



Drumbeat: May 11, 2012

Posted by [Leanan](#) on May 11, 2012 - 9:23am

[Scientists urge action on world's biggest problems](#)

LONDON (Reuters) - Scientists from 15 countries are calling for a better political response to the provision of water and energy to meet the challenge of feeding a world of 9 billion people within 30 years.

The joint statement by some of the world's leading science academies was issued on Thursday ahead of the G8 summit in the United States. It is part of the annual lobbying effort aimed at focusing the attention of world leaders on issues the scientific community regards as crucial.

For the first time, the scientists argue that looming shortages in water and energy supplies should be treated as a single issue.

[Could Water Bring Jobs Back to the U.S.?](#)

Have you gotten the memo yet? You can stop worrying about peak oil: the United States is sitting on centuries of natural gas and Canada is full of tar sands. But then there is water. No less than Morgan Stanley Smith Barney declared “peak water” the challenge of the century last December in a report upholstered with authoritative graphs showing the heating of the world and the shrinking of water resources. Words almost failed report writers as they declared, “Water may turn out to be the biggest commodity story of the 21st century, as declining supply and rising demand combine to create the proverbial perfect storm.”

[Oil likely to stay high despite good supply - IEA](#)

LONDON (Reuters) - Tension between Iran and the West is likely to keep oil prices high despite a dramatic improvement in world supply and a big build in stocks, the International Energy Agency (IEA) said on Friday.

The agency, which advises 28 industrialised nations on energy policy, said soaring global oil supply from OPEC countries and the United States far outpaced global demand, curbed by poor economic activity in developed nations.

The agency said global oil supply rose 600,000 barrels per day (bpd) to 91 million bpd in April and was now 3.9 million bpd over year ago levels, with 90 percent of the increase coming from OPEC.

Saudi Arabia has said it pumped 10.1 million bpd last month, its highest for more than 30 years, in a bid to meet growing demand and curb oil prices, which hit a three-and-a-half-year high in March.

[OPEC Says 'Plentiful' Global Oil Supplies Outpace Demand](#)

The Organization of Petroleum Exporting Countries said that global oil supplies are outpacing demand levels, keeping its forecast for world consumption this year unchanged.

OPEC, scheduled to meet next month, is producing 8.3 percent more crude than it considers necessary this quarter, data released today by the Vienna-based group show. This has helped inventories in developed nations to reach "comfortable levels," equivalent to about 59 days worth of consumption, according to an e-mailed report.

"Higher OPEC crude oil production underscores the current trend of plentiful supply in excess of market requirements," OPEC's secretariat said in its Monthly Oil Market Report.

[Oil finds itself on slippery slope](#)

Record production levels, weakening demand, and a declining risk profile in the Gulf have put an end to three consecutive monthly gains in oil prices, Opec said in its monthly report yesterday.

[Oil Heads for Second Weekly Drop as Supply Exceeds Demand](#)

Oil fell in New York, heading for a second weekly drop, on concern that Europe's debt crisis will worsen and curb fuel demand as global crude supplies increase.

Futures slipped as much as 1.4 percent, retreating for the seventh day in eight. OPEC is producing 8.3 percent more crude than it considers necessary this quarter, data released yesterday by the Vienna-based group showed. Prices narrowed their declines after the International Energy Agency said today global oil markets are "marginally tighter" and predicted that geopolitical risks to crude supply will keep prices high.

[Long, climbing road](#)

The biggest problem with the almost constantly increasing petrol prices in SA is that demand is quite unresponsive to price changes: South Africans don't tend to buy less of the stuff when the price rises.

Fuel users are in this sense almost held hostage to the international price of crude and the rand-dollar exchange rate — these determine the basic fuel price, which makes up

59% of the pump price. Consumers have also been hit by an additional 28c/l in the pump price from increases in the fuel levy and the Road Accident Fund.

[Peak oil revisited: the real challenges are investment and sustainability, not availability](#)

The general perception of global oil reserves is unnecessarily gloomy and far removed from reality, even among many policymakers and academics. This is dangerous because it obscures the real and serious economic and environmental challenges faced by the oil sector, argues Noé van Hulst. The Director of the new Energy Academy Europe calls on the oil industry to devote more effort explaining the public what the real challenges are.

