



Drumbeat: September 19, 2012

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[Saudi crude burn hits new records in June, July](#)

DUBAI (Reuters) - Saudi Arabia burned record monthly volumes of oil in June and July, official government figures show, contrary to the top crude producer's plan to temper its summer oil burning spree this year with more gas.

The world's leading oil exporter burned an average of 743,500 barrels per day (bpd) of crude in June and July, up 82,000 bpd from the same months last year, mainly to make electricity to keep the population cool, data issued under the Joint Oil Data Initiative (JODI) showed on Wednesday.

The kingdom had hoped that more supply from Saudi gas fields being made available for power generation would save millions of barrels of valuable crude for export this summer.

[Saudi July Crude Output, Exports Inch Down](#)

Oil production in Saudi Arabia, the world's largest crude exporter, fell to 9.801 million barrels a day in July, compared with 10.103 million barrels a day the previous month, official data showed Wednesday.

The kingdom exported 7.286 million barrels a day of crude oil and condensate in July, down from 7.843 million barrels a day in June, according to figures posted on the Joint Organization Data Initiative, or JODI, website.

[UK overseas gas imports to surge to \\$11 billion by 2015](#)

LONDON (Reuters) - Britain's natural gas imports from outside the North Sea will surpass domestic production by 2015 and add more than \$11 billion to import costs as domestic supplies dwindle and Norway increasingly struggles to fill the gap, Reuters research shows.

Estimates show that Britain's own gas supplies will fall from around 43 billion cubic metres (bcm) per year today to around 16 bcm in 2030 if they continue their average annual 5 percent decline since peaking in 2000, while demand is set to hold steady between 85 and 95 bcm.

Britain was a net exporter of gas until 2004, but a steady decline in output over the last few years has made it more reliant on imports, which have so far mostly come from Norway and, increasingly, Qatar.

[Oil Advances After Japan Expands Stimulus Plan](#)

Oil rebounded from the lowest close in more than two weeks in New York amid speculation that Japan's expanded program of monetary easing may bolster fuel demand in the world's third-biggest crude user.

Futures advanced as much as 0.9 percent after the Bank of Japan (8301) said it will increase its asset-purchase fund to 55 trillion yen (\$697 billion) from 45 trillion yen. The BOJ joins the Federal Reserve and the European Central Bank in taking steps to stimulate the economy. New-home construction in the U.S. probably rose in August to the highest level in almost four years, showing residential real estate is recovering.

[Asia Fuel Oil-380-cst cash premium at six-month low](#)

SINGAPORE (Reuters) - Asia's fuel oil market extended losses on Wednesday, with the cash differential for 380-centistoke (cst) fuel oil falling to a six-month low on higher inflows.

[Oil at \\$100 No Spur Yet to Release Strategic Stockpiles](#)

Oil at \$100 a barrel isn't a sufficient trigger for the U.S. and other crude-consuming nations to tap emergency reserves.

West Texas Intermediate, the main U.S. oil grade, is too narrow an indicator of global markets to prompt a release, and policy makers will instead look for North Sea Brent to recover to more than \$120, Citigroup Inc. and Societe Generale SA said. Gasoline is more likely to spur a decision than WTI, especially as U.S. presidential elections approach, should pump prices rise as high as \$4 a gallon, from about \$3.86 now, Barclays Plc said.

[Greeks searching for cheaper heating solutions](#)

Demand for wood is showing a 100 percent increase compared with last year. Traders estimate there will be a serious shortage this winter while the average price of firewood has risen by some 10 percent from last year.

High demand for wood has led to a massive increase in illegal logging in mountainous regions of the country, where forests and even orchards are being depleted, along with a rise in illegal sales. There has also been a considerable increase in wood imports from Bulgaria, which, according to traders, covers some 90 percent of demand in Macedonia.

[Jeff Rubin: The Fed is Pushing on a String](#)

So what's the harm in the Fed trying? Inflation is the traditional argument against central banks turning on the printing presses. Whether widespread price increases will take hold this time around remains to be seen. There is, however, at least one price that another round of quantitative easing is bound to send higher—the cost of oil.

[Kjell Aleklett: Will Saudi Arabia Become An Oil Importer By 2030?](#)

One week ago the news spread that Saudi Arabia would be forced to become an importer of oil by 2030. It was an article in Bloomberg's Businessweek that announced this sensational news and referred to a report titled "Saudi Petrochemicals - The End of the Magic Porridge Pot?" that was released by Citigroup Global Markets Inc. on 4 September. I have now had an opportunity to look at this report that is 152 pages long. First one can assert that the report is mainly an analysis of various companies in Saudi Arabia and the discussion of future oil export possibilities is used as a framework for the company analyses.

