



Drumbeat: October 17, 2012

Posted by [Leanan](#) on October 17, 2012 - 9:10am

[Texas landowners take a rare stand against Big Oil](#)

Oil and agriculture have lived in peace in part because a one-time payment from a pipeline company or monthly royalties from a production rig can help finance a ranch or farm that struggle today to turn a profit from agriculture. The oil giants also respected landowners' fierce Texas independence, even sometimes drilling in a different yard or rerouting a pipeline to ensure easy access to the minerals below.

TransCanada is different. For one, it has sought and received court permission to condemn land when property owners didn't agree to an easement.

"This is a foreign company," Crawford said. "Most people believe that as this product gets to the Houston area and is refined, it's probably then going to be shipped outside the United States. So if this product is not going to wind up as gasoline or diesel fuel in your vehicles or mine then what kind of energy independence is that creating for us?"

[Oil Trades Near One-Week High on Bailout Optimism, U.S. Economy](#)

Oil traded near the highest level in a week in New York on signs Germany may ease its resistance to a Spanish bailout and after industrial production rose more than forecast in the U.S., the world's biggest crude consumer.

Futures were little changed after rising as much as 0.7 percent today. Two German lawmakers said the country is open to Spain seeking a precautionary credit line. Output at U.S. factories, mines and utilities rose 0.4 percent in September, twice as much as the median forecast of economists surveyed by Bloomberg News, data from the Federal Reserve in Washington showed yesterday.

[Higher gas prices lift consumer inflation 0.6 percent](#)

Gasoline prices jumped 7 percent in September after climbing 9 percent the prior month. Higher costs at the pump force many American consumers to cut back on other spending.

A measure of underlying inflation, however, was relatively muted. The core CPI, which excludes food and energy prices, increased 0.1 percent for a third month in a row.

[US Oil Rig Boom Leveling Off?](#)

The above shows the weekly Baker Hughes count of oil rigs drilling in the United States. This number has been in a near-vertical climb ever since the beginning of the economic recovery in 2009. However, in the last few months there are signs of it leveling off - whether temporarily or permanently I don't know. It has certainly been an incredible boom.

[Deepwater Permits in U.S. Gulf Exceed Pre-BP Spill Level](#)

The Obama administration has issued this year the most deep-water oil-drilling permits for the Gulf of Mexico since 2007 as high crude prices revive exploration slowed by the 2010 BP Plc spill.

The pace of issuing permits under President Barack Obama drew criticism from his Republican rival Mitt Romney last night and from energy lobbyists during the campaign who say the policies slowed oil and gas production on federal land. Obama had suspended drilling after BP's Macondo well exploded 40 miles off Louisiana's coast, killing 11 workers and sending an estimated 4.9 million barrels of oil into the Gulf.

[Halliburton Profit Falls as U.S. Fracking Business Slows](#)

Halliburton Co., the world's largest provider of hydraulic fracturing services, said third-quarter profit decreased as customers negotiated cheaper rates due to the glut of fracking equipment.

[Sabic Quarterly Profit Drops 23% on Petrochemical Prices](#)

Saudi Basic Industries Corp., the world's biggest petrochemicals maker by market value, posted a 23 percent decline in third-quarter profit as prices for its products dropped amid slower global economic growth.

[RIL in talks with Venezuela's oil company PDVSA to produce heavy oil](#)

NEW DELHI: Reliance Industries is in talks with Venezuela's PDVSA to produce heavy oil in the South American OPEC nation, PdVSA Executive Director Fadi Kabboul said today.

Venezuela's state oil company is in talks with both RIL as well as state-owned Oil and Natural Gas Corp (ONGC) for exploration of Ayacucho and Boyaca fields, he said at the Petrotech 2012 conference here.

[Indonesia group plans \\$4.8 bln refinery with Azeri oil firm](#)

(Reuters) - Indonesia's OSO Group plans to build a \$4.8 billion oil refinery in a joint venture with the State Oil Company of the Azerbaijani Republic (SOCAR), a partnership it hopes to formalise in November, a top OSO official said on Wednesday.

