



## Drumbeat: February 4, 2013

Posted by [Leanan](#) on February 4, 2013 - 9:00am

### [Vast Oil Reserve May Now Be Within Reach, and Battle Heats Up](#)

Comprising two-thirds of the United States's total estimated shale oil reserves and covering 1,750 square miles from Southern to Central California, the Monterey Shale could turn California into the nation's top oil-producing state and yield the kind of riches that far smaller shale oil deposits have showered on North Dakota and Texas.

For decades, oilmen have been unable to extricate the Monterey Shale's crude because of its complex geological formation, which makes extraction quite expensive. But as the oil industry's technological advances succeed in unlocking oil from increasingly difficult locations, there is heady talk that California could be in store for a new oil boom.

### [Brent Crude Slips From Four-Month High Amid Iran Discussions](#)

Brent crude retreated from its highest closing level in more than four months in London as the prospect of renewed talks between western governments and Iran spurred speculation that last week's gains were excessive.

Futures slipped as much as 0.6 percent, while West Texas Intermediate halted its longest stretch of weekly advances in more than eight years. Iran considers an offer to negotiate directly with the U.S. over its nuclear program a "step forward" and expects to resume meetings with world powers later this month, Foreign Minister Ali Akbar Salehi said. Brent's 14-day relative strength index was at 70, a technical level that suggests prices have climbed too quickly.

### [Fears fade over energy supply shortage](#)

About this time last year, supply fears were propping up crude prices.

A new round of sanctions had stirred Iran into frenzied sabre-rattling, causing concern that it would block the Strait of Hormuz, the waterway passed by the vast majority of oil produced in the Arabian Gulf.

Market anxiety was compounded by uncertainty over how the sanctions aimed at Iran's oil exports would affect the global supply situation: would Saudi Arabia make use of its spare capacity to offset any shortfall?

### [Saudi, Libyan oil ministers affirm commitment to stable oil market](#)

Dubai (Platts) - Saudi Arabian oil minister Ali Naimi and his Libyan counterpart, Abdel Bari al-Arousi, Monday affirmed their commitment to a stable oil market through cooperation on a bilateral level and on the international arena, the official Saudi SPA news agency reported.

"At the start of the meeting, minister Naimi stressed the importance of relations between the two key oil producing countries and noted their desire to bolster their petroleum industry and preserve its independence, in addition to their common commitment of preserving the stability of the international oil market through their membership of some international organizations like OPEC and OAPEC," SPA quoted the Saudi minister as saying.

### [Goldman Sachs Reduces 2013 Forecast for U.K. Gas Price by 19%](#)

Gas prices at the U.K.'s National Balancing Point will drop this year to 59.7 pence a therm because of lower demand and discounts from pipeline gas suppliers, Goldman Sachs Group Inc. (GS) said.

### [Iran Open to U.S. Offer, Sees Feb. 25 Atomic Talks](#)

Iran considers an offer to negotiate directly with the U.S. over its nuclear program a "step forward" and expects to resume meetings with world powers later this month, the Persian Gulf nation's Foreign Minister Ali Akbar Salehi said.

Talks to defuse tension over Iran's nuclear work will be held in Kazakhstan Feb. 25, Salehi said yesterday at the Munich Security Conference. The U.S. will offer bilateral negotiations if the Islamic Republic's Supreme Leader Ayatollah Ali Khamenei is prepared for "serious" discussions, U.S. Vice President Joe Biden said the day before at the same event.

### [French tanker believed held by pirates off Ivory Coast](#)

ABIDJAN (Reuters) - A French-owned Luxembourg-flagged tanker with 17 crew members that went missing off Ivory Coast at the weekend is believed to have been hijacked by Nigerian pirates, the International Maritime Bureau said on Monday.

The IMB, a division of the International Chamber Of Commerce charged with fighting maritime crime, issued a security alert for West Africa's Gulf of Guinea following a spate of violent attacks on vessels in recent days.

