



Drumbeat: August 27, 2012

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[Isaac threatens Gulf oil production](#)

NEW YORK (CNMoney) -- Tropical Storm Isaac is curtailing oil production along the Gulf of Mexico and threatening refineries, which could send already rising gasoline prices up another 10 cents in the coming week.

The U.S. Bureau of Safety and Environmental Enforcement, which oversees offshore oil production, said Monday that 78% of the current daily oil production in the Gulf of Mexico has been shut, with 346 platforms and 41 rigs evacuated. In addition, more than 48% of natural gas production in the Gulf has also been halted.

[Isaac Takes a Hit at Refining Capacity](#)

About 1.3 million barrels a day of refining capacity—nearly 8% of the country's total—is offline, the U.S. Department of Energy said Monday, as refiners remove employees in anticipation of Tropical Storm Isaac making landfall within the next few days.

[Oils fall as Isaac hits refinery demand](#)

Oil operations in the Gulf of Mexico come under threat from Tropical Storm Isaac, dampening demand and prompting a fall in prices.

Oil prices have fallen as Tropical Storm Isaac threatened oil and gas operations in the US Gulf of Mexico, forcing refinery shutdowns that lowered demand for crude.

[BP contaminated gasoline claims reach 6,500](#)

Contaminated gasoline from a BP refinery has so far led to some 6,500 claims from motorists trying to recoup hundreds of dollars they spent for car repairs, a spokesman said Monday.

The company, which so far has fielded about 19,000 inquiries from motorists, last week recalled 2.1 million gallons of gasoline from its refinery in Whiting, Ind. The bad gas affected service stations in three states, including the Chicago region of Illinois, Indiana and Wisconsin. Since then, BP has checked its entire distribution system, BP spokesman

Scott Dean said.

[Pemex prolongs critical natural gas alert through Monday](#)

Demand for natural gas has risen sharply in Mexico because of the impact of historically very low prices for imported gas from the United States. As a result, critical alerts -- which mean the suspension of supplies to major consumers -- have been common in recent months, though they usually last only for a day.

[Kuwait posts record \\$47bn budget surplus as oil prices, production rise](#)

Kuwait posted a record budget surplus of 13.2bn dinars (\$47bn) in the fiscal year that ended March 31 as oil prices and output rose.

[Death toll rises to 48 in Venezuela refinery blast](#)

PUNTO FIJO, Venezuela – The death toll rose to 48 at Venezuela's biggest oil refinery, where fires were still raging on Monday nearly three days after a powerful explosion.

[Venezuela refinery fire spreads](#)

A fire burning at Venezuela's biggest refinery spread to a third fuel storage tank on Monday, all but burying plans for a quick restart of operations after an explosion that killed nearly 50 people in the country's deadliest oil industry accident.

[Kurdistan players pin hopes on new pipelines](#)

This month's move by the Kurdistan region of northern Iraq to resume oil exports through a pipeline network controlled by the country's federal authorities has done little to placate Baghdad's anger with western oil companies entering the region.

Deals struck over recent weeks between leading oil companies and Kurdistan's regional government to acquire oil interests in the semi-autonomous region have faced heated opposition from the Iraqi government.

[Brazil's Vale lifts force majeure at Australia coal mine](#)

RIO DE JANEIRO (Reuters) - Brazil's Vale SA lifted a declaration of force majeure at its Carborough Downs coking coal mine in Australia after a May 31 gas leak forced the mine's closure, the Rio de Janeiro-based company said in a securities filing on Monday.

The mine will increase production and resume deliveries to clients gradually as Vale corrects the operational and geological problems that caused its closure, the company said.

[FACTBOX-Angola:poverty still prevalent despite oil riches](#)

(Reuters) - Angola holds its third national elections on Friday since independence from Portugal in 1975.

It is still recovering from a 27-year civil war that killed half a million people, uprooted more than one million, destroyed infrastructure and littered the country with landmines. The ruling MPLA party has invested heavily in rebuilding but critics say it has done too little to reduce widespread poverty in Africa's second largest oil producer.

[Once-Mighty Suntech Struggles to Survive](#)

The Chinese solar giant is in deep trouble, but even its collapse wouldn't be enough to stabilize a massively oversupplied market.

