



## Drumbeat: April 13, 2012

Posted by [Leanan](#) on April 13, 2012 - 8:32am

### [How OPEC clouds the issue of oil production](#)

How much oil does OPEC produce? It is a simple question, but the answer has been complicated after the cartel started this month to publish two different sets of data.

According to its monthly oil market report, OPEC either produced about 31.2 million barrels a day in February, or a much higher 32.1 million b/d. The difference in the two estimates is equal to twice the production of its smallest member -- Ecuador.

The dispute about the true level of production is not merely an internal matter for the cartel that controls 40 per cent of the world's oil supplies. It complicates policymaking and contributes to instability in oil markets as traders are unsure about supply.

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### [Indian Oil Chairman: Seeking INR7.67/Liter Increase In Gasoline Prices](#)

NEW DELHI – Indian Oil Corp. (530965.BY) wants to raise gasoline prices by INR7.67 a liter to make up for its sales losses, the chairman of the country's biggest refining and fuel marketing company by sales said Friday.

Indian Oil and two other state-run fuel retailers--Hindustan Petroleum Corp. (500104.BY) and Bharat Petroleum Corp. (500547.BY)--are incurring sales losses totaling INR500 million (\$9.7 million) a day from gasoline sales, R.S. Butola told reporters.

### [Tensions between West and Iran not the main factor in future oil prices](#)

Iran's confrontation with the West has been a worthy headline-grabber for months, but it is mundane economic realities that will set the tone for oil markets in the months ahead.

### [Syrians take to the streets amid a fragile cease-fire](#)

(CNN) -- Syrians poured into the streets after Friday prayers, chanting and raising opposition flags in a major test of a fragile cease-fire implemented a day earlier to end a bloody government crackdown.

"God we have no one to ask for help but you," they chanted. "Down with Assad!"

### [Eni SpA pipeline attacked in Nigeria's oil delta](#)

LAGOS, Nigeria—Gunmen attacked a pipeline early Friday morning belonging to Eni SpA in Nigeria's oil-rich and restive southern delta, the Italian oil firm said, as the main militant group in the region claimed responsibility for the assault.

Eni said engineers had begun examining the damage on the pipeline near Clough Creek in Bayelsa state, the home of Nigerian President Goodluck Jonathan. The company did not say how much oil had been spilled in the attack, nor how much of its oil production had been affected.

### [Spain gas demand drops further, coal used more](#)

MADRID (Reuters) - Spanish gas demand extended a year-long slump in March, gas grid manager Enagas said on Friday, as coal continued to grab a larger share of the country's generating mix.

A year-on-year fall of 9.0 percent in March followed a jump of 11 percent in February when demand rose to cope with unusually cold weather.

### [Russia's Novatek mulls bid for Cypriot gas](#)

MONTREAL - Novatek, Russia's largest independent natural gas producer, is considering applying for a license to explore for gas offshore from Cyprus when Nicosia opens a second round of bidding for its exclusive economic zone (EEZ) later this year.

### [Lithuania eyes LNG imports from Norway](#)

(Reuters) - Lithuania, which plans a floating liquefied natural gas (LNG) import terminal by end-2014, is considering imports from Norway, the energy ministry said on Friday.

### [Russia Forgoes Shale Gas](#)

Unlike the rest of the world right now, Russia isn't scrambling to develop its shale gas assets. The country is the world's second-largest natural-gas producer, and its production story affects much of the world and many of our investments.

### [China power giant inks \\$2.4-bln India project](#)

HONG KONG/NEW DELHI (Reuters) - Power Construction Corporation of China has signed a \$2.4 billion contract to build the second phase of a massive coal-fired power complex in southern India to help meet soaring local demand for electricity, the firm said on Friday.

China has been playing an active role in power project construction overseas, particularly in developing countries, taking advantage of state financing as well as experience and technology acquired through three decades of economic boom.

