



## Drumbeat: February 9, 2013

Posted by [Leanan](#) on February 9, 2013 - 10:09am

### [Fuel industry envisions American energy independence as domestic production rises](#)

The U.S. has discovered so much more energy than it thought it had that some now talk about the possibility for North American energy independence.

The reason? Advances in technology such as fracking, horizontal drilling and other improvements, which have increased natural gas production by 27 percent in just four years, have made the U.S. number one in gas -- with oil on its way.

"We could make OPEC 'NOPEC' if we really put our minds to it," says Charles Drevna of the American Fuel and Petrochemical Manufacturers. "We're talking decades, if not into the 100s of years, of supply in North America."

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### [Oil Exports Trim U.S. Deficit as Fuel Gap Shrinks: Economy](#)

Record petroleum exports helped shrink the U.S. trade deficit in December to the smallest in almost three years as America moved closer to energy self-sufficiency, a goal the nation has been pursuing since the 1973 Arab oil embargo.

The gap narrowed 20.7 percent to \$38.5 billion, the smallest since January 2010 and lower than any estimate in a Bloomberg survey of 73 economists, Commerce Department figures showed today in Washington. Oil exports climbed \$11.6 billion. Another report showed wholesale inventories unexpectedly declined in December.

### [Saudi-Japan oil accord on cards](#)

Tokyo: Japan and Saudi Arabia will sign an agreement this weekend that will allow Tokyo to make emergency requests for additional supplies of crude oil, Japan's Nikkei newspaper reported in its yesterday's edition.

The agreement would set up a telephone hotline between the two governments to allow Japan to quickly seek additional oil supplies in the event of extraordinary circumstances such as terrorist attacks, unrest in the Middle East or a spike in the price of oil.

### [Brent Oil Rises to Nine-Month High on China](#)

Brent crude surged to a nine-month high in London while oil in New York slipped after stronger- than-expected trade data from China signaled increased fuel demand in the world's second-biggest consuming country.

The European benchmark grade's premium to West Texas Intermediate oil in New York strengthened for an eighth day. China's exports rose 25 percent in January from a year earlier and crude imports increased to an eight-month high, customs figures showed. Goldman Sachs Group Inc. said oil markets will "remain tight" in the first quarter and may push prices above its forecasts.

### [Shell's shock move jumpstarts oil benchmark reform debate](#)

LONDON/NEW YORK (Reuters) - Royal Dutch Shell upended the oil world on Friday, unilaterally rewriting the rules of the market that sets the basis of billions of dollars of oil worldwide, risking a liquidity-sapping confrontation with other actors.

In a notice published on its website, Shell said it would alter its SUKO 90 terms in the so-called Dated Brent market starting on Monday for cargoes loading in May and thereafter in a move the oil major said would bolster liquidity in the key North Sea market.

### [Gas lines return ahead of blizzard](#)

NEW YORK (CNNMoney) - Gas lines were building again in the New York area ahead of this weekend's blizzard.

Fairfield, N.J., resident Brelyn Kirk said she saw one gas line in nearby River Edge that stretched for a mile.

### [Heating Oil Hits 4-Month High as Blizzard Boosts Demand](#)

Heating oil rose to the highest level in nearly four months on speculation that a snow storm in the U.S. Northeast will boost demand for distillates and drain stockpiles on the East Coast.

Futures advanced as the National Weather Service issued blizzard warnings that stretched from Maine to New Jersey, and winter storm warnings and advisories reached south to Virginia and west to Michigan. That may increase demand for distillates and draw from East Coast supplies, which slipped almost 3 percent in the week ended Feb. 4, according to Energy Information Administration data.

### [State gas consumption keeps falling in October](#)

Continuing a general trend of year-over-year declines, California gasoline consumption in October totaled 1.22 billion gallons, down 1.1 percent from the same month in 2011, according to the latest statistics released by the State Board of Equalization.

### [India Said to Give 250 Billion-Rupee Subsidy to State Refiners](#)

India will give state-run refiners including Indian Oil Corp. 250 billion rupees (\$4.66 billion) as compensation for selling fuels below cost in the quarter ended Dec. 31, two finance ministry officials with direct knowledge of the matter said today.

### [Energy Rigs in U.S. Decline for First Time in Three Weeks](#)

Oil and gas rigs in the U.S. dropped for the first time in three weeks, Baker Hughes Inc. data show.

Total energy rigs declined by five to 1,759, according to data posted on Baker Hughes' website. The gas count fell by three to 425, the field-services company based in Houston said. Oil rigs dropped by two to 1,330.