[How rising well costs are reshaping the oil patch](#)

What's the biggest generational shift in the oil and gas industry?

Don't feel bad if you guessed either hydraulic fracturing, horizontal drilling or drilling multiple wells from the same location (pad drilling). Asian investment or rising production from the oil sands would be impressive choices. However, the answer lies where the bit hits the ground hardest - the capital cost of drilling a well.

A well in western Canada today, on average, costs three times as much to drill and complete as it did six years ago (see attached Figure 1). The big ramp up in the transition period between 2004 and 2010 – from \$1.3-million to \$3.6-million per well – was not because of general inflation, but the quick migration into the capital-intense world of unconventional plays like shale gas and light, tight oil (LTO).

[Oil Rises as Isaac Shuts Output; Gasoline Gains on Refinery Fire](#)

Oil climbed the most in a week and gasoline rose to the highest in almost four months as Tropical Storm Isaac strengthened, crimping output in the Gulf of Mexico, and a fire in Venezuela shut part of the world's No. 2 refinery.

West Texas Intermediate futures climbed as much as 1.6 percent in New York and gasoline surged 4.1 percent. The storm is expected to become a hurricane in "a day or so" as it approaches the northern Gulf coast, the U.S. National Hurricane Center said today. Isaac has shut about 24 percent of U.S. oil production and 8.2 percent of natural-

gas output from the Gulf, the Bureau of Safety and Environmental Enforcement said yesterday. Firefighters in Venezuela are working to quench fires at two storage tanks after a gas explosion at the Amuay plant, part of the Paraguana complex, killed at least 39 people.

[Gasoline Jumps With Crude Oil Futures on Supply Threats](#)

Gasoline climbed to the highest in almost four months and oil gained the most in a week after a refinery explosion in Venezuela killed 39 people and Tropical Storm Isaac shut rigs in the Gulf of Mexico. U.S. stock futures rose as shares of Apple Inc. rallied.

[Gas spending and prices by state](#)

The average price for a gallon of gas is up more than 7% in August, AAA says. Mississippi residents spend a whopping 14.2% of their income on gas.

[Oil prices are setting their own course](#)

The fear factor is still strong in driving the oil market and while the lingering problem with Iran is taking a breather, fear of the long term is still there. Will there be enough oil to drive development? Will Opec countries carry their investment programmes as planned? Is peak oil real or a myth? Will the development of unconventional oil go unhindered in spite of widespread opposition by local residents and environmental groups? Will renewable energies become a real alternative to oil one day?

All these questions and many others have the potential to move the market in one direction or another and we have to live with them and oil producers can only hope to negotiate the path safely.

[Hedge Fund Bets Jump to 15-Month High on Bull Rally](#)

Hedge funds boosted bets on rising commodities to the highest in 15 months, driving prices into a bull market as the U.S. drought worsened and the Federal Reserve signaled it may take more steps to spur economic growth.

[China's July fuel oil imports fall 11% on year to 1.88 mil mt](#)

China's imports of fuel oil in July fell 11.2% year on year to 1.88 million mt, with Venezuela displacing Russia as the top supplier, data released last week from the General Administration of Customs showed.

[Hurricane Warning Posted for U.S. Gulf as Isaac Nears](#)

Tropical Storm Isaac is forecast to strengthen over the eastern Gulf of Mexico, closing oil and natural-gas production sites in its path and threatening four U.S. states with a possible hurricane.

[Eerie similarities: Isaac follows track of Katrina, evacuations ordered for coast](#)

Tampa, Florida (CNN) -- Thousands in Louisiana, Mississippi and Alabama were being told early Monday to leave their Gulf Coast homes ahead of the arrival of Tropical Storm Isaac as forecasters warned it was gaining strength as it followed the same path Hurricane Katrina took seven years earlier.

The governors of the three states each declared a state of emergency, with Alabama Gov. Robert Bentley ordering mandatory evacuations to begin at 8 a.m. for residents who live along the coast and for those in some low-lying areas inland.

[Gulf oil platforms evacuating workers due to Isaac storm threat](#)

Major oil producers, including BP, Shell and Chevron, said Sunday they would be evacuating workers from Gulf of Mexico platforms in the face of an imminent threat of high surf and winds from Tropical Storm Isaac.