[Harvard Losing Out to South Dakota in Graduate Pay: Commodities](#)

Harvard University's graduates are earning less than those from the South Dakota School of Mines & Technology after a decade-long commodity bull market created shortages of workers as well as minerals.

[Canada's Joe Oliver pledges to feed Asia's growing natural gas needs](#)

Natural Resources Minister Joe Oliver is offering assurances to Asian customers that Canada will move quickly to build liquefied natural gas plants capacity on the west coast to feed their growing demand.

[Peter Tertzakian: Canada must prepare for U.S. oil self-sufficiency](#)

Weaning the U.S. from overseas oil creates other ripples with important global consequences, especially to Canada. Already, pipeline bottlenecks created by the surge in production in both countries have induced significant and persistent price discounts to world markets.

Where does the Canadian oil industry fit into a United States that is now whispering about the possibility of being rid of foreign oil in a tangible time horizon? Extraction technologies and consumption patterns are changing the supply-demand balance quickly, so it's a question that is going to amplify over the months and years to come.

[Saudi Aramco completes Karan gas project](#)

Saudi Aramco has finished commissioning the remaining two gas processing lines of an expanded treatment plant for Karan, the kingdom's first non-associated gas field, two industry sources said.

[Saudi Aramco sees 20 bidders to build Jizan refinery-sources](#)

KHOBAR, Saudi Arabia (Reuters) - South Korea dominates a 20-strong pack of international engineering firms bidding to build a multi-billion-dollar refinery for state oil giant Saudi Aramco, sources close to the bidding said.

The refinery in Jizan, an underdeveloped province bordering Saudi Arabia's southern neighbour Yemen, is part of the kingdom's plans to boost its oil refining capacity, processing up to 400,000 barrels per day (bpd).

[Lowest U.S. Gas Price Since 1999 Attracts GAIL: Corporate India](#)

GAIL India Ltd. (GAIL), the first Asian company to buy liquefied natural gas from the U.S., plans to take advantage of the lowest prices in 13 years to boost imports from America and revive sales growth at home.

India's biggest natural gas distributor is in talks with U.S. exporters to make up for falling production at domestic fields, P.K. Jain, finance director at GAIL, said in a phone interview yesterday. The company aims to meet demand in Asia's third-biggest economy through overseas purchases, he said.

[Shell To Meet Iraq Oil Field Target](#)

Royal Dutch Shell PLC said Wednesday its Majnoon oil field in Iraq is still likely to meet a key production target by the end of this year, despite a series of setbacks that have hampered its development.

[Falkland Gas Find Heralds World's Most Remote LNG Plant: Energy](#)

Falkland Oil & Gas Ltd.'s discovery of natural gas off the namesake South Atlantic islands shows investors are betting that demand for the fuel will increase enough to develop finds in the remotest corners of the planet.

Shares of the 247 million-pound (\$400 million) explorer gained 5.3 percent yesterday even after the company found gas-bearing rock at the Loligo well, rather than its target of crude oil that can be easily exported worldwide. Gas requires pipelines or multibillion-dollar factories to allow exports.

[Analysis: Chinese leaders may come to regret anti-Japan protests](#)

(Reuters) - China's decision to open its streets to a wave of anti-Japan protests could end up rebounding on Beijing, which has emerged from days of fervent nationalism with eroded authority at home and fewer options in dealing with Tokyo.

The mass protests, ignited by a renewed territorial dispute, contained some criticism of Beijing as being too soft on its traditional Asian rival, creating pressures that could help push China's incoming new leadership deeper into a diplomatic corner.

[BP's Putin Meeting Signals Exploration Deal With Rosneft](#)

BP Plc talks with President Vladimir Putin indicate that the U.K. oil company may gain access to Russia's Arctic fields as part of a deal to sell half of its TNK-BP venture to OAO Rosneft.

[Italy's ENI discovers major gas field in Pakistan](#)

Italian energy major ENI said on Wednesday it had discovered a major reserve of between 300 billion and 400 billion cubic feet of gas some 350 kilometres (218 miles) north of Karachi in Pakistan.

[Kyrgyzstan exported 1.2 bln kilowatt-hours of electricity to Kazakhstan](#)

"Export volume depends on water and energy situation. This year we have accumulated 17.5 billion cubic meters of water. That is why we sell less. Electricity demand of neighboring republics is small. They are more interested in water. They are forced to buy it together with energy," 24.kg энергия Abdylda Israilov.

