



Drumbeat: April 30, 2012

Posted by [Leanan](#) on April 30, 2012 - 9:15am

[U.S. 'dirty oil' imports set to triple](#)

NEW YORK (CNMoney) -- U.S. imports of what environmentalists are calling "dirty oil" are set to triple over the next decade, raising concerns over the environmental impact of extracting it and whether pipelines can safely transport this Canadian oil.

The United States currently imports over half a million barrels a day of bitumen from Canada's oil sands region, according to the Sierra Club. That number, Sierra Club says is set to grow to over 1.5 million barrels by 2020. That represents nearly 10% of the country's current consumption.

[Opec oil production rises to three-year high](#)

Opec oil output this month has been the highest in more than three years, and the organisation continues to produce above the ceiling set at its December meeting in an effort to calm an oil market worried about geopolitical tensions involving Iran.

Production by Opec members rose by 1 per cent on the month to reach an average pumping volume of 31.405 million barrels per day (bpd), according to a Bloomberg survey of oil companies, producers and analysts.

Growth was driven by Saudi Arabia, resurgent Libyan output and rising Iraqi capacity, offsetting a decline in Iranian production, which slumped to a 20-year low.

[Oil prices hit by economic gloom](#)

Official data Monday showed Spain had tipped back into recession -- another dose of grim news for a cash-strapped economy that has been hobbled by rising sovereign debt, soaring unemployment and deeply troubled banks.

"Crude oil prices started the week in negative territory, following fairly disappointing economic data from Spain that confirmed that the Spanish economy is sliding into recession," said Sucden broker analyst Myrto Sokou.

[Dubai petrol subsidies in the billions](#)

Dubai has spent billions to ensure that its motorists can fill their tanks cheaply, official documents show.

Federal legislation mandates that Emirates National Oil Company (Enoc), which is owned by the Dubai Government, and its subsidiary Emirates Petroleum Products Company (Eppco) sell petrol at subsidised prices.

As a result, the companies are losing money on petroleum sales, forcing the Government of Dubai to make up the difference.

[Record-High Gasoline Further Burdens Consumers in Europe](#)

Mumtaz Ozkaya, a leather-clothing salesman in London, is slashing his usual 1,000 miles (1,609 kilometers) a month of driving by 30 percent and taking cheaper vacations, as record fuel prices burden European motorists.

“Wages are still the same so I am cutting back on miles and also on holidays,” Ozkaya said in an April 23 interview at a Shell-branded service station near Old Street in the U.K. capital, where regular gasoline costs 143 pence a liter (\$8.76 a gallon). “Whereas we used to go on holiday to a five-star hotel for three weeks that is now a four-star for two weeks.”

[UK gas firms on tight system, lower LNG outlook](#)

(Reuters) - British prompt gas prices firmed on Monday, reflecting an undersupplied system as gas flows from one liquefied natural gas (LNG) terminal fell and the outlook for fresh LNG supplies waned after two weeks of heavy imports.

British gas for within-day delivery rose 2.25 pence from Friday's closing price to 61.25 pence per therm, a two-week high and day-ahead prices also rose, adding 1.85 pence to 61.20 pence.

[4 ways to cash in on \\$100 oil](#)

(MONEY Magazine) -- Given recent experience, you might naturally assume that the sharp run-up in oil prices over the past several months will soon cause the economy and financial markets to seize up.

After all, every recession since the 1980s has been either preceded or accompanied by just such a crude awakening. And every time oil soared above \$100 a barrel and stayed there for a stretch -- in 2011, 2008, and in the early '80s (on an inflation-adjusted basis) -- the gears of global growth ground to a halt, stalling stocks.

[Thailand: Is inflation spiraling out of control?](#)

Think prices for food and fuel are high already? Even worse may yet come, argue some business leaders and economists.

While inflation, as measured by the consumer price index, stood at a moderate 3.4% last month compared with the year before, the numbers belie a rising sense of discontent that costs have spiralled in recent weeks.

[Energy Transfer to Buy Sunoco to Add Oil, Gas Logistics](#)

Energy Transfer Partners LP agreed to buy Sunoco Inc., a pipeline and gasoline station owner, for \$5.3 billion in shares and cash to add oil terminals and transportation assets.

[India ships in 10% less Iran oil in March vs Feb-trade](#)

NEW DELHI: India shipped in about 10 per cent less oil from Iran in March from the previous month, Reuters data showed, its second straight cut since the United States urged consumers to rein in purchases to pressure Tehran over its nuclear programme.

India's imports from Iran were up a hefty 89 per cent in the month from a year ago, however, contrary to deep cuts effected by China and Korea, as refiners made up annual term purchases that were disrupted last year by payment problems.