The storm could affect an area that produces 23 percent of total daily U.S. oil production and 7 percent of its natural gas output.

BP Plc said it will shut production at all of its Gulf of Mexico oil and gas platforms and evacuate all workers on Sunday in light of Isaac's westerly shift and forecasts that it could strengthen into a hurricane. BP has already shut and evacuated four platforms, including Thunder Horse, the world's largest. The company said Sunday it will shut its other three platforms.

[Norway's Statoil announces large oil discovery in North Sea](#)

OSLO, Norway -- Norway's Statoil says it has discovered a high quality oil reserve in the North Sea off the coast of Stavanger.

The state-controlled oil company says the find in the Geitungen field is estimated at between 140 and 270 million barrels of recoverable oil equivalents.

[BP and Eni make double gas find off Egypt](#)

BP and Eni subsidiary International Egyptian Oil Company (IEOC) have reported two gas discoveries at Taurt North and Seth South in the pair's North El Burg offshore concession in Egypt's Nile Delta.

The British supermajor said the pair of finds were the fourth and fifth to be made in the concession following the Satis-1 and Satis-3 Oligocene deep discoveries and last year's Salmon-1 shallow Pleistocene discovery.

[Saudi Arabia arrests suspected militants, state media reports](#)

(CNN) -- Authorities in Saudi Arabia have disrupted a terrorist cell in Riyadh and arrested at least half a dozen suspected militants, the state-run Saudi Press Agency reported Sunday.

[Saudi Aramco oil giant recovers from virus attack](#)

About 30,000 workstation computers are back online at Saudi Aramco after a virus hit the world's largest oil producer.

Remote access was still restricted "as a precaution" the group said.

[Nigeria navy frees 28 kidnapped oil workers](#)

Nigeria's navy said it had freed 28 local oil workers who were being held hostage by a criminal gang in the oil-producing Niger Delta.

The hostages were Nigerian employees of Chinese oil servicing firm Sinopec, navy spokesman Commodore Kabir Aliyu said.

[Sinopec Posts Lowest Half-Year Profit Since 2008 on Refining](#)

China Petroleum & Chemical Corp., Asia's biggest refiner, posted its lowest half-yearly profit since 2008 after the sale of fuels at state-controlled prices reduced earnings.

[Should Canada refine its own oilsands bitumen?](#)

Whether they're crossing the border into the United States or heading west to the British Columbia coast, the controversial pipelines linked to the Alberta oil sands have one purpose: to get the thick, heavy bitumen out of the country.

But Enbridge's Northern Gateway and TransCanada's Keystone XL pipelines, which have been fighting for the approval of governments, regulatory agencies and the public, have renewed a debate over whether Canada should be refining the raw bitumen at home instead of exporting it to be refined farther afield.

[Fire shuts Iraqi crude oil pipeline to Turkey](#)

A fire on a pipeline carrying approximately a quarter of Iraq's oil exports forced the closure of the link on Monday and halted loading at Turkey's Ceyhan export terminal, security and shipping sources said on Monday.

The cause of the fire on the Kirkuk-Ceyhan pipeline in Turkey's southeastern Şırnak province near the Iraqi border was not immediately known, but authorities suspect sabotage, security sources said. The fire was extinguished and workers tried to cool the pipeline, a 600-mile-long (970 km) double link. The firemen also found the burnt body of a woman. There was a backpack and an automatic rifle close to the body, sources said.

[Venezuela Battles Flames at Largest Refinery After Deadly Blast](#)

Firefighters in Venezuela are battling flames at two storage tanks at the country's largest refinery for a third day after a gas explosion Aug. 25 killed at least 39 people and injured dozens, shutting down the Amuay plant.

[Shell seeks more time to drill exploratory well in Chukchi Sea](#)

Peter E. Slaiby, vice president of the Alaska venture, said Sunday that the company has proposed extending the time allowed for drilling in the Chukchi by slightly less than two weeks beyond the Sept. 24 deadline set by the U.S. Department of Interior to allow time for cleanup of any oil spill before the onset of winter sea ice.