The target for the refinery is to process 600,000 bpd when it opens in 2017. It would be located on part of OSO's concession in a free trade zone next to Batam island from where it could take advantage of busy east Asian shipping lanes.

[Nigeria pirates kidnap six Russians, one Estonian](#)

(Reuters) - Pirates off the coast of Nigeria have kidnapped six Russians and an Estonian during an attack on their ship, Bourbon, the French shipping company operating the vessel said on Wednesday.

[Rosneft Seen Leading Race for TNK as BP Calls for Offers](#)

OAO Rosneft, Russia's state oil company, is the leading contender to buy BP Plc's 50 percent stake in TNK-BP as the U.K. explorer looks to exit the venture that's provided \$19 billion in dividends since 2003.

[BP Rises on Report Rosneft to Buy Billionaires' TNK-BP Stake](#)

BP Plc rose the most in more than four months in London trading after a report that OAO Rosneft has agreed to buy half of the TNK-BP Russian venture.

BP gained as much as 4.3 percent, the most since June 1, and traded up 4 percent at 452.70 pence as of 12:08 p.m. local time. Sky reported that AAR, which represents BP's billionaire partners in TNK-BP, and state-backed Rosneft agreed to a \$28 billion deal in Moscow yesterday for AAR's half of the venture. BP had sought bids for its own half of Russia's third-largest oil producer after relations broke down with the billionaires.

[CRM and Energy Conservation](#)

It's been a little while since I wrote about the impact of energy costs on business, but just because I have been silent doesn't mean the issue is quiescent -- just the opposite. Demand is stronger than ever and supply is trying to catch up, but it will fail.

The result will be higher energy and transportation costs in the year ahead, and those higher costs could upset an already sluggish recovery. To ward off a nasty surprise, companies need to find more ways to reduce business process dependency on energy and transportation. It also puts more emphasis on the front-office solutions that have come to market in the last few years that help in many cases to accomplish those goals.

[Angola Starts Sovereign Wealth Fund With \\$5 Billion](#)

Angola, Africa's second-biggest oil producer, is starting a sovereign wealth fund with \$5 billion in assets to ease the impact of commodity price volatility that prompted an International Monetary Fund loan three years ago.

[Critics slam White House on Benghazi attack](#)

WASHINGTON — Critics assailed the White House on Tuesday for repeatedly refusing to explain lax security at the consulate in Libya and whether it deliberately withheld information from the public indicating the attack there had ties to a terrorist group.

[Russia moves to prosecute anti-Putin protest leader](#)

Georgia, under Saakashvili's administration, cut diplomatic relations with Moscow after a five-day war with Russia over two Kremlin-backed breakaway regions in the South Caucasus nation.

"The voice recorded in the footage shot with a hidden camera... belongs to Udaltsov, and the meeting, excerpts of which are shown in the film, took place in the second half of June 2012," the statement said, referring to NTV documentary "Anatomy of a Protest 2".

NTV, owned by the media arm of state-controlled gas export monopoly Gazprom, has been used regularly to criticise those who have fallen foul of the Kremlin.

[California Sued by Conservation Groups Over Fracking Risk](#)

California was sued by the Sierra Club and other groups seeking to block approval of new oil and gas wells because regulators have allegedly failed to consider or evaluate the risks of hydraulic fracturing, or fracking.

The state's division of oil, gas and geothermal resources regularly approves permits for wells without any environmental analysis about the health effects of fracking by excluding such projects from review, lawyers for the groups said in a complaint filed today in state court in Oakland, California.

[The 6 big energy issues this election](#)

FORTUNE -- One curious thing about this year's presidential race is the prominent position energy policy has taken. This issue, which in past elections largely got relegated

to the "too wonky to bother with" category, is now front and center because energy has become inexorably linked with job creation. Says Andy Karsner, a former assistant secretary of energy under George W. Bush and now executive chairman of Manifest Energy: "Both candidates see the current oil and gas boom as an opportunity to create employment."