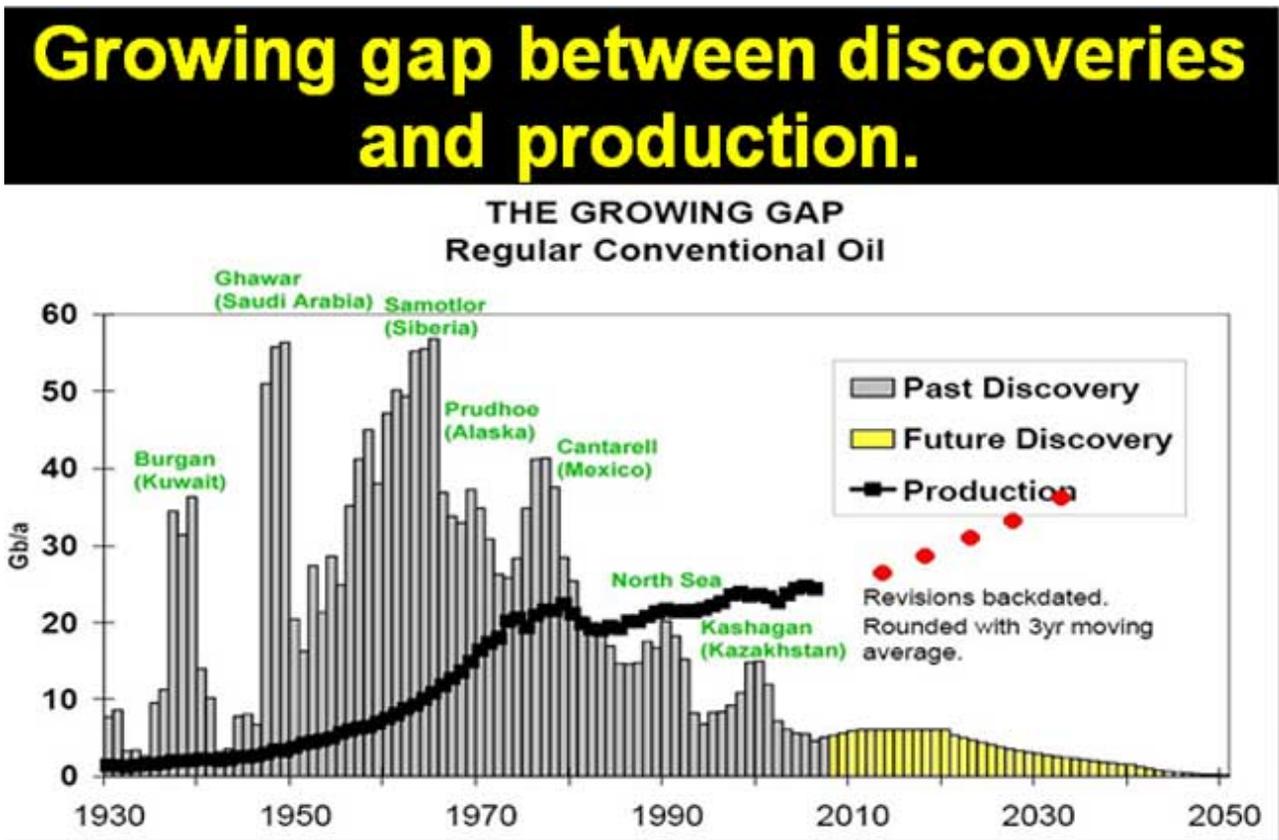
[Russia To Prepare Offshore Tax Breaks By October -Report](#)

MOSCOW – Russia's government will prepare tax changes for offshore oil and gas projects by October, the Interfax news agency reports Friday citing the country's Deputy Finance Minister Sergei Shatalov.

[China extends energy levy to projects with foreign firms](#)

(Reuters) - China has extended a charge on oil and gas production to cover cooperation projects between foreign and Chinese companies from those run solely by domestic firms, as it tries to smooth levies for all oil and gas producers.

[Supply Chain Graphic of the Week: Another View of Peak Oil](#)



The picture it paints is not a good one. First, look how few new reserves are being discovered, versus the huge oil field finds in the 1950-80 period (gray bars, versus small expected future finds in the yellow bars).

You can also see in the black line how production levels, despite rising overall global demand, have been flat-lining in recent years: just what you would expect with nearing Peak Oil.

### [Texas Oil Commissioner talks about possible 4 million barrels of oil per day in 2016 from Texas](#)

If Texas delivers the increases that the commissioner is talking about and North Dakota continues its trend and the other oil shale areas increase as well then it is very plausible that the US could become the #1 crude oil producer. It can also mean that there will be a new peak in US oil production which runs counter to the peak oil theme of it peaked in the US and will peak for the world and never get back to those levels.

### [While We Dither On Oil, It's Drill, Beijing, Drill](#)

A Chinese oil company is now the world's top producer. While we sleep and watch pump prices rise, China, India and even Cuba seek supplies the world over, including drilling off the Florida coast.

### [The War at the End of the US Dollar](#)

US politicians are clamoring for war with Iran, the third largest oil exporter in the world. Iran refuses to sell its oil for US dollars. If Iranian oil were traded in US dollars, it would moderate the US dollar price of crude oil and ease pressure on the US economy, as well as extend the world reserve currency status of the US dollar and give the US economic leverage over consumers of Iranian oil, which include China and India.