## [Energy Secretary Chu Resigns Leaving Oil Markets in Turmoil](#)

In his letter of resignation from the post of Energy Secretary, Chu characterized his Department as a "Department of Science, a Department of Innovation, and a Department of Nuclear Security." He then goes on to point out the myriad achievements and initiatives during his tenure ranging from BioEnergy Research Centers, Wind and Solar Energy initiatives, nuclear safety, appliance efficiency standards and on. Not an unimpressive list of scientific and clean energy programs. Embedded deeply in his letter is his conviction that rising temperatures present a present and growing danger to the planet and need be addressed. His tenure at Energy addressed this issue relentlessly, and even with the \$500 million Solyndra debacle, built a foundation for research, creativity, and with funding guarantees to a plethora of clean energy projects supporting manufacturing plants throughout the country.

## [Top British politician admits obstructing justice](#)

LONDON (AP) — It started with a traffic penalty. It ended in political exile.

Former British Cabinet minister Chris Huhne — once one of the country's leading politicians— has pleaded guilty to the charge of obstruction of justice over a career-wrecking attempt to pin a speeding penalty on his wife.

## [FMC nets Thunder Horse deal](#)

FMC Technologies has scooped a subsea contract from BP for one of the UK supermajor's projects in the US Gulf of Mexico.

The services stalwart has been contracted to manufacture and supply subsea equipment to support water injection in the Thunder Horse field, it said on Monday.

## [Dana Gas profits flow as Egypt and Iraq disputes are cleared](#)

Dana Gas, the Sharjah-based fuel producer, reported a 20 per cent jump in profits last year as payments began flowing from key production areas in Egypt and the Kurdish region of Iraq.

## [Zambia warns oil firms on licences: use them or lose them](#)

CAPE TOWN (Reuters) - Zambia's mines and energy said on Monday the government would revoke oil exploration licences of companies that had been awarded them but had not started probing for crude.

A hydrocarbon scramble is underway in central and eastern Africa, sparked by oil finds in Uganda and promising gas discoveries off the coasts of Tanzania and Mozambique.

### [Aurizon Delays Coal Rail Opening on Flood-Damaged Tracks](#)

Aurizon Holdings Ltd., Australia's biggest transporter of coal by rail, delayed the opening of two tracks that carry the fuel for producing power and steel to Gladstone port in Queensland after floods damaged the system.

### [Genesis Energy, L.P. Announces Expansion of Existing Gulf Coast Terminal Infrastructure, New Crude Oil Pipeline and New Unit Train Facility](#)

HOUSTON (BUSINESS WIRE) - Genesis Energy, L.P. today announced the company plans to invest approximately \$125 million to improve existing assets and develop new infrastructure in Louisiana to connect into Exxon Mobil Corporation's Baton Rouge Refinery, one of the largest refinery complexes in North America with more than 500,000 barrels per day of refining capacity. The project is expected to generate positive economic benefits both for the community of Baton Rouge and the state of Louisiana.

### [Three more bodies found in rubble of Mexico skyscraper explosion; death toll hits 36](#)

MEXICO CITY -- Mexican rescue workers found three more bodies over the weekend amid the rubble of a deadly blast that tore through state oil firm Pemex's main office complex on Thursday, the government said as search efforts appeared to near a close.

The death toll from Thursday's explosion stands at 36, Pemex said via Twitter. Rescue workers had been digging through the last sections of the building's basement and may soon call off their search. One person was reported still missing, and at least 121 people were injured.

### [Mexico Still Seeking Answers Days After Deadly Pemex Blast](#)

The search for the cause of a blast that destroyed three floors of a building at Petroleos Mexicanos's headquarters and killed at least 34 people entered a fourth day, as investigators toiled ahead of a self-imposed deadline for finding an answer.

Federal agents are reviewing tapes from banking facilities, such as Grupo Financiero BBVA Bancomer SA, in the complex as well as forensic, chemical and explosive evidence for clues to the cause of the Jan. 31 explosion.

### [Romania reverses course on shale gas](#)

In a widely expected U-turn, Romanian authorities yesterday (31 January) gave the American energy giant Chevron the certificates it needed to start exploring for shale gas

in the eastern part of the country.

The Romanian authorities reversed their decision from last April to suspend Chevron from gas exploration activities.