### [U.S. Halts Drilling on Gulf Wells With Flawed Bolts](#)

Deep-water oil exploration has been disrupted from the Gulf of Mexico to Brazil by the discovery of faulty bolts used in safety equipment less than three years after the worst-ever U.S. maritime crude spill.

Energy explorers such as Chevron Corp., Royal Dutch Shell Plc and Transocean Ltd. said they have been directed by U.S. regulators to suspend work aboard rigs that employ General Electric Co. devices connecting drilling tubes to safety gear and the seafloor. The equipment must be retrieved so defective bolts can be replaced, the U.S. Bureau of Safety and Environmental Enforcement said in an alert issued on Jan. 29.

### [Gazprom refund for customers](#)

MOSCOW: Gazprom, the world's top gas producer, expects to hand \$4.7 billion in price cuts to European consumers this year, company officials said yesterday, and vowed to make good on dividend promises despite the cash flow hit.

Customers and competitors have been pressing the state-controlled company to cut its prices in Europe, where it generates nearly 60 per cent of its revenues from gas sales.

### [Cameroon state oil chief sees 2013 crude production up 9 pct](#)

YAOUNDE (Reuters) - Cameroon's oil production is expected to rise 9 percent in 2013 as new wells came into production, the head of the central African nation's state oil company SNH said on Friday.

The country's modest oil production rose 3.5 percent in 2012 to 22.37 million barrels last year as new wells came on-stream after slumping the previous years due to mature wells.

### [Energy Minister Chris Bentley leaving politics](#)

Bentley was caught in the controversy surrounding the Liberal government's decision to cancel gas plants in Oakville and Mississauga in the midst of the 2011 election campaign.

### [Experts: Africa's Energy Facilities Could Face More Sophisticated Attacks](#)

Oil prices jumped when terrorists launched a deadly attack on a major energy facility in Algeria recently. Some experts believe more attacks are likely, and the weapons and tactics used will probably become more sophisticated.

Terrorists with links to al-Qaida stormed a gas production complex in Algeria in January. They wrecked equipment and took hostages. Government forces re-took the facility, but not before 37 hostages were killed.

### [Syrian president reshuffles economic Cabinet posts](#)

DAMASCUS, Syria (AP) — Syrian President Bashar Assad reshuffled his Cabinet on Saturday, appointing seven new ministers in a move that appeared aimed at trying to shore up an economy that has been ravaged by the country's 2-year-old revolt, state media said.

State TV said Assad replaced the heads of the oil, finance, social affairs, labor, housing, public works and agriculture ministries. Key security ministries such as defense and interior, which are on the front lines of the civil war, remained unchanged.

### [Turkey says Syrian refugee spending exceeds \\$600 mln](#)

Prime Minister Recep Tayyip Erdogan has said Turkey has already spent more than \$600 million in taking care of Syrian refugees that have taken shelter in the country, vowing that Ankara's "open-door" policy will continue Today`s Zaman reported.

### [World powers should reject stolen crude oil- NSCDC boss](#)

World powers must agree not to purchase stolen crude oil to help Nigeria in the fight against oil thieves and vandals, the Commandant-General of Nigeria Security and Civil Defence Corps (NSCDC) has said.

### [Weapons seizure in Yemen shines light on Iran's attempts to destabilize region](#)

A recent shipment of weapons intercepted in Yemen, including surface-to-air missiles, shows Iran's determination to further destabilize the region, according to the head of the House Intelligence Committee.

### [Victim of Pemex explosion dies at hospital, death toll rises to 38](#)

Executives at Pemex have said a water-heating system may have leaked methane gas into a tunnel beneath the headquarters for more than seven months. They say the blast could have been set off by a maintenance crew's improvised lighting system.

### [Mexico Health Dept says Pemex death toll remains at 37 despite its report listing new death](#)

MEXICO CITY — Mexico's federal Health Department said Friday night that a statement it issued earlier in the day listing a death of a person injured by last week's explosion at the headquarters of the country's state-owned oil company did not mean the disaster's death toll had risen from 37.

### [Gas-Rich Groningen Province in Netherlands Hit by New Earthquake](#)

The Dutch province of Groningen, which sits on the Slochteren gas deposit, was hit by another earthquake as pressure grows on Royal Dutch Shell Plc and Exxon Mobil Corp. to cut output amid forecasts of heavier temblors.

### [Is Keystone XL Obama's line in the sand?](#)

Here are President Barack Obama's words from his second inaugural address: "We will respond to the threat of climate change, knowing that the failure to do so would betray our children and future generations." Thence followed 10 sentences about climate change.

In Edmonton and Ottawa, where governments had grown confident that Mr. Obama, once re-elected, would give the green light to the Keystone XL pipeline from Alberta's bitumen oil deposits to the Gulf of Mexico, those sentences were at least worrisome, if not menacing.