### [Cheap Natural Gas Won't Destroy The Nuclear Power Industry](#)

Natural gas prices are now below \$2 per 1,000 cubic feet, the lowest they've been in over a decade. What's this mean for the energy industry - specifically nuclear power?

### [Natural Gas Vehicles In China](#)

With the price of a gallon of gasoline in the United States now at \$5 — and climbing — CNBC's Rick Santelli is making it his personal mission to demonstrate to the world that cars can easily be converted to run on natural gas. Santelli is best known for starting the Tea Party movement with his famous rant about being forced to pay for his neighbors' mortgage. If Santelli is right about natural gas, he may start an even more powerful trend. Natural gas is in abundant supply in the United States, and the U.S. is the world's lowest-cost producer. Lured by the promise of fueling their vehicles at a fraction of the

cost of using gasoline, Santelli is sure to have a lot of followers.

### [Taste testers enlisted to sample fish exposed to Scottish gas leak](#)

### [China launches oil spill response vessels](#)

NANNING (Xinhua) -- China has put the country's first oil spill response vessels (OSRV) into use, a move to strengthen emergency response capabilities in case of oil spill accidents.

Scotland's government has brought in a team of taste testers to ensure the safety of fish potentially affected by an ongoing gas leak emanating from a North Sea oil platform owned by French multinational oil and gas company Total S.A.

The government brought to the Marine Scotland Science organization "specially trained sensory testers" who tasted seven species of fish found near the gas leak.

### [Could Solar Power Boost Saudi Oil Exports?](#)

How often have we heard that installing renewable energy sources like wind and solar power will improve US energy security and reduce oil imports? There are other reasons for promoting these technologies, but this one has little substance, because we generate less than 1% of our electricity from oil. Ironically, this logic looks much more relevant to the part of the world with the largest oil reserves and that accounts for the lion's share of global oil exports, the Middle East. This week's Economist reports that Saudi Arabia generates 65% of its power from oil, and the impact on its oil exports could grow dramatically as the country's population and economy expand. Other Gulf producers have similar profiles. The Saudi government's strategy to increase its use of nuclear and renewable energy could pay big dividends in preserving oil for exports, though the volumes freed up by such means wouldn't be cheap.

### [Melting Arctic is nothing but good news for the mining industry: Lloyd's/Chatham House](#)

The melting ice cap in the Arctic sea could open up access to immense mineral reserves, attracting billions of dollars in investment, but also bringing with it unique risks and challenges, says Lloyd's/Chatham House latest Risk Insight report.

While the London-based think-tank estimates that investments over US\$100 billion are expected in the region over the next decade, it also warns about the potential environmental damages from oil drilling in the far north.

### [Climate change said to threaten Asia's 'Rice Bowl'](#)

BANGKOK (UPI) -- Catastrophic flood-drought cycles could threaten Asia's rice production and pose a significant threat to millions of people across the region, researchers say.

Rapid climate change and its potential to intensify Southeast Asia's droughts and floods could affect Asia's "Rice Bowl" and lead to millions in crop damages, climate specialists and agricultural scientists warned.

### [Mexico to introduce radical climate law](#)

Mexico is set to become the second country worldwide to begin legislating against climate change, as its House of Representatives passed a climate law.

If passed by the Mexican Senate, the General Law on Climate Change will require the whole country to reduce its carbon by 50% by 2050.

### [Japan Greenhouse Gas Emissions Rose 4.2% on Recovering Economy](#)

Japan's greenhouse gas emissions for the year ended March 2011 rose 4.2 percent as the economy recovered from the 2008 financial crisis, the Environment Ministry said today, exceeding a previous estimate.

### [Philippines deploys second ship in China standoff](#)

The Philippines deployed a second vessel to tiny islands in the South China Sea on Thursday in a bid to protect its sovereignty in an increasingly tense territorial standoff with China.

Authorities said a coast guard boat joined the Philippines' biggest warship at Scarborough Shoal, where two Chinese surveillance vessels were protecting a group of Chinese fishermen from being arrested.

### [Oil Halts Two-Day Advance on China Growth Slowdown, Naimi Pledge](#)

Oil halted a two-day advance in New York after China's economy grew at the slowest pace in 11 quarters and Saudi Arabia's oil minister said the kingdom is determined to see lower prices.

Futures fell as much as 0.8 percent after government data today showed China's gross domestic product expanded 8.1 percent from a year earlier in the first quarter, after an 8.9 percent gain in the final three months of 2011. Industrial output rose at a faster pace in March, while retail sales growth accelerated. Saudi Arabia, the world's biggest crude exporter, considers prices too high and is working toward damping them, Minister Ali al-Naimi said today.