[Keystone pipeline's path cuts across Indian Country and history](#)

"There is no legal obligation to work with the tribes," said Lou Thompson, TransCanada's top liaison with Native Americans. "We do it because we have a policy. We believe it's a good, neighborly thing to do." He said the pipeline "is not passing through any tribal lands."

But many Native Americans in the United States — and their lawyers — insist there are legal obligations under 19th-century treaties that affirmed sovereign status of Native American tribes, which do not pay state or federal taxes and which have their own governing councils and police forces.

Moreover, the more recent National Historic Preservation Act and the Native American Graves Protection and Repatriation Act of 1990 both provide for the protection of

Native burial sites and artifacts.

[Victoria, Haisla agree to fast-track LNG project](#)

The provincial government and Haisla First Nation struck a deal Friday that they say will fast-track the development of another liquefied natural gas export terminal at Kitimat.

In announcing the deal - a framework agreement that enables the Haisla to either purchase or lease a site on Crown land already identified as ideal for an LNG terminal - Haisla chief councillor Ellis Ross said it opens the door to Haisla involvement in future LNG development. Two major terminals have already been announced at Kitimat.

[BP in talks 'to sell Texas City refinery'](#)

British energy giant BP is in talks to sell its Texas City refinery to US-based Marathon Petroleum as part of plans to cover costs for the 2010 oil spill disaster, the FT reported on Wednesday.

[BP Norwegian leak small but endangered facility - watchdog](#)

OSLO (Reuters) - BP's oil leak at the Ula field in Norway is considered serious because its location posed a risk to the facility itself but the spill was contained and does not currently pose an environment risk, the Petroleum Safety Authority said.

[Explosion, Fire at Mexico Pemex Gas Facility Kills 26](#)

An explosion and fire killed at least 26 people at a Pemex natural gas facility in northern Mexico near the U.S. border on Tuesday, one of the deadliest accidents in the oil and gas industry in recent years.

Television footage showed flames leaping high into the sky during the blaze at a gas compression station near the city of Reynosa, a key entry point for natural gas to Mexico from the United States.

[L.A.'s Transit Revolution](#)

How a ballot initiative, a visionary mayor, and a quest for growth are turning Los Angeles into America's next great mass-transit city.

[BMW, Hedging Bets on Electric, Stresses Fuel Efficiency](#)

MAISACH, Germany — Despite all the hoopla at car shows over the last few years, it has become clear that electric cars will not appear on roads fast enough to save the planet. As a result, when the Paris auto show opens next week, the emphasis will be on improved varieties of internal combustion.

A case in point is BMW, one of the most visible champions of battery power, which in recent days has been hedging its bets and trying new ways to get more out of conventional gasoline and diesel motors.

[Second Belgian reactor has indications of cracks](#)

(Reuters) - A second nuclear reactor in Belgium has indications of cracks in its core tank, the nuclear regulator said on Thursday, putting further strain on the country's energy supply as it heads into winter.

Preliminary results of tests being carried out at Tihange 2, a reactor operated by GDF Suez unit Electrabel, showed that there were indications of cracks on the core tank, Belgium's nuclear regulator FANC said in a statement.

[Uranium Recovery Postponed as Price Drops to 2-Year Low](#)

Uranium's recovery from the Fukushima nuclear accident may take one or two years longer than analysts estimated as stockpiles in Japan and Germany keep prices low and cause mining companies to defer new development.

[Power East Coast via wind? Doable with 144,000 offshore turbines, study says](#)

Placing wind turbines off the East Coast could meet the entire demand for electricity from Florida to Maine, according to engineering experts at Stanford University.

It would require 144,000 offshore turbines standing 270 feet tall — not one of which exists since proposals have stalled due to controversy and costs. But the analysis shows it's doable and where the best locations are, says study co-author Mark Jacobson, a Stanford professor of civil and environmental engineering.

[Maine pushes tidal power project](#)

A United States company is harnessing the power of the tides in waters off the coast of Eastport, Me., to generate electricity.

For years, Nova Scotia and New Brunswick have debated the virtues and practicality of tidal power. But Ocean Renewable Power in Maine claims it is now the first company in the western hemisphere to use tidal power to generate electricity.

