprint midway between coal/oil and wind/solar.

### [Oil Disruption is Zooming and Global Panic Awaits](#)

Oil is up to \$110 and it is on a roll.

The last time oil went in this direction, it caused a slowing in the global economy that led to a global financial panic.

What's causing it? Peak oil, Chinese growth and lots of potential oil disruption. Pretty much the same factors that caused it last time.

The pipeline disruption is a little different this time.

### [Why Uranium Could Go To \\$200 And Beyond](#)

As I noted in my previous article entitled, "6 Ideas for Where the Next Bubble Will Be," I believe uranium prices are ripe to go much higher. There is an imminent supply demand imbalance due to the coming end of the Megatons to Megawatts program, as well as an abundance of new nuclear reactors set to come on board over the next 15 years, that I think will drive this market.

### [ExxonMobil Touts Increase in 2011 Reserves](#)

Exxon Mobil Corporation announced that additions to its proved reserves in 2011 totaled 1.8 billion oil-equivalent barrels, replacing 107 percent of production. Excluding the impact of asset sales, reserves additions replaced 116 percent of production.

### [Expert: Ukraine to annually import up to 20 bcm of gas through Slovakia from 2015](#)

Ukraine will be able to buy on the European spot markets and import via Slovakia up to 20 billion cubic meters of natural gas per year starting from 2015-2016, the secretary of the expert council on the development of the gas industry and the natural gas market, Leonid Unihovsky, has said.

### [Gunman kills 2 Americans inside Afghan ministry](#)

KABUL, Afghanistan (AP) – The commander of NATO and U.S. forces says that all NATO personnel are being recalled from Afghan ministries following an attack at the Interior Ministry in Kabul.

### [Iran 'Dismissed' Weapons Concerns, Tripled Uranium Production, IAEA Says](#)

Iran tripled its production of enriched uranium and rejected the international concerns about its possible pursuit of nuclear weapons that a team of United Nations inspectors carried to Tehran this week.

### [Israeli attack on Iran might pull US into new war](#)

WASHINGTON (AP) — An Israeli pre-emptive attack on Iran's nuclear sites could draw the U.S. into a new Mideast conflict, a prospect dreaded by a war-weary Pentagon wary of new entanglements.

### [EU's Sanctions Against Iran Hindering Japanese, Chinese Oil-Tanker Cover](#)

Chinese and Japanese groups that insure ships against risks such as oil spills said European Union sanctions limit their ability to cover tankers hauling Iran's crude, raising speculation governments may intervene.

## [Obama Urged to Resist Calls to Use Oil From U.S. Reserves Amid Iran Risks](#)

President Barack Obama should resist calls to combat rising gas prices with oil from U.S. reserves, which must be available in the event Iran blocks a pathway for a fifth of the crude heading to market, Republicans say.

## [Obama, GOP duel over rising gas prices](#)

Gas prices dominated today's Saturday radio addresses, as President Obama stressed an "all-of-the-above approach" to new energy development, while Republicans blamed Obama for the renewed spike in prices at the pump.

## [There is a way to clean up 'dirty' oil's problems](#)

Bitumen, from which oil is produced, takes more energy per barrel to get at than conventional oil pumped from the ground. Because it needs more energy, bitumen-derived oil produces more greenhouse gas emissions that cause global warming than conventional oil.

That gap – between bitumen-derived and conventional oil – is the problem the industry and governments don't seem to get. And that gap will widen as more steam-driven in-situ production comes on line, since in-situ uses more energy than open-face mining of bitumen.

## [Japan government to seek Tepco board resignation-media](#)

TOKYO (Reuters) - The Japanese government will seek the resignation of Tokyo Electric's (Tepco) board of directors at a shareholder meeting in June in return for injecting \$13 billion of public funds, the Mainichi newspaper said on Saturday.

The government decided that to clarify the responsibility over the firm's management, all 17 directors would have to go, the newspaper said without citing sources, adding that it also plans to halve the number of directors on the new board.

## [BP faces billions in fines as spill trial nears](#)

NEW ORLEANS (AP) -- On the cusp of trial over the catastrophic 2010 oil spill in the Gulf of Mexico, phalanxes of lawyers, executives and public officials have spent the waning days in settlement talks. Holed up in small groups inside law offices, war rooms and hotel suites in New Orleans and Washington, they are trying to put a number on what BP and its partners in the doomed Macondo well project should pay to make up for the worst offshore spill in U.S. history.

It is a complex equation, and the answer is proving elusive.

