



Drumbeat: June 16, 2012

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[Rising US crude output may open door to exports-API head](#)

WASHINGTON (Reuters) - As U.S. oil production climbs to record levels, the United States should eventually consider easing its restrictions on crude exports, the head of a powerful oil lobbying group said on Friday.

U.S. oil production hit the highest quarterly level in 14 years in the first three months of 2012, the government said last week, as technologies including hydraulic fracturing, or fracking allow drillers access to vast new reserves.

America's changing energy fortunes call for more support of domestic oil and gas production, and possibly an eventual shift in U.S. energy export policy, American Petroleum Institute President Jack Gerard told Reuters in an interview.

"It's a serious consideration as we continue to produce more and more in this country," Gerard said at API's Washington D.C. office.

[Yes, Oil Prices Are Cyclical](#)

The latest round of briefing papers on oil published over the last week on Wall Street is a testament to how quickly things can change when it comes to oil prices. Less than a few months after Brent crude prices topped \$125 a barrel, Wall Street is suddenly predicting a possible collapse in oil prices to \$50 a barrel.

The forecasts, which may or may not prove to be correct, reflect more than just a cloudy economic outlook for Europe. There appears to be a definitive shift brewing in long-range perceptions about future oil supplies.

[Oil Rises on Speculation Central Banks to Boost Stimulus](#)

Oil rose on speculation that central banks will take steps to bolster global economic growth as investors await Greek elections this weekend.

[Delta CEO Says Airline to Pressure Prices as Jet Fuel Seller](#)

Delta Air Lines Inc. plans to become a seller in the U.S. jet fuel market and push prices lower after acquiring a refinery in Pennsylvania, the airline's Chief Executive Officer Richard Anderson said today.

[Saudi Arabia Will Continue To Supply Customers' Oil Needs- Gulf Source](#)

VIENNA--Top oil exporter Saudi Arabia will continue to supply its customers with their needed crude as long as markets remain stable, a Gulf source familiar with the Saudis' thinking said Friday.

[OPEC projects lower July oil output; ceiling set at 30 mbpd](#)

The Organization of the Petroleum Exporting Countries agreed at a meeting in Vienna on Thursday to maintain the 30 million bpd production ceiling. Badri said that would entail curbing actual supplies by 1.6 million bpd.

"We overproduced by 1.6 (million barrels per day) now we decide to take out the 1.6 and stay with the 30 million," he said. "Everybody will respect that."

[ElBaradei predicts Shafiq Egypt's "new emperor"](#)

Former Secretary General of the International Atomic Energy Agency Mohamed ElBaradei predicts that Ahmed Shafiq, who, he argued, is backed by the ruling military council, will become Egypt's "new emperor".

"We are electing a president without a constitution or parliament - he will become a new emperor; with legislative and executive authorities to tailor laws and amend a constitution based on his own preference", ElBaradei told the British newspaper, The Guardian.

"We are in complete chaos. This mess of assuming good intentions will only lead us back to where we were 18 months ago - but under worse conditions", he added.

[U.N. suspends peace mission in Syria](#)

(CNN) -- The United Nations suspended all activities in Syria on Saturday due to the escalating levels of violence, the chief of the global body's mission said.

"There has been an intensification of armed violence across Syria over the past 10 days," said Gen. Robert Mood, who heads the U.N. Supervision Mission in Syria.

[Shale boom to fuel 1.5 million jobs by 2015, study says](#)

The shale gas boom will account for nearly 1.5 million new jobs by 2015, employing hundreds of thousands of workers across 48 states even as some companies are currently cutting back on production, according to a study released today by research and analysis firm IHS Global Insight.

[Report: Exxon Calls it Quits on Polish Shale Gas](#)

Exxon Mobil Corp has reportedly ended its search for shale gas in Poland after drilling at two sites failed to yield commercial gas flows, reports Polish newspaper Gazeta Wyborcza citing Exxon spokesman Adam Kopysc.

“Ending shale gas exploration in Poland means pulling out of further operations,” the newspaper quoted Kopysc as saying.