[GOP: 'You Think We're Going To Have A Press Conference Now To Congratulate The Administration For Decreasing Gas Prices?'](#)

The GOP's plan to blame Obama's policies for rising gasoline prices has run into one small bump in the road. Gasoline prices have dropped \$0.15 a gallon in the past month, to \$3.79 per gallon this week, down from its peak of \$3.94 in early April, according to The Energy Information Administration.

[Prompt gas slump defies Norway supply cutback](#)

(Reuters) - British prompt gas prices fell slightly on Friday morning on forecasts of warmer temperatures this weekend and healthy supply despite cutbacks in Norwegian flows due to maintenance work.

The start of scheduled maintenance at Norway's Ormen Lange gas processing plant cut supplies via the Langeled pipeline - Britain's main sub-sea import line - but did not impact prices because the drop was in line with expectations.

[Saudis face growth limits over natural gas supplies](#)

A shortage of natural gas could affect future industrial growth in Saudi Arabia, according to the head of Jubail Industrial City, the world's largest petrochemical cluster.

[Difference Engine: Awash in the stuff](#)

EVEN as it tries to slow production down, America is still pumping three billion more cubic feet (85m cubic metres) of natural gas a day out of the ground than it can consume. The country has become so awash in the stuff since "fracking" (hydraulic fracturing of gas-bearing shale deposits) began barely five years ago that the price has plummeted from \$8 per thousand cubic feet to \$2. (A thousand cubic feet of natural gas contains roughly a million BTUs of energy.) Not that long ago, natural gas was a tenth of the price of oil in energy terms; now it is a 50th.

If the natural-gas companies go on producing at the current rate, all the storage reservoirs in America will be full by autumn. With nowhere left to put the stuff, its marginal price will fall to zero. Such a situation is unsustainable.

[Fracking does not pose serious risk](#)

A University of Aberdeen study on hydraulic fracturing or fracking for gas says that the process “does not pose a significant environmental risk”, but there are potential risks to ground water from “poor well design or construction”.

The study for the Environmental Protection Agency (EPA), published today, also finds that Europe’s geology may be far more complex than that in the US, where the fracking industry is well developed.

[Shale Gas Explorer Says U.K. Production May Start in 2014](#)

Cuadrilla Resources Ltd., a U.K. shale-gas explorer that suspended drilling in northwest England after causing minor earthquakes, expects to resume work this year and said gas production may start in 2014.

“By the first quarter of 2013, we will be far enough along in the exploration program to say this makes sense to go ahead and apply for a full field development permit,” Cuadrilla Chief Executive Officer Mark Miller said in an interview. “Production could be under way as early as 2014.”

[Granville Township suspends use of brine](#)

GRANVILLE TOWNSHIP -- The controversy about a technique used to drill oil and gas wells in deep-lying shale has caused Granville Township to pay closer attention to a byproduct of that drilling it uses for road maintenance: brine.

The township trustees have suspended their use of brine for melting ice on township roads pending an investigation of the possible health and environmental risks of its use, Township Trustee Paul Jenks said.

[Lights Go Out in Spain as Cuts Plunge Highways Into Darkness](#)

Cars went barreling along the highway in darkness, ferrying families from Madrid to the beaches of Catalonia during the Easter holiday season, the black stalks of unlit streetlamps flicking past their windows. Truck drivers honked angrily as motorists switched on their full beams to pick out curves in the road, momentarily dazzling oncoming traffic.

Motorists traveling along the main highway linking the Spanish capital to Seville and the rest of the south face similar challenges.

“In some stretches it looks like they’ve been switching off the lights, in others they are missing the bulbs or the cables,” says Pascual Cabello, 32, who runs a fleet of eight trucks. “It’s only going to get worse,” he adds.