The similarities end there. The shape of our energy industry will differ dramatically under Romney compared with a second Obama term. Jim Talent, a former U.S. senator (R-Mo.), sketches out Romney's basic philosophy in a white paper on the candidate's official website: "The problem is not that America does not have energy. The problem is that our government -- alone among the governments of the world -- will not allow its own people to recover the energy that they possess." Romney's policies heavily favor the development of America's fossil fuels, including an emphasis on more oil, gas, and coal production, the opening up of more federal lands and offshore sites for exploration and development, and severely curtailing the power of the Environmental Protection Agency to regulate carbon and other emissions.

[Cardboard bicycle can change the world, says Israeli inventor](#)

MOSHAV AHITUV, Israel (Reuters) - A bicycle made almost entirely of cardboard has the potential to change transportation habits from the world's most congested cities to the poorest reaches of Africa, its Israeli inventor says.

[Obama's \\$5 Billion Slow to Charge Electric Car Purchases](#)

President Barack Obama has put \$5 billion in taxpayer money behind his goal of having 1 million electric cars on U.S. roads by 2015. The Republican presidential ticket says it's money wasted on "losers."

Whether the technology itself is a loser or consumers are merely slow to adapt to new things, car buyers so far haven't embraced electric vehicles in numbers close to Obama's goal. Electric-vehicle sales since 2011 totaled fewer than 50,000 through September, just 5 percent of the president's target.

[A123 Bankruptcy Gives Romney New Example of Green-Energy 'Loser'](#)

The bankruptcy filing yesterday by electric-car battery producer A123 Systems Inc. (AONE) gave Republican Mitt Romney fresh ammunition to criticize President Barack Obama's record on the economy.

"A123's bankruptcy is yet another failure for the president's disastrous strategy of gambling away billions of taxpayer dollars on a strategy of government-led growth that simply does not work," Andrea Saul, a Romney campaign spokeswoman, said in an e-mailed statement yesterday.

[Will US wind power splutter out if Mitt Romney cuts its subsidy?](#)

The subsidy has become a touchstone issue in the presidential campaign for windy swing states like Iowa and Colorado: Mitt Romney has referred to the PTC as a "stimulus boondoggle" and vowed to kill it, while President Obama has promised to give the credit his support. Every one to three years, as the PTC reaches its expiration date, it must be taken up, re-debated, re-tweaked, and re-approved by Congress, exposing it to shifting political whims particularly in a general election year where the future party spread is far from certain.

[India's 39% Plunge in Wind Installations May Spur Mergers](#)

Wind-turbine suppliers in India may be forced to consolidate amid increasing competition after a policy vacuum prompted a 39 percent plunge in installations in the first half of the financial year.

[Renewable energy projects are put on the map](#)

The Clean Energy Business Council, a trade group based in Abu Dhabi, has released a map tracking the 150 renewable energy projects that are under way across the region.

[A Chemist Comes Very Close to a Midas Touch](#)

Dr. Chirik, 39, has learned how to make iron function like platinum, in chemical reactions that are crucial to manufacturing scores of basic materials. While he can't, sadly, transmute a lump of iron ore into a pile of valuable jewelry, his version of alchemy is far more practical, and the implications are wide-ranging.

The process could herald a new era of flexible manufacturing technologies, while enabling companies to steer clear of scarce elements as prices rise or obtaining them becomes environmentally or geopolitically risky.

[For the Crowded Masses, a Push to Provide More Escape Patches](#)

With open space scarce, and much of it accessible only to those who can afford it, advocates want India's commercial capital to create additional oases.

[Who's moving in? Adult kids, aging parents](#)

The survey out Wednesday of more than 1,000 homeowners by PulteGroup, builder of everything from starter homes to upscale residences and Del Webb adult communities, shows that the rise in multi-generational households may continue.

"It's an enormous change," says Stephen Melman, director of economic services at the National Association of Home Builders. "I remember when I was in college, no one wanted to be near their parents."

[Agricultural cooperatives and food security](#)

Another World Food Day is here. The event celebrated annually on October 16 is a movement for stakeholders in agriculture to think about the state of sustainable farming and how to adequately feed the world's hungry billion. This year, the event is commemorated with critical focus on sustainable agriculture through cooperatives to feed the world in the throes of climate change. It enabled stakeholders rethink agriculture from problem to solution with a view to achieving the right to food in a climate-constrained world.