### [Kerry promises 'fair, transparent' review of planned Keystone XL oil pipeline from Canada](#)

WASHINGTON - Secretary of State John Kerry on Friday promised a "fair and transparent" review of a Canadian company's plan to pipe oil from western Canada to refineries in Texas.

In his first comments about the controversial Keystone XL pipeline since becoming secretary of state, Kerry said he is waiting for a review begun by his predecessor, Hillary Rodham Clinton, and hopes to make a decision in the "near term." The State Department has jurisdiction over the \$7 billion pipeline because it crosses an international border.

### [Tribunal presses Ecuador to halt Chevron case enforcement](#)

(Reuters) - An international tribunal arbitrating Chevron Corp's long-running legal dispute over pollution in Ecuador has found the country violated the panel's previous order to do all it could to prevent enforcement of a contested \$19 billion judgment against the company.

The tribunal, acting under The Hague's Permanent Court of Arbitration, said the Ecuador government should have stopped plaintiffs in the case from going to courts in Brazil, Argentina and Canada to try to collect the judgment handed down by an Ecuadorean court in 2011.

### [Exelon chief: Wind-power subsidies could threaten nuclear plants](#)

Exelon Corp. Chief Executive Christopher Crane said Thursday that the rapid pace of subsidized wind-generated electric power could ultimately force it to shutter nuclear plants.

"What worries me is if we continue to build an excessive amount of wind and subsidize wind, the unintended consequence could be that it leads to shutting down plants," Crane said in an interview.

### [ExxonMobil Mistrial Request Denied in New Hampshire Case](#)

ExxonMobil Corp.'s request for a mistrial in a lawsuit brought by New Hampshire over the gasoline additive MTBE was denied by the trial judge in Concord, according to a court filing.

### [Report Faults U.S. Use of Mexican Battery Recyclers](#)

United States companies are sending spent lead batteries to recycling plants in Mexico that do not meet American environmental standards, according to an environmental agency created under the North American Free Trade Agreement, putting Mexican communities at risk.



## [Global warming to bring more rain to hydro-dependent Norway](#)

(Reuters) - Global warming is likely to bring more rain to hydro-dependent Norway, giving a further boost to power production that reached a record high last year due to ample rainfall, the government said in a report on Friday.

Norway's power generation reached 146 terawatt-hours (TWh) in 2012, as hydro inflows from rain and snow melt were 5 TWh above normal, Norway's Water Resources and Energy Directorate (NVE) said. Hydro power accounted for 97 percent of production.

## [Big Coal's Big Problems](#)

You wouldn't have guessed it from all the theatrics of the 2012 election – like when Mitt Romney, who once stood in front of a coal-fired power plant and announced, "That plant kills people," turned around and campaigned on a promise to revive the coal industry – but the days of Big Coal's power have been numbered for a while now. And the prognosis may be about to get worse.

## [Democracy, Hacked: 'The Future: Six Drivers of Global Change,' by Al Gore](#)

At his best, Gore is an articulate, engaging and imaginative polymath, capable of discussing both contemporary globalization and flows of trade a millennium ago or pointing to the use of invisible ink in the Middle Ages as a precursor to modern cryptography. He shows a willingness to rethink positions and admit errors that is as rare among prophets and pundits as among politicians. In speaking, for example, about the possibility of adapting to global warming even while trying to minimize it, he writes: "For my own part, I used to argue many years ago that resources and effort put into adaptation would divert attention from the all-out push that is necessary to mitigate global warming and quickly build the political will to sharply reduce emissions of global warming pollution. I was wrong – not wrong that deniers would propose adaptation as an alternative to mitigation, but wrong in not immediately grasping the moral imperative of pursuing both policies simultaneously, in spite of the difficulty that poses."

## [Sooty ships may be geoengineering by accident](#)

GEOENGINEERING is being tested - albeit inadvertently - in the north Pacific. Soot from oil-burning ships is dumping about 1000 tonnes of soluble iron per year across 6 million square kilometres of ocean, new research has revealed.

Fertilising the world's oceans with iron has been controversially proposed as a way of sucking carbon dioxide out of the atmosphere to curb global warming. Some geoengineers claim releasing iron into the sea will stimulate plankton blooms, which absorb carbon, but ocean processes are complex and difficult to monitor in tests.

## [Unable to stop climate change, EPA prepares for it](#)

“We live in a world in which the climate is changing.”

This statement from the EPA, the first line in its draft “Climate Change Adaptation Plan” [PDF] released today, is basic. But that the EPA is saying it is important.



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