[Natixis plans to shut commodities brokerage unit](#)

NEW YORK/PARIS (Reuters) - French bank Natixis said it plans to close its commodities brokerage division, as one of the oldest ring-dealing members of the London Metal Exchange becomes the latest victim of the European debt crisis.

[Qatar buys ‘major’ stake in oil giant Shell](#)

LONDON — Qatar is continuing its overseas buying spree, snapping up a stake in Royal Dutch Shell and reportedly also eyeing a chunk of Italian oil major ENI .

A Shell spokeswoman confirmed that Qatar had bought a stake but declined to say how large.

[Eni probe will not stall Kazakh oil project-official](#)

(Reuters) - Kazakhstan will develop its massive Kashagan oilfield regardless of an Italian investigation into the business activities of key consortium partner Eni in the former Soviet republic, a Kazakh Oil and Gas Ministry official said on Friday.

[Cyprus gets 15 bids for offshore gas search](#)

(Reuters) - Cyprus received 15 bids for its second offshore hydrocarbons licensing round, including energy heavyweights Petronas, Total, and Kogas, energy minister Neoclis Sylikiotis said on Friday.

[Riddles, mysteries and enigmas](#)

FEW people outside Russia have ever heard of Gunvor—and Gunvor would probably prefer it that way. It is the world’s fourth-biggest oil trader, and at its peak handled roughly a third of Russia’s seaborne exports of crude oil. We suspect that Gunvor has been driving down the price of Russian oil. An investigation by *The Economist* into Gunvor’s trading in Urals crude, a benchmark blend in north-west Europe, suggests that such a strategy could have helped the firm buy oil in Russia cheaply and, in theory, earn inflated profits when it sold the same oil on the international market at full price.

[Iraq Oil Output Beating Iran Ends Saddam Legacy](#)

Iraq, seeking to more than double oil output by 2015, is poised to overtake Iran as OPEC's second- largest producer by the end of the year as sanctions hobble crude production in its Persian Gulf neighbor.

Iraq is pumping at the highest rate since Saddam Hussein seized power in 1979, supported by foreign investors such as Exxon Mobil Corp. and BP Plc (BP/) that are developing new fields and reworking older deposits. The country produced 3.03 million barrels a day in April, 7.7 percent more than in March, while Iranian production declined to 3.2 million barrels a day, according to an OPEC monthly report yesterday. Iraq's output last exceeded Iran's in 1988, when the countries ended their eight-year war, statistics compiled by BP show.

[Gulf Arab states face obstacles to unity push](#)

(Reuters) - Gulf Arab leaders meeting on Monday will discuss closer union between their six states because of what they see as growing threats from Iran and al Qaeda after the Arab uprisings, but significant political obstacles loom.

[Syrians take to the streets after deadly bombings](#)

(CNN) -- Syrians took to the streets in protest Friday, a day after massive suicide bombings ripped through the capital, killing dozens in the nation's deadliest attack since an uprising started 14 months ago.

New attacks hit some areas Friday, killing at least five people, according to the Local Coordination Committees of Syria, an opposition group.

[Cnooc Deploys Oil Rig as Weapon to Assert China Sea Claims](#)

China's first deep-water drilling rig began operations near islands in the South China Sea in a move to assert Beijing's territorial claims as travel agencies suspended tours to the Philippines amid safety concerns.

[Pirates Hijack Greek-Owned Tanker off Oman](#)

Pirates have hijacked a Greek-owned oil tanker carrying 135,000 metric tons of crude oil while in the Arabian Sea off Oman, the vessel's manager said.

[Oil rig workers make nearly \\$100,000 a year](#)

NEW YORK (CNNMoney) -- It may be dangerous, difficult work, but oil drillers are well compensated for the job: In 2011 the average salary for rig workers and other industry personnel was \$99,175.

[JPMorgan faces backlash over ties to Sudan](#)

NEW YORK (CNNMoney) -- For the second year in a row, JPMorgan Chase is recommending shareholders vote against a proposal calling for the bank to stop investing in companies that "substantially contribute to genocide or crimes against humanity."