[Brazil's Petrobras CEO: Fuel Prices Must Be Adjusted -Report](#)

Brazil's government needs to increase fuel prices, the head of the country's oil company, Petroleo Brasileiro SA, said without giving a time frame.

[Mexico's Pemex to revise its Chicontepec oil project](#)

MEXICO CITY (Reuters) - Mexico's state oil monopoly Pemex will revise its key Chicontepec oilfields project, seen as crucial to boosting output in coming years, and may also adjust its overall investment plans, a Pemex adviser told Reuters on Friday.

[Saudi Crown Prince Nayef Has Died, Saudi State TV Reports](#)

“Now the succession struggle will have to move to the next in line,” Theodore Karasik, director of research at the Dubai-based Institute for Near East and Gulf Military Analysis, said in a phone interview today. “I don’t think this will have any impact on the stability of the country. The selection process is pretty clear. Prince Salman will most likely become the next crown prince.”

[Venezuela Passes Saudis to Hold World's Biggest Oil Reserves](#)

Venezuela surpassed Saudi Arabia to become the world's largest holder of proven oil reserves, a resource that President Hugo Chavez promises to tap if he gets re-elected in October.

[Latin America: The Enron Of Oil?](#)

When you think oil, you think Saudi Arabia. But Venezuelan President, Hugo Chavez has

other ideas. Venezuelan reserves have supposedly more than tripled to 296.5bn barrels, a boost of 40.4% with numbers rising by at least 14% in the past five years to 2011. The Bolivarian revolution can boast 18% of the world's oil riches, the largest single player. Better still; reserves to production ratio now exceed 100 years. This is what you could term the 'kitchen sink' approach to reserves – chuck everything you possibly can in. It also stands in sharp contrast to actual Venezuelan production – a paltry 2.7mb/d – marking a 2% fall on 2011 levels, following four consecutive years of cuts. If anything, Caracas provides a telling glimpse of where Latin American hydrocarbon production is heading. All the hype around reserves is merely fuelling resource nationalism across the region. Reserves will go up; production will head in the opposite direction.

[A Slick About-Face on Oil](#)

President Obama's oil politics are changing -- again. He's scraping off his anti-oil war bonnet in advance of the election and taking credit at every campaign whistle-stop for increased U.S. oil and gas production, even though most of the drilling is occurring on private, not federal, land. The reason for Obama's about-face is that the election is shaping up to be close. Since the public largely favors exploiting all of our domestic gas and oil resources, on and off shore, Obama feels he must lip-sync a version "drill, baby, drill."

[Judge limits attorneys' fees in BP oil spill case](#)

(Reuters) - A federal judge overseeing the massive litigation stemming from the 2010 Gulf of Mexico oil spill issued an order on Friday capping the amount attorneys can charge plaintiffs who participate in a settlement with BP Plc.

[Jeff Rubin: Who's in the driver's seat?](#)

Persuading North Americans that their oil-guzzling days are over while people with a fraction of their average national income will be filling up at the pumps was a hard sell back then. And despite recent demand numbers that tell the same story, it still is. But to close your eyes and hope the world stays the same is really just sticking your head in the sand. Change in world oil consumption isn't coming – it's already here.

[Rubin's new book ties global economy, end of cheap oil](#)

Rubin said governments around the world have responded to sputtering economic growth with rock-bottom interest rates or large economic stimulus programs.

“The zero interest rates and huge budget deficits aren't a substitute for cheap oil. When the economy is not growing at the rate they think it should be they hit the gas.”

While these measures may provide a temporary spurt in economic activity, Rubin said they are unsustainable.

“I'm afraid waiting for the return of past economic growth rates is a bit like Waiting for

Godot because it's not going to happen."

[3 Japanese firms to start solar project in Canada](#)

OSAKA (Jiji Press)--Osaka Gas Co., Mitsubishi Corp. and Sharp Corp. will jointly undertake a massive solar power generation operation in Canada, informed sources said Friday.

