



Drumbeat: March 23, 2012

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[Analysis - Global oil outages at 1.2 million bpd in March - survey](#)

(Reuters) - Global oil supply outages are running at more than a million barrels a day, a Reuters survey has found, helping provide justification for the United States and Britain should they release strategic reserves in a bid to cut oil prices.

Civil unrest, adverse weather and technical glitches disrupted 1.2 million barrels per day (bpd) of global oil output in March on the 90 million bpd world market, according to a Reuters calculation from information provided by companies, government agencies and traders.

While disruptions of supply to the world oil market are commonplace, it is rare and perhaps unprecedented that such a large volume of oil is offline at any one time outside a single major disruption.

[Oil up near \\$124, supply worries support](#)

LONDON (Reuters) - Oil rebounded to around \$124 a barrel on Friday after Thursday's sell off as supply concerns underpinned prices despite reassurances from the International Energy Agency (IEA).

[Gas could hit \\$8 on Iran showdown, experts say](#)

Gas prices could double if Iran acts to close the Strait of Hormuz to oil-tanker traffic near the beginning of next year, cutting global economic growth by more than 25%, a leading energy-consulting firm says.

[Unhappy public not sure who to blame for high gas](#)

LOS ANGELES (AP) — Families canceling vacations. Fishermen watching their profits burn up along with their boats' gasoline. Drivers buying only a few gallons of gas at a time because they can't afford to fill the tank.

From all corners of the country, Americans are irritated these days by record-high fuel prices that have soared above \$4 a gallon in some states and could top \$5 by summer. And the cost is becoming a political issue just as the presidential campaign kicks into

high gear.

[Gas cards return as destinations gear up for tourists](#)

As climbing fuel prices threaten to put the brakes on spring and summer trips, some hotels and destinations are returning to a familiar tactic to lure visitors: gas cards.

"When you hit a milestone like \$4 a gallon (the nationwide average is \$3.84 a gallon for regular unleaded, but 10 states now average between \$4.01 and \$4.46 a gallon), it gets people's attention," says senior analyst Gregg Laskoski of GasBuddy.com.

[Rising gas prices help my business](#)

Who says rising gas prices are a pain? What is a problem for many turns out to be beneficial for some.

[The oil industry's plan to lower gas prices](#)

NEW YORK (CNNMoney) -- The oil industry recently laid out a set of proposals it believes will instantly lower gasoline prices.

The proposals call for more domestic oil production, fewer environmental regulations on refineries and fuel, and for not raising taxes on the industry. They're basically what the Republican presidential candidates are calling for.

But analysts say those ideas will do little to lower gas prices in the short term.

[From Engineering Marvels, a Turnaround in U.S. Oil Output](#)

Just a decade ago, complete wells were fracked at the same time with millions of gallons of water, sand and chemical gels. Now the wells are fracked in stages, with various kinds of plugs and balls used to isolate the bursting of rock one section at a time, allowing for longer-reaching, more productive horizontal wells. A well that once took two days to drill can now be drilled in seven hours.

[No Quick Fix?](#)

For over 40 years the left has brought out one argument after another against fossil fuels. Whether it is "peak oil," "carbon emissions," "can't drill our way out," or "no quick fix," every argument has the same goal: to force Americans off fossil fuels and onto expensive, government-regulated green alternatives. All of these arguments have turned out to be wrong. Peak oil may be 200 years away; carbon emissions have not

raised the sea levels by 12m, devastated our croplands, or engendered monster storms. We can drill our way out, and yes, there is a "fix."

Everything from "peak oil" to "no quick fix" is a thinly disguised attempt at government takeover of the energy sector, something the left has plotted since at least the 1930s. The left's goal is to shift control of a vital sector of the economy, and one that plays a crucial part in the lives of all Americans, into the hands of government. Along with ObamaCare and financial regulation, it is the third leg of Obama's socialist takeover of the economy.

[Keystone pipeline: Separating reality from rhetoric](#)

NEW YORK (CNNMoney) -- President Obama stopped in Cushing, Okla., on Thursday to announce a fast-track approval process for a portion of the Keystone XL oil pipeline -- although it's not the part for which he's taken political heat for blocking.