Specifically, the proposal points to JPMorgan's big stake in Chinese oil giant PetroChina, the publicly-traded arm of China National Petroleum Company, which has been widely recognized and condemned for helping finance genocide in Sudan.

[South Sudan Hunts for Loans as Oil-Output Halt Dents Economy](#)

South Sudan is negotiating loans to boost the value of its currency and keep its economy afloat as foreign-exchange reserves decline after the country halted oil production, Deputy Finance Minister Marial Awou Yol said.

The East African nation has secured a \$100 million line of credit from Qatar National Bank and will receive a \$500-million loan within a month from an unidentified provider, Yol said in an interview in Juba, the capital, on May 8. Loans are also being sought from countries including China.

[Arch Coal Lures Lenders With Coal in Ground: Corporate Finance](#)

Lenders are allowing Arch Coal Inc. (ACI) to borrow \$1 billion without the typical level of restrictions, helping the company overcome plunging energy prices as it cuts spending after two quarters of cash outflows.

The fourth-largest U.S. producer of coal, saddled with \$4.1 billion of debt, will use proceeds of a term loan to refinance obligations and eliminate maturities until 2016 while increasing liquidity. The company is reducing its revolver by \$1 billion and loosening restrictions on the existing credit line.

[Africa miner SNR opens new coal export route](#)

LONDON (Reuters) - South African coal miner Strategic Natural Resources Plc (SNR) will open a new coal export route using the East London port in the Eastern Cape when its joint venture marketing firm begins shipments in December.

SNR has formed the joint venture company with Swiss-based trader Trasteel to sell

SNR's anthracite coal, the South African firm said on Wednesday.

[Why Green Gold Is The 'New' Black Gold](#)

As the world pursues ever more dangerous environments in order to discover untapped reserves, the concept of Peak Oil begins to take a more realistic shape. Companies like BP and Transocean know all too well the risks of exploring the deepwater frontier for abundant crude oil. Even Canadian oil sands leader Suncor Energy would have to admit that such innovative sources of oil are coming at a much higher price and cost of efficiency than they once did. But if black oil is on the way out due to increasing costs passed down to industry, what's going to help alleviate the growing void?

[Energy Experts Discuss Economy of Oil at Shasha Seminar](#)

Wesleyan hosted the 10th Annual Shasha Seminar for Human Concerns on April 19-20. The Shasha Seminar is an educational forum for Wesleyan alumni, parents, faculty and friends that provides an opportunity to explore issues of global concern in a small seminar environment.

Endowed by James J. Shasha '50 P'82, the seminar supports lifelong learning and encourages participants to expand their knowledge and perspectives on significant issues. The 2012 theme was The Political Economy of Oil.

[The Peak Oil Crisis: Perspective](#)

While waiting to see how the Iranian nuclear confrontation and the various Eurozone crises sort themselves out, there is time to step back and look at the interaction of the major forces that will shape our future. While the problems of oil depletion are already upon us, shrinking resources are only a part of global dynamics currently.

There are at least six major forces moving civilization in the world today: 1) population growth; 2) economic growth; 3) political stability; 4) technological innovation; and more recently 5) resource depletion and 6.) climate change. There are, of course, other less obvious change-producing forces at work in the world – theology, geology, and culture to name a few--but these six look like a good place to start thinking about the interaction of change. Our six forces are intertwined so that significant movement in one will eventually result in feedbacks affecting some or all of the others.

[Showdown at the H2O Corral](#)

Tombstone, Arizona (CNN) -- There's a popular saying in the American West: Whiskey's for drinking, but water's for fighting over. This dusty little city, made famous by the Gunfight at the O.K. Corral, has a dilly of a water fight on its hands.

Tombstone, population 1,400, is suing the federal government -- and it is likely to be a landmark legal battle.

[Insight: Canada's oil sand battle with Europe](#)

(Reuters) - There's a science to using science.

On May 9, the government of Alberta released a study into the extra carbon emitted by crude produced using oil sands instead of more conventional sources. The study, by a unit of California-based Jacobs Engineering Group, found that emissions from oil-sand crude are just 12 percent higher than from regular crude.