[Former Libyan minister drowned, autopsy results show](#)

Former Libyan oil minister Shukri Ghanem died by drowning, according to preliminary post-mortem results in Austria.

Mr Ghanem's body was found in the River Danube in Vienna on Sunday.

[Tensions heat up over oil, gas in South China Sea](#)

NEW YORK (CNNMoney) -- Tensions between China and other nations bordering the South China Sea are escalating, with the oil and gas resources that lie beneath those waters playing a central role.

Conservative projections estimate that the South China Sea contains 4.8 billion barrels of oil and 64 trillion cubic feet of natural gas, according to the United States Geological Survey. That's equivalent to Alaska's discovered oil reserves, and more than the discovered gas reserves in the Gulf of Mexico.

[Israel must be prepared for future confrontation with Egypt, says ex-Defense Minister](#)

In the summer of 2005, Israeli-Egyptian relations were rosy. Sitting around a conference table one day were executives from the Israel Electric Corporation and the Egyptian-Israeli East Mediterranean Gas Company. Sitting across from them were Egypt's petroleum minister and his Israeli counterpart, fresh from their meeting with Egyptian President Hosni Mubarak. Facing the cameras, which captured their visible excitement, the two signed off on the agreement that would bring Egyptian natural gas flowing into Israel.

Last week the optimism of that sunny summer day dissolved completely. The \$500-million gas pipeline running through the Sinai peninsula was sabotaged 14 times in as many months. The IEC stands at the edge of a financial abyss. EMG is falling apart.

[Aurora Oil Seeks More Shale Deals as U.S. Gas Prices Decline](#)

Aurora Oil & Gas Ltd. (AUT), an Australian company developing shale holdings in Texas, said the lowest U.S. natural-gas prices in a decade have created opportunities for further deals in the Eagle Ford region.

“With the poor natural gas price in North America there are a lot of capital-constrained companies over there,” Jon Stewart, chief executive officer of the Perth-based company, said in a telephone interview today. “The volume of opportunities coming across our desk has really escalated.”

[Spain's Repsol Accused Of Delaying Gas Supply To Argentina](#)

BUENOS AIRES (BERNAMA-NNN- MERCOPRESS) - The current managers of YPF accused Spain's Repsol of deliberately delaying or ignoring contracts to supply Argentina with liquid natural gas (LNG) following the seizure of a majority stake in the company belonging to the Spanish corporation.

However the supply of that fuel is "guaranteed" with a greater domestic production and "new volumes" to be purchased from Bolivia, said a statement from the Ministry of Federal Planning which has taken over the seized YPF.

[Chesapeake Tangle Goes Far Beyond CEO](#)

Questions about Chesapeake Energy go beyond its chief executive's dubious dealings. Aubrey McClendon's personal stakes in oil and gas projects and the extent of related disclosure have put the \$12 billion U.S. energy giant on the back foot and tied its board in knots. But investors should also be wary of the company's monstrous complexity. It has convoluted off-balance sheet liabilities thanks to convoluted partnerships; hedging gains have dwarfed profit since 2006; and cash flow is consistently negative.

[Exxon Mobil pipeline spills oil in Louisiana](#)

(Reuters) - Exxon Mobil scrambled on Monday to clean up 1,900 barrels of crude oil that leaked from a pipeline in a rural area near Tolbert, Louisiana over the weekend.

The oil from the North Line crude pipeline was contained in the immediate area, Exxon said in a statement, and the cause of the leak from the 22-inch line was not immediately known.

[Indian River power plant hangs in limbo in Port. St. John](#)

The days of jet-black smoke billowing over Port St. John are over.

But while the skies are clearer, the future of two smokestacks at Indian River power plant remains cloudy.

[How To Get Food on Every Table](#)

We have enough food to feed everyone. But we need to produce even more. Here's why.

[How Washington lost the war on childhood obesity](#)

At every level of government, the food and beverage industries won fight after fight during the last decade. They have never lost a significant political battle in the United States despite mounting scientific evidence of the role of unhealthy food and children's marketing in obesity.

Lobbying records analyzed by Reuters reveal that the industries more than doubled their spending in Washington during the past three years. In the process, they largely dominated policymaking -- pledging voluntary action while defeating government proposals aimed at changing the nation's diet, dozens of interviews show.

[As America's waistline expands, costs soar](#)

NEW YORK (Reuters) - U.S. hospitals are ripping out wall-mounted toilets and replacing them with floor models to better support obese patients. The Federal Transit Administration wants buses to be tested for the impact of heavier riders on steering and braking. Cars are burning nearly a billion gallons of gasoline more a year than if passengers weighed what they did in 1960.

[A Book Review Of 'The Crash Course': The Unsustainable Future Of Our Economy, Energy and](#)

[Environment](#)

The first thing to say about *The Crash Course* is that it is an impressive work of scholarship. It is reminiscent of *Guns, Germs and Steel* in terms of the scope and breadth of knowledge brought to bear by the author in support of his thesis – which is basically that we’re headed for hard times unlike anything humanity has seen.