[A Second Life for Discarded Fishing Nets](#)

To coincide with World Oceans Day, Interface, the global carpet manufacturer, proposed a novel solution to the problem: turning discarded fishing nets into new carpet tiles while providing income to the communities that collect the nets. Interface said it would form a partnership with the Zoological Society of London to introduce Net-Works, a six-month pilot program with the coastal fishing community of Danajon Bank in the Philippines.

[Caroline Spelman interview: 'It's in our interests to be green and growing'](#)

"What we are dealing with in this financial crisis is a period of unsustainable development," she said. "These are the consequences of having grown and developed unsustainably. I think it focuses the mind on what it is we need to do differently."

[Book calls for change in lifestyle to save earth](#)

Launching a book in Dubai that looks at the perils of global warming makes perfect sense, according to one official from a local eco-store.

Loek Malmberg, chairman of the board of The Change Initiative — a Dubai-based eco-store that sells sustainable products — said the UAE has one of the highest ecological footprint per capita in the world. An ecological footprint measures the human demand on the environment.

[This is what happens when you play Civilization 2 for 10 years](#)

Civilization 2 was first released in 1996, which is approximately forever ago. Reddit user Lycerious has been playing the same game of Civ 2 for the past 10 years (!), and his virtual world of 3991 A.D. is a "hellish nightmare" devastated by global warming and perpetual nuclear war.

The population of Lycerious' simulated world peaked some 2,000 years ago, at about 2,000 A.D. or so, which ought to get you thinking.

[Water scarcity threatens power supply](#)

Water and electricity have no doubt become indispensable in modern day living. Life is impossible without water and intolerable without energy.

Here in Malaysia, there is already serious discussions about water scarcity. Selangor, for example, is contemplating bringing water from Pahang through an expensive tunnel system. This is despite the fact that we enjoy very high rainfall year in year out. Not to mention the frequent flooding. And in Kelantan, the public has lamented for years about the quality of their piped water. This still remains unaddressed.

[Making the Business Case for Rio+20](#)

For business, the key focus is 'green growth' both for developed and emerging economies. At Rio+20, companies have an unique opportunity to showcase their technological solutions for greening growth. With the myriad of business events and high-level meetings, business are also to participate in substantive dialogue, make public commitments to green growth, and deepen their awareness and understanding of the many dimensions of making development sustainable.

[To fix the climate, take meat off the menu](#)

Why are they serving meat at a climate change conference?

[Christian Reformed Church Synod: Combat global warming by using less energy](#)

GRAND RAPIDS, MI - Without uniform agreement that the globe is warming or that people are causing it, the Christian Reformed Church's governing body this week asserted that "human-induced climate change is an ethical, social justice, and religious issue." Synod 2012 also stated that the church should "take private and public actions to address climate change."

[James Lovelock on shale gas and the problem with 'greens'](#)

Almost all over the first world people are moving into cities for good. This intrigues me. EO Wilson in America is beginning to get a lot of interesting data about social insects. He's come up with an extraordinary theory that the nest itself is the unit of selection, not the individual insects. That has enormous consequences. Now consider that applied to humans. If we all move into cities, they become the equivalent of a nest. Then another thought comes immediately from that: if that's the way the flow is going, don't stop it, let's encourage it.

[As Politicians Debate Climate Change, Our Forests Wither](#)

John Mack has a saying: "These trees are dead; they just don't know it." Along a back road to a campsite in Rocky Mountain National Park, the chief of resource stewardship at the park points out seemingly healthy trees covered in ugly, popcorn-shaped masses, a lodgepole pine's natural response to the mountain pine beetle. A healthy tree can forcefully push burrowing beetles out, but many of Colorado's pines are water-stressed and aging. Beetles have mass-attacked them, an onslaught that can overwhelm even healthy trees, Mack says.

[The melting north](#)

The Arctic is warming twice as fast as the rest of the planet, says James Astill. The retreating ice offers access to precious minerals and new sea lanes—but also carries grave dangers.



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