The portion likely to start construction soon runs from Cushing, a key repository of U.S. oil, to the Gulf Coast.

[Republicans Blast Obama on Energy](#)

President Obama's two-day trip to highlight his energy policies has lit a fire under the Republicans, who say he is distorting his record and trying to duck responsibility for high gasoline prices.

It's a sign that energy will be a big issue for the rest of this political year, and that all sides will continue their efforts to make gains by bashing each other. The trigger for the debate has been rising gas prices, which reached a national average of \$3.86 per gallon on Wednesday, up from \$1.83 in January 2009, when Obama took office.

[Obama Plan on Oil Pipeline Segment Won't Quell Keystone Debate](#)

President Barack Obama satisfied neither critics nor environmentalist allies with an announcement of an expedited review for an oil pipeline as he wrapped up a four-state trip defending his energy policies.

[Obama's Worst Speech Ever: "We've Added Enough New Oil And Gas Pipeline To Encircle The Earth"](#)

Obama will, I've said, be remembered for a "failed presidency" simply for failing to seriously fight for a climate bill. And this speech certainly guts any possible claim for a climate legacy.

Ironically, as Brad Johnson notes over at TP Green, Cushing is "ground zero for climate

disasters in the United States.” In the last five years, “Cushing alone has been hit by disastrous drought, severe summer storms, ice storms, and wildfire.”

[China Mulls Giving Oil Majors More Autonomy In Setting Fuel Prices - Report](#)

BEIJING – China is studying a system that would allow its three major oil companies to independently set the prices of refined oil products when global oil prices are below \$130 a barrel, the Shanghai Securities News reported Friday, citing a government researcher.

China may also incorporate "relatively cheaper" West Texas Intermediate--the U.S. light, sweet benchmark, which is traded on the New York Mercantile Exchange--into the crude basket it tracks, the newspaper said, citing Jiang Xinmin, deputy director at the Energy Research Institute of the National Development and Reform Commission.

[Pakistan considering allowing petrol imports from India](#)

Pakistan is expected to bring out a notification next month allowing import of certain goods, including petrol and food items from India, Energy Secretary Ejaz Chaudhry has said.

[Saudi to fill in for any Iran disruption: IEA](#)

(Reuters) - Saudi Arabia will be able to pump enough oil to compensate for any loss of Iranian output caused by Western sanctions, the head of the International Energy Agency (IEA) said on Friday.

"There is no fear of disruption of supplies and you know Saudi Arabia is going to bring more oil to the market," Maria van der Hoeven, the executive director of the agency that advises developed nations, said while attending an Asia Gas Partnership conference in New Delhi.

[U.S. Says Iran Crude Buyers Must Pledge Cuts to Avoid Sanctions](#)

The Obama administration wants China, India and 10 other nations to present specific plans of how they will curtail Iranian oil imports, saying past cuts aren't enough to win them an exclusion from new U.S. sanctions.

[Iran oil sanctions: India tells West to appreciate its needs](#)

NEW DELHI: India will continue to import oil from Iran without violating any international law and has requested the United States and the European Union to take into account the country's oil needs, oil minister Jaipal Reddy said on Friday.

[IEA exec: no waiver yet for India as its Iran oil deals run from April](#)

(Reuters) - India has not got a waiver yet to U.S. sanctions on Iranian oil buyers as the South Asian nation said its annual oil deals with Tehran run from April to March, the International Energy Agency's executive director told Reuters.

[South Africa's Sasol No Longer Buying Iranian Crude Oil](#)

JOHANNESBURG – South Africa's Sasol Ltd. (SSL) said Friday it has stopped buying Iranian crude oil and is sourcing more Arabian crude in its place.

The company, the world's largest coal-to-motor-fuel producer, said it also continues to buy from West Africa, declining to give any pricing information.

[Govt not looking at diesel price decontrol: Reddy](#)

Oil minister S Jaipal Reddy today said the government is not contemplating decontrol of diesel prices and admitted to "some kind of" discontinuation of petrol deregulation of late.

"As of now, we are not contemplating deregulation of diesel prices," Reddy told reporters on sidelines of 7th Asia Gas Partnership Summit in New Delhi.