### [Consumer Prices in U.S. Probably Rose at Slower Pace](#)

The cost of living in the U.S. probably rose at a slower pace in March as the run-up in energy prices lost steam, economists said before a report today.

The consumer-price index increased 0.3 percent last month after rising 0.4 percent in February, according to the median forecast of 80 economists surveyed by Bloomberg News. So-called core prices, which exclude volatile food and energy costs, may have climbed 0.2 percent.

### [Why gas prices may have peaked](#)

NEW YORK (CNMoney) -- After one of the fastest and steepest runups in recent memory, it's possible gasoline prices may have peaked.

Retail gas prices fell more than half a cent Friday to a nationwide average just above \$3.90 a gallon, according to AAA, continuing a decline started late last week that has shaved almost 4 cents off the price of gas.

The decline mirrors a moderate drop in crude oil prices, which account for roughly 70% of the cost of gas.

### [Turkey could seek NATO's help to deal with Syria](#)

ANKARA, Turkey (AP) — Turkey said it could seek NATO's help in case the Syrian troops violate its borders again.

Prime Minister Recep Tayyip Erdogan said Wednesday that "NATO has responsibilities to protect the Turkish border according to Article 5." He was referring to the article in the alliance's treaty stating that an attack against one NATO member shall be considered an attack against all members.

### [Iranians Decry Double Standard Before Nuclear Talks](#)

For nations seeking to restrict Iran's pursuit of nuclear technology, Vida Asgari has a question: if others can do it, why not us?

"Why should only powerful countries have it?" said Asgari, a 44-year-old sales assistant in a Tehran bookshop. "If it's peaceful, it's our right and we should stand up for it."

### [Spain summons Argentine ambassador in energy dispute, warns country against becoming](#)

["pariah"](#)

MADRID - Spain warned Argentina Friday it risks becoming "an international pariah" if it tries to wrest control of energy company Repsol's majority stake in its South American YPF unit, raising tensions between the two nations and sending Repsol's shares plunging.

Spanish Foreign Minister Jose Manuel Garcia-Margallo summoned Argentina's Ambassador Carlo Antonio Bettini to convey Spain's "concern" over possible nationalization of YPF, which represents 42 per cent of Repsol's total reserves, estimated at 2.1 billion barrels of crude.

[EU tells Argentina to respect investor rights in Repsol spat](#)

The European Union has urged Argentina today to respect the rights of foreign investments as it voiced concern over reported plans to nationalise a unit of Spanish oil firm Repsol.

The European Commission, the EU's executive arm, said its delegation in Buenos Aires had expressed its concerns directly to the Argentine government.

[Argentine Governor Rejects News Report on YPF Takeover Plan](#)

The governor of Argentina's Jujuy province rejected a media report that said the government plans to send Congress a bill authorizing it to take a 50.01 percent stake in YPF SA (YPFD), the country's biggest energy company.

"Everything is under review," Eduardo Fellner told reporters last night provincial governors met President Cristina Fernandez de Kirchner in Buenos Aires. "There is no legal proposal yet, there are just press rumors."

[LNG Export Plant Verges on U.S. Approval Amid Shale Glut](#)

Cheniere Energy Inc. (LNG), the natural gas importer that lost \$1.2 billion in a decade, is poised to become the sole U.S. exporter of fuel from the shale bonanza that's turned the nation into the world's biggest gas producer.

The government may decide as soon as next week on Cheniere's request to build a \$10 billion Louisiana plant that would be the largest in the U.S. to liquefy gas and load it onto ocean-going tankers.

[Ask Matt: What are some ways to invest in natural gas?](#)

Increasingly, municipal bus systems, for instance, are turning to natural gas as a way to power their fleets. And more shipping and transportation companies, too, are using natural gas.

But despite the interest in natural gas as a fuel, the plans to use it have failed to catch on in any widespread way. And prices of natural gas tell the story.

### [Catskill Mountains town bans natural gas fracking](#)

OLIVE, N.Y. (AP) - The Town of Olive in the Catskill Mountains is the latest community in New York to ban to natural gas drilling using high-volume hydraulic fracturing.

More than 50 New York communities have enacted so-called fracking bans at the urging of residents who say the potential benefits aren't enough to risk polluting water supplies and endangering public health.

### [Shell Confident It's Not Source of Gulf of Mexico Sheen](#)

Royal Dutch Shell Plc (RDSA), Europe's largest oil company, said an oil sheen between two of its platforms in the Gulf of Mexico is dissipating, and the company is trying to determine where it came from.