### [Colorado Communities Take On Fight Against Energy Land Leases](#)

Coloradans in solidly red cities west of here are the ones who have written letters to the government supporting the lease sale, saying it will bring jobs and tax revenues. In Paonia, where political lines are more evenly split, residents have come out overwhelmingly against the idea of drilling, saying it threatens a new economy rooted in tourism, wineries and organic peaches.

“It’s just this land-grab, rape-and-pillage mentality,” said Landon Deane, who raises 80 cows on a ranch that sits near several federal parcels being put up for lease. Because of the quirks of mineral ownership in the West, which can divide ownership of land and the minerals under it, one parcel up for bid sits directly below Ms. Deane’s fields, where she has recently been thinking of sowing hops for organic beer.

“All it takes is one spill, and we’re toast,” she said.

### [Land Battles Rise as U.S. Eyes 450,000 Miles of New Pipe](#)

When a power company tried to run cables over land owned by Larry Salois’s mother near Cut Bank, Montana, the native American fought the \$400 million project.

He lost when the state passed a law forcing him to sell a right-of-way. Typical of U.S. property battles sparked by the quest for energy security, Tonbridge Power Inc. said it needed the most direct path for its electric line to wind farms, even though it would run across land holding a historical icon.

“They were going to put it right through the middle of a teepee ring,” said his attorney, Hertha Lund of Bozeman. The cluster of stones marked a foundation for ancient settlements left behind by the Plains and other Indians. They’re an irreplaceable cultural heritage to many native Americans.

### [Arctic nations' oil spill plans too vague -environmentalists](#)

OSLO (Reuters) - Plans by Arctic nations to start cooperating over oil spills are vague and fail to define corporate liability for any accidents in an icy region opening up to oil and gas exploration due to global warming, environmentalists said on Monday.

A 21-page document by the eight-nation Arctic Council, seen by Reuters and due to be approved in May, says countries in the region "shall maintain a national system for responding promptly and effectively to oil pollution incidents."

## [Tepco Gets Approval for \\$7.5 Billion More Compensation Funds](#)

Tokyo. Fukushima nuclear plant operator Tokyo Electric Power Co (Tepco) on Monday received approval to tap the Japanese government for \$7.5 billion more funds to compensate those harmed by the worst nuclear disaster since Chernobyl.

## [Centrica Pulls Out of Building Nuclear Plants in U.K. on Costs](#)

Centrica Plc, the U.K.'s largest household energy supplier, opted out of a plan to build nuclear reactors in the U.K. with Electricite de France SA because of rising costs and will return 500 million pounds (\$786 million) to investors by buying back shares.

Centrica, which had an option to take a 20 percent stake in four new reactors at two EDF power plants, said today it decided not to participate as the project is likely to cost more than originally planned and take longer than expected. That leaves the U.K.'s plan to build reactors without a British investor.

## [Sellafield management sharply criticised by Commons committee](#)

The reputation of the nuclear industry faces further damage this week with the publication of a highly critical report on Monday on the management of the Sellafield plant in Cumbria, days before a court action over the illegal dumping of nuclear waste.

The moves follow Cumbria county council's refusal last week to pursue plans to build a storage facility for radioactive materials needed, many believe, if Britain is to build new atomic power stations.

## [U.S. backs off goal of one million electric cars by 2015](#)

(Reuters) - The U.S. Department of Energy on Thursday eased off President Barack Obama's stated goal of putting 1 million electric cars on the road by 2015, and laid out what experts called a more realistic strategy of promoting advanced-drive vehicles and lowering their cost over the next nine years.

## [Electric Cars Head Toward Another Dead End](#)

Are electric cars running out of juice again?

Recent moves by Japan's two largest automakers suggest that the electric car, after more than 100 years of development and several brief revivals, still is not ready for prime time - and may never be.

### [Why it makes sense for auto foes to join forces](#)

FORTUNE -- It's lovely how a single element can bring several car companies together. Automakers are bonding to make cost-competitive vehicles that run on hydrogen, the upper-leftmost element on the periodic table.

### [Rise in Oil Tax Forces Greeks to Face Cold as Ancients Did](#)

Unemployment is at a record high of 26.8 percent in Greece, and many people have had their salaries and pensions cut, but those are not the main reasons so few residents here can afford heating oil. In the fall, the Greek government raised the taxes on heating oil by 450 percent.