[India moves to quell \\$211 billion coal furor](#)

NEW DELHI (Reuters) - India lost up to \$211 billion in revenue by selling coalfields too cheaply, a government auditor's draft report said, sparking a furor in parliament on Thursday that added to pressure on the prime minister after months of scandals and policy missteps.

The prime minister's office called the estimated loss "exceedingly misleading," after the report - leaked from the federal auditor and published in the Times of India - prompted lawmakers to demand an explanation and rattled investors.

[Operations resume at new Iraq oil export terminal](#)

(Reuters) - Iraq's new offshore oil export terminal resumed operations and loading late on Thursday, sources at the South Oil Co. said.

[Two major U.S. oil cos interested in TAPI pipeline](#)

(Reuters) - Two major U.S. oil companies are interested in a four-country pipeline that would ship gas worth billions of dollars from Turkmenistan to India and Pakistan, a U.S. government official said on Friday.

The building of the U.S.-backed "TAPI" pipeline through some of Afghanistan's most volatile regions presents a major challenge, adding to the project's other hurdles such as gas pricing and transit fees.

[Morgan Stanley-Hired Ship Hauls Frozen Gas 14,500 Miles to Tokyo](#)

A liquefied natural gas tanker hired by Morgan Stanley, the bank that ships the most commodities, is hauling a cargo about 14,500 miles from the U.S. to Japan, where the fuel fetches almost seven times more.

[Statoil big Arctic oil find could be bigger-report](#)

OSLO (Reuters) - A major oil find in the Arctic made by Statoil could contain an extra 350 million barrels of oil reserves, Norwegian daily Dagens Naeringsliv reported on Friday.

The Skrugard oil find - so far estimated to contain between 200 and 300 million barrels, with a potential to hold up to 500 million barrels - boosted the interest of oil firms in the Norwegian Arctic when it was discovered last year.

[Russia to Return to Saving Oil Revenues in Funds](#)

Russia will return to its pre-crisis practice of applying the so-called 'budget rule' and saving the country's oil revenues in special state stability funds, Presidential Economic Aide Arkady Dvorkovich said on Friday.

[Harper Says Canada to Speed Energy Reviews in Bid for Asia Sales](#)

Canadian Prime Minister Stephen Harper said his government plans to reform its regulatory system so energy projects can get faster approval as the country looks to sell more oil and gas to Asia.

[Athabasca oil sands: Making headlines, then and now](#)

Fifty years ago, the Athabasca oil sands took their first small steps toward becoming – depending on your point of view – North America's economic salvation or its environmental cataclysm.

[Exxon Mobil to sell some Europe gas stations - paper](#)

(Reuters) - Exxon Mobil Corp has put 78 French gas stations on the block, part of a wider effort to sell out of such activities in Europe following similar moves in the United States, financial daily Les Echos reported on Friday.

[Energy Brokers Get Shelter From EU's Shift to Exchanges](#)

The global credit freeze and record oil prices of 2008 prompted regulators around the world to shift more trade onto exchanges such as ICE Futures Europe in London and Nord Pool ASA in Oslo, increasing transparency. The rules for OTFs would allow brokers including GFI Group Inc. to retain trades that might have moved to the more-regulated markets. The exchanges oppose this, saying they'll be shut out of the \$2.6 trillion non- exchange commodity derivatives business.

[Chavez Turns to Generals to Defend Revolution Amid Illness](#)

Venezuelan President Hugo Chavez, who began his climb to power in a failed revolt two decades ago, is returning to his military roots and promoting fellow coup plotters to top posts to ensure the survival of his revolution.

The socialist leader says he's fit enough to win another six-year-term in October after undergoing cancer surgery in February for a third time in eight months. Still, the former tank commander's treatment of his illness as a state secret has fueled speculation his health is worse than he's letting on.

[Citi's Report: Fuelish or Farsighted?](#)

Earlier this week, Citigroup's Ed Morse previewed the bank's new energy report, "Energy 2020: North America, the New Middle East?" in a Wall Street Journal op-ed. Yesterday the bank released the full report—and it's a doozy.