The sheen, estimated at about six barrels that covered 10 square miles, has broken up, the Hague-based company said in an e-mailed statement. Shell said in an earlier statement that an inspection found "no sign of leaks" and "no well control issues" from its operations in the area.

### [Nuclear Halt in South Korea Seen Boosting Coal](#)

South Korea may expand record imports of power-station coal as a nuclear-plant failure that was hidden for a month stokes opposition to atomic energy a year after Japan's Fukushima disaster.

### [Edano May Visit Fukui With Message Japan Reactors Safe](#)

Yukio Edano, the government official who steered Japan through the early days of the Fukushima crisis, may visit western Japan in the coming week with the message nuclear plants in the area are safe.

In the latest step to get the nation's reactors running again before power demand peaks in summer, the industry minister will likely focus on winning over local authorities in Fukui prefecture to allow the restart of two Kansai Electric Power Co. reactors at the Ohi plant, about 95 kilometers (59 miles) northeast of Osaka.

### [Dr. Chu on Profits, Horse Manure and Other Forces of Technological Change](#)

Steven Chu, the secretary of energy, is optimistic about the future of renewable energy.

“The clean tech industry is making great strides,” he said on Wednesday at the New York Times Energy for Tomorrow conference in New York. Technologies like battery storage have vastly improved, solar efficiency is improving and electric cars are just at the beginning of their development.

And despite the political partisanship in Washington, he said, “there are people on the other side of the aisle that recognize the economic opportunity.”

### [Drought expands throughout USA](#)

Still reeling from last year's devastating drought that led to at least \$10 billion in agricultural losses across Texas and the South, the nation is enduring another unusually parched year.

A mostly dry, mild winter has put nearly 61% of the lower 48 states in "abnormally dry" or drought conditions, according to the U.S. Drought Monitor, a weekly federal tracking of drought. That's the highest percentage of dry or drought conditions since September 2007, when 61.5% of the country was listed in those categories.

### [E.P.A. Weighs Texas Plan to Cut Haze in National Parks](#)

The Environmental Protection Agency wants cleaner air at national parks across the country, including Guadalupe Mountains and Big Bend in Texas. By November, it is supposed to complete a plan that could regulate emissions from dozens of Texas' industrial plants, with the goal of reducing haze at parks. Texas officials who would execute the plan are not seeking any new controls, and the electric power industry, unusually, is taking the prospect of a new E.P.A. rule in stride.

### [Worry About U.S. Water, Air Pollution at Historical Lows](#)

PRINCETON, NJ -- Americans currently express record-low concern about both air pollution and pollution of drinking water. Thirty-six percent say they worry a great deal about air pollution and 48% about pollution of drinking water. Both figures are down more than 20 percentage points from the year 2000.

### [Oilsands company reducing greenhouse gases and saving money](#)

In the wake of new data confirming a rise in greenhouse gas emissions from Alberta's oilsands sector, one Canadian company, Cenovus, says it's turning the corner in efforts

to reduce heat-trapping gases released for each barrel of oil produced from their operations.

### [David Suzuki Foundation wags finger at Alberta, Sask.](#)

The rest of Canada is leading the way in fighting climate change, argues the David Suzuki Foundation, but Alberta and Saskatchewan are lagging far behind.

According to a report released Wednesday, the rest of Canada — with Ontario, Quebec and B.C. being rated as “very good” — are “leaders” in greenhouse-gas reduction.

### [Signs Europe Bending on Airline Carbon Fee](#)

ISTANBUL — The European Union, heading for a trade war over a new toll on the greenhouse gas emissions of international airlines using European airspace, has been warned that the measure could wreck the prospects for global action on climate change.

### [Drastic changes needed to curb most potent greenhouse gas](#)

Meat consumption in the developed world needs to be cut by 50 per cent per person by 2050 if we are to meet the most aggressive strategy, set out by the Intergovernmental Panel on Climate Change (IPCC), to reduce one of the most important greenhouse gases, nitrous oxide (N<sub>2</sub>O).

### [Rising Pacific seas linked to climate change: Study](#)

SYDNEY - Sea levels in the southwest Pacific started rising drastically in the 1880s, with a notable peak in the 1990s thought to be linked to human-induced climate change, according to a new study.

### [Painting roofs white is as green as taking cars off the roads for 50 years, says study](#)

Painting roofs white and using light-coloured materials to surface roads and pavements would not only make cities cooler in summer, it would save the same amount of carbon as taking all the cars in the world off the roads for 50 years, a study has found.



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