But the report was not just about the science. It also sent a political signal to Europe: Canada's fight over oil sands is not done yet.

[Analysis: Canada may seek to silence some foes of new pipeline](#)

CALGARY, Alberta (Reuters) - Some opponents of the proposed C\$5.5 billion (\$5.5 billion) Northern Gateway oil pipeline to Canada's Pacific Coast may not get a chance to be heard as scheduled by the regulatory panel looking at the plan because of federal government moves to streamline the country's environmental review process.

[How Brazil Is Making an Example of Chevron](#)

For all its global reach and technological sophistication, the second-largest U.S. energy company (ranked behind only ExxonMobil in market capitalization) didn't have an effective plan for a sudden and multifront assault that included populist protest, political posturing, and criminal prosecution—for, in Chevron's view, cleaning up after itself. Part of the blame rests with Chevron's top executives in Brazil. The company represented itself in a critical foreign market with a surprisingly provincial American face. Buck, by all accounts a talented and exacting internal corporate leader, is not the statesman Chevron needed to explain the Frade accident to Brazil's media.

[State power](#)

Expect for a brief period of nationalisation in the run-up to and during the second world war, Japan's electricity industry has always been proudly private. Indeed, for much of its history, it was fiercely independent. In the 1920s the competition was so brutal that rival salesmen would brawl outside their customers' premises to win the right to flog cheap electricity.

Sadly, those days are long gone. Since the 1980s the utilities have looked more like bloated government departments than red-blooded businesses. Their bosses have tended to be lawyers more familiar with pulling the levers of political than electric power.

[End Polluter Welfare Bill Would Stop Coal, Oil, Gas Subsidies](#)

WASHINGTON, DC (ENS) - Senator Bernie Sanders, a Vermont Independent, and Congressmen Keith Ellison, a Minnesota Democrat, today introduced a legislation to end billions of dollars in subsidies for the oil, gas and coal industries.

The Sanders-Ellison End Polluter Welfare bill abolishes federal policies making Americans taxpayers pay for fossil fuel company investments. Under current law, more than \$110 billion in federal subsidies would go to the oil, coal and gas industries in the coming decade.

[EPA to remove vapor-capturing rubber boot from gas pump handles](#)

The Obama administration and the Environmental Protection Agency announced Thursday they intend to phase out the rubber boots on gas pump handles now used to capture harmful gasoline vapors while refueling cars.

The EPA says the vapor-capturing fuel pumps are redundant because more than 70% of all cars on the road today are equipped with on-board systems that capture the harmful vapors.

[Honda wins appeal of small-claims hybrid ruling](#)

A California Superior Court Judge has reversed the high-profile verdict in a small claims case filed by a woman who claimed her Honda Civic Hybrid delivered significantly worse than the maker's advertising claimed it would.

[Couple gets 84 mpg in Passat diesel on real roads](#)

A couple well-known for fuel mileage records on regular roads notched 84.1 mpg in a Volkswagen Passat diesel with six-speed manual.

That high mileage let them go 1,621.1 miles on a single tank of fuel in a three-day ramble through nine states from Houston to Northern Virginia, VW and the couple say.

[Saudi Arabia Plans \\$109 Billion Boost for Solar Power](#)

Saudi Arabia is seeking investors for a \$109 billion plan to create a solar industry that generates a third of the nation's electricity by 2032, according to officials at the agency developing the plan.

The world's largest crude oil exporter aims to have 41,000 megawatts of solar capacity within two decades, said Maher al- Odan, a consultant at the King Abdullah City for Atomic and Renewable Energy. Khalid al-Suliman, vice president for the organization known as Ka-care, said on May 8 in Riyadh that nuclear, wind and geothermal would contribute 21,000 megawatts.

[Solar Installers Offer Deals, Gaining Converts](#)

HOLMDEL, N.J. — Jay Nuzzi, a New Jersey state trooper, had put off installing solar panels on his home here for years, deterred by the \$70,000 it could cost. Then on a trip to Home Depot, he stumbled across a booth for Roof Diagnostics, which offered him a solar system at a price he couldn't refuse: free.