[The greening of the football stadium](#)

FORTUNE -- A new kind of NFL rivalry is forming, not on the gridiron but in the boardroom. Many NFL owners have suddenly gotten religion about the environmental impact of football: installing solar panels in their stadiums, recycling plastic cups, and even composting garbage. Philadelphia Eagles owner Jeffrey Lurie wants to make his venue an environmental showcase. New York Giants co-owner Don Mara says he wants "to have the greenest stadium in the NFL." Jonathan Kraft, whose family owns the New England Patriots, says: "We hope to lead the way in sustainability."

[Forest Fire Research Questions the Wisdom of Prescribed Burns](#)

Recent research, they say, shows that nature often caused far more severe fires than tree ring records show. That means the ecology of Western forests depends on fires of varying degrees of severity, including what we think of as catastrophic fires, not just the kinds of low-intensity blazes that current Forest Service policy favors.

They say that large fires, far from destroying forests, can be a shot of adrenaline that stimulates biodiversity.

[U.S. West should expect bigger wildfires more often - report](#)

(Reuters) - A warming trend has contributed to a sharp rise in the number and size of wildfires on forest lands in the U.S. West, where big burns are likely to become the norm, according to a report released on Tuesday by a climate research group.

The average annual number of fires that cover more than 1,000 acres (405 hectares) has nearly quadrupled in Arizona and Idaho and doubled in California, Colorado and six other Western states since 1970, the study by Climate Central showed.

[How will climate change affect food production?](#)

Food is one of society's key sensitivities to climate. A year of not enough or too much rainfall, a hot spell or cold snap at the wrong time, or extremes, like flooding and storms, can have a significant effect on local crop yields and livestock production. While modern farming technologies and techniques have helped to reduce this vulnerability and boost production, the impact of recent droughts in the USA, China and Russia on global cereal production highlight a glaring potential future vulnerability.

[US Senate looks to pile pressure on EU aviation plans before election break](#)

The US Senate will attempt to push through its anti EU aviation emissions trading bill

this week ahead of its election recess that begins on Friday evening.

[Australian 'mega mine' plan threatens global emissions target](#)

Plans to open up a new Australian "coal export rush" would turn a single Queensland region into the seventh largest contributor of carbon dioxide emissions on the planet, undermining international efforts to keep global warming below 2C, a new report has warned.

[The Social Cost of Carbon: How to Do the Math?](#)

At the heart of this debate is a disagreement about how to apply an economic concept known as the discount rate to the impacts of climate change. Simply put, the rate is based on how much it is worth to us now to prevent that future damage. Given that people are more concerned about having money now, economists posit that we are willing to spend less than a dollar today to prevent a dollar's worth of damage in a year, or two years, or a generation.

[China CO2 Price May Not Reflect Demand, New Energy Says](#)

The first carbon-dioxide price reported in China's Guangdong province at 60 yuan (\$9.50) a metric ton is probably coordinated by government and may not reflect demand and supply, said Bloomberg New Energy Finance.

[U.Va. wins key ruling in Prince William global warming-FOIA case involving Michael Mann](#)

The battle over global warming in Prince William County Circuit Court, focused on renowned climate scientist Michael E. Mann, was either an assault on science or a search for the truth, depending on whose briefs you were reading. But after reading all the briefs, a judge ruled Monday that Mann's e-mail correspondence was exempt from the Virginia Freedom of Information Act and did not have to be provided to the American Tradition Institute, which was trying to delve into the discussions and data behind Mann's conclusions that humans are causing the Earth to grow hotter.

[Race Is On as Ice Melt Reveals Arctic Treasures](#)

NUUK, Greenland — With Arctic ice melting at record pace, the world's superpowers are increasingly jockeying for political influence and economic position in outposts like this one, previously regarded as barren wastelands.

At stake are the Arctic's abundant supplies of oil, gas and minerals that are, thanks to climate change, becoming newly accessible along with increasingly navigable polar shipping shortcuts. This year, China has become a far more aggressive player in this frigid field, experts say, provoking alarm among Western powers.

[El Salvador in battle against tide of climate change](#)

The forest of towering, dead mangrove trees stretches along the beach as far as the eye can see. As the crashing waves rise and fall, short stumps emerge and vanish beneath the Pacific Ocean. Climate change has come early to the Bajo Lempa region of western El Salvador.

[Arctic sea ice thaw may be accelerated by oil, shipping](#)

OSLO (Reuters) - Local pollution in the Arctic from shipping and oil and gas industries, which have expanded in the region due to a thawing of sea ice caused by global warming, could further accelerate that thaw, experts say.



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