The second is that it contains a few fundamental flaws.

The third is that you should read it anyway. His thesis is more than plausible; his research is meticulous; and no matter how much you think you know about sustainability, you will walk away from *The Crash Course* wiser, if sadder.

[Without oil, modern civilisation doesn't work](#)

Treasury's last [Inter-generational Report](#) contains, hidden away on page 91, a simple stunning statement: Australia's oil will be gone by 2020. The timing could not be worse. By 2020 Peak Oil is likely to have rendered oil imports precarious and costly. And without oil, modern civilisation doesn't work.

[Don't Hide Energy Innovation Under a Bushel](#)

It's easy being green these days for environmental activists – green with envy. The darnedest thing has happened in the energy arena, something that this Foundation frequently cites in opposing heavyhanded government mandates and regulation. It's the innovativeness of Americans.

Not that it's slowing activists' efforts to rein in innovation.

A long time ago, Americans faced predictions that oil was running low. "Peak oil" hasn't happened, thanks to innovation. Vehicles became more fuel-efficient, going farther on less, and businesses and appliances got more energy efficient even as their numbers increased. Improving technology enabled oil producers to locate and extract more resources.

[Amid Rural Decay, Trees Take Root in Silos](#)

At farms like the one run by Joshua Svaty, a former Kansas agriculture secretary, there are too many empty buildings to count, including an old barn occupied by a group of roosting vultures.

“Our farm is a vibrant operation,” he said. “But if someone visited, they might think it was abandoned because so many of our buildings are in a state of decay.”

This is because rural life has been reshaped by the new realities of industrial agriculture. Farms are larger and employ fewer people, so many homes stand empty. Tractors and other equipment have grown too big for old-time barns, which fall victims to disuse.

In an era of specialization, those growing wheat and corn are less likely to raise cows and chickens on the side, so livestock buildings — including the silos — are left to gather dust.

[Wind Farms Might Have Warming Effect](#)

Large wind farms might have a warming effect on the local climate, research in the United States showed on Sunday, casting a shadow over the long-term sustainability of wind power.

[10 most polluted cities](#)

The U.S. has significantly reduced its air pollution, but there's still a lot of work to be done. These 10 cities had the highest levels of year-round particle pollution, according to the American Lung Association's 2012 rankings.

[Hate fossil fuels? Then buy up the reserves](#)

Those with a desire to see a reduction of greenhouse gas emissions from fossil fuels could do worse than to buy up reserves, according to a paper published this month. Researcher Bard Harstad argues that buying and holding extraction rights to fossil fuels is a more effective means of curbing their use than legislating to reduce demand.

At first glance it looks like a novel approach, though perhaps an obvious one when you think of it. For example, coal left in the ground cannot emit greenhouse gases into the atmosphere, so the more you buy and leave there, the more emissions are prevented. But tempting as it is to present the research in these terms, Harstad's argument is actually rather more subtle, and involves influencing fossil fuel markets—and not necessarily by buying in bulk.

[US Navy lacks ability to operate in Arctic, games reveal](#)

KODIAK -- In six oceans, the U.S. Navy is considered the master. In the seventh, the Arctic Ocean, it will rely on others.

As global warming opens the Arctic Ocean to commercial and industrial traffic, the U.S. Navy is pushing to catch up with Russia, Canada and even Denmark in its Arctic ability. If a crisis were to happen now, the Navy lacks the ability to act in the Arctic without the help of one of those countries or the Coast Guard.

[Oil lobbyists approved Harper's climate policy as 'elegant' approach](#)

OTTAWA — The federal government asked the oil and gas industry last fall to review its foreign climate change policies, which were then approved by lobbyists as “an elegant” approach, reveals newly-released correspondence.

The government was consulting the industry about European climate change legislation to reduce greenhouse gas emissions from transportation fuels, according to an email exchange between senior bureaucrats at Natural Resources Canada.

[Report: World progress too slow on climate control](#)

Each year, the International Energy Agency puts out a study of which technological advances are needed to keep global warming below two degrees Celsius. The 2012 report is out and the grades are dismal: Aside from a recent boom in wind and solar power, the world isn't making much progress.

The IEA doesn't just look at recent trends in greenhouse-gas emissions — those can rise and fall with the economy. Instead, it looks at which clean-energy technologies are coming online. If the world wants to avoid a 2C rise in global temperatures, then we'll need a certain amount of low-carbon infrastructure in place by 2020, the IEA says. That means a mix of wind turbines, nuclear reactors, energy-efficient cars and buildings, and so on. And, for most of those things, countries are way behind. Here's a rundown.



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