In the report, Citi's strategists argue that North America could become the largest provider of new energy during the next decade, as new technology adds once inaccessible sources of fuel to the mix.

[Crude Oil Prices And The 'Peak Oil' Environment](#)

Peak Oil can be defined at least 4 ways but one way is simple: Peak Oil is when supplies and stocks are tight enough, relative to demand, to make price slides short and price hikes long, until and unless the economy tilts into recession or by policy decision in response to a dysfunctional and parasitic bank, finance and insurance sector is either pushed or allowed to fall into recession.

[Tom Murphy Interview: Resource Depletion is a Bigger Threat than Climate Change](#)

I see climate change as a serious threat to natural services and species survival, perhaps ultimately having a very negative impact on humanity. But resource depletion trumps climate change for me, because I think this has the potential to effect far more people on a far shorter timescale with far greater certainty. Our economic model is based on growth, setting us on a collision course with nature. When it becomes clear that growth cannot continue, the ramifications can be sudden and severe. So my focus is more on averting the chaos of economic/resource/agriculture/distribution collapse, which stands to wipe out much of what we have accomplished in the fossil fuel age. To the extent that climate change and resource limits are both served by a deliberate and aggressive transition away from fossil fuels, I see a natural alliance. Will it be enough to avert disaster (in climate or human welfare)? Who can know - but I vote that we try real hard.

[Chevron Says Brazil's Reaction To Spill Is Out Of Proportion](#)

BRASILIA – The legal reaction to a Chevron Corp. (CVX) oil spill in Brazil in November is "out of proportion compared to the event," according to Rafael Jaen Williamson, the oil company's director of corporate affairs.

[Arctic Council group works on spill response plan](#)

GIRDWOOD -- Representatives of the eight nations in the Arctic Council gathered Thursday for continued discussions on a petroleum spill preparation and response plan in northern waters and a spokesman for the meeting host said it couldn't come too soon.

[Recycled Motor Oil Could Help Alleviate Foreign Oil Dependency and Help the Environment](#)

NEW YORK, NY--(Marketwire) - According to the American Petroleum Institute (API), more than 600 million gallons of motor oil is purchased each year. Joseph Franceschi, an engineer at Universal Lubricants believes the proven technology "reduces imported oil," with less energy expended than refining a product from "virgin" crude oil. Current estimates are that it takes 42 gallons of crude oil, but only 1 gallon of used oil, to produce 2.5 quarts of new, high-quality lubricating oil.

[Dieter Helm to head the UK's new green accountant](#)

Economist Dieter Helm is to head a new Natural Capital Committee (NCC), which will aim to value the UK's natural resources, as part of a package of measures announced in the UK's new budget today.

The appointment seems logical in that Helm has championed this kind of measure as key to sustainable global development, but he is also famously of the view that fossil fuels are still plentiful, renewables expensive, and shale gas an important future energy

source in the UK that will drive gas prices down.

[Budget 2012: oil and gas industry gets £3bn tax break to encourage drilling](#)

[China National Nuclear in Talks With Areva on Uranium Stakes](#)

China National Nuclear Corp. said it's in talks to buy a stake in uranium mines owned by Areva SA as the world's biggest energy consumer prepares to resume approval of new reactor construction.

A £3bn tax break from the chancellor to help BP and others drill new deep wells in pristine waters off the north of Scotland was condemned as "absolutely shocking" by green campaigners.

['Hell no, we won't glow': Dozens of anti-nuclear activists arrested at Vermont Yankee protest](#)

BRATTLEBORO, Vt. -- A 93-year-old anti-nuclear activist was among more than 130 protesters arrested at the corporate headquarters of the Vermont Yankee nuclear power plant Thursday, the first day of the plant's operation after the expiration of its 40-year license.

[A Tally of Green Jobs](#)

For the first time, the federal government on Thursday released an estimate of the number of so-called green jobs in the United States economy, saying that 3.1 million people are employed in the production of goods and services that benefit the environment.

[Electric cars risk losing green sheen in Japan](#)

TOKYO (AP) — Electric car owners who prided themselves on being green now find themselves in a bind as Japan's government maneuvers to restart dozens of nuclear power plants idled after last year's meltdowns.