### [BP Wins Most Pentagon Fuel Awards in Year After Gulf Explosion](#)

The scorn heaped upon BP (BP) Plc following the biggest offshore oil spill in U.S. history in 2010 wasn't echoed at the U.S. Defense Department (USBODEFN). It stepped up purchases from the London-based company, making it the Pentagon's biggest fuel supplier.

### [USGS Unveils Shale Potential for Alaska North Slope](#)

For the first time, the U.S. Geological Survey has estimated the potential of undiscovered, technically recoverable onshore shale oil and gas resources in Alaska's North Slope. The estimates range from 0 up to 2 billion barrels of oil and from 0 up to 80 trillion cubic feet of gas – representing technically recoverable oil and gas resources, which are those quantities of oil and gas producible using currently available technology and industry practices, regardless of economic or accessibility considerations.

### [A Second N.Y. Ruling Upholds Local Authority Over Gas Drilling](#)

After two state judges upheld drilling bans established by two upstate towns in New York, the question becomes: how many more towns will go ahead and pass their own prohibitions on hydrofracking?

A New York state judge ruled Friday that the town of Middlefield in Otsego County can ban natural gas drilling within its borders, the second time in a week that a state court has affirmed local authority over the drilling process known as hydrofracking.

### [Study: Customer Satisfaction with Hydraulic Fracturing Services Diminishes](#)

U.S. demand for hydraulic fracturing services continues to rise along with shale exploration, but customers indicate they are less satisfied with these services in comparison to other completion-related services they receive, according to a recent survey by EnergyPoint Research.

### [Obama's Green-Car Plan Runs Into Limits](#)

President Barack Obama's administration is buying fewer hybrid and electric cars and more vehicles that can consume both ethanol and gasoline to meet 2015 environmental goals, favoring older technology over new.

### [Tesla Says Blogger's Battery Post Sparked 'Irrational' Fear](#)

Tesla Motors Inc., the maker of electric cars run by entrepreneur Elon Musk, said a blog post asserting Roadster batteries are at risk of failing if owners don't keep the cars plugged in stoked an "irrational" fear.

"A single blogger is spreading a rumor about electric vehicles becoming inoperable," a condition referred to as "bricking," the Palo Alto, California-based company said today on its website. "'Bricking' is an irrational fear based on limited information and a misunderstanding of Tesla's battery system."

### [Storing surplus wind energy an option for P.E.I.](#)

The province of P.E.I. should store surplus electric energy in peoples' homes, says the CAO of Summerside.

Terry Murphy told the P.E.I. Energy Commission Thursday that Summerside Electric started doing this last year to save energy.

The energy is stored in specific types of furnaces, space heaters and water heaters, Murphy said.

### [BP Plans to Withdraw From Solar-Energy Venture in Australia](#)

The company decided to exit the global solar business after 40 years because it has become unprofitable, Mike Petrucci, the chief executive officer of BP's solar unit, told staff in an internal letter in December. The industry faces oversupply and price pressures after Chinese competitors increased production.

### [China Encourages Solar Companies to Expand Amid Supply Glut](#)

China set targets for increasing production capacity at key polysilicon and solar cell makers, part of the government's plan to ensure its companies survive a slump in prices.

China wants each "leading" company to have 50,000 tons a year of polysilicon capacity by 2015 and targets 5 gigawatts for each of its top solar-cell makers, according to a five-year plan posted on the Ministry of Industry and Information Technology website today.

### [A \\$100 solar-powered tablet is coming soon](#)

The Swiss designer, now based in San Francisco, has plenty of commercial hits. That gives him the financial freedom to pursue his belief that design can change the world. It's a passion he put to work on his most famous project, One Laptop Per Child, better

known as "the \$100 laptop."

Now he's nearing completion of the sequel: A \$100 tablet. It's rugged, solar-powered, and designed for children in the world's poorest countries.

### [Brazil to Invest \\$35.4 Billion in Sugar-Cane Fields for Fuel](#)

Brazil's government plans to boost investment in sugar-cane plantations by 60.5 billion reais (\$35.4 billion) during the next four years to ensure an adequate supply of crops for the nation's ethanol industry.

### [Texas: Court Says Landowners Own Groundwater](#)

The State Supreme Court on Friday ruled that landowners can consider the groundwater underneath their holdings as personal property. "We held long ago that oil and gas are owned in place, and we find no reason to treat groundwater differently," Justice Nathan L. Hecht wrote for the court. The case involved a landowner who had been unable to get permission from local groundwater managers to use as much groundwater as he sought.

### [Al Gore's role in Apple's global warming policy questioned at shareholder event](#)

Former Vice President Al Gore's positions on climate change came under fire at Apple's annual shareholders meeting on Thursday when a non-profit group accused Gore, an Apple board member, of using his position to influence Apple's public stand on global warming.



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