[Rising food prices haunt our future](#)

Food prices in China may be relatively insulated from the volatile global food market and thus the country can ensure food security. But the country could become vulnerable to outside shocks in the future.

Oxfam's research on extreme weather and extreme food prices shows how a drought in the United States (similar to one this year) in 2030 could temporarily raise the prices of corn and wheat in China by 76 and 55 percent.

[If extreme weather becomes the norm, starvation awaits](#)

With forecasts currently based only on averages, food production may splutter out even sooner than we feared.

[Canadian government 'knew of plans to dump iron into the Pacific'](#)

As controversy mounts over the Guardian's revelations that an American businessman conducted a massive ocean fertilisation test, dumping around 100 tonnes of iron sulphate off Canada's coast, it has emerged the Canadian government may have known about the geoengineering scheme and not stopped it.

[EU Carbon Link Presents Political, Price Risks for Australians](#)

Australia handed control of its carbon price to a partner with more ambitious climate targets when it agreed to link with the European Union market, according to a partner at Baker & McKenzie LLP.

"Australia's price will be influenced by the market where the reduction target is the

highest in the world,” Martijn Wilder of Baker & McKenzie, the Sydney law firm, said in an Oct. 10 interview. “If EU prices go much higher, say 30 euros, then the Australian government will be placed under a lot of pressure by industry to revisit the linking arrangements.”

[Dalai Lama Considers Climate Change At MIT Forum](#)

CAMBRIDGE, Mass. — Every nation will suffer if governments don't think about common interests and responsibilities in dealing with climate change, rather than national interest, the Dalai Lama told a crowd in Cambridge on Monday.

“Whether we can really solve these problems or not, we have to make an attempt, that's how I feel,” the exiled Tibetan spiritual leader said at a forum hosted by the The Dalai Lama Center for Ethics and Transformative Values, a nonprofit think tank at the Massachusetts Institute of Technology.

[Scientists have 'limited knowledge' of how climate change causes extinction](#)

A major review into the impact of climate change on plants and animals has found that scientists have almost no idea how it drives various species to extinction.

[Computer models of Earth's climate change confirmed on Mars](#)

WASHINGTON (Reuters) - Computer models have accurately forecast conditions on Mars and are valid predictors of climate change on Earth, U.S. and French astronomers said on Tuesday.

These computer programs predicted Martian glaciers and other features on Earth's planetary neighbor, scientists found.

[There may be more to the Arctic thaw than global warming](#)

In what appears to be a deliberate tension-reducing mode, the Russians I spoke with carefully stressed how potentially explosive issues such as which of the countries with competing claims in the Arctic Ocean – Russia, Canada, Denmark (for Greenland) and the U.S. – will get what share of the top of the world must be achieved through consultation rather than by provocative rhetoric or actions.

It was equally plain from speaking with the Russians that their country remains far more capable of operating in the High Arctic than any potential rivals. Moreover, to build on the lead they inherited from the Soviet Union, they are already devoting more resources and intellectual energy than anyone else.

[Study confirms sea-level rise is accelerating along northeast U.S. coast](#)

(Phys.org)—A new study by emeritus professor John Boon of the Virginia Institute of Marine Science shows that the rate of sea-level rise is increasing at tidal stations along the Atlantic coast of North America, including those in Norfolk, Baltimore, New York, and Boston.

[Flooding in Miami Beach prompts warning about rising seas](#)

Miami-Dade County officials said Tuesday's flooding of Alton Road and other low-lying areas in Miami Beach is a warning about the perils of rising sea levels.

[North America Has Biggest Rise in Weather Catastrophes](#)

Climate change contributed to a fivefold increase weather-related natural disasters in North America over the past three decades, according to Munich Re, the world's biggest reinsurer.

"Nowhere in the world is the rising number of natural catastrophes more evident than in North America," Peter Hoeppe, head of Munich Re's Geo Risks Research unit, told reporters in Munich today. There was a four-fold gain in disasters in Asia, while the number doubled in Europe, the reinsurer said.



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