[First High-Speed Cargo Train Calls at London](#)

This week a test run of a high-speed freight train between Lyon St Exupéry airport (France) and St. Pancras International Station in London (United Kingdom), passing via Paris Charles De Gaulle airport and the Channel Tunnel demonstrated the efficiency, speed and environmental benefits of a shift in intermodal container traffic from air to the high-speed rail network.

[China over takes US as world's wind power leader: report](#)

China has overtaken US in the wind power generation sector by consolidating its position as the world leader in both newly and cumulative installed capacities in 2011, the China Wind Energy Association (CWEA) said on Friday.

Figures released by the CWEA said China had 17.6 gigawatts (GW) of wind turbines installed in 2011. Though this was down 6.9 per cent from the previous year, it took China's cumulative wind power installed capacity amount to 62.4GW, up 39.4% year-on-year, by the end of 2011.

[EU mulls 'green lawsuits' against China](#)

Massive state subsidies are "squeezing out" European wind and solar companies from China's renewables market, the head of EU Trade Commissioner Karel De Gucht's cabinet has said, adding that court action should be considered against barriers to trade.

[Groundwater Crisis Unfolds in Times Square](#)

To mark World Water Day, digital animations conveying the gravity of global declines in groundwater just went on display on two billboards in Times Square. The animations, based on satellite data provided by NASA and the University of California, Irvine, and statistics from the United States Geological Survey, will be shown several times each hour through April 22.

[Cosy amid the thaw](#)

As the ice retreats, rich Arctic deposits of oil, gas and other minerals become accessible. High commodity prices make them lucrative. The US Geological Survey estimates that the Arctic has around a quarter of the world's undiscovered and recoverable oil and gas reserves.

[Fiji: It's all about survival](#)

AS the world braces for tougher climate conditions in the coming decades, it has become more and more clear that climate change is having a direct impact on our food system.

The issue of food security has become of extreme importance especially for Pacific island people today. The world's most vulnerable people are at risk of falling into the hunger and poverty trap as extreme weather because of the effects of climate change, such as droughts and floods, are already causing an increase in food prices. This increase threatens food security in many parts of the world, pushing the poor into destituteness as they spend more of their income providing for themselves and their families.

[India bans its airlines from paying EU carbon tax](#)

India has barred its airlines from complying with the European Union's carbon taxation scheme, with the government saying no Indian carrier would share emissions data with the EU.

"Though the European Union has directed Indian carriers to submit emission details of their aircraft by March 31, 2012, no Indian carrier is submitting them in view of the position of the government," Civil Aviation Minister Ajit Singh said Thursday in parliament.

[Carbon Plan Could Pay Off for Airlines](#)

LONDON — Emirates, an airline based in wealthy Dubai, has been among the outspoken opponents of a system making airlines account for their pollution on all flights using E.U. airports.

Yet Emirates could make a modest profit of €1.5 million, or \$2 million, from a small surplus of permits, each representing a ton of carbon dioxide, that airlines can trade as part of the system.

[The Good Samaritan and global warming](#)

Much, but not all, skepticism about global warming comes from fear of local responsibility for a global problem. This might require personal sacrifice in how we live and practice our faith.

[3Qs: What is 'global weirding'?](#)

Auroop Ganguly — an associate professor of civil and environmental engineering who heads Northeastern's Sustainability and Data Sciences Lab — explains how global climate change and extreme weather, such as hurricanes and heat waves, could affect water sustainability, critical infrastructures and human health.

[Rising sea levels imperil our state](#)

Florida is in the crosshairs of climate change. Rising seas, a population crowded along the coast, porous bedrock, and the relatively common occurrence of tropical storms put more real estate and people at risk from storm surges aggravated by sea level rise in Florida, than any other state by far.

Some 2.4 million people and 1.3 million homes, nearly half the risk nationwide, sit within 4 feet of the local high tide line. Sea-level rise is more than doubling the risk of a storm

surge at this level in South Florida by 2030. For the hundreds of thousands of Floridians holding 30-year mortgages, that date is not far off in the future.



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