### [IEA chief: 'Fossil fuel subsidies are public enemy number one for green energy'](#)

The International Energy Agency (IEA)'s chief economist has today again urged governments around the world to end the \$0.5tr of annual subsidies given to oil and gas production, while also warning that policy instability has become the greatest challenge facing renewable energy markets.

Speaking to delegates at the annual European Wind Energy Association (EWEA) conference in Vienna, the IEA's Dr Fatih Birol described fossil fuel subsidies as "public enemy number one" for the production of sustainable energy.

### [Wind turbines stall at 2 federal prisons](#)

A \$2.5-million wind turbine at the Dorchester Penitentiary has stopped working and the Correctional Service of Canada cannot estimate when it will be generating electricity again.

The federal government purchased two wind turbines for Canadian penitentiaries in the last five years but both units have caused problems.

### [Because Green Goes With Everything](#)

Q Is green real estate a fad?

A On the contrary, it's a necessity. With our mass transit, density and good bones, New York has the framework for being a more sustainable place. But if we don't take advantage of these benefits, we'll suffer. And as we learned from Hurricane Sandy, we have to develop good plans. We have to adapt to rising sea levels and to more severe storms, which will determine how and where we build. We have to create buildings that are both resilient and sustainable.

### [Singh: India not planning further emission cuts](#)

India's Prime Minister says developed countries are primarily responsible for addressing climate change, arguing his government has taken sufficient steps to promote low carbon growth.

Speaking at the Delhi Sustainable Development Summit Dr Manmohan Singh said there could be "no progress" on avoiding the 2C target without further ambition from richer countries.

### [Nordic states eye 2050 carbon neutral energy system](#)

Developing a carbon neutral energy system in the Nordic region by 2050 would cost less than 1% of cumulative GNP, a new analysis has revealed.

Denmark, Finland, Iceland, Norway and Sweden have ambitions to cut emissions 85% by the middle of the century, but so far have lacked a clear strategy.

### [Republican energy plan calls for more drilling, nothing to rein in greenhouse gases](#)

WASHINGTON — The Senate's top Republican on energy issues, Lisa Murkowski of Alaska, has crafted a blueprint for U.S. energy policy that calls for increased drilling while opposing laws to cap greenhouse gases that are blamed for global warming.

"Energy 20/20" is a signal of how the Republicans want to proceed on energy policy in the coming years as the nation wrestles with contentious debates over oil drilling, fracking and climate change.

### [Robert Redford: You Can Move Washington, D.C. Forward on Climate Change](#)

On February 17, tens of thousands are coming together in Washington, D.C. to ask the president to stand up for climate. The Forward on Climate Rally is expected to be the largest climate rally in U.S. history.

### [Maersk urges climate action](#)

Maersk Container Industry (MCI) has called for tougher enforcement of European environmental legislation designed to protect the Earth's ozone layer and help prevent climate change.

"We urge the European Commission to ensure enforcement of existing EU legislation regarding insulation foam in reefer containers," said Peter Nymand, CEO for Maersk



Container Industry. "This would benefit the environment, and it would help European innovation and environmental investments pay off."

### [Kiribati buying up land in Fiji](#)

Kiribati, a scattered Pacific nation severely damaged by over-crowding and the impact of sea-level rise, has announced it is buying up land in Fiji.

"We are buying this land in Vanua Levu, near Savusavu, to address our food security and not for the relocation of our people," Kiribati President Anote Tong told the Fiji Times.

### ['Mining' groundwater could fuel climate change, study finds](#)

The world's increasing reliance on deep groundwater for agricultural, residential and industrial use is fuelling crop-damaging soil salinity and depleting the world's supply of fresh water, according to a new study in the journal Nature Climate Change.

Low-lying crop lands here in B.C. could be threatened, as water brought to the surface for human needs compounds the rise in sea levels predicted by climate change models.

The most immediate impact of over-use of groundwater will be on our ability to feed ourselves, according to one of the study's co-authors Diana Allen, a professor of earth sciences at Simon Fraser University.



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