Meeting with reporters at an Arctic Imperative Summit here, Slaiby said the company's latest models for forecasting the onset of winter sea ice now show the first freeze-up occurring somewhat later than originally envisioned when federal officials imposed their initial deadline for ending operations in the Chukchi Sea.

[10 most expensive energy projects in the world](#)

Our growing thirst for energy means today's projects dwarf most past endeavors. The Hoover Dam cost \$49 million in 1936. Adjusted for inflation, that's only \$825 million today.

[UAE may sign more bilateral nuclear pacts](#)

The Emirates Nuclear Energy Corporation (Enec) expects to follow up the award of US\$3 billion worth of fuel supply contracts earlier this month with more bilateral pacts as the UAE's nuclear programme gathers pace.

The Dh11.01 billion deal will lead to the purchase of about 12,000 tonnes of

concentrated uranium - also known as yellowcake - enough to generate 450 million megawatt hours of nuclear energy, according to Fahad Al Qahtani, an Enec spokesman.

[The many, many uses for corn](#)

The bulk of all the corn grown rarely becomes food. Here's where it goes.

[Rising food prices in North spark protest](#)

People living in Canada's far north are increasingly frustrated over the high cost of food.

Protests were held in Nunavut Saturday to highlight rising prices.

Sheila Katsak in Pond Inlet, Nunavut, said she spends about \$60 a day to feed her family of five. Katsak said that doesn't allow for any treats.

"It would be nice if I could buy a pizza at the end of the week. But I can't. It's not affordable," she said.

[Lightbulb moment for 'clean' stove design](#)

The brains behind BioLite are Jonathan Cedar (31) and Alex Drummond (53), two American designers who started working on a prototype wood-burning camp stove as a side project five years ago. The gizmo they came up with is a thermo-electric generator, which converts heat from the flames directly into electricity. This in turn powers a small fan, which makes for a much more efficient fire (the wood gassifies, promoting clean combustion). Any excess electricity can be used to power phones or run lights. Only when Cedar and Drummond entered their design into a competition to find a "clean" stove, and won, did they realised their technology had potential way beyond charging iPods in the Rockies.

[For Climate Change, a Possible Trial Could Echo the Scopes Monkey Case](#)

The scientist Michael Mann has threatened to sue National Review for defamation, setting up the potential for an interesting jury trial on climate change and the hockey stick graph.

[Intriguing Habitats, and Careful Discussions of Climate Change](#)

Many zoos are fearful of alienating visitors with tours or wall labels that dwell bleakly on damaged coral reefs, melting ice caps or dying trees.

[UN green climate fund, aiding poor, to pick HQ in 2012](#)

OSLO (Reuters) - Leaders of a fledgling U.N. green fund agreed at a first meeting on Saturday to pick a headquarters this year as part of a plan to oversee billions of dollars in aid to help developing nations fight global warming.

[Carbon Tax Silence, Overtaken by Events](#)

With distressing images of weather-related disasters saturating the news media, climate change no longer seems such a distant and abstract worry — except, perhaps, in Washington. In 2009, President Obama persuaded House Democrats, then in the majority, to pass a bill aimed at curbing greenhouse gas emissions. Facing a Republican filibuster in the Senate, however, the legislation died. And its prospects dimmed further when Republicans took control of the House in 2010. Mr. Obama has remained relatively silent on the issue since then.

[Is the Bay Area's Highway 37 destined to become a new waterway?](#)

Most of the heavily traveled two- to four-lane road between Interstate 80 and Highway 101, is only 1 to 2 feet above sea level. Caltrans says it has the lowest elevations of any Bay Area highway and some portions passing through marshes even dip well below that.

And that, plus worsening traffic congestion, are why state and environmental groups are so concerned that parts of Highway 37 could some day disappear under water due to such natural events as rising ocean levels and earthquakes.

[The electric grid: Extreme power risks](#)

Extreme weather is putting America's power grid to the test, with a yearlong run of violent storms and record heat battering a system built for fairer skies.

As the eastern United States struggles to recover from yet another weather shock, energy officials are acknowledging climate change as a force that finally has to be reckoned with — even as concern grows over other threats that can set off catastrophic blackouts.



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