Mr. Nuzzi had to sign a 20-year contract to buy electricity generated by the roof panels, which he would not own. But the rates were well below what he was paying to the local utility. "It's no cost to the homeowner — how do you turn it down?" Mr. Nuzzi said on a recent overcast morning as a crew attached 41 shiny black modules to his roof. "It was a no-brainer."

[Assessing Whether Solar Panels Make Sense for You](#)

Part of the appeal here is that customers can not only reduce their energy costs but fix them for a long period of time, avoiding the unwelcome surprise of a suddenly high bill because, say, natural gas prices have shot up again. Customers also avoid having to figure out how to claim the various incentives and benefits for which they qualify as a renewable energy producer.

But there are some things to look out for. Going solar does not mean going off the grid. A typical roof array will not handle all of a home's electricity needs since it produces power intermittently. So customers will still get a bill from the utility, though probably a much smaller one. Many contracts also have escalator clauses, with the payments increasing over time, so it is important to determine if your energy costs are likely to go up or down if you were to stick solely with the utility.

[Germany Delays Solar Subsidy Cut in Blow to Angela Merkel](#)

Germany's upper house voted to renegotiate a bill backed by Chancellor Angela Merkel that would cut subsidies for solar power after state leaders from her own party said the plan would threaten jobs.

[The Neighborhood Visualizer Maps The Resource Intensity Of Your City](#)

How much material did it take to build your house? How much energy did it use? This new interactive map tells you exactly how much you and your neighbors are using.

[An ocean of troubles](#) (review of *The Ocean of Life: The Fate of Man and the Sea*, by Callum Roberts)

Overfishing, global warming and pollution threaten to transform the ocean—and perhaps life as we know it.

[The coming arms race for Arctic oil](#) (excerpt from *The Eskimo and the Oil Man*, by Bob Reiss)

From a national security standpoint, the Russian said, when it comes to the problem of terrorists of the future attacking oil infrastructure, or of fighting in the Mideast interrupting international oil supply, "Arctic is more safe than Persian Gulf, yes?"

"But in Arctic we have problems, icebergs. If we stop operations in times of icebergs it is not very good, yes? Another problem is oil spill in ice. Recovery? Practically zero," he said. But he did not look worried.

On the contrary, he was smiling. He had an answer! His eyes lit up and his blunt fingers stumbled over the keyboard, stopped, lifted a pen, sketched.

"We need special technology for Arctic, yes?"

Astounded, I realized he was drawing an *underwater nuclear powered tanker*, a kind of huge submarine that, he said, would travel *beneath the ice*, arrive at a sea bottom wellhead, attach itself to piping—as in the sketch—and suck up oil or gas.

[Baked Alaska](#)

From interviews with Yup'ik hunters and elders in the Alaskan villages of St. Mary's and Pitka's Point by researchers from the U.S. Geological Survey, conducted as part of a study of indigenous people's experiences of climate change. A summary of the USGS findings was published last fall in the journal *Human Organization*.

[Political-Risk Insurer Underused as Climate Talks Fail](#)

A World Bank Group agency providing insurance, including political-risk coverage, in developing nations is being underutilized by 30 percent because of a lack of demand as the United Nations fights to protect the climate.

[Game Over for the Climate](#)

GLOBAL warming isn't a prediction. It is happening. That is why I was so troubled to read a recent interview with President Obama in *Rolling Stone* in which he said that Canada would exploit the oil in its vast tar sands reserves "regardless of what we do."

If Canada proceeds, and we do nothing, it will be game over for the climate.

[Global Warming: An Exclusive Look at James Hansen's Scary New Math](#)

How can NASA physicist and climatologist James E. Hansen, writing in the *New York Times* today, “say with high confidence” that recent heat waves in Texas and Russia “were not natural events” but actually “caused by human-induced climate change”?

It wasn't all that long ago that respected MIT atmospheric scientist Kerry Emanuel flatly refuted the notion that you can pinpoint global warming as the cause of an extreme weather event. “It's statistical nonsense